

**PURCHASE AND SALE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS**

This Purchase and Sale Agreement and Joint Escrow Instructions (“**Agreement**”) is made as of this 23rd day of March, 2006, by and between the City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California (“**City**”), and Garden of Champions LLC, a California limited liability company (“**GOC**”). Capitalized terms used herein shall have the meanings set forth on **Schedule 1** attached hereto.

RECITALS

- A. GOC is the owner of the Property, a portion of which is presently used as the major parking lot for the Indian Wells Tennis Garden (“**Stadium**”).
- B. The Stadium is burdened with too much debt, and GOC has requested that City assist GOC in reducing such debt by purchasing the Property from GOC and thereafter leasing to GOC property other than the Property, which will be used as a parking lot for the Stadium.
- C. City is willing to purchase the Property on the terms and conditions contained in this Agreement, so long as the entire Purchase Price less closing costs, expenses, and state and federal income taxes applicable to the transaction described in this Agreement (collectively, the “**Net Proceeds**”) is used to reduce the debt which encumbers the Stadium.
- D. The purpose of this Agreement is to provide and establish the terms and conditions pursuant to which GOC will convey the Property to City and use the Net Proceeds to reduce the debt on the Stadium.
- E. The City has been authorized by action of the City Council of the City of Indian Wells pursuant to the applicable sections of the Indian Wells Municipal Code, to directly negotiate with GOC on the terms and conditions of the acquisition of the Property.
- F. Unless otherwise indicated, defined terms shall have the definitions provided in **Schedule 1** to this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, GOC and City agree as follows:

AGREEMENT

1. **Agreement to Buy and Sell.** Subject to all of the terms and conditions of this Agreement, GOC agrees to sell and convey to City and City agrees to acquire and purchase from GOC the Property.

2. Purchase Price.

(a) Purchase Price. The purchase price of the Property shall be the sum of Fifteen Million and No Dollars (\$15,000,000) (“**Purchase Price**”).

(b) Payment of Purchase Price. Prior to the Closing, City shall deposit into Escrow the entire Purchase Price, in current funds, and less or plus the anticipated net debit or credit to City by reason of the prorations and allocation of closing costs set forth below.

3. Escrow.

(a) Escrow Holder. This Agreement shall also constitute joint escrow instructions to Escrow Holder. As soon as practicable following the execution of this Agreement, the Parties shall open Escrow for the purpose of conveying the Property on the terms and conditions set forth in this Agreement. The Parties agree to execute such additional escrow instructions as Escrow Holder shall reasonably request; provided that in the event of conflict between such instructions and this Agreement, this Agreement shall in all events control.

(b) City Escrow, Title and Other Expenses. City shall pay (i) one half of the Escrow fees charged by Escrow Holder in connection with the transactions described in this Agreement, (ii) City’s share of prorations with respect to the Property, as provided in Article 10 below, and (iii) the cost of any endorsements to the Title Policy that City may request.

(c) GOC Escrow, Title and Other Expenses. GOC shall pay (i) one half of the Escrow fees charged by Escrow Holder in connection with this transaction, (ii) all title insurance premiums for the GOC Title Policy, (iii) GOC’s share of prorations with respect to the Property, as provided in Article 10 below, (iv) all state and county transfer taxes (if any) levied on the conveyance, and (v) any document recording charges and notary fees incurred in conjunction with the conveyance of the Property to City, including without limitation, any recording fees and notary charges with respect to the Deed. GOC acknowledges and agrees that GOC shall be obligated to provide the foregoing amounts to Escrow no later than two (2) Business Days prior to the Closing Date and shall have no right to deduct such amounts from the Purchase Price.

(d) Deposits into Escrow. The Parties shall make or cause to be made the following deposits into Escrow by delivering the following items to Escrow Holder:

(i) Deposits by City. At least two (2) Business Days prior to the Closing Date, City shall deliver or cause to be delivered the following items with Escrow Holder:

(A) The Purchase Price;

(B) Funds sufficient to cover City’s share of prorations, closing costs and expenses pursuant to this Agreement;

(C) Four (4) original counterparts of a general assignment substantially in the form attached hereto as Exhibit D (“**General Assignment**”), duly executed by City;

(D) Four (4) original counterparts of the Partial Assignment of Turf Maintenance Agreement attached hereto as Exhibit K; and

(ii) Deposits by GOC. At least two (2) Business Days prior to the Closing Date, GOC shall deliver or cause to be delivered the following items with Escrow Holder:

(A) The Deed, executed by GOC and notarized by a notary public;

(B) Transferor’s Certificate, fully executed;

(C) Four (4) original counterparts of the General Assignment;

(D) Funds sufficient to cover GOC’s share of prorations, closing costs and expenses pursuant to this Agreement;

(E) Two (2) originals of a bill of sale substantially in the form attached hereto as Exhibit C (“**Bill of Sale**”), duly executed by GOC;

(F) Four (4) original counterparts of a partial termination of that certain lease between GOC, as lessor, and GOC and PB Philbern LLC, a Delaware limited liability company, collectively, as tenants in common, as lessee, the terms and conditions of which shall be subject to the review and approval of the City, in its sole and absolute discretion, pursuant to which such lease is terminated with respect to the Property;

(G) Four (4) original counterparts of a partial termination of that certain sublease between GOC and PB Philbern LLC, a Delaware limited liability company, collectively, as tenants in common, as sublessor, and Desert Champions LLC, a California limited liability company (“**DC**”), as sublessee, the terms and conditions of which shall be subject to the review and approval of the City, in its sole and absolute discretion, pursuant to which such sublease is terminated with respect to the Property;

(H) Four (4) original counterparts of the Partial Assignment of Turf Maintenance Agreement attached hereto as Exhibit K; and

(I) Four (4) original counterparts of the Covenant and Agreement attached hereto as Exhibit L each notarized by a notary public.

(iii) Deposits by Both Parties. Any other information, documents or instruments which Escrow Holder and Title Company reasonably request from the Parties in order to complete the close of Escrow.

4. Conditions Precedent. The close of Escrow shall be conditioned upon the following conditions precedent (“**Conditions Precedent**”):

(a) GOC Conditions Precedent. GOC shall have no obligation to convey the Property to City until the following conditions have been satisfied or waived by GOC. Once such conditions have been satisfied or waived by GOC, GOC shall deliver to Escrow Holder written confirmation that all Conditions Precedent in GOC’s favor pursuant to this Section 4(a) have been satisfied or waived.

(i) City shall have timely delivered all of the items described in Section 3(d)(i) above;

(ii) City shall have formally accepted the Property in accordance with all applicable procedures, ordinances, laws, and regulations that have been adopted by or imposed on the City, including but not limited to the passage of any resolution or the adoption of any ordinance that may be necessary to evidence such acceptance;

(iii) City shall have deposited into Escrow an executed version of the parking lot lease (“**Parking Lot Lease**”) in the form of Exhibit E attached hereto and instructed Escrow Holder to deliver the executed Parking Lot Lease to GOC upon the close of Escrow;

(iv) City has executed and delivered to GOC three (3) original versions of the Agreement Regarding Tournaments attached hereto as Exhibit G;

(v) City has executed and delivered to GOC three (3) original versions of the Third Amendment to City of Indian Wells Sponsorship Agreement attached hereto as Exhibit H; and

(vi) City has executed and delivered to GOC three (3) original versions of the document attached hereto as Exhibit I (“**Host Sponsorship Agreement**”).

(b) City Conditions Precedent. City shall have no obligation to pay the Purchase Price to GOC until the conditions listed below have been satisfied or waived by City. Once such conditions have been satisfied or waived, City shall deliver to Escrow Holder written confirmation that all Conditions Precedent in City’s favor pursuant to this Section 4(b) have been satisfied or waived.

(i) GOC shall have timely delivered all of the items described in Section 3(d)(ii) hereof.

(ii) The contingencies set forth in Article 6 have been satisfied or waived in writing by City.

(iii) Escrow Holder shall be in a position to issue to City at the close of Escrow an ALTA (Form 1970 B) owner’s policy of title insurance, showing City as the fee owner of the Land, in the amount of the Purchase Price, subject only to liens for real property

taxes and assessments not yet due and payable and the exceptions approved by City pursuant to this Agreement and including such endorsements as may be requested and required by City.

(iv) Escrow Holder shall have confirmed to City that upon the close of Escrow it will immediately pay one hundred percent (100%) of the Purchase Price less the Net Proceeds to the holders of the debt secured by the Stadium.

(v) GOC shall have deposited into Escrow an executed version of the Parking Lot Lease and instructed Escrow Holder to deliver the executed Parking Lot Lease to City upon the close of Escrow.

(vi) GOC shall have delivered to City such written evidence as City, in its sole and absolute discretion, shall deem sufficient to show that GOC has sufficient equity available to reduce the debt which encumbers the Stadium to a maximum of Twenty Two Million Five Hundred Thousand Dollars (\$22,500,000.00) immediately after the Closing. GOC shall be required, as a condition to the Closing, to provide to City written documentation of any and all funds that are provided by any affiliate of GOC to or on behalf of GOC to satisfy this condition.

(vii) GOC shall have delivered to City such written evidence as City, in its sole and absolute discretion, shall deem sufficient to show that, upon the close of escrow for the sale of the approximately sixty-eight (68) acres of real property described on **Exhibit F** hereto (the "Developer Parcel"), with the exception of closing costs, expenses, state and federal income taxes applicable to the sale, GOC's repayment of interest and principal on any loan(s) that are secured by the Developer Parcel, and reimbursement of any duly documented funds provided by any GOC affiliate in strict accordance with the requirements of subsection (vi) above, all proceeds received by GOC pursuant to such sale shall be used to reduce the debt which encumbers the Stadium.

(viii) GOC has executed and delivered to City three (3) original versions of the Agreement Regarding Tournaments attached hereto as **Exhibit G**.

(ix) GOC has executed and delivered to City three (3) original versions of the Third Amendment to City of Indian Wells Sponsorship Agreement attached hereto as **Exhibit H**.

(x) GOC has executed and delivered to City three (3) original versions of the Host Sponsorship Agreement.

(xi) GOC shall have provided to the City written evidence satisfactory to City in its sole and absolute discretion indicating that GOC is obligated to implement and comply with a parking plan that results in the Stadium complex providing parking required pursuant to applicable City requirements. See Exhibit M *RM*

(xii) GOC and DC, as applicable, shall have provided to the City written evidence satisfactory to City in its sole and absolute discretion indicating that John M. Foster Turf Farms, Inc., dba West Coast Turf is obligated to vacate that portion of the Property it presently occupies on or prior to July 31, 2006.

5. Closing.

(a) In General. When (i) GOC has provided Escrow Holder with written confirmation that all Conditions Precedent in GOC's favor, as set forth in Section 4(a) hereof, have been satisfied or waived, (ii) City has provided Escrow Holder with written confirmation that all Conditions Precedent in City's favor, as set forth in Section 4(b) hereof have been satisfied or waived, (iii) each Party has deposited in Escrow all of the funds and documents required to be deposited in Escrow by it pursuant to Section 3(d), (iv) City has approved or waived in writing each of the contingencies set forth in Article 6 below, and (v) Escrow Holder is otherwise in a position to close Escrow, Escrow Holder shall close Escrow by dating all undated documents as of the Closing Date and shall do the following in the following order:

(i) Record the Deed in the Official Records and cause the original thereof to be returned to City following recordation.

(ii) Pay all closing costs required to be paid by the Parties pursuant to this Agreement.

(iii) Deliver an appropriate escrow closing statement to each Party together with funds, in the amount of the net credit, if any, due to each such Party by virtue of the final prorations provided for in this Agreement, and pay the net Purchase Price to the holder of the debt which encumbers the Stadium.

(iv) Deliver to City a conformed copy of the Deed, the original Transferor's Certificate, the original Title Policy, two fully executed originals of the General Assignment and the Bill of Sale, a fully executed counterpart of the Parking Lot Lease, and copies of any other documents delivered into Escrow by GOC.

(v) Deliver to GOC a conformed copy of the Deed, a copy of the Transferor's Certificate, two fully executed originals of the General Assignment and the Bill of Sale, a fully executed counterpart of the Parking Lot Lease, and copies of any other documents delivered into Escrow by City.

(b) Delivery of Possession of Property. Simultaneously with the Closing, GOC shall deliver possession of the Property to City. Concurrently therewith, GOC shall deliver to City copies or originals of all licenses, permits, entitlements, environmental documentation, reports, surveys, plans, specifications, warranties and other intangible property owned or controlled by GOC and relating to the Property.

6. Due Diligence. Commencing on the Execution Date and ending on the earlier to occur of (a) the date on which this Agreement is terminated, or (b) the Closing Date, City shall have, at its own expense, the opportunity to complete the following due diligence review of the Property:

(a) Title. Attached hereto as Exhibit J is a marked-up preliminary title report for the Property (collectively, the "**Preliminary Report**") that indicates the exceptions to title that the City has accepted (collectively, the "**Permitted Exceptions**"). The

City shall have no obligation to accept title to the Property subject to any exceptions or encumbrances other than the Permitted Exceptions. Prior to or at the Closing Date, GOC must remove and discharge from record any and all encumbrances, restrictions, covenants, conditions, deeds of trust, mortgages, mechanic's liens for work performed on or material delivered to the Property, judgments, delinquent taxes or assessments and other exceptions that are not Permitted Exceptions and that encumber title to the Property (each, a "Non-Permitted Exception"). If GOC fails to arrange to remove a Non-Permitted Exception prior to the Closing Date, then City may, in its sole and absolute discretion, (i) purchase the Property and use the requisite portion of the Purchase Price to achieve such removal, in which case, GOC shall cooperate in good faith with City to assist in the removal of such objections, (ii) delay the close of Escrow until such time as GOC has removed such Non-Permitted Exception, or (iii) to terminate this Agreement and cancel Escrow by delivering written notice of such cancellation to GOC and to Escrow Holder.

(b) Reports and Appraisals. To the extent not previously provided to City, GOC shall provide City with any and all appraisals, reports, and results of any investigations that are in GOC's possession and control, including, but not limited to, any and all current ALTA surveys, topographic surveys and environmental audits in GOC's possession and control, as of the date on which this Agreement is executed. Such appraisals, reports and results shall be provided to City no later than two (2) days after the Execution Date. In the event that GOC acquires additional appraisals, reports or results after the date on which this Agreement is executed, GOC shall immediately provide such items to City.

(c) Inspection by City. City and its designees and consultants shall have the right to enter and inspect the Property. City shall provide GOC at least one Business Day's prior notice to access the Property. Such inspections may include, without limitation, an environmental investigation (including, without limitation, subsurface borings and samplings) and any and all other investigations, inspections and other due diligence activities that City deems appropriate, in its sole and absolute discretion. At least one (1) Business Day prior to initial entry on the Property by City, its designees, agents, employees, consultants, contractors or subcontractors, as applicable, City shall deliver to GOC certificates or other written confirmation satisfactory to GOC showing that (i) City has in effect a comprehensive general public liability insurance policy including, but not limited to, owned and non-owned vehicle liability, personal injury, blanket contractual, broad form property damage liability coverage covering any and all liability of City with respect to or arising out of any work to be performed by City under this Agreement with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage liability or is self-insured against any such losses, and (ii) GOC has been named as an additional insured on any such insurance policies (except with respect to the workers' compensation policy). City agrees that any and all Inspections of the Property shall be made at City's sole risk and without unreasonable interference with GOC's operations. City agrees to keep the Property free and clear of any liens resulting from any such Inspections.

(d) City's Indemnification. City shall hold harmless, defend and indemnify GOC from all liability, costs (including, without limitation, reasonable attorneys' fees), damages and claims arising from entry and/or activities on the Property by City, its designees, agents, employees, consultants, contractors and subcontractors. Excluded from this

indemnification and hold harmless are any liability, costs, damage or claims (including, without limitation, claims that the Property has declined in value) which are related to (A) pre-existing adverse conditions affecting the Property, (B) the negligence or willful misconduct of GOC, its agents, employees and contractors, or (C) City's discovery of any information potentially having a negative impact on the Property (including, without limitation, any claims arising out of, resulting from, or incurred in connection with the discovery of any Hazardous Materials on or about the Property, unless such Hazardous Materials arose from the entry and/or activities by City, its agents, employees and contractors).

(e) Disapproval Notice. City shall have the right to cancel Escrow as a result of City's disapproval of any matter in this Article 6 at any time on or before the date that is two (2) Business Days prior to the Closing Date by delivering written notice of termination to GOC and to Escrow Holder. Upon such written notice, this Agreement shall be terminated, Escrow shall be terminated, City and GOC shall each pay one-half (½) of any Escrow or Title Company termination fees, and neither Party shall have any further liability or obligation hereunder except for the Parties' indemnification obligations set forth herein, which shall survive the termination of this Agreement. If City fails to deliver to GOC notice of its disapproval of the results of its due diligence on or before the date that is two (2) Business Days prior to the Closing Date, City shall be deemed to have approved all matters set forth in this Article 6.

7. Representations and Warranties.

(a) GOC's Representations and Warranties. GOC makes the following representations and warranties to City, upon which warranties and representation City has relied and will continue to rely, all of which are true as of the date of this Agreement and will be true and correct as of and shall survive the Closing:

(i) Organization. GOC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.

(ii) Execution of Agreement. The execution and delivery of this Agreement and the other documents contemplated by this Agreement by GOC, and the performance by GOC of the obligations under this Agreement: (i) are within the power of GOC; and (ii) will not violate any provision of law, any order of any court or agency of government, the laws and ordinances governing GOC, or any indenture, agreement or any other instrument to which GOC is a party. This Agreement and each of the documents described in this Agreement, when executed and delivered to City, will constitute legal, valid and binding obligations enforceable against GOC in accordance with the terms of such documents.

(iii) Non-Foreign Person. GOC is not a "foreign person" as that term is defined in Section 1445(f) of the Internal Revenue Code and the applicable provisions of California, and the regulations issued thereunder, as amended, or any successor thereto.

(iv) No Prior Transfers of Property. GOC has not transferred, by sale, assignment or otherwise, to any person, partnership, corporation or other entity, all or any portion of any right, title or interest which it may have in and to the Property.

(v) Agreements. Except as may be expressly disclosed by GOC in writing, other than this Agreement, that certain Turf Maintenance Agreement dated as of October 1, 2002 between DC and John M. Foster Turf Farms, Inc., dba West Coast Turf, as amended by that certain First Amendment to Turf Maintenance Agreement dated as of September 30, 2005 between DC and John M. Foster Turf Farms, Inc., dba West Coast Turf (“**Turf Agreement**”) and any matter shown on the Preliminary Report, there are no contracts for deed, land contracts or any oral or written agreements or other executory agreements whatsoever for the assignment or transfer of any portion of the Property in effect or in existence with respect to the Property. Except as may be expressly disclosed by GOC in writing or as disclosed in the title documents described in the Preliminary Report, there are no oral or written agreements or executory agreements whatsoever for the use and occupancy of the Property and there are no tenants or occupants of the Property. Except as may be expressly disclosed by GOC in writing or as disclosed in the title documents described in the Preliminary Report, there are no management, service, maintenance, advance booking, employment or brokerage agreements, obligations, commitments or arrangements, written or oral, with respect to the Property. City acknowledges that, in accordance with the Turf Agreement, John M. Foster Turf Farms, Inc., dba West Coast Turf has the right to conduct its sod farm operations on such portion of the Property to and until July 31, 2006.

(vi) No Litigation. To GOC’s Knowledge, there is no actual or threatened suit, action or legal, administrative, arbitration or other proceeding or governmental investigation involving or affecting the Property. As used herein, the term “**GOC’s Knowledge**” shall mean the actual current knowledge of Ray Moore, an individual who indirectly holds a twenty five percent (25%) membership interest in GOC.

(vii) Compliance with Agreements. The execution and delivery of, and performance under this Agreement has not and will not constitute a breach or default under any other agreement, law or court order under which GOC is a party and which affects the Property or the use, occupancy or operation of the Property. GOC is not in default under any agreement or commitment to which it is a party, the effect of which default could adversely affect the performance by GOC of its obligations under this Agreement. No default exists under any covenant, restriction or agreement related to or affecting the Property.

(viii) Hazardous Materials. GOC has not received notice of any order, directive, complaint or other communication, written or oral, by any governmental or quasi-governmental agency nor has GOC received a notice from any other third party, nor does GOC know (i) of the existence of Hazardous Materials in, on or under the Property, (ii) of any present Release or threatened Release of any Hazardous Materials in, on or under the Property, (iii) of the existence of any underground or above ground storage tanks, or (iv) of any violation of Environmental Laws.

(ix) Insolvency. To GOC’s Knowledge, there are no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending or threatened against GOC, nor are any such proceedings contemplated by GOC.

(x) Condemnation Proceedings. GOC has received no notice of any condemnation or eminent domain proceeding pending or threatened against the Property or any part thereof.

(xi) Mitigation of Paleontological/Archaeological Conditions. To GOC's Knowledge, all necessary mitigation measures in respect of any paleontological and/or archeological conditions on and/or under the Property as required pursuant to that certain Archaeological Testing and Evaluation at CA-RIV-1530 and Portion of CA-RIV-5876 prepared by CRM Tech for DC dated January 29, 2003 (CRM TECH Contract #937) have been satisfactorily completed.

(b) City's Representations and Warranties. City makes the following representations and warranties to GOC, upon which warranties and representation GOC has relied and will continue to rely, all of which are true as of the date of this Agreement and will be true and correct as of and shall survive the Closing:

(i) Organization. City is a charter city duly organized under the Constitution and laws of the State of California.

(ii) Execution of Agreement. The execution and delivery of this Agreement and the other documents contemplated by this Agreement by City, and the performance by City of the obligations under this Agreement: (i) are within the power of City; (ii) have been duly authorized by all requisite action; and (iii) will not violate any provision of law, any order of any court or agency of government, the Charter of City, or any indenture, agreement or any other instrument to which City is a party. This Agreement and each of the documents described in this Agreement, when executed and delivered to GOC, will constitute legal, valid and binding obligations enforceable against City in accordance with the terms of such documents.

(iii) Mitigation of Paleontological/Archaeological Conditions. To City's Knowledge, all necessary mitigation measures in respect of any paleontological and/or archeological conditions on and/or under the Property as required pursuant to that certain Archaeological Testing and Evaluation at CA-RIV-1530 and Portion of CA-RIV-5876 prepared by CRM Tech for DC dated January 29, 2003 (CRM TECH Contract #937) have been satisfactorily completed. As used herein, the term "**City's Knowledge**" shall mean the actual current knowledge of Greg Johnson, the City Manager.

8. As-Is. CITY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT GOC IS TRANSFERRING AND CITY IS ACQUIRING THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, CITY IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM GOC AS TO ANY MATTERS CONCERNING THE PROPERTY. THIS AS-IS PROVISION SHALL SURVIVE THE CLOSING.

9. Additional Pre- and Post-Closing Obligations.

(a) GOC's Obligations. GOC hereby covenants to City, upon which covenants City has relied and will continue to rely, that for the period from the date of this Agreement through and including the Closing Date or the earlier termination of this Agreement:

(i) Further Liens and Encumbrances. GOC shall not subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the date of this Agreement. GOC shall not hereafter modify, extend, renew, replace or otherwise change any of the terms, covenants or conditions of any of such documents, or enter into any new agreements affecting the Property without the prior written consent of City, which consent shall not be unreasonably withheld.

(ii) Other Contracts. GOC shall not hereafter enter into any leases or contracts that will survive the Closing and affect the Property.

(iii) Materials, Labor and Supplies. GOC shall execute any affidavits, waivers, sworn statements or indemnities that may reasonably be required by the Title Company in order to allow the Title Company to issue the Policy without any exceptions relating to mechanics' or materialmen's liens.

(iv) Compliance with Laws. GOC shall materially comply with all Governmental Regulations pertaining to the Property.

(v) Cooperation with Representatives. GOC shall cooperate with City and its accountants, counsel and/or other representatives in providing information and materials pertaining to the Property. Without limiting the generality of the foregoing, promptly following the Opening of Escrow, GOC shall (a) allow a representative or representatives of City access to the Property for the purpose of performing such investigations and analyses of the Property as City may reasonably require, and (b) deliver (or make available to City at GOC's business offices during normal business hours) copies of all documents relating to GOC's ownership and/or operation of the Property, including, without limitation, copies of any licenses, permits, records, plans, agreements, leases, service contracts, equipment leases, tax bills and title documents.

(vi) Insurance. GOC shall maintain in full force and effect policies of liability insurance for the Property for the period through and including the Closing Date.

(vii) Representations and Warranties. All representations and warranties made by GOC pursuant to Section 7(a) shall be true and correct as of the Closing Date.

(b) City's Obligations. City hereby covenants to GOC, upon which covenants GOC has relied and will continue to rely, that for the period from the date of this Agreement through and including the Closing Date:

(i) Representations and Warranties. All representations and warranties made by City pursuant to Section 7(b) shall be true and correct as of the Closing Date.

(ii) Acceptance. City shall take any and all action necessary to formally accept the Property in accordance with all applicable procedures, ordinances, laws, and regulations that have been adopted by or imposed on the City, including but not limited to the passage of any resolution and the adoption of any ordinance that may be necessary to evidence such acceptance. To evidence such acceptance, City shall execute the Deed in a manner that clearly indicates that the City accepts the Deed.

10. Prorations and Adjustments. There shall be no prorations between the Parties, except as expressly provided herein.

(a) Utilities. Prior to the Closing Date, the Parties shall notify all utility companies servicing the Property of the anticipated change in ownership of the Property and request that all billings after the Closing be made to City with respect to the Property. Utility meters will be read, to the extent that the utility company will do so, during the daylight hours on the Closing Date, with charges to that time paid by GOC and charges thereafter paid by City. Charges for utilities which are unmetered, or charges for the meters which have not been read on the Closing Date, will be prorated between GOC and City as of the Closing based upon utility billings for any such charges to the other Party, and such Party shall pay its pro rata share of such charges to the Party requesting payment within seven (7) days from the date of any such request.

(b) Taxes. Taxes for the period in which the Closing Date falls shall be prorated as of the Closing Date. City shall be responsible for all taxes and assessments that become a lien against the Land after the Closing to the extent they relate to the post-Closing period. City shall have no responsibility for taxes or special assessments for the Land to the extent they accrue during or relate to the pre-Closing period. GOC shall be responsible for all taxes and assessments due that are due and payable or become a lien against the Land prior to the Closing to the extent they relate to the pre-Closing period. GOC shall have no responsibility for taxes or special assessments for the Land to the extent they accrue during or relate to the post-Closing period.

(c) Method of Proration. All prorations will be made as of the Closing Date based on a 365-day year.

(d) Adjustments. All prorations and credits shall be prepared using the latest bills or estimates made by the Parties from information available. If any supplemental billing is issued or new information learned with respect to any of the foregoing prorations or credits, the same shall be adjusted and prorated between GOC and City as soon as reasonably possible after the Closing. In any event, to the fullest extent possible GOC and City shall jointly prepare a final schedule of adjustments within thirty (30) days after Closing and either Party owing the other a sum of money shall pay such sum within ten (10) days after such final schedule is prepared. The provisions of this Article 10 shall survive the Closing.

11. Casualty and Condemnation. GOC shall promptly notify City of any casualty or any condemnation proceeding affecting any portion of the Property and occurring or commencing prior to the Closing Date. If, prior to the Closing Date, any portion of the Property is taken or proposed to be taken by eminent domain, either permanently or temporarily, or any portion of the Property is damaged or destroyed, then City may elect to: (i) terminate this Agreement; or (ii) keep this Agreement in full force and effect, in which case, City shall be entitled to any condemnation award or compensation and any insurance proceeds from such condemnation or casualty relating to the Property and the Purchase Price shall not be reduced or adjusted in any manner. Such election shall be made by City delivering notice of such election to GOC and to Escrow Holder within ten (10) Business Days of such casualty or the receipt of notice of the commencement of a condemnation proceeding. City's failure to elect either (i) or (ii) above within the specified time period shall be deemed to be an election of the action in (ii) above.

Upon any termination of this Agreement pursuant to this Article 11, (A) City shall promptly be refunded any sums deposited into Escrow by City, including all sums (if any) which have theretofore been released to GOC and any interest accrued on any such sums, (B) the Parties shall share equally any Escrow or Title Company termination fees, and (C) the Parties shall have no further rights or obligations under this Agreement; provided, however, that such termination shall not release any Party from liability for any breach of this Agreement occurring prior to such termination and shall not release any Party from any indemnification obligation hereunder, which obligations shall survive the termination of this Agreement.

(i) City shall have the right to participate in all negotiations with the condemning Governmental Authority and approve any settlement affecting the Property.

(ii) City acknowledges and agrees that it shall not exercise or encourage any other entity to exercise the power of eminent domain with respect to the Land or any portion thereof.

12. Remedies.

(a) Default by GOC; Election of Remedies. IF GOC SHALL FAIL TO CONVEY THE PROPERTY TO CITY IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, AND SUCH FAILURE CONSTITUTES A DEFAULT BY GOC HEREUNDER, THEN CITY SHALL HAVE THE RIGHT IN ITS SOLE AND ABSOLUTE DISCRETION, TO EITHER (A) TERMINATE THIS AGREEMENT AND RECOVER FROM GOC ANY AND ALL REASONABLE DULY-DOCUMENTED OUT-OF-POCKET EXPENSES THAT CITY HAS INCURRED WITH RESPECT TO THIS AGREEMENT PRIOR TO CITY'S LEARNING OF GOC'S DEFAULT, OR (B) PURSUE THE SPECIFIC PERFORMANCE OF THIS AGREEMENT.

NOTHING CONTAINED IN THIS SECTION 12(a) SHALL WAIVE OR OTHERWISE LIMIT CITY'S REMEDIES OR DAMAGES FOR CLAIMS OF CITY AGAINST GOC ARISING OUT OF GOC'S INDEMNIFICATION OBLIGATIONS HEREUNDER, GOC'S BREACH OF REPRESENTATIONS CONTAINED HEREIN OR ANY BREACH OTHER THAN A

FAILURE TO CONVEY THE PROPERTY TO CITY INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS.

IN NO EVENT SHALL GOC BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES, LOST PROFITS OR SIMILAR DAMAGES. PROVIDED, HOWEVER, THAT CITY SHALL BE ENTITLED TO RECOVER ACTUAL DAMAGES FROM GOC IN THE EVENT THAT GOC KNOWINGLY ACTS TO SUBVERT THE INTENT OF, OR INTENTIONALLY DEFAULTS UNDER THIS AGREEMENT. CITY AND GOC ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 12(a) AND BY THEIR INITIALS BELOW AGREE TO BE BOUND BY ITS TERMS.

City's initials *gt*

GOC's initials *JM*

(b) Default by City. IN THE EVENT THE CLOSE OF ESCROW SHALL FAIL TO OCCUR BY REASON OF A DEFAULT IN CITY'S OBLIGATIONS HEREUNDER, THE PARTIES AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY GOC IF CITY FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IN THE EVENT THE CLOSE OF ESCROW SHALL FAIL TO OCCUR BY REASON OF A DEFAULT IN CITY'S OBLIGATIONS HEREUNDER, THEN GOC SHALL HAVE THE RIGHT IN ITS SOLE AND ABSOLUTE DISCRETION, TO EITHER (A) TERMINATE THIS AGREEMENT AND RECOVER FROM CITY ANY AND ALL REASONABLE DULY-DOCUMENTED OUT-OF-POCKET EXPENSES THAT GOC HAS INCURRED WITH RESPECT TO THIS AGREEMENT PRIOR TO GOC'S LEARNING OF CITY'S DEFAULT, OR (B) PURSUE THE SPECIFIC PERFORMANCE OF THIS AGREEMENT.

NOTHING CONTAINED IN THIS ARTICLE 12 SHALL WAIVE OR OTHERWISE LIMIT (I) GOC'S REMEDIES OR DAMAGES FOR CLAIMS OF GOC AGAINST CITY ARISING OUT OF CITY'S INDEMNIFICATION OBLIGATIONS HEREUNDER, OR (II) GOC'S RIGHTS TO OBTAIN FROM CITY ALL COSTS AND EXPENSES OF ENFORCING THIS LIQUIDATED DAMAGES PROVISION, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS.

IN NO EVENT SHALL CITY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES, LOST PROFITS OR SIMILAR DAMAGES. PROVIDED, HOWEVER, THAT GOC SHALL BE ENTITLED TO RECOVER ACTUAL DAMAGES FROM CITY IN THE EVENT THAT CITY KNOWINGLY ACTS TO SUBVERT THE INTENT OF, OR INTENTIONALLY DEFAULTS UNDER THIS AGREEMENT. CITY AND GOC ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 12(b) AND BY THEIR INITIALS BELOW AGREE TO BE BOUND BY ITS TERMS.

City's initials MM

GOC's initials MM

(c) Indemnification Obligations Intact. NOTHING CONTAINED IN THIS ARTICLE 12 SHALL WAIVE OR OTHERWISE LIMIT (I) CITY'S REMEDIES FOR DAMAGES ARISING OUT OF GOC'S INDEMNIFICATION OBLIGATIONS HEREUNDER, OR (II) GOC'S REMEDIES FOR DAMAGES ARISING OUT OF CITY'S INDEMNIFICATION OBLIGATIONS HEREUNDER.

(d) Acknowledgement. CITY AND GOC ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS ARTICLE 12 AND BY THEIR INITIALS BELOW AGREE TO BE BOUND BY ITS TERMS.

City's Initials MM

GOC's Initials MM

13. Miscellaneous Provisions.

(a) Waiver of Performance. Either Party may waive the satisfaction or performance of any conditions or agreements in this Agreement, which have been inserted for its own benefit, so long as the waiver is signed and specifies the waived condition or agreement and is delivered to the other Party hereto and the Escrow Holder.

(b) Section and Article Headings. The section and article headings of this Agreement are for the purposes of reference only and shall not be used for limiting or interpreting the meaning of any section or article.

(c) Notices. All notices, requests, demands or documents which are required or permitted to be given or served hereunder shall be in writing and (a) delivered personally, (b) delivered by a national overnight courier (*i.e.*, FedEx), or (c) transmitted by facsimile, addressed as follows:

If to GOC:

78-200 Miles Avenue
Indian Wells, CA 92210
Attn: Raymond J. Moore
Tel: (760) 200-8403
Fax: (760) 200-8441

With copy to:

Waikoa Holdings LLC
11100 Santa Monica Boulevard
Suite 600
Los Angeles, CA 90025
Attn: Mike Sultan
Tel: (310) 966-8182
Fax: (310) 478-7257

If to City:

City of Indian Wells
Attn. Greg Johnson, City Manager
44-950 Eldorado Drive
Indian Wells, CA 92210
Telephone: 760-346-2489 x 241
Facsimile: 760-346-0407
E-mail: gjohnson@cityofindianwells.org

With a copy to:

Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, CA 90064-1614
Attn: Timi Anyon Hallem, Esq.
Telephone: 310-312-4217
Facsimile: 310-312-4224
E-mail: thallem@manatt.com

If to Escrow Holder:

First American Title Insurance Company
One Lakeshore Centre
3281 East Guasti Rd., Suite 490
Ontario, CA 91761
Attn: Linda Kenaston
Telephone: 909-510-6208
Facsimile: 909-510-6226
E-mail: lkenaston@firstam.com

Notice shall be deemed to have been delivered only upon actual delivery to the intended addressee in the case of either personal, courier, or facsimile delivery. The addresses for purposes of this paragraph may be changed by giving written notice of such change in the manner provided herein for giving notices. Unless and until such written notice is delivered, the latest information stated by written notice, or provided herein if no written notice of change has been delivered, shall be deemed to continue in effect for all purposes hereunder.

(d) Time of Essence. Time and each of the terms, covenants, conditions and contingencies of this Agreement are hereby expressly made of the essence.

(e) Counterparts. This Agreement may be executed in several counterparts and all such executed counterparts shall constitute one agreement, binding on the Parties hereto, notwithstanding that the Parties hereto are not signatories to the original or to the same counterpart. This Agreement shall not be binding unless and until all Parties hereto have executed the Agreement.

(f) Governing Law. The validity, construction and operational effect of this Agreement shall be governed by the laws of the State.

(g) Prior Agreements. This Agreement supersedes any and all oral or written agreements between the Parties hereto regarding the Property which are prior in time to this Agreement. Neither City nor GOC shall be bound by any prior understanding, agreement, promise, representation or stipulation, express or implied, not specified herein.

(h) Further Assurances. City and GOC agree to execute all documents and instruments reasonably required in order to consummate the transactions herein contemplated and to carry out the intent and purpose of this Agreement.

(i) Severability. If any portion of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

(j) Performance Due on Non-Business Day. If the time period for the performance of any act called for under this Agreement expires on a Saturday, Sunday, or any other day on which banking institutions in the State are authorized or obligated by law or executive order to close, the act in question may be performed on the next succeeding Business Day.

(k) Amendments. This Agreement may not be amended or modified except in writing executed by both of the Parties hereto.

(l) Survival. The recitals set forth at the beginning of this Agreement are deemed incorporated herein, and the Parties to this Agreement warrant and represent that they do not omit to state any material fact necessary to make the statements or Exhibits, as the case may be, materially misleading. The representations, warranties, covenants, acknowledgments, agreements and indemnities contained in this Agreement and the Exhibits, or in any of the documents or agreements executed and/or delivered pursuant to the terms of this Agreement, shall survive the Closing Date.

(m) Advice of Counsel. The Parties acknowledge that (a) they have not made any representation as to the Federal or State tax implications relating to the transactions contemplated herein, (b) they have thoroughly read and reviewed the terms and provisions of this Agreement and the Exhibits attached hereto and are familiar with the terms of this Agreement, (c) they clearly understand the terms and provisions contained in this Agreement and fully and unconditionally consent to it, (d) they have had full benefit and advice of counsel of their own selection, in regard to understanding the terms, meaning and effect of this Agreement, (e) they have executed the Agreements freely, voluntarily, with full knowledge, and without duress, (f) in executing these Agreements, they are relying on no other representations, either written or oral, express or implied, made to them by any other party to these Agreements, and the consideration received by them under these Agreements has been actual and adequate.

(n) Assignment. Neither Party may voluntarily or involuntarily, directly or indirectly, sell, assign, hypothecate, pledge or otherwise transfer or dispose of all or

any portion of its interest in this Agreement to any third party without the prior written consent of the other Party, which may be granted or withheld in such Party's sole and absolute discretion.

(o) Full Integration. City and GOC each acknowledge that there are no other agreements or representations, either oral or written, express or implied, that are not embodied in this Agreement and the Exhibits. This Agreement and the Exhibits attached to this Agreement represent a complete integration of all prior and contemporaneous agreements and understandings and documents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, GOC and City have executed this Agreement as of the date first above written.

City:

City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California

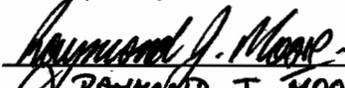
By: 
Name: Greg Johnson
Title: City Manager

GOC:

Garden of Champions LLC, a California limited liability company

BY PM SPORTS LAND, LLC, MEMBER

BY AMKAY, LLC, MEMBER

By: 
Name: RAYMOND J. MOORE
Title: MEMBER

An original fully executed copy of this Agreement has been received by the Escrow Holder this 13th day of March, 2006, and by the execution hereof the Escrow Holder hereby covenants and agrees to be bound by the terms of this Agreement.

ESCROW HOLDER:

First American Title Ins. Co.

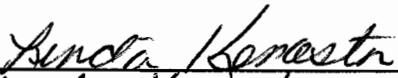
By: 
Name: Linda Kenaston
Title: Escrow Officer

EXHIBIT AND SCHEDULE LIST

- Exhibit A: Legal Description of Land
- Exhibit B: Form of Deed
- Exhibit C: Bill of Sale
- Exhibit D: Form of General Assignment
- Exhibit E: Form of Parking Lot Lease
- Exhibit F: Description of Developer Parcel
- Exhibit G: Agreement Regarding Tournaments
- Exhibit H: Third Amendment to Indian Wells Sponsorship Agreement
- Exhibit I: Host Sponsorship Agreement
- Exhibit J: Marked-Up Preliminary Report
- Exhibit K: Partial Assignment of Turf Maintenance Agreement
- Exhibit L: Covenant and Agreement
- Schedule 1: Definitions

**EXHIBIT A TO AGREEMENT
LEGAL DESCRIPTION OF LAND**

[SEE ATTACHED]

EXHIBIT A
CITY PARCEL

Parcel A in the City of Indian Wells, County of Riverside, State of California, as shown on Lot Line Adjustment 07-05-04 recorded March 10, 2006 as Instrument No. 2006-0174897, Records of Riverside County, California.

EXHIBIT B TO AGREEMENT

FORM OF DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Space above this line for Recorder's Use

MAIL TAX STATEMENTS TO:

DOCUMENTARY TRANSFER TAX \$N/A

. . . . Computed on the consideration or value of property conveyed; OR
. . . . Computed on the consideration or value less liens or encumbrances remaining at time of sale.

TRANSFER TAX EXEMPTION: _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Garden of Champions LLC, a California limited liability company ("**Grantor**"), hereby grants to City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California ("**Grantee**"), subject to all easements, covenants, conditions, restrictions and matters of record that may affect the Land (as defined below) that certain real property located in the City of Indian Wells, County of Riverside, State of California, which real property is more particularly described in Schedule 1 attached hereto ("**Land**"), together with all right, title and interest of Grantor in and to all buildings and improvements now located on the Land.

Grantor hereby further grants to Grantee all easements, privileges and rights appurtenant to the Land and pertaining or held and enjoyed in connection therewith and all of Grantor's right, title and interest in and to any land lying in the bed of any street, alley, road or avenue to the centerline thereof in front of, or adjoining the Land.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2006.

GRANTOR:

Garden of Champions LLC, a California limited liability company

By: _____
Name: _____
Title: _____

SCHEDULE 1 TO GRANT DEED

LEGAL DESCRIPTION

[TO BE ATTACHED PRIOR TO EXECUTION]

SCHEDULE 1
CITY PROPERTY

Parcel A in the City of Indian Wells, County of Riverside, State of California, as shown on Lot Line Adjustment 07-05-04 recorded March 10, 2006 as Instrument No. 2006-0174897, Records of Riverside County, California.

EXHIBIT C TO AGREEMENT

BILL OF SALE

For good and valuable consideration, the receipt of which is hereby acknowledged, Garden of Champions LLC, a California limited liability company ("GOC") does hereby sell, transfer and convey to City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California ("City"), all tangible personal property owned by GOC which is located on and used in the operation, repair and maintenance of the real property described in Schedule 1 attached hereto (the "**Personal Property**") as of the date hereof.

Except as provided above, the Personal Property is transferred hereunder "as is" without warranty or representation of any kind whatsoever, either express or implied.

Dated this ____ day of _____, 2006.

Garden of Champions LLC, a California limited liability company

By: _____
Name: _____
Title: _____

SCHEDULE 1 TO BILL OF SALE

LEGAL DESCRIPTION

[TO BE ATTACHED PRIOR TO EXECUTION]

SCHEDULE 1
CITY PROPERTY

Parcel A in the City of Indian Wells, County of Riverside, State of California, as shown on Lot Line Adjustment 07-05-04 recorded March 10, 2006 as Instrument No. 2006-0174897, Records of Riverside County, California.

EXHIBIT D TO AGREEMENT

FORM OF GENERAL ASSIGNMENT

This General Assignment (this “**Assignment**”) is executed this _____ day of _____, 2006 by _____ (“**Assignor**”) in favor of _____ and (“**Assignee**”), with reference to the following facts:

A. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions (“**Agreement**”) dated of even date herewith, Assignor has agreed to convey that certain real property (and all rights, easements, privileges, tenements, hereditaments, appurtenances, reversions, remainders, licenses and benefits appurtenant, belonging to or running with said land, collectively, the “**Land**”) to Assignee subject to and in accordance with the terms and conditions set forth therein.

B. Pursuant to the Agreement, Assignor has agreed to assign to Assignee all of Assignor’s right, title and interest in (i) all plans and specifications, warranties, guaranties, licenses, permits, entitlements, governmental approvals and certificates of occupancy that specifically relate to the Land and exist under applicable law as of the date hereof (including, but not limited to, those relative to the environmental or physical condition of the Land), (ii) all other intangible property that specifically relates to such land (collectively, the “**Intangible Property**”), subject to any rights of consent as provided therein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment of Intangible Property. Assignor hereby assigns, transfers and conveys to Assignee all of Assignor’s right, title and interest in and to all of the Intangible Property.
2. Acceptance and Assumption of Liabilities. Assignee hereby accepts the foregoing assignment of the Intangible Property and hereby assumes all obligations with respect thereto which arise from and after the Effective Date
3. Effective Date. The “**Effective Date**” of this Assignment shall be the date that Assignee acquires title in and to the real property described on Exhibit A attached hereto as evidenced by a deed recorded in the Official Records of Riverside County, California.
4. Consistency with Agreement. Nothing in this Assignment shall be construed to modify or limit any provisions in the Agreement and in the event of any inconsistency between this Assignment and the Agreement, the latter shall govern and control.
5. “As-Is”. Except as otherwise expressly provided in the Agreement to the contrary, the Intangible Property are transferred hereunder “as-is” without warranty or representation of any kind whatsoever, either express or implied.

6. Inurement. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee, and their respective assigns and successors in interest.

7. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

8. Counterparts. This Assignment may be signed by the parties in different counterparts and the signature pages combined to create a document binding on all parties.

9. Indemnification. Each party hereto shall indemnify and hold the other party harmless from and against any third-party claim, or other similar expense or loss (including reasonable attorney's fees) suffered by such other Party caused by or arising from that party's breach of the terms, conditions or covenants contained herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California

Garden of Champions LLC, a California limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A TO GENERAL ASSIGNMENT
[TO BE ATTACHED PRIOR TO EXECUTION]

EXHIBIT A
CITY PARCEL

Parcel A in the City of Indian Wells, County of Riverside, State of California, as shown on Lot Line Adjustment 07-05-04 recorded March 10, 2006 as Instrument No. 2006-0174897, Records of Riverside County, California.

EXHIBIT E

PARKING LOT LEASE

[SEE ATTACHED]

GROUND LEASE

THIS GROUND LEASE (the "**Lease**") is made and entered into, and effective as of this ___ day of March, 2006 ("**Effective Date**") by and between the 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**").

WITNESSETH:

A. Landlord is the owner of certain real property consisting of the land identified as Assessor's Parcel Number 633-360-023 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 by this reference incorporated herein ("**Land**"), and including the parking lot improvements now or hereafter located thereon and all other improvements located thereon (collectively, the "**Improvements**") as well as all privileges, entitlements, easements, rights and appurtenances thereto (together with the Land and Improvements, collectively, the "**Premises**").

B. The Premises are located adjacent to Ford Elementary School and 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.

C. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions ("**Purchase Agreement**") by and between Landlord, as Buyer, and Tenant, as Seller, to assist Tenant in reducing the debt encumbering the IWTG, Landlord and Tenant agreed that (i) Landlord would purchase from Tenant certain real property located in the City of Indian Wells, County of Riverside, State of California, and (ii) Landlord would lease to Tenant the Premises for use as a parking lot for the IWTG.

D. Subject to the terms and conditions set forth in this Lease, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Premises.

E. Landlord has been authorized by all requisite action of the City Council of the City of Indian Wells pursuant to the applicable sections of the Indian Wells Municipal Code, to directly negotiate with Tenant on the terms and conditions of the lease of the Premises.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

Lease of Premises

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, pursuant to the terms and conditions hereof, the Premises.

ARTICLE II

Term

The term (the "**Term**") of this Lease shall commence on the date hereof (the "**Effective Date**") and shall terminate on the earlier of the date (a) which is twenty (20) years following the Effective Date, (b) on which Landlord gives Tenant notice of termination in accordance with Section 14.2 hereof, (c) on which Tenant defaults and all applicable cure periods have expired under that certain Agreement Regarding Tournaments ("**Agreement Regarding Tournaments**") dated concurrently herewith by Landlord, Tenant and Desert Champions LLC, a California limited liability company ("**DC**"), or the Sponsorship Agreement, dated as of October 28, 1998 by and among PM Sports Management Corporation, a California corporation, International Merchandising Corporation, an Ohio corporation, DC, Tenant and Landlord, including any and all amendments thereto ("**Sponsorship Agreement**"), or any other material agreement which Tenant has executed for the benefit of Landlord (collectively, the "**Tenant Agreements**"), or (d) on which the IWTG is encumbered with more than Twenty-Five Million Dollars (\$25,000,000) in debt or the equivalent.

ARTICLE III

Rent

Tenant shall pay to Landlord as rent ("**Rent**") the sum of one dollar (\$1.00) for each full or partial calendar year of the Term. Landlord acknowledges that Tenant has paid in advance the full amount of the Rent due for the first calendar year of the Term.

ARTICLE IV

Representations, Warranties and Covenants of Landlord

4.1 Representations and Warranties of Landlord. Landlord hereby represents and warrants to Tenant that, as of the date of this Lease:

(a) Landlord possesses full power and authority to lease the Premises pursuant to this Lease and consummate the transactions provided for herein, and no other party has any right or option thereto or in connection therewith;

(b) this Lease and the consummation of the transaction contemplated herein are the valid and binding obligations of Landlord and do not constitute a default (or an event which, with the giving of notice or the passage of time, or both, would constitute a default)

under, nor are they inconsistent with, any contract to which Landlord is party or by which it is bound; and

(c) On or prior to the later to occur of (i) May 31, 2006, or (ii) the date that is ten (10) business days after the Closing Date (as defined in the Purchase Agreement), Tenant and Landlord shall have in reasonable good faith agreed to a plan for improvement of the Premises in a manner that will accommodate parking for approximately 1,632 vehicles (collectively, the "Work"). By no later than March 1, 2007, Landlord shall, at its sole cost and expense, have completed the Work and shall have the Premises ready for Tenant's use and occupancy in accordance with this Lease.

4.2 Covenants of Landlord. Landlord hereby covenants to Tenant that, during the Term, subject to the concurrent rights in favor of Landlord and other third parties specified in Article 7, Tenant shall peaceably and quietly hold and enjoy the full and exclusive possession and use of the Premises.

ARTICLE V

Operation, Maintenance and Repair of Premises

5.1 In General. Tenant shall be required to operate, maintain, and repair the Premises as set forth in this Article 5 (collectively, the "Maintenance Obligations"). Except as otherwise expressly provided in this Lease, Tenant shall be solely responsible for the payment of all expenses relating to the Maintenance Obligations and all other aspects of the Premises, including, without limitation, all expenses arising from or related to maintenance, repairs, insurance, property taxes, and operating expenses (such as, utilities, event personnel, security and similar expenses).

5.2 Landlord's Rights and Obligations. Landlord shall have no obligation to operate, maintain or repair any portion of the Premises, unless such damage is caused by Landlord or Landlord's permittees, provided, however, that if Tenant fails to perform any of the Maintenance Obligations and such failure continues for a period of fifteen (15) business days after written notice from Landlord or, if such Maintenance Obligations cannot reasonably be completed within said time period, Tenant fails to commence such Maintenance Obligations within said time period and thereafter diligently prosecute such Maintenance Obligations to completion, then Landlord, in addition to whatever remedy it may have at law or equity, shall have the right, but not the obligation, to perform or cause to be performed all such acts and work necessary to complete the Maintenance Obligations. All of Landlord's direct, reasonable costs to complete the Maintenance Obligations as well as an administrative charge in an amount equal to fifteen percent (15%) thereof shall be immediately due and payable by Tenant and, in addition, Tenant shall be required to pay to Landlord interest on Landlord's reimbursable costs under this Section 5.2 at the rate of ten percent (10%) per annum or the maximum legal rate, whichever is less, from the date Landlord incurs such costs through the date reimbursement is made. If Landlord or Landlord's permittees damage the Premises, Landlord shall be obligated to repair such damage. If Landlord fails to repair such damage and such failure continues for a period of fifteen (15) business days after written notice from Tenant or, if such damage cannot reasonably be repaired within said time period, if Landlord fails to commence such repair within said time period and thereafter diligently prosecute such repair to completion, then Tenant, in addition to whatever remedy it may have at

law or equity, shall have the right, but not the obligation, to perform or cause to be performed such repair and to seek recovery thereof from Landlord.

5.3 Maintenance and Repair. With the exception of maintenance or repair required as a direct result of use of the Premises by Landlord or its permittees, during the entire Term, Tenant, at its sole cost and expense, shall be responsible for keeping and maintaining the Premises and all structures and improvements, fixtures, equipment, and personal property located within or appurtenant thereto, including without limitation all signage, utilities and lighting fixtures, in good order and condition, quality, and repair (and, as to landscaping, in a healthy condition), and in accordance with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies having jurisdiction. As used herein, the term "repair" shall include replacements, repair of damage, and restorations, when necessary, and all such repairs made by Tenant shall be at least equal in quality and class to the Work. Tenant's maintenance and repair obligations shall include, but not be limited to, the following:

- (i) sweeping and removal of trash, debris, rubbish, and waste material;
- (ii) maintaining, repainting and restriping of surface areas and immediate removal of graffiti;
- (iii) repair and replacement of paved surfaces using the same type of material as originally installed, to the end that such paving is at all times kept in a level and smooth condition;
- (iv) adequate marking and striping of all parking areas, including handicapped and compact spaces;
- (v) maintenance of all utilities and facilities, including without limitation the lighting, electrical, and security systems, in good operating condition;
- (vi) maintenance of drainage and irrigation systems in good operating condition;
- (vii) maintenance and repair of signage; and
- (viii) irrigation, fertilization, pruning, and care of all shrubbery, plants, and other landscaping, and replacement of dead and diseased plants and landscaping with comparable materials.

Tenant shall employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services set forth herein. Tenant covenants that all personnel engaged in such work shall have valid licenses, if required by law, and shall be fully qualified, authorized, and permitted under applicable laws, ordinances, and regulations to perform such tasks and services. In performing its services hereunder, Tenant shall cooperate and consult with Landlord's designated representative, either individual or committee, who shall have the principal responsibility for liaison and who may, but shall not be obligated to, review Tenant's performance hereunder.

In the event that any of the repair work to be performed by Tenant requires the issuance of building, excavation, or other permits, Tenant shall obtain all such required permits at its sole cost and expense. Landlord agrees to cooperate with Tenant in the processing of any permit applications and to provide such information as may be in Landlord's knowledge and possession relating thereto; provided, however, that Landlord does not warrant or represent that any permit will be issued which requires the exercise of discretion.

5.4 Operation, Security Program. Tenant shall manage and operate the Premises in conformance with applicable industry standards, including (without limitation) providing (i) adequate lighting during hours of operation, and (ii) security services comparable to those provided from time to time with respect to the other parking lots located within the vicinity of the Premises. Subject to the foregoing, Tenant may establish and modify hours of operation and establish areas limited to valet parking, handicap parking, compact cars and similar types of restrictions on use.

5.5 Alterations and Additions. Without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion, Tenant shall not (i) make any structural or other alterations to the improvements comprising the Premises, or (ii) build on or otherwise make any additions to the Premises.

ARTICLE VI

Utilities

Following Landlord's completion of the Work, Tenant shall contract or otherwise arrange for the provision of all water, gas, electric, telephone and other utility services required in furtherance of Tenant's use of the Premises. During the Term, Tenant shall be solely responsible for and shall promptly pay all charges and expenses for all utilities used or consumed on the Premises, provided, however, that Tenant shall have the right to recover from third parties that use all or any portion of the Premises that portion of such charges and expenses that is attributable such parties' prorata usage of the Premises for the period to which the charges and expenses apply. If any such charges are not paid when due, Landlord may pay the same, and any amount so paid by Landlord shall become immediately due to Landlord by Tenant.

ARTICLE VII

Use and Revenue

7.1 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 7.1. 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 use and enjoy the Premises in accordance with the terms and provisions of this Lease. In addition, Tenant and Landlord each acknowledge that following the date of this 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.

7.2 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.

ARTICLE VIII

Assignment and Sublease

With the exception of a Permitted Transfer, Tenant shall have no right to assign, sublease, mortgage, pledge or otherwise encumber this Lease, the Premises (or any portion thereof) or the leasehold estate created hereby, in whole or in part, at any time without first obtaining Landlord's consent, which may be withheld in Landlord's sole and absolute discretion. As used herein, the term "**Permitted Transfer**" shall mean and refer to (i) any transfer made by Tenant in conjunction with a Leasehold Mortgage (as defined in Section 13.1), and (ii) any transfer made by Tenant to an entity that (a) has a minimum of five (5) years of experience in the ownership and management of sporting events comparable to the Tournament and facilities comparable to the Premises, and (b) has provided to Landlord audited financial statements for the last two (2) years that demonstrate that the transferee has sufficient financial capability to undertake and fulfill the obligations of Tenant pursuant this Lease. Any transfer pursuant to subsection (ii) in the foregoing sentence shall not be effective unless and until Tenant has provided to Landlord a written document executed by Tenant and transferee evidencing such transfer. Notwithstanding anything herein the contrary, Tenant shall have no right to assign, sublease, mortgage, pledge or otherwise encumber this Lease, the Premises (or any portion thereof) or the leasehold estate created hereby, in whole or in part, regardless of whether the same is a Permitted Transfer, as long as an uncured Event of Default exists hereunder. Notwithstanding the foregoing, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent to any legal entity which controls, is controlled by or is under common control with Tenant, provided that (1) the assignee or sublessee assumes, in full, the obligations of Tenant under this Lease, (2) Tenant remains fully liable under this Lease, and (iii) the use of the Premises hereunder remains unchanged.

ARTICLE IX

Taxes

9.1 Payment by Tenant. Subject to the provisions of Section 9.2, in addition to the Rent, Tenant shall pay and discharge prior to delinquency, all real estate taxes and assessments, general and special, and all other governmental impositions in the nature of property taxes, ordinary and extraordinary (collectively, "**Real Property Taxes**"), which during the Term may be levied or assessed against the Land

9.2 Right to Contest Taxes. Tenant shall have the right to contest any such taxes, assessments or other impositions in its own name; provided that any such contest undertaken by Tenant shall be at Tenant's sole cost and expense, and that, if there is an imminent forfeiture of title to the Premises or any portion thereof due to such contest, Tenant shall either pay any contested amount or post a bond or other security sufficient to forestall such forfeiture. Landlord shall have the right to contest any such taxes, assessments or other impositions; provided that any such contest undertaken by Landlord shall be at Landlord's sole cost and expense, and that, if there is an imminent forfeiture of title to the Premises or any portion thereof due to such contest, Landlord shall either pay any contested amount or post a bond or other security sufficient to forestall such forfeiture.

ARTICLE X

Environmental Matters

10.1 Compliance with Law. In their respective use of the Premises, Tenant and Landlord shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements ("**Laws**") of all governmental agencies, offices, departments, bureaus and boards ("**Governmental Authority**") having jurisdiction over the Premises. Without limiting the foregoing, Tenant and Landlord shall each comply with all police, fire, and sanitary regulations imposed by any Governmental Authority, and shall observe and obey all other requirements governing the conduct of any business conducted by them on the Premises. Notwithstanding the foregoing, Tenant's obligations pursuant to this Section 10.1 shall not pertain to compliance required in conjunction with Landlord's performance of the Work.

10.2 Liens. Neither Landlord nor Tenant shall permit the Premises to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished to Landlord or Tenant, respectively, or claimed to have been furnished to Landlord or Tenant, respectively, in connection with work of any character performed or claimed to have been performed on the Land by or at the direction or sufferance of Landlord or Tenant, respectively, provided, however, Tenant shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claimed lien and on final determination of the lien or claim for lien, Landlord or Tenant, as applicable, will promptly pay any final judgment rendered with all proper costs and charges, and will, at its own expense, have the lien released and any judgment satisfied.

10.3 Hazardous and Toxic Substances.

(a) Certain Definitions. As used in this Lease, the following terms shall have the definitions set forth below whenever used with initial capital letters:

(i) **“Hazardous Substance”** shall mean any substance, material or waste which is or becomes (i) regulated by any local or regional governmental authority the State of California or the United States Government as a hazardous waste; (ii) is defined as a “solid waste,” “sludge,” “hazardous waste,” “extremely hazardous waste,” “restricted hazardous waste,” “Non-RCRA hazardous waste,” “RCRA hazardous waste,” or “recyclable material,” under any federal, state or local statute, regulation, or ordinance, including, without limitation, Sections 25115, 25117, 25117.9, 25120.2, 25120.5 or 25122.7, 25140, 25141 of the California Health and Safety Code; (iii) defined as a “Hazardous Substance” under Section 25316 of the California Health and Safety Code; (iv) defined as a “Hazardous Material,” “Hazardous Substance” or “Hazardous Waste” under Section 25501 of the California Health and Safety Code; (v) defined as a “Hazardous Substance” under Section 25281 of the California Health and Safety Code; (vi) asbestos; (vii) petroleum products, including, without limitation, petroleum, gasoline, used oil, crude oil, waste oil, and any fraction thereof, natural gas, natural gas liquefied, methane gas, natural gas, or synthetic fuels, (viii) materials defined as hazardous or extremely hazardous pursuant to the California Code of Regulations; (ix) pesticides, herbicides and fungicides; (x) polychlorinated biphenyls; (xi) defined as a “Hazardous Substance” pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.); (xii) defined as a “Hazardous Waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; (xiii) defined as a “Hazardous Substance” or “Mixed Waste” pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and regulations promulgated thereunder; (xiv) defined as a “Hazardous Substance” pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. 116; (xv) defined as an “Extremely Hazardous Substance” pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002 et seq.; or (xvi) defined as “medical waste” pursuant to Section 25023.2 of the California Health and Safety Code, Chapter 6.1 (Medical Waste Management Act).

(ii) **“Environmental Law”** means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 et seq., the Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq., the Water Pollution Prevention and Control Act, 33 U.S.C. Sections 1251 et seq., the Oil Pollution Act of 1990, Pub. L. 101-380, August 18, 1990, as said Laws may be supplemented or amended from time to time, the regulations promulgated pursuant to said Laws and any other federal, state or local law, statute, rule, regulation or ordinance which regulates or proscribes the use, storage, disposal, presence, cleanup, transportation or release or threatened release into the environment of Hazardous Substance.

(iii) **“Environmental Problem”** shall mean (A) any release or discharge, of a Hazardous Substance in, on, under, from or about the Land, any portion thereof, and/or any improvement thereon in violation of any Environmental Law, or (B) any violation of

any Environmental Law, whether or not intentional, in, on, under, from or about the Land, any portion thereof, and/or any improvement thereon.

(iv) **“Tenant Related Environmental Problem”** shall mean any Environmental Problem resulting from or related to (A) any act or omission of Tenant, its directors, officers, shareholders, partners, employees, agents, contractors, subtenants, subcontractors, successors and assigns (collectively, **“Tenant’s Representatives”**) with respect to the Land or any portion thereof, or (B) Tenant’s use of the Land. However, Tenant Related Environmental Problems exclude any Environmental Problem resulting from or related to Hazardous Materials present on, under or within the Land prior to the date of this Lease or arising from Landlord’s performance of the Work or the use of the Premises by Landlord or its permittees.

(v) **“Landlord Related Environmental Problem”** shall mean any Environmental Problem resulting from or related to (A) any act or omission of Landlord, its officials, employees, agents, contractors, subtenants, subcontractors, successors and assigns (collectively, **“Landlord’s Representatives”**) with respect to the Land or any portion thereof (including, without limitation, the Work), (B) Landlord’s direct use of the Land, or (C) the presence of Hazardous Materials on, under or within the Land prior to the date of this Lease. However, Landlord Environmental Problems exclude any Environmental Problem resulting from or related to Hazardous Materials arising from the use of the Premises by Tenant or its permittees.

(vi) **“Environmental Cleanup Work”** shall mean any work, cleanup, removal, repair, construction, alteration, remediation, demolition, renovation or installation required in order to comply with any Environmental Law.

(b) **Prohibition.** Neither Tenant nor Landlord shall cause or permit the manufacture, generation, storage, use, transportation, treatment, incineration, disposal, discharge, threatened discharge, release or threatened release of any Hazardous Substance (such activities by Landlord or Tenant are hereinafter referred to as **“Environmental Activities”**) in, on, under, from or about the Land except in accordance with all Environmental Laws and the reporting requirements, if any, in this Section 10.3. Landlord and Tenant shall store and use all Hazardous Substances in a manner which minimizes the threat of any spill or release of such Hazardous Substances into or onto the Land, or into the environment surrounding the Land, and shall promptly and with reasonable care, with prior or concurrent notice to Landlord or Tenant, as applicable, clean up any such spill or release in accordance with all Environmental Laws.

(c) **Compliance with Laws.** Tenant and Tenant’s Representatives, at Tenant’s sole cost and expense, and Landlord and Landlord’s Representatives, at Landlord’s sole cost and expense, shall comply in all respects with any and all Environmental Laws applicable to (i) their respective uses of the Land, and (ii) Tenant’s Environmental Activities and Landlord’s Environmental Activities, as applicable. Without limiting the generality of the foregoing, Tenant and Landlord shall give all warnings required by Environmental Laws with respect to any exposures occurring on the Land or as a result of Tenant’s or Landlord’s use of the Land, as applicable. Tenant shall provide to Landlord and Landlord shall provide to Tenant copies of all

documents which Tenant or Landlord, as applicable, is required to provide to any Governmental Authority pursuant to any Environmental Laws with respect to the Premises.

(d) Tenant Related Environmental Problems. Tenant shall exercise reasonable care to avoid the occurrence of any Tenant Related Environmental Problem. If Tenant causes, permits or learns of any Tenant Related Environmental Problem, Tenant shall promptly notify Landlord. Tenant shall give any and all notices of any Tenant Related Environmental Problem required by applicable Environmental Laws, including, without limitation, any notice required by Section 103 of CERCLA and any notice required by Sections 13271 and 13272 of the California Water Code, as amended from time to time and shall provide copies of the same to Landlord. Tenant shall promptly give Landlord notice of any governmental investigation or any governmental or regulatory action, proceeding, order or decree relating to any Tenant Related Environmental Problem or notice of any third party claim, and, at Tenant's expense, shall comply in all respects with any such order or decree within the time period allowed thereby for compliance, unless Tenant notifies Landlord within ten (10) days after Tenant's decision to contest such order or decree that Tenant intends to contest and does contest such order or decree promptly and in accordance with the time periods set forth in the applicable Environmental Laws. Prior to commencing any corrective or remedial action with respect to any Tenant Related Environmental Problem, Tenant shall obtain the consent of all governmental or regulatory authorities having the jurisdiction thereof, if required.

(e) Landlord Related Environmental Problems. Landlord shall exercise reasonable care to avoid the occurrence of any Landlord Related Environmental Problem. If Landlord causes, permits or learns of any Landlord Related Environmental Problem, Landlord shall promptly notify Tenant. Landlord shall give any and all notices of any Landlord Related Environmental Problem required by applicable Environmental Laws, including, without limitation, any notice required by Section 103 of CERCLA and any notice required by Sections 13271 and 13272 of the California Water Code, as amended from time to time and shall provide copies of the same to Tenant. Landlord shall promptly give Tenant notice of any governmental investigation or any governmental or regulatory action, proceeding, order or decree relating to any Landlord Related Environmental Problem or notice of any third party claim, and, at Landlord's expense, shall comply in all respects with any such order or decree within the time period allowed thereby for compliance, unless Landlord notifies Tenant within ten (10) days after Landlord's decision to contest such order or decree that Landlord intends to contest and does contest such order or decree promptly and in accordance with the time periods set forth in the applicable Environmental Laws. Prior to commencing any corrective or remedial action with respect to any Landlord Related Environmental Problem, Landlord shall obtain the consent of all governmental or regulatory authorities having the jurisdiction thereof, if required.

(f) Indemnity by Tenant. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Representatives against any and all claims, demands, liabilities, costs and expenses incurred by Landlord or to which Landlord may be exposed by reasons of any of the following (a "**Tenant Environmental Default**"): (i) Tenant's violation of any of the provisions of this Section 10.3; or (ii) any Tenant Related Environmental Problem. Without limiting the generality of the foregoing, Tenant shall reimburse Landlord upon demand for (I) any reasonable investigative, consulting, legal, response, remedial or cleanup costs incurred by Landlord (whether or not in response to any governmental or judicial action, decree or order)

resulting from any Tenant Environmental Default; (II) any reasonable investigative, consulting or legal costs (including the costs allocable to internal legal counsel) incurred by Landlord in defending against any regulatory or judicial order or decree, or satisfying any judgment or the terms of any settlement or consent decree, resulting from any Tenant Environmental Default; (III) personal injury claims resulting from any Tenant Environmental Default; (IV) the payment of liens resulting from any Tenant Environmental Default; or (V) sums paid in settlement of claims resulting from any Tenant Environmental Default. Tenant shall not be responsible for: (A) any reduction in the residual value of the Premises or any part thereof as a result of any Tenant Environmental Default, or (B) damages for the loss or restriction on use of the Premises.

(g) Indemnity by Landlord. Landlord shall indemnify, defend and hold harmless Tenant and Tenant's Representatives against any and all claims, demands, liabilities, costs and expenses incurred by Landlord or to which Tenant may be exposed by reasons of any of the following (a "**Landlord Environmental Default**"): (i) Landlord's violation of any of the provisions of this Section 10.3; or (ii) any Landlord Related Environmental Problem. Without limiting the generality of the foregoing, Landlord shall reimburse Tenant upon demand for (I) any reasonable investigative, consulting, legal, response, remedial or cleanup costs incurred by Tenant (whether or not in response to any governmental or judicial action, decree or order) resulting from any Landlord Environmental Default; (II) any reasonable investigative, consulting or legal costs (including the costs allocable to internal legal counsel) incurred by Tenant in defending against any regulatory or judicial order or decree, or satisfying any judgment or the terms of any settlement or consent decree, resulting from any Landlord Environmental Default; (III) personal injury claims resulting from any Landlord Environmental Default; (IV) the payment of liens resulting from any Landlord Environmental Default; or (V) sums paid in settlement of claims resulting from any Landlord Environmental Default. Landlord shall not be responsible for: (A) any reduction in the residual value of the Premises or any part thereof as a result of any Landlord Environmental Default, or (B) damages for the loss or restriction on use of the Premises.

ARTICLE XI

Insurance; Indemnification

11.1 Tenant's Insurance. Tenant shall procure and maintain, and pay all premiums, fees and charges for the purpose of procuring and maintaining continuously throughout the Term, insurance that complies with the requirements described on **Exhibit B** attached hereto and made a part hereof.

11.2 Landlord's Insurance. Throughout the Term Landlord shall either (i) cause the Premises to be included in the program of self-insurance available to Landlord through the California Joint Powers Insurance Authority, or (ii) procure and maintain, and pay all premiums, fees and charges for the purpose of procuring and maintaining continuously throughout the Term, insurance that is substantially similar to the coverage afforded by the program of self-insurance available to Landlord through the California Joint Powers Insurance Authority.

11.3 Tenant Indemnification. Tenant hereby agrees to indemnify Landlord and Landlord's Representatives against and save Landlord and Landlord's Representatives harmless

from any and all losses, costs, damages, charges, liabilities, obligations, fines, penalties, claims, demands, or judgments and any and all expenses, including, without limitation, attorneys' fees and expenses, court costs, costs of appeal and costs of settlement, to the extent caused by: (i) Tenant's or Tenant's Representatives' use of the Premises; (ii) the conduct of Tenant's business or any activity, work or thing done, permitted or suffered by Tenant in, on or about the Land; and (iii) any negligence of Tenant or of Tenant's Representatives. If any action or proceeding is brought against Landlord by reason of clauses (i) through (iii) inclusive of this Section 11.3, Tenant shall, at the request of Landlord, assume the defense of the same at Tenant's sole cost with counsel reasonably satisfactory to Landlord.

11.4 Landlord Indemnification. Landlord hereby agrees to indemnify Tenant and Tenant's Representatives against and save Tenant and Tenant's Representatives harmless from any and all losses, costs, damages, charges, liabilities, obligations, fines, penalties, claims, demands, or judgments and any and all expenses, including, without limitation, attorneys' fees and expenses, court costs, costs of appeal and costs of settlement, to the extent caused by: (i) Landlord's or Landlord's Representatives' use of the Premises; (ii) the conduct of Landlord's business or any activity, work or thing done, permitted or suffered by Landlord in, on or about the Land; and (iii) any negligence of Landlord or of Landlord's Representatives. If any action or proceeding is brought against Tenant by reason of clauses (i) through (iii) inclusive of this Section 11.4, Landlord shall, at the request of Tenant, assume the defense of the same at Landlord's sole cost with counsel reasonably satisfactory to Tenant.

ARTICLE XII

Condemnation

12.1 Termination of Lease. If all or any portion of the Premises shall be acquired for any public or quasi-public use through taking by condemnation, eminent domain or any like proceeding, or purchase in lieu thereof (a "Taking") (a) this Lease shall terminate as to the portion so taken; (b) any awards payable on account of such Taking shall be paid to Landlord as provided in Section 12.2 hereinbelow; and (c) this Lease shall remain in full force and effect as to the portion of the Premises not taken, with no reduction in Rent.

12.2 Apportionment of Award. If there is a Taking, whether whole or partial, of any portion of the Premises, Landlord shall be entitled to receive and retain all of such award and Tenant hereby waives, disclaims and assigns to Landlord any right to receive the same.

12.3 Early Transfer of Possession by Tenant. Tenant may continue to use and enjoy the Premises unless and until the condemning authority takes physical possession thereof.

12.4 Landlord Condemnation. Landlord acknowledges and agrees that it shall not exercise or encourage any other entity to exercise the power of eminent domain with respect to the Premises or any portion thereof unless, in conjunction therewith, Landlord provides to Tenant, on terms and conditions comparable to those set forth in this Lease, replacement premises in a location and including improvements that are acceptable to Tenant in its reasonable good faith discretion..

ARTICLE XIII

Liens and Encumbrances

13.1 Right to Encumber. Nothing in this Lease shall restrict Tenant from encumbering, and Tenant shall have the right to encumber, this 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 this Lease for security purposes.

13.2 Lienholder Defined. As used in this 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.

13.3 Consent of Lienholder. This 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 13.4.

13.4 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. 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 13.4. Any Lienholder's address for receipt of notices may be changed by written notice to Landlord.

13.5 Landlord's Remedies. Notwithstanding anything to the contrary in this 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 13.5.1 of Section 13.5.2 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.

13.6 Right to Cure. Any Lienholder shall have the right, but not the obligation, to cure any default under this 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.

13.7 New Lease. If this 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 13.5, for any reason whatsoever, including, but not limited to, operation of law or the rejection of this 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 this Lease, and who executes and delivers a New Lease to Landlord. The New Lease shall have the same priority as this 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 this 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 this Lease; provided, however, Landlord shall not be required to remove any encumbrances which could adversely affect the priority of this Lease unless required to remove the same pursuant to another provision of this 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 this 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 this 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 this Lease (and not used to pay operating expenses and carrying charges of the Premises, as described in Section 13.9), 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 this 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 this 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.

13.8 Survival. The provisions of this Section 13.8 and of Sections 13.7 and 13.9 shall survive the termination, rejection or disaffirmance of this Lease for a period of ninety (90) days and shall continue in full force and effect thereafter to the same extent as if Sections 13.7, 13.8 and 13.9 were a separate and independent contract made by Landlord and any Lienholder, and, from the effective date of such termination, rejection or disaffirmance of this 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.

13.9 Subleases and Rents. After the termination of this 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.

13.10 Obligations of Lienholder in Possession. No Lienholder shall have any personal liability for performance of Tenant's obligations under this 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.

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

13.12 Cooperation. Landlord and Tenant shall cooperate by incorporating into this 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 this 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 this Lease; provided, however, that any such amendment shall not in any way affect the term or rent under this Lease or otherwise, in any material respect, adversely affect any rights of Landlord under this 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).

13.13 Third Party Beneficiary. Any Lienholder shall be deemed to be a third party beneficiary of this Article 14.

ARTICLE XIV

Default by Tenant

14.1 Events of Default. The occurrence of any of the following events (each an “**Event of Default**”) shall constitute a default by Tenant:

(a) failure to pay any taxes required to be paid by Tenant pursuant to this Lease and such failure continues for a period of thirty (30) days after Tenant and each Lienholder receive written notice thereof from Landlord;

(b) Tenant’s failure to comply with the use restrictions set forth in Article 7 or perform any other material obligation under this Lease and such failure continues for a period of thirty (30) days after Tenant and each Lienholder receive written notice thereof from Landlord; provided that if such obligation cannot reasonably be cured within said thirty (30) day period, it shall not be an Event of Default if the cure is commenced within such thirty (30) day period and the cure is diligently and continuously pursued thereafter;

(c) Tenant’s default and the expiration of all applicable cure periods under any of the Tenant Agreements; and

(d) At any time during the Term of this Lease the IWTG is encumbered with more than Twenty Five Million Dollars (\$25,000,000) in debt or the equivalent thereof.

14.2 Landlord’s Remedies. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, LANDLORD MAY ELECT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO EITHER (I) CURE THE DEFAULT AT TENANT’S COST WITHOUT RELEASING TENANT IN WHOLE OR IN PART FROM TENANT’S OBLIGATION TO PERFORM ANY AND ALL COVENANTS, CONDITIONS AND AGREEMENTS TO BE PERFORMED BY TENANT HEREUNDER, OR (II) BY WRITTEN NOTICE TO TENANT, TERMINATE THIS LEASE AND RECOVER FROM TENANT THE ACTUAL DAMAGES (WHICH SHALL NOT INCLUDE PUNITIVE, SPECULATIVE OR CONSEQUENTIAL DAMAGES, SUCH AS LOSS OF BUSINESS OPPORTUNITIES OR PROFIT) SUFFERED BY LANDLORD AS A RESULT OF THE EVENT OF DEFAULT, PROVIDED, HOWEVER, THE IF SUCH EVENT OF

DEFAULT IS CAUSED AS A RESULT OF A DEFAULT PURSUANT TO THE AGREEMENT REGARDING TOURNAMENTS, THEN LANDLORD'S RECOVERY HEREUNDER SHALL BE REDUCED, ON A DOLLAR FOR DOLLAR BASIS, BY THE AMOUNT, IF ANY, THAT LANDLORD ACTUALLY RECOVERS PURSUANT TO THE AGREEMENT REGARDING TOURNAMENTS.

14.3 Landlord Default. If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such failure (or if such failure cannot reasonably be cured within thirty (30) days, if Landlord does not commence to cure the failure within that thirty (30) day period), then such failure shall constitute a default hereunder and Tenant shall have all remedies that are available at law and in equity, provided, however, that Landlord shall have no liability hereunder for any punitive, speculative or consequential damages, such as loss of business opportunities or profit.

14.4 Notices. Notices given under this Article 14 shall specify the alleged or actual Event of Default and the applicable Lease provisions, and, as applicable, shall either specify that the Lease is being terminated or demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time for cure. No such notice shall be deemed a forfeiture or termination of this Lease.

14.5 NOTHING CONTAINED IN THIS ARTICLE 14 SHALL WAIVE OR OTHERWISE LIMIT (I) LANDLORD'S REMEDIES OR DAMAGES FOR CLAIMS OF LANDLORD AGAINST TENANT ARISING OUT OF TENANT'S INDEMNIFICATION OBLIGATIONS HEREUNDER, (II) LANDLORD'S RIGHTS TO OBTAIN FROM TENANT ALL COSTS AND EXPENSES OF ENFORCING THIS REMEDIES PROVISION, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS, (III) TENANT'S REMEDIES OR DAMAGES FOR CLAIMS OF TENANT AGAINST LANDLORD ARISING OUT OF LANDLORD'S INDEMNIFICATION OBLIGATIONS HEREUNDER, OR (IV) TENANT'S RIGHTS TO OBTAIN FROM LANDLORD ALL COSTS AND EXPENSES OF ENFORCING THIS REMEDIES PROVISION, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS. .

Tenant's Initials

Landlord's Initials

ARTICLE XV

Miscellaneous

15.1 Address for Notice and Rental Payments. Any notice, consent, demand or other communication to be delivered to a party hereunder shall be deemed delivered and received when made in writing and transmitted to the applicable party either by receipted courier service, or by the United States Postal Service, first class registered or certified mail, postage prepaid, return receipt requested, or by electronic facsimile transmission ("Fax"), at the address or addresses

indicated for such party below (and/or to such other address as such party may from time to time by written notice designate to the other):

If to Tenant:

78-200 Miles Avenue
Indian Wells, CA 92210
Attn: Raymond J. Moore
Tel: (760) 200-8403
Fax: (760) 200-8441

With copy to:

Waikoa Holdings LLC
11100 Santa Monica Boulevard
Suite 600
Los Angeles, CA 90025
Attn: Mike Sultan
Tel: (310) 966-8182
Fax: (310) 478-7257

If to Landlord:

City of Indian Wells
Attn: Greg Johnson, City Manager
44-950 Eldorado Drive
Indian Wells, CA 92210
Telephone: 760-346-2489 x 241
Facsimile: 760-346-0407
E-mail: gjohnson@cityofindianwells.org

With a copy to:

Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, CA 90064-1614
Attn: Timi Anyon Hallem, Esq.
Telephone: 310-312-4217
Facsimile: 310-312-4224
E-mail: thallem@manatt.com

and shall be deemed delivered and received (A) if delivered or transmitted before 5:00 pm recipient's local time on a business day, or if delivery is unsuccessfully attempted between the hours of 9:00 am and 5:00 pm recipient's local time on a business day, then on the date of actual delivery or transmittal or of such attempted delivery, and (B) otherwise on the next business day following actual delivery or transmittal. For purposes of this notice provision, the date and time of delivery or attempted delivery shall be established by postal or courier receipt and of facsimile transmittal by a transmittal confirmation log sheet generated by the sending machine. To be effective, any delivery by Fax must be confirmed within three business days by duplicate notice delivered as otherwise provided herein.

15.2 Commissions. Each party hereto represents and warrants to the other that there are no fees, commissions or other payments due for bringing about the execution and delivery of this Lease. If such representation and warranty is breached, each party hereby indemnifies, defends and holds harmless the other of and from each and every claim for fees, commissions or other payments made against such other party, which claim is based on the agreement or undertaking of the indemnifying party.

15.3 Cumulative Remedies. Except as provided in Section 14.2, no remedy herein or otherwise conferred upon or reserved hereunder shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease may be exercised, from time to time, as often as occasion therefor may arise or as may be deemed expedient. However, Landlord waives all existing and future rights to terminate this Lease under any circumstances. No delay or omission by either party to exercise any right or

power arising from any breach by the other of any term or condition of this Lease, and no acceptance of full or partial rent during the continuance of any such breach, shall impair any such right or power or shall be construed to be a waiver of any such breach or an acquiescence therein; nor shall the exercise, delay or nonexercise of any such right or remedy impair the rights granted hereunder or be construed as a waiver of such right or remedy or as a waiver, acquiescence in or consent to any further or succeeding breach of the same or any other covenant. Landlord acknowledges that Tenant does not have an adequate remedy at law if Landlord breaches its obligations hereunder, and therefore, Tenant will be entitled to pursue injunctive relief, specific performance and other equitable remedies, in addition to remedies at law.

15.4 Governing Law; Venue. The terms of this Lease shall be governed by and construed in accordance with the laws of the State of California. Any litigation concerning this Lease shall be conducted in Riverside County, California.

15.5 Construction. All provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each section hereof. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed. This Lease has been the subject of negotiations between the parties, and the interpretation hereof shall not be based upon any party being the draftsman hereof.

15.6 Entire Agreement. All negotiations, considerations, representations and understandings between the parties relating to this Lease are merged herein and may be modified or altered only by an agreement in writing between the parties hereto.

15.7 Captions. The headings of the several articles and sections contained herein are for convenience of reference only and do not define, limit or construe the contents of such articles and sections.

15.8 Partial Invalidity. If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

15.9 Covenants Running with the Land. This Lease and each and every covenant, agreement, condition and undertaking shall be deemed to be running with the land during the Term of this Lease and shall be binding upon and inure to the benefit of the respective parties hereto, their legal representatives, heirs, executors, administrators, successors and assigns.

15.10 Not a Partnership. Nothing herein contained shall be construed as creating a partnership, joint venture or any other relationship between Landlord and Tenant, other than that of landlord and tenant.

15.11 Merger. If both Landlord's and Tenant's estates in and to the Premises become vested in the same owner, this Lease shall not be destroyed by application of the doctrine of merger except by the Tenant's express election and upon the consent of any Lienholder.

15.12 Force Majeure. The time for performance by Landlord or Tenant of any term or provision of this Lease, other than the payment of monies, shall be deemed extended by time lost due to delays resulting from acts of god, strikes, civil riots, floods, unavailability of material or labor, restrictions by governmental authorities and any other causes not within the reasonable control of Landlord or Tenant, as the case may be.

15.13 Facilitation. Each party agrees to perform such further acts and to execute and deliver such further documents as may be reasonably necessary to carry out the provisions of this Lease and are consistent therewith.

15.14 Waiver. No waiver of any of the terms or conditions of this Lease shall be binding or effective unless expressed in writing and signed by the party giving such waiver.

15.15 Statements by Landlord and Tenant. Each of the parties hereby agrees at any time and from time to time, upon not less than ten (10) days' prior written notice, to execute, acknowledge and deliver to the other party, a prospective purchaser, assignee or lender, including, but not limited to, a Lienholder, a statement in writing certifying that (a) this Lease is unmodified and in full force and effect (or, if there have been modifications, a statement that this Lease is in full force and effect as modified and stating the modifications), (b) the dates to which the Rent and any other sums payable hereunder have been paid, (c) whether or not, to the knowledge of such party, there are then existing any defaults under this Lease or any events which, with the giving of notice or the passage of time, or both, would constitute a default hereunder (and, if so, specifying the same), and (d) such other information as the other party or any Lienholder or a prospective purchaser or assignee may reasonably require. Each party represents and warrants that such statement may be relied upon by the other party hereto or any third party. Neither Landlord nor Tenant shall be required to deliver more than three (3) statements under this Section 15.15 within any twelve (12) month period.

15.16 Attorneys' Fees. If either party hereto brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs of suit, including the costs allocable to internal legal counsel.

15.17 No Subordination. Landlord shall not subordinate its interest in the Land to any financing obtained by Tenant. Tenant's interest in the Premises under this Lease is not, and shall not be hereafter, subordinate to any deed of trust, mortgage deed, mortgage, deed to secure debt or to any other lien, encumbrance, condition, restriction, covenant or agreement affecting the Premises. Landlord shall not execute, or consent to the execution of, any instrument which could adversely affect the priority of this Lease or the deed of trust in favor of the lender financing Tenant's ownership of the Premises as more fully described in Section 13.1 hereof.

15.18 Interest. Wherever in this Lease a party is entitled to interest on sums it has expended, such amount shall bear interest from the date of expenditure until the date of repayment at an annual rate ("**Default Rate**") equal to three percent (3%) above the prime rate of interest from time to time announced by Bank of America, but not greater than the highest non-usurious rate then permitted by law. Notwithstanding anything in this Lease to the contrary, unpaid monetary obligations of Tenant under the terms of this Lease shall bear interest from the date due at the Default Rate.

15.19 Waiver of Landlord's Lien. Landlord, within ten (10) days after demand from Tenant, shall execute and deliver any document required by Tenant pursuant to which document Landlord waives any rights it may have or acquire with respect to the Improvements, or any of Tenant's personal property of fixtures contained within the Improvements or on the Land. Anything in this Lease to the contrary notwithstanding, Landlord hereby waives its right, if any, to distraint upon or to secure a lien against the any property of Tenant for Tenant's nonpayment of rent or other default under this Lease, or otherwise. The waiver provided for in the preceding sentence is intended to be, and is, automatic and self-operating; provided, however, Landlord agrees that upon Tenant's request Landlord shall execute such additional instruments as are requested by Tenant to further evidence and confirm the same.

15.20 Attornment. If Landlord's interest in the Premises is sold or conveyed, (a) at the election of the new owner, Tenant will attorn to and recognize the new owner as Tenant's landlord under this Lease and Tenant will confirm such attornment and new lease in writing within ten (10) days after request (Tenant's failure to do so will constitute an Event of Default); and (b) the new owner shall not be liable for any act or omission of Landlord under this Lease occurring prior to such sale or conveyance.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

Landlord:

City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California

By: _____
Name: _____
Title: _____

Tenant:

Garden of Champions LLC, a California limited liability company

By: _____
Name: _____
Title: _____

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.

EXHIBIT B

INSURANCE REQUIREMENTS

- (A) Commercial General Liability Insurance on an occurrence basis, without claims-made features, with general liability coverage in an amount equal to \$1,000,000 each occurrence and general aggregate coverage in an amount equal to \$2,500,000; and such insurance shall include coverage for bodily injury, property damage and advertising/personal injury arising from premises, operations, independent contractors, and liability assumed under an insured contract both oral and written.
- (B) All insurance required to be carried by Tenant hereunder:
- (1) Shall be issued by insurance carriers authorized to do business in the state in which the Premises are located, and with carriers rated, at a minimum, "A-VIII" by A.M. Best's Key Rating Guide.
 - (2) Shall be endorsed to provide for at least 10 days' advance written notice to Landlord of cancellation due to non-payment and at least 30 days' advance written notice to Landlord of material modification or cancellation for any reason other than non-payment.
 - (3) Shall be endorsed to stipulate that coverage afforded under such policy are primary insurance as respects Landlord and that any other insurance maintained by Landlord is excess and non-contributing with the insurance required hereunder.
 - (4) Shall be in form, include such endorsements and be provided by a company acceptable to Landlord, and shall insure Landlord and each other person designated by Landlord (altogether, the "Designated Parties") as additional insureds.
 - (5) Shall not be modified to reduce the extent of coverage or limits required herein without the prior written consent of Landlord, which Landlord may withhold or condition in its sole and absolute discretion.
 - (6) SHALL BE IN STRICT CONFORMITY WITH THE REQUIREMENTS OF THE LEASE AND NO ENDORSEMENT LIMITING OR EXCLUDING A COVERAGE SHALL BE PERMITTED. LANDLORD'S ACCEPTANCE AT ANY TIME OF INSURANCE THAT DOES NOT CONFORM WITH THE REQUIREMENTS OF THE LEASE SHALL NOT WAIVE LANDLORD'S RIGHT TO REQUIRE CONFORMITY IN THE FUTURE.
- (C) If Tenant fails to furnish and maintain the insurance described in this Exhibit, Landlord may (but is not required to) purchase such insurance on behalf of Tenant, and the Tenant shall pay the cost thereof to Landlord upon demand and shall furnish to Tenant any information needed to obtain such insurance.

EXHIBIT F

DESCRIPTION OF DEVELOPER PARCEL

[SEE ATTACHED]

DEVELOPER PARCEL

Those certain parcels of land in the City of Indian Wells, County of Riverside, State of California, being all that property (a) described as Parcels B and C as shown on Lot Line Adjustment 07-05-04 recorded March 10, 2006 as Instrument No. 2006-0174897, Records of Riverside County, California, (b) Parcels 3 and 4 as shown on Parcel Map No. 28833 recorded in Book 195, Pages 10 through 15, of Parcel Maps, Records of Riverside County, California, and (c) that certain parcel of land being a portion of Parcel 5 as shown on Parcel Map No. 28833 recorded in Book 195, Pages 10 through 15, of Parcel Maps, Records of Riverside County, California, as described on the attached Exhibit A.

EXHIBIT G
AGREEMENT REGARDING TOURNAMENTS

[SEE ATTACHED]

AGREEMENT REGARDING TOURNAMENTS

THIS AGREEMENT REGARDING TOURNAMENTS (the "**Agreement**") is made and entered into, and effective as of this ___ day of March, 2006 ("**Effective Date**") by and among Desert Champions LLC, a California limited liability company ("**Desert Champions**"), Garden of Champions LLC, a California limited liability company ("**Garden of Champions**"), and the City of Indian Wells, a municipal corporation of the State of California ("**City**").

WITNESSETH:

A. Desert Champions owns an ATP Tour, Inc. ("**ATP**") men's professional tennis tournament and a WTA Tour, Inc. ("**WTA**") women's professional tennis tournament (collectively, the "**Tournament**"), both of which are, as of the date of this Agreement, held concurrently, on an annual basis, in March at the Indian Wells Tennis Garden located at 78-200 Miles Avenue, Indian Wells, CA 92210 ("**IWTG**") and referred to as the Pacific Life Open.

B. The Tournament provides substantial positive long-term benefits to the City, including, but not limited to, positive national and international publicity, economic vitality and goodwill. The City would not receive these benefits if the Tournament were not held at IWTG.

C. The IWTG is owned by Garden of Champions, which shares common ownership with Desert Champions.

D. The IWTG is burdened with too much debt, and Garden of Champions has requested that City assist Garden of Champions in reducing such debt by purchasing certain real property from Garden of Champions and thereafter leasing to Garden of Champions other property to use as a parking lot for the IWTG.

E. To ensure that the Tournament continues to be held at the IWTG and to protect the future of the long term benefits provided by the Tournament to the City, the City has agreed to such request of the Garden of Champions, subject to and in accordance with the terms and provisions of that certain Purchase and Sale Agreement and Joint Escrow and Instructions ("**Purchase Agreement**") and that certain Ground Lease ("**Lease**"), by and between the City and Garden of Champions. dated concurrently herewith.

F. The City would not have agreed to such request of the Garden of Champions or have executed the foregoing documents without the assurances provided in this Agreement with respect to the situs of the Tournament.

G. The City has been authorized by all requisite action of the City Council of the City of Indian Wells pursuant to the applicable sections of the Indian Wells Municipal Code, to directly negotiate with Desert Champions and Garden of Champions on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Covenant. As a material inducement for the City's agreement to enter into the Purchase Agreement, the Lease and all documents related thereto, Garden of Champions and Desert Champions each hereby covenant and agree, jointly and severally, that from and after the date of this Agreement until the Termination Date (as defined below), each and every year, the Tournament shall be held at the IWTG or at such other location as the City, Garden of Champions and Desert Champions may mutually agree, each in their sole and absolute discretion, subject, in all respects to (a) the Tournament being conducted as a sanctioned event of the ATP and/or the WTA (or conducted in the manner described in the immediately following sentences of this Section 1) and (b) the non-staging of the Tournament due to events of force majeure including without limitation, strikes, embargoes, inclement weather, shortages of labor or materials, governmental regulations, acts of God, terrorist activities, war, riots, or other strife. The Tournament currently receives sanctions from the ATP and the WTA. During the term of this Agreement, events within and without the tennis world may affect the issuance of those sanctions, the existence of the ATP and/or the WTA, or the desirability of conducting a tennis event under sanctions from those governing bodies or under sanctions from any other governing body. Accordingly, the parties agree that the foregoing covenant will not be breached so long as the Tournament is conducted as a sanctioned event of the ATP and the WTA or is conducted as an independent event combining men and women tennis professionals (or a partially independent event if it operates with a sanction from either the ATP or the WTA) that is recognized as a major international event of a stature comparable to the 1998 Tournament and which receives domestic and international broadcast coverage comparable to the 1998 Tournament.

2. Remedy; Liquidated Damages. GARDEN OF CHAMPIONS AND DESERT CHAMPIONS BOTH ACKNOWLEDGE AND AGREE THAT (I) THE CONTINUED USE OF THE IWTG AS THE SITUS OF THE TOURNAMENT IS MATERIAL CONSIDERATION FOR THE CITY'S AGREEMENT TO ENTER INTO THE PURCHASE AGREEMENT, THE LEASE AND ALL DOCUMENTS RELATED THERETO, (II) CITY WOULD NOT HAVE AGREED TO EXECUTE SUCH DOCUMENTS WITHOUT THE ASSURANCES PROVIDED BY THIS AGREEMENT AND, IN PARTICULAR, SECTION 1 HEREOF, AND (III) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY CITY IF THE COVENANT SET FORTH IN SECTION 1 OF THIS AGREEMENT IS BREACHED. THEREFORE, IN THE EVENT THAT THE COVENANT SET FORTH IN SECTION 1 OF THIS AGREEMENT IS BREACHED, CITY SHALL BE ENTITLED, IN ADDITION TO ANY OTHER REMEDIES THAT IT MAY HAVE AT LAW OR IN EQUITY, TO RECOVER FROM EITHER GARDEN OF CHAMPIONS. DESERT CHAMPIONS OR BOTH AN AGGREGATE AMOUNT EQUAL TO THE LIQUIDATED DAMAGES (AS DEFINED IN SECTION 3 BELOW).

Garden of Champions' Initials

Desert Champions' Initials

3. Payment of Liquidated Damages. As used herein, the term "**Liquidated Damages**" shall mean an amount equal to \$5,000,000, provided, however, that if the Tournament is sold at any time after the fifth (5th) anniversary of this Agreement, the Liquidated Damages

shall mean an amount equal to five percent (5%) of the gross sales price of the Tournament. If the Tournament is not "profitable" for three (3) consecutive years, no payment of Liquidated Damages shall be required if the Tournament is sold within a twelve month (12) period upon notice to the City of the same. "Profitability" shall mean the normal operating revenue of the Tournament exceeds the normal operating expenditures of the Tournament (including debt service on \$16,500,000 amortized over a twenty-five (25) year period at an interest rate equal to seven percent (7%) per annum) before depreciation, taxes and distributions to the owners of the Tournament, as determined in accordance with GAAP. "GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

4. Termination Date. This Agreement shall terminate and shall thereafter be null and void and of no further force or effect on the date that is twenty (20) years after the date hereof (the "Termination Date").

5. Miscellaneous Provisions.

5.1 Joint and Several Obligations. The obligations of Garden Champions and Desert Champions set forth in this Agreement shall be joint and several.

5.2 Address for Notice. Any notice, consent, demand or other communication to be delivered to a party hereunder shall be deemed delivered and received when made in writing and transmitted to the applicable party either by receipted courier service, or by the United States Postal Service, first class registered or certified mail, postage prepaid, return receipt requested, or by electronic facsimile transmission ("Fax"), at the address or addresses indicated for such party below (and/or to such other address as such party may from time to time by written notice designate to the other):

If to Garden of Champions:

78-200 Miles Avenue
Indian Wells, CA 92210
Attn: Raymond J. Moore
Tel: (760) 200-8403
Fax: (760) 200-8441

With copy to:

Waikoa Holdings LLC
11100 Santa Monica Boulevard
Suite 600
Los Angeles, CA 90025
Attn: Mike Sultan
Tel: (310) 966-8182
Fax: (310) 478-7257

If to Desert Champions:
Desert Champions LLC
78-200 Miles Avenue
Indian Wells, California 92210
Attention: Steve Simon
Facsimile No. (760) 200-8441

With copy to:

Attn: _____
Telephone: _____
Facsimile: _____

If to City:
City of Indian Wells
Attn. Greg Johnson, City Manager
44-950 Eldorado Drive
Indian Wells, CA 92210
Telephone: 760-346-2489 x 241
Facsimile: 760-346-0407
E-mail: gjohnson@cityofindianwells.org

With a copy to:
Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, CA 90064-1614
Attn: Timi Anyon Hallem, Esq.
Telephone: 310-312-4217
Facsimile: 310-312-4224
E-mail: thallem@manatt.com

and shall be deemed delivered and received (A) if delivered or transmitted before 5:00 pm recipient's local time on a business day, or if delivery is unsuccessfully attempted between the hours of 9:00 am and 5:00 pm recipient's local time on a business day, then on the date of actual delivery or transmittal or of such attempted delivery, and (B) otherwise on the next business day following actual delivery or transmittal. For purposes of this notice provision, the date and time of delivery or attempted delivery shall be established by postal or courier receipt and of facsimile transmittal by a transmittal confirmation log sheet generated by the sending machine. To be effective, any delivery by Fax must be confirmed within three business days by duplicate notice delivered as otherwise provided herein.

5.3 Governing Law; Venue. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of California. Any litigation concerning this Agreement shall be conducted in Riverside County, California.

5.4 Construction. All provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each section hereof. The necessary grammatical changes required to make the provisions of this Agreement apply in the plural sense to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed. This Agreement has been the subject of negotiations between the parties, and the interpretation hereof shall not be based upon any party being the draftsman hereof.

5.5 Captions. The headings of the several articles and sections contained herein are for convenience of reference only and do not define, limit or construe the contents of such articles and sections.

5.6 Partial Invalidity. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

5.7 Successors and Assigns. This Agreement and each and every covenant, agreement, condition and undertaking shall be binding upon and inure to the benefit of the respective parties hereto, their legal representatives, heirs, executors, administrators, successors and assigns.

5.8 Not a Partnership. Nothing herein contained shall be construed as creating a partnership, joint venture or any other relationship between City and Garden of Champions, other than that of landlord and tenant under that certain Ground Lease, of even date herewith, by and between City and Garden of Champions.

5.9 Facilitation. Each party agrees to perform such further acts and to execute and deliver such further documents as may be reasonably necessary to carry out the provisions of this Agreement and are consistent therewith.

5.10 Waiver. No waiver of any of the terms or conditions of this Agreement shall be binding or effective unless expressed in writing and signed by the party giving such waiver.

5.11 Attorneys' Fees. If any party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs of suit, including the costs allocable to internal legal counsel.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

City

City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California

By: _____
Name: _____
Title: _____

Garden of Champions

Garden of Champions LLC, a California limited liability company

By: Indian Wells Tennis Tournament, LLC, a Nevada limited liability company, Member

By: _____
Name: _____
Title: _____

Desert Champions

Desert Champions LLC, a California limited liability company

By: Indian Wells Tennis Tournament, LLC, a Nevada limited liability company, Member

By: _____
Name: _____
Title: _____

EXHIBIT H
THIRD AMENDMENT TO CITY OF
INDIAN WELLS SPONSORSHIP AGREEMENT

[SEE ATTACHED]

ok
~~Replace~~

**THIRD AMENDMENT
TO CITY OF INDIAN WELLS SPONSORSHIP AGREEMENT**

This Third Amendment to City of Indian Wells Sponsorship Agreement (this "**Amendment**") is made and entered into as of March __, 2006, by and between Desert Champions LLC, a California limited liability company ("**Desert Champions**") and the City of Indian Wells, a municipal corporation of the State of California ("**City**").

WHEREAS, PM Sports Management Corporation, a California corporation ("**PM Sports**"), International Merchandising Corporation, an Ohio corporation ("**IMC**"), Desert Champions, Garden of Champions LLC, a California limited liability company ("**Garden of Champions**"), and together with PM Sports, IMC, Desert Champions and Garden of Champions, collectively, "**Tennis Entities**") and City are parties to that certain Sponsorship Agreement, dated as of October 28, 1998 (the "**Sponsorship Agreement**"), as amended by that certain First Amendment to the Sponsorship Agreement, dated as of January 21, 1999 (the "**First Amendment**"), by and among the Tennis Entities and City, and as further amended by that certain Second Amendment to Sponsorship Agreement, dated February 28, 2002 (the "**Second Amendment**"), and together with the Sponsorship Agreement and the First Amendment, collectively, the "**Original Agreement**"), by and between Desert Champions and City;

WHEREAS, the rights and obligations of the Tennis Entities under the Original Agreement were assigned to Desert Champions pursuant to an Assignment and Assumption Agreement, dated September 20, 2001;

WHEREAS, Desert Champions and City view the Original Agreement as valuable and desire to amend the Original Agreement as hereinafter provided; and

WHEREAS, capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Original Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations, warranties and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All references to "Sponsorship Fee" in the Original Agreement shall be revised to read "Naming Rights Fee". All references to "Tennis Entities" in the Original Agreement shall be revised to read "Desert Champions".

2. Payments. A new Section 3.1(f) shall be added to the Original Agreement and read as follows:

(f) The above notwithstanding, for the First Extension Term and the Second Extension Term (each, an "Extension Term"), the Naming Rights Fee payments under this Section 3.1 shall be subject, in all respects, to the amount of admission tax received by

City from events at the Tennis Facility (the "Admission Tax") during the last year of the immediately preceding term. For each Extension Term, (i) if City receives Admission Tax in an amount equal to or greater than \$1,000,000 (the "Targeted Admission Tax") during the last year of the immediately preceding term, no adjustments shall be made to the Naming Rights Fee, as provided in Sections 3.1(b) and 3.1(c), respectively, and (ii) if City receives Admission Tax in an amount less than the Targeted Admission Tax during the last year of the immediately preceding term, the Naming Rights Fee shall be adjusted accordingly and calculated based upon the percentage of the Targeted Admission Tax received by City. The following illustrate examples of such Naming Rights Fee calculation:

For the First Extension Term, if City receives 70% of the Targeted Admission Tax during the last year of the Initial Term and there is no increase to the base Naming Rights Fee of \$2,500,000 in respect of Qualifying Hotel Rooms, City shall pay a Naming Rights Fee of \$1,750,000 ($\$2,500,000 \times .70$). For the Second Extension Term, if City receives 80% of the Targeted Admission Tax during the last year of the First Extension Term and there are 500 Qualifying Hotel Rooms, City shall pay a Naming Rights Fee of \$2,400,000 ($(\$2,500,000 + \$500,000) \times .80$).

3. Assignment by City. The entire text of Section 13.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

City may not grant sublicenses or assign, transfer, alienate, encumber, or hypothecate any of its rights or obligations under this Agreement without the prior written consent of Desert Champions. Notwithstanding any provision herein to the contrary, City and Desert Champions may mutually agree to sell the naming rights to the Tennis Facility, including the Stadium.

4. Repayment Guaranty. The entire text of the first two sentences of Section 13.2(c) of the Original Agreement is hereby deleted in its entirety.

5. Counterparts. This Amendment may be executed in counterparts, by manual or facsimile signatures, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

6. Ratification. In all other respects, the Original Agreement is hereby ratified and affirmed and remains in full force and effect.

[remainder of page intentionally left blank; signature page(s) follow]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

City of Indian Wells

**Desert Champions LLC,
a California limited liability company**

By: _____
Name: _____
Title: _____

By: Indian Wells Tennis Tournament, LLC, a
Nevada limited liability company

By: _____
Name: _____
Title: _____

40962518.4

EXHIBIT I

HOST SPONSORSHIP AGREEMENT

[SEE ATTACHED]

February ____, 2006

City of Indian Wells
44-950 Eldorado Drive
Indian Wells, California 92210
Attention: Greg Johnson

Dear Mr. Johnson:

This letter sets forth the agreement (the "Agreement") which has been reached between the City of Indian Wells, a municipal corporation of the State of California ("City"), and Desert Champions LLC, a California limited liability company ("DC"), with regard to the tennis tournament currently known as the Pacific Life Open, as it may be renamed (the "Tournament"), to be played annually at the Indian Wells Tennis Garden (the "Facility") in Indian Wells, California during the term hereof.

1. Term. The term of this Agreement commences as of the closing under the Purchase Agreement (as defined below) and terminates at the conclusion of the 2026 Tournament, unless earlier terminated as set forth herein (the "Term"). Notwithstanding anything to the contrary contained herein, this Agreement shall be null and void, and of no force or effect, if the transactions contemplated by the Purchase and Sale Agreement and Joint Escrow Instructions dated February __, 2006 ("Purchase Agreement") between City and Garden of Champions LLC, a California limited liability company ("GOC"), the Agreement Regarding Tournaments dated February __, 2006 ("Tournament Agreement") between City, DC and GOC, and the Ground Lease dated February __, 2006 ("Ground Lease") between City and GOC do not close by _____. The Purchase Agreement, Tournament Agreement and Ground Lease will be collectively referred to as the "City Agreements."

2. Grant of Sponsorship Rights. In consideration for City's entering into the City Agreements, and the timely closing of the transactions contemplated thereunder, DC grants to City the non-exclusive right to be a "host sponsor" of each Tournament throughout the Term, beginning with the 2007 Tournament and concluding with the 2026 Tournament, subject to the terms and conditions set forth herein. City may use such sponsorship rights on a non-exclusive basis in connection with the City's advertising and promotion of City as a resort destination and the Golf Resort at Indian Wells and the resort properties within the City's boundaries (presently the Hyatt Grand Champions Resort, Indian Wells Resort Hotel, Miramonte Resort and Renaissance Esmeralda Resort) may be mentioned in this context (collectively, such advertising and promotion will be referred to in this Agreement as the "City Promotions"), subject always to the provisions of Paragraph 6 hereof and provided that any such City Promotions shall not conflict with or violate any of the rights or agreements of DC or Garden of Champions LLC, an affiliate of DC ("GOC"), relating to the Tournament, Special Events (defined below in Paragraph

3 (a)) or the Facility (the "Other Agreements"). DC represents to City that no current Other Agreement would prohibit City with respect to City Promotions. All rights related to the Tournament or any Special Event not specifically and/or exclusively granted to City shall be and remain the property of DC to be used in any manner that DC deems appropriate.

3. Agreements of DC. In furtherance of the grant contained in Paragraph 2, DC shall provide City with the following in connection with each Tournament, and certain benefits for each Special Event as specifically described below, during the Term hereof:

- (a) The exclusive use of Stadium Suite 332, (the "Stadium Suite") a thirty-four (34) seat stadium suite during each Tournament session. DC shall provide City with up to forty-six (46) passes for the Stadium Suite for each Tournament session. Any supplemental signage or decorations within the Stadium Suite are the responsibility of City, are at City's expense and are subject to DC's prior approval. Subject to the foregoing, DC shall install and deinstall signage or banners bearing City's logo within the Stadium Suite during City's use of it at City's request. At the end of each Tournament or the earlier termination of this Agreement, the Stadium Suite and the furnishing and property therein provided by DC shall be surrendered and returned to DC in the same condition as when received by City, ordinary wear and tear excepted.
- (b) All catering for the Stadium Suite during the Tournaments will be supplied by a caterer designated by DC. DC shall, at DC's expense, provide City with an individual chosen by DC from time to time to act as Host or Hostess within the Stadium Suites at all times play is occurring within the Stadium Court. DC shall provide City with an aggregate Seventy-Five Thousand Dollars (\$75,000) catering credit for each Tournament for use only within the Stadium Suite and/or any other stadium suite for which City has the exclusive right to use during the Tournament under this Agreement or any other agreement with DC. Any unused portion of this catering credit is not refundable and may not be carried over to another Tournament. City will be responsible for all food and beverage charges over the above-described catering credit.
- (c) Sixteen (16) four-seat box seat tickets (total of 16 seats) in the Stadium Court for each Tournament session, in a location selected by DC.
- (d) Sixteen (16) loge seat tickets in the Stadium Court for each Tournament session, in a location selected by DC.
- (e) Sixteen (16) grandstand seat tickets in the Stadium Court for each Tournament session, in a location selected by DC.
- (f) Six (6) VIP valet parking passes for each Tournament session.

- (g) Fifty (50) daily general parking passes in connection with each Tournament.
- (h) Twenty-four (24) Valet parking passes for each Tournament session.
- (i) A mutually agreed upon number of Tournament sponsor credentials allowing access to the Facility as the parties agree is necessary in order for City to fully enjoy its benefits hereunder.
- (j) One sidewall signage positions on each of the west and east walls of each of Stadium 2 and Stadium 3. These positions are referenced as positions W1 and E8 as marked on Exhibit A hereto.
- (k) Two (2) wing signage positions in the Stadium Court, in positions referenced as SE3 and NW3 as marked on Exhibit A hereto.
- (l) One (1) signage position, in a location with the confines of the upper Stadium Court as DC may determine.
- (m) In the event that any or all of the signage positions referenced as positions NW2, NE2, SW2 and SE2 of Stadium Court as marked on Exhibit A hereto remain unsold by DC at the commencement of any Tournament, City shall be provided with the use of such unsold signage positions for that Tournament, subject to all the terms and conditions hereof.
- (n) Recognition of City on the Welcome Board located at each Facility entrance.
- (o) Recognition of City as a host sponsor on the Sponsor Recognition Board.
- (p) City shall be credited as a "Host Sponsor" of the Tournament in at least three (3) public address announcements each day of the Tournament. City and DC will consult as to the content of such announcements as they relate to Sponsor. Sponsor shall have no right to approve or disapprove of any material unrelated to Sponsor included in any such announcement.
- (q) City will be recognized as a host sponsor on an electronic scoreboard each day during the Tournament that an electronic scoreboard is in use.
- (r) City will be provided with the ability to place one (1) panel on up to four (4) information kiosks, such kiosks to be in locations as determined by DC, at the Facility. The contents of the panel are subject to DC's prior review and approval.

- (s) The opportunity to conduct up to three (3) on-court promotions between matches on Stadium Court as selected by DC during each Tournament. Such consent is subject to DC's prior approval, which shall not unreasonably withheld. City is solely responsible for determining that any such promotional contest complies with all applicable federal, state and local laws, rules and regulations regarding such contests and for complying therewith.
- (t) City shall receive name recognition as a host sponsor on all advertising and Promotional Materials produced and disseminated by DC for each Tournament during the term hereof. As used herein "Promotional Materials" includes all print advertising, pamphlets, maps, brochures and informational material in written form.
- (u) Space to place a one (1) full-page four-color advertisement in the Official Tournament Program produced and disseminated by DC for each Tournament, such advertisement to be provided to DC with camera-ready artwork by the dates designated by DC in advance of each Tournament.
- (v) Space to place one (1) Welcome Letter from the Mayor of the City within the Official Tournament Program produced and disseminated by DC for each Tournament.
- (w) Space to place one (1) one-quarter (1/4) page black and white advertisement within the daily drawsheet for one Tournament session, on a date each year as DC may determine in its sole discretion.
- (x) A date as determined by DC, during the first week of each Tournament, will be branded as "City of Indian Wells Day". In connection with such designated day, each individual presenting a valid Indian Wells Property Owner's Card and driver's license (or other form of picture identification) may obtain, at no cost, the best available loge seat tickets for one Tournament session on that date, up to a maximum of four tickets per household. Tickets are subject to availability for each Tournament session and distributed on a first come first served basis. Tickets will be distributed directly from the Indian Wells City Hall in advance of "Indian Wells Residents Day" and at the Facility on such designated day.
- (y) The option to use one (1) twenty foot by twenty foot (20' x 20') Display Booth and one (1) ten foot by ten foot (10' x 10') Display Booth, at the Facility during each Tournament, in a location selected by DC. Each Display Booth comes complete with: carpeted flooring, general lighting, 1 four-outlet electrical outlet, 1 telephone line with local access only, if required, 2 six-foot tables, 2 chairs and signage on the booth canopy. Any supplemental furnishings, signage, power, telephone, special equipment, security or other needs are the responsibility of City, are at

City's sole expense and are subject to DC's prior reasonable approval. If City exercises the option to use either or both Display Booths, City agrees to have an attendant at such Display Booth at all times the Facility is open to the public during each Tournament. All property of City stored or located at the Facility will be the responsibility of City and City bears all risk of loss or damage to such property. City agrees that, at the end of each Tournament or the earlier termination of this Agreement, each Display Booth and the furnishings and property therein provided by DC shall be surrendered and returned to DC in the same condition as when received by City, ordinary wear and tear excepted.

- (z) City may distribute sales and promotional literature to entering and exiting attendees during one Tournament session as the parties may agree, such literature and location and method of distribution being subject to DC's prior review and approval.
- (aa) The mayor or other designated City representative will be recognized during each of the men's and women's awards ceremonies along with Tournament representatives as designated by DC.
- (bb) Subject to broadcaster's approval in its sole and absolute discretion, area of interest/beauty shot "bumpers" during the domestic cable broadcast, if any, of each Tournament.
- (cc) If DC has a video wall in the Facility area known as the "Garden Village" during any Tournament, City will have the opportunity to air three (3), 30 second spots once each day during the Tournament, which spots will be subject to DC's approval.
- (dd) Subject to any third party restrictions, DC shall mail direct response campaign materials (limited to City Promotions) provided to it by City which promote City as a resort destination (such materials to be subject to DC's prior approval) to entities included on DC's database once each year during the Term. All out of pocket costs associated with such mailing (e.g., the creation of the materials, postage, etc.) will be the sole expense of City. This right shall survive expiration but not early termination of the Term.
- (ee) Recognition as a host sponsor, and a reciprocal link to City's web site, on the official Tournament web site at all time such web site is operational throughout the Tournament.
- (ff) City shall have the exclusive use of Stadium Suite 332 for all other events held within the main stadium at the Facility (the "Stadium"), except for events not open to the public (as so limited, a "Special Event" or the "Special Events"). For

each Special Event, DC shall provide City with up to thirty-four (34) passes for the Stadium Suite, six (6) VIP parking passes (valet parking, if provided for the event) and twelve (12) general parking passes (if such are issued for the event). For each Special Event, DC shall use its commercially reasonable best efforts to provide up to twelve (12) additional passes for the Stadium Suite. All catering, if any, for the Stadium Suite during a Special Event will be supplied by a caterer designated by DC. There is no catering credit for any Special Event and City will be responsible for all food and beverage charges it incurs in respect of its use of the Stadium Suite during a Special Event. At the end of each Special Event, the Stadium Suite and the furnishing and property therein provided by DC shall be surrendered and returned to DC in the same condition as when received by City, ordinary wear and tear excepted.

In connection with the benefits listed above for the Tournament, any and all advertisements, vignettes and other materials provided by City hereunder must be provided with camera-ready artwork by the date or dates specified by DC, are subject to DC's editing and approval, which approval shall not unreasonably withheld, and DC is not responsible for any errors or misprints therein. If City does not supply artwork by dates as requested, then DC shall use the artwork, if any, provided for any of the prior issues. City shall have no right to approve or disapprove of any material or item unrelated to City included in the Official Tournament Program, the daily draw sheet, the Promotional Materials, or in any other materials in which City Promotions, City's advertisements or City Marks (as defined in Paragraph 6) appear. Any and all signage bearing City's identification (other than as set forth in Paragraph 3(a)) shall be created by DC at DC's expense and in conformance with DC's then-current specifications for such signage and will be subject to City's prior approval, which approval shall not be unreasonably withheld or delayed. DC shall own all such signage. All signage will be installed, maintained in good repair and removed by DC at its expense. All benefits listed above are subject to Paragraph 7 hereof, as applicable.

Except as expressly set forth herein, City acknowledges and agrees that it is not entitled to any credit, deduction, rebate or refund of any kind for any benefit listed in Paragraph 3 that is not used by City, in whole or in part.

4. Agreements of City.

- (a) City and its guests shall, at all times, maintain proper decorum (including without limitation the avoidance of any conduct or action which will cause a disturbance in the Facility or a distraction to players, performers or other patrons) while using the Stadium Suite, or while present anywhere in the Facility and shall use the Stadium Suite and other parts of the Facility only in a manner which is in full compliance with all present and future laws, orders, rules and regulations of all state, federal, municipal and local governments, departments, commissions and boards asserting jurisdiction thereover, or any direction of a public officer

pursuant to law (all of the foregoing, collectively "Legal Requirements"). City and its guests shall observe faithfully, and comply strictly with, such standards of decorum and all of the rules and regulations as may be established by DC from time to time for the licensing of the Stadium Suite and use of or attendance at the Facility and with all applicable provisions of the Legal Requirements. City and its guests shall be subject to ejection from the Facility and/or the Stadium Suite for failure to maintain proper decorum or for failure to abide by Legal Requirements. City hereby acknowledges and agrees that neither it nor any of its guests are permitted to bring alcohol into the Facility. City further acknowledges and agrees that it is responsible for ensuring its guests' observance of the requirements set forth in this subparagraph (a).

- (b) City agrees it will vacate the Stadium Suite after a Tournament or Special Event as provided in Paragraphs 3(a) or 3(ff), as applicable. In addition, City agrees that for each Tournament it will vacate the other areas of the Facility, and remove all its property therefrom, within ten (10) days after the completion of such Tournament.

5. Payments. All City payments under this Agreement shall be made by check payable to Desert Champions LLC and sent to:

Desert Champions LLC
78-200 Miles Avenue
Indian Wells, California 92210
Attention: Controller

6. Trademarks.

(a) During the Term hereof, City grants to DC the limited right to use any trademarks, trade names, service marks, and logos owned by it (the "City Marks") in connection with the Tournaments and any activities or promotions reasonably incidental thereto.

(b) During the Term hereof, DC grants to City the limited right to use the trademarks, trade names, service marks, and logos owned by it, or for which DC has been granted a license, (the "DC Marks," and together with the City Marks, the "Marks") in connection with the promotion of the Tournaments and City's role of host sponsor in accordance with the terms and conditions of this Agreement.

(c) Neither party has an interest in or right to the use of the other party's Marks except for the limited right of usage which each grants the other in this Agreement and each such grant is expressly limited to the Tournaments and any activities, promotions or advertising reasonably incidental thereto. It is mutually understood that improper use of Marks by the other party may cause immediate and irreparable harm and shall entitle the non-defaulting party to seek

injunctive relief without the necessity of posting a bond or other security or showing actual damages.

7. Advertising Approvals. Any advertising or other material prepared by one party which contains the other party's Marks, shall be provided to the other party in advance of publication or other use for its review. All such materials must receive the written approval of the other party prior to any publication of it, such approval not to be unreasonably withheld or delayed. Each of the parties agrees that any material submitted to it for approval as provided herein may be deemed by the other to have been approved hereunder if the same is not disapproved in writing within ten (10) days after receipt hereof. Each of the parties acknowledges that any such use previously approved by it or deemed approved by the other as set forth herein shall be deemed approved and accepted for any and all future use unless the other party is informed otherwise in writing.

8. Default; Remedies.

(a) The following events shall constitute an event of default ("Event of Default") under this Agreement regardless of whether any such event shall be voluntary or involuntary or shall result from the operation of applicable laws, rules or regulations or shall be pursuant to or in compliance with any judgment, decree or order of any court of competent jurisdiction:

- (i) Either party shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law, or shall make a general assignment for the benefit of creditors, or shall have an involuntary case or other proceeding instituted against it seeking similar relief; and
- (ii) Either party shall otherwise fail to perform or observe any other material covenant, material representation or material condition set forth herein and such failure shall continue unremedied for a period of thirty (30) days after the receipt of written notice thereof from the nondefaulting party; or
- (iii) Upon expiration or termination of any of the City Agreements.

(b) Upon the occurrence of an Event of Default, and at any time thereafter so long as the same shall be continuing, the nondefaulting party may declare, at its option, this Agreement to be in default and: (i) may immediately terminate this Agreement without any liability whatsoever other than liabilities accrued to such date; (ii) may seek enforcement by appropriate court action of the terms hereof and recover actual damages (which shall not include punitive, speculative or consequential damages, such as loss of business opportunities or profit) for the breach hereof; (iii) may exercise any other right or remedy available to it under law or in equity;

or (iv) may seek any permitted combination of such remedies. No remedy is intended to be exclusive, but each shall be cumulative and the exercise of any such remedy shall not preclude the simultaneous or later exercise of any other remedy. Notwithstanding the foregoing, if an Event of Default is caused as a result of a default under the Tournament Agreement, then City's recovery hereunder shall be reduced, on a dollar for dollar basis, by the amount, if any, that City actually recovers under the Tournament Agreement.

9. Indemnity/Insurance.

(a) City agrees to indemnify, defend and hold DC, its parent, its subsidiaries and the affiliates of each such entity, harmless from and against any and all expenses, damages, claims, suits, losses, actions, judgments, liabilities and costs whatsoever (including attorney fees) (collectively, "Losses") arising out of: (i) City's breach, misrepresentation or non-performance under this Agreement or City or City's agent's gross negligence or willful misconduct; (ii) City's products or services or the distribution or use of City's products or services; (iii) DC's use (in conformance with the terms of this Agreement) of City Marks; (iv) any advertising or promotional material furnished by or on behalf of City or City Promotions; (v) any payment owed by City to persons or entities associated with any Tournament or Special Event (including, without limitation, catering costs); (vi) City's failure to comply with any third party obligations or any applicable local, state, federal or site laws, rules or regulations regarding any and all promotions or activities it conducts in connection with any Tournament; or (vii) the failure by City or its guests to comply with the requirements of Paragraph 4(a). Notwithstanding the foregoing, City shall not be required to so indemnify DC for any Losses to the extent they arise from the gross negligence or willful misconduct of DC or any of its employees or agents.

(b) DC agrees to indemnify, defend and hold City harmless from and against any and all Losses arising out of: (i) DC's breach, misrepresentation or non-performance under this Agreement or DC's or DC's agent's gross negligence or willful misconduct; (ii) any claim or action for personal injury, death, bodily injury, property damage or otherwise, suffered by participants, competitors, spectators or others at any Tournament or Special Event; (iii) any advertising or promotional material furnished by or on behalf of DC; (iv) City's use (in conformance with the terms of this Agreement) of DC's Marks; (v) any payment owed by DC to persons or entities associated with any Tournament (including, without limitation, prize money) or Special Event; or (vi) DC's failure to comply with any third party obligations or any applicable local, state, federal or site laws, rules or regulations regarding any and all promotions or activities it conducts in connection with any Tournament or Special Event. Notwithstanding the foregoing, DC shall not be required to so indemnify City for any Losses to the extent they arise from the gross negligence or willful misconduct of City or any of its employees or agents.

(c) City will provide evidence of self insurance or obtain and maintain at its own expense throughout the Term (i) general liability insurance (including products liability insurance) having limits of no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (ii) automobile liability insurance having limits of no less than \$1,000,000 per

occurrence; and (iii) workers compensation insurance in statutory coverage amounts, with a minimum of \$500,000 employer's liability. DC and GOC shall each be named as an additional insured with respect to items (i) and (ii). City shall provide DC with a certificate evidencing all insurance required under this Agreement within fourteen (14) days after the execution and delivery of this Agreement. Such insurance policy shall provide that the insurer shall not terminate or materially modify such policy or remove DC or GOC as additional insured without prior written notice to DC at least thirty (30) days in advance thereof.

(d) DC will provide evidence of self insurance or obtain and maintain at its own expense throughout the Term (i) general liability insurance (including products liability insurance) having limits of no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (ii) automobile liability insurance having limits of no less than \$1,000,000 per occurrence; (iii) workers compensation insurance in statutory coverage amounts, with a minimum of \$500,000 employer's liability; and (iv) property insurance covering all property owned, on in the care, custody and control of DC. City shall be named as an additional insured with respect to items (i) and (ii) and as a loss payee as applicable with respect to item (iv). DC shall provide City with a certificate evidencing all insurance required under this Agreement within thirty (30) days after the execution and delivery of this Agreement. Such insurance policy shall provide that the insurer shall not terminate or materially modify such policy or remove City as additional insured, without prior written notice to City at least fourteen (14) days in advance thereof.

10. Governing Law/Arbitration. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any dispute arising under this Agreement will be first referred for resolution to City's and DC's respective management designee. To the extent that the designees of the parties cannot resolve the dispute within five (5) business days of referral to them, the parties agree to try in good faith to settle the dispute by non-binding mediation under the Commercial Mediation Rules of the Judicial Arbitration and Mediation Services, Inc. ("JAMS"). If after three (3) days of mediation with the mediator, the dispute is not settled, or if the mediator declares an impasse prior to the end of the three (3) day period, then and only then may the aggrieved party pursue arbitration as set forth herein.

The parties agree to submit to arbitration any dispute related to this Agreement unresolved by mediation and agree that the arbitration process shall be the exclusive means for resolving disputes which the parties cannot resolve by mediation. Any arbitration hereunder shall be conducted under the Dispute Resolution Rules of JAMS as modified herein. Arbitration proceedings shall take place in Riverside County, California, before a single arbitrator who shall be a lawyer. All arbitration proceedings shall be confidential. Neither party shall disclose any information about the evidence produced by the other party in the arbitration proceedings, except in the course of judicial, regulatory, or arbitration proceeding, or as may be demanded by government authority or as may be required under the Public Records Act. Before making any disclosure permitted by the preceding sentence, a party shall give the other party reasonable advance written notice of the intended disclosure and an opportunity to prevent disclosure. In

connection with any arbitration provisions hereunder, each party shall have the right to take the deposition of one individual and any expert witness retained by the other party. Additional discovery may be had only where the arbitrator so orders, upon a showing of substantial need. Only evidence that is directly relevant to the issues may be obtained in discovery. Each party bears the burden of persuasion of any claim or counterclaim raised by that party. The arbitration provisions of this Agreement shall not prevent any party from obtaining injunctive or other equitable relief from a court of competent jurisdiction to enforce the obligations for which such party may obtain provisional relief pending a decision on the merits by the arbitrator. Each of the parties hereby consents to the jurisdiction of California courts for such purpose. The arbitrator shall have authority to award any remedy or relief that a court of the State of California could grant in conformity to applicable law, except that the arbitrator shall have no authority to award attorneys' fees or punitive damages. Any arbitration award shall be accompanied by a written statement containing a summary of the issues in controversy, a description of the award, and an explanation of the reasons for the award. The arbitrator's award shall be final and judgment may be entered upon such award by any court.

11. Notices. Whenever notice is to be served hereunder, service shall be made personally or by registered or certified mail, return receipt requested, postage prepaid or by confirmed facsimile. Notice shall be effective only upon receipt by the party being served, except notice shall be deemed received 72 hours after posting by the United States Post Office, by method described above. All notices shall be sent to the addresses described below:

To City: City of Indian Wells
44-950 Eldorado Drive
Indian Wells, California 92210
Attention: Greg Johnson, City Manager
Facsimile No. (760) 346-0407

To DC: Desert Champions LLC
78-200 Miles Avenue
Indian Wells, California 92210
Attention: Steve Simon
Facsimile No. (760) 200-8441

12. Force Majeure.

- (a) No delay or failure of DC to perform any of its obligations under this Agreement shall be considered a breach of this Agreement if such delay or failure results from any cause beyond the control of DC, including, without limitation, any act of God, fire, flood, strike, lockout or other labor dispute, natural catastrophe, weather or other climatic conditions, public emergency, insurrection, riot, war, act or threat of terrorism, transportation shortage, delay of a common carrier, or actions of governmental authorities (a "Force Majeure Event").

- (b) Without limiting the generality of the foregoing, City acknowledges that (i) each Tournament and Special Event is an outdoor event and agrees that certain Tournament sessions or Special Event performances may be canceled or rescheduled due to inclement weather, (ii) each Tournament is a sporting event in which players occasionally withdraw or otherwise fail to complete their scheduled matches and (iii) each Special Event is subject to cancellation, rescheduling or curtailment due to performer illness and/or other reasons, replacement of one or more performers for a particular performance or performances, and other matters not within DC's control that may change the timing, nature or quality of the performance or event. Any of the results contemplated by the preceding sentence shall be considered a Force Majeure Event and not be a default hereunder.
- (c) Except as otherwise provided by Paragraph 12 hereof, in the event of any such Force Majeure Event, City shall not be entitled to any remuneration or credit for tickets, catering credits, suite use and/or passes or any other consideration.

13. **Non-Staging of Tournament.** If a Tournament for which the City is a host sponsor is not staged as scheduled during the Term, and City does not exercise its right, if any, to terminate this Agreement, this Agreement shall remain in full force and effect and will apply to the next "Tournament" held at the Facility and all time periods will be extended accordingly to reflect the delay.

14. **Redesignation of Tournament.** The Tournament currently receives sanctions from the ATP Tour, Inc. ("ATP") and the WTA Tour, Inc. ("WTA"). During the Term, events within and without the tennis world may affect the issuance of those sanctions, the existence of the ATP and/or the WTA, or the desirability of conducting a tennis event under sanctions from those governing bodies or under sanctions from any other governing body. Accordingly, the parties agree that this Agreement will remain in effect during its Term (subject to the Force Majeure provisions of Section 11 and the termination provisions herein) so long as the Tournament is conducted as a sanctioned event of the ATP and the WTA, or is conducted as a sanctioned event of any successor governing body to the ATP and/or the WTA, or is conducted as an independent event combining men and women tennis professionals (or a partially independent event if it operates with a sanction from either the ATP or the WTA or any successor thereto) that is recognized as a major international event of a stature and which receives domestic and international broadcast coverage comparable to the 2006 Tournament. Should the redesignated Tournament fall below the above standard, City at its option may terminate this Agreement under Section 7 (a) (ii).

15. **Limitation of Liability.** Notwithstanding anything to the contrary contained herein, no party shall be liable for any consequential, punitive, indirect, incidental, reliance, or special damages, whether or not such party has been advised about the possibility thereof.

16. Entire Agreement. This Agreement constitutes the entire agreement between City and DC in respect to the subject matter of City's host sponsorship and supersedes all prior agreements.

17. Naming Rights Sponsorship Agreement. City's rights under this Agreement are separate from and are in addition to its rights under the City of Indian Wells Sponsorship Agreement dated as of October 28, 1998, as amended.

18. Joint Venture. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between City and DC. Neither party shall have any right to obligate or bind the other party in any manner whatsoever.

19. Severability. If any court of competent jurisdiction finds any provision of this Agreement to be unenforceable or invalid, then such provision shall be ineffective to the extent of the court's finding without affecting the enforceability or validity of the Agreement's remaining provisions.

20. Assignment. This Agreement is non-assignable by City and does not inure to the benefit of City's successors. DC may assign this Agreement when, as and if the Tournament is sold or transferred to another party. City will be promptly notified in writing of any assignment by DC of the rights or obligations under this Agreement.

21. Approval Standard. Unless otherwise provided, in this Agreement a party's right to approve any action or thing, or to take any action, or to make a unilateral determination shall be exercised in its sole and absolute discretion.

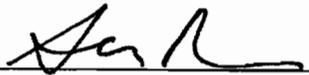
22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original instrument and all of which together shall constitute the same instrument.

If the foregoing numbered paragraphs accurately set forth the understanding, please sign the enclosed copy of this letter and return it to me and this letter will then set forth our agreement.

Very truly yours,

DESERT CHAMPIONS LLC

By: Indian Wells Tennis Tournament,
LLC, a Nevada limited liability company,
Member

By 

ACKNOWLEDGED AND AGREED

CITY OF INDIAN WELLS


By _____
Name: Greg Johnson
Title: City Manager

EXHIBIT A

40968354.2

Exhibit "A"

NW3 and SE3 City of IW Signage Stadium Court

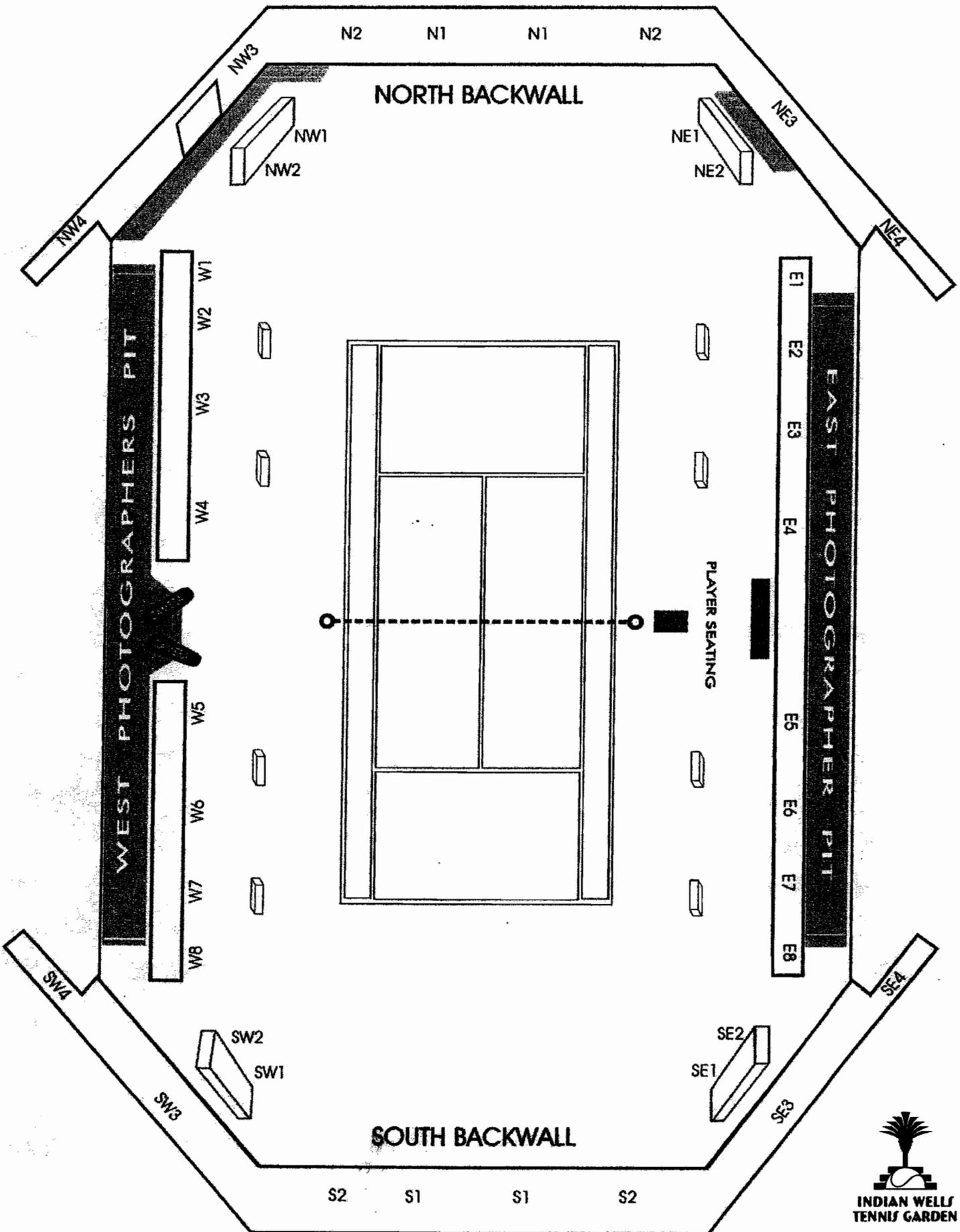


Exhibit "A"

E1 and W8 City of IW Signage Stadium 2&3

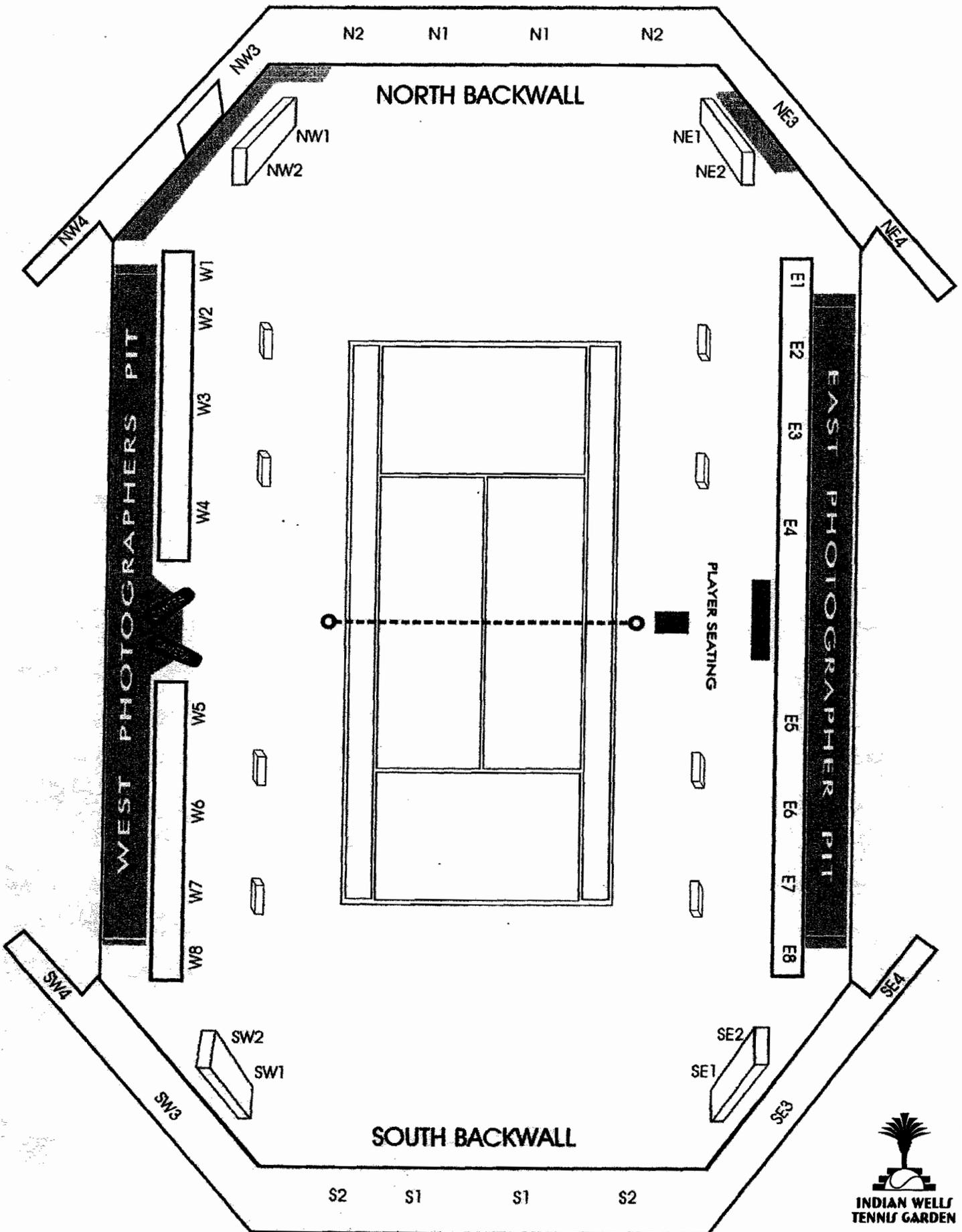


EXHIBIT J

MARKED-UP PRELIMINARY TITLE REPORT

[SEE ATTACHED]



**First American Title Insurance Company
National Commercial Services
5 First American Way
Santa Ana, CA 92707**

February 07, 2006

Justin X. Thompson, Esq.
Manatt, Phelps & Phillips, LLP
11355 W Olympic Boulevard
Los Angeles, CA 90064
Phone: (310)312-4000
Fax: (310)312-4224

Customer Reference: Indian Wells

Buyer: City of Indian Wells

Owner: Garden of Champions

Property: ~~604-040-035 & 633-410-028~~, Indian Wells, CA
and a portion of
604-040-035 *

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

* Delete exceptions from
Schedule B that ~~do not~~
pertain to portion not
covered by report

Dated as of January 26, 2006 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

TBD

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Garden of Champions, LLC, a California limited liability company

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Fee Simple

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2006-2007, a lien not yet due or payable.

2. General and special taxes and assessments for the fiscal year 2005-2006.

First Installment: \$15,675.68, PAID

Penalty: \$0.00

Second Installment: \$15,675.68, PAYABLE

Penalty: \$1,587.57

Tax Rate Area: 016-110

A. P. No.: 633-410-028-9

Affects: Parcel A

3. General and special taxes and assessments for the fiscal year 2005-2006.

First Installment: \$8,819.39, PAID

Penalty: \$0.00

Second Installment: \$8,819.39, PAYABLE

Penalty: \$901.94

Tax Rate Area: 016-110

A. P. No.: 604-040-035-0

Update as of
Closing Date

Affects: Parcel B

4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

The following matters affects Parcel A

5. A right of way for ditches and canals as reserved by the United States of America in the patent recorded December 18, 1913 in Book 6 of Patents, Page 264.

Also Affects: Parcel B

6. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded March 16, 1948 as Book 899, Page 200 of Official Records.
7. A right of way and easement of the Coachella Valley County Water District, in favor of the public, for all public roads, and rights of way heretofore dedicated, acquired, reserved or accepted for public use and also any and all private easements and rights of way for roads, pipelines, ditches and conduits on, over, under or across the herein described property, existing for the purposes of ingress and egress from other lands by means of such roads and for the purpose of conveying irrigating and domestic water to such other lands by means of such pipelines, ditches and conduits.

Also Affects: Parcel B

8. An easement for surface water control, ingress, egress and incidental purposes, recorded December 28, 1962 as Instrument No. 120089 of Official Records.
In Favor of: Coachella Valley Water District
Affects: A portion of said land
9. The terms and provisions contained in the document entitled "A Resolution" recorded October 29, 1998 as Instrument No. 466035 of Official Records.

The following matters affects Parcel B

10. A right of way for ditches and canals as reserved by the United States of America in the patent recorded May 12, 1928 as Book 9, Page 310 of Patents.
11. A right of way for ditches and canals as reserved by the United States of America in the patent recorded March 25, 1930 as Book 9, Page 442 of Patents.
12. An easement for storm drain channel and incidental purposes, recorded December 31, 1963 as Instrument No. 137804 of Official Records.
In Favor of: Coachella Valley County Water District
Affects: A portion of said land

- 13. The terms and provisions contained in the document entitled "Domestic Water and/or Sanitation System Installation Agreement" recorded October 19, 1998 as Instrument No. 450239 of Official Records.
- 14. The terms and provisions contained in the document entitled "Commercial Domestic Water and/or Sanitation Installation Agreement" recorded January 25, 1999 as Instrument No. 28055 of Official Records.
- 15. The terms and provisions contained in the document entitled "Domestic Water and/or Sanitation Installation Agreement" recorded February 01, 1999 as Instrument No. 39808 of Official Records.

delete 16. A lease dated October 28, 1998, executed by PB Philbern LLC, a Delaware limited liability company and Garden of Champions, LLC, a Delaware limited liability company as lessor and Garden of Champions LLC, a California limited liability company as lessee, recorded February 3, 1999 as Instrument No. 43983 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

delete 17. An unrecorded lease dated December 9, 1999, executed by Garden of Champions LLC, a California limited liability company as lessor and PB Philbern LLC, a Delaware limited liability company as lessee, as disclosed by a Memorandum of Sublease Agreement recorded February 3, 1999 as Instrument No. 43984 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

delete 18. The terms and provisions contained in the document entitled "Memorandum of Option" recorded February 3, 1999 as Instrument No. 43988 of Official Records.

delete 19. The effect of an environmental constraint note affecting said map on file in the office of the Riverside County, Surveyor, in E.C.S. Book 29, Page(s) 51.

(Affects: Parcel 1 through 6)

20. Abutter's rights of ingress and egress to or from Washington Street have been dedicated or relinquished on the filed Map.

21. An easement shown or dedicated on the map filed or recorded as Book 195, Pages 10 through 15 of Parcel Maps

For: Regional Trail and incidental purposes.

delete 22. A Deed of Trust to secure an original indebtedness of \$None Shown recorded April 8, 1999 as Instrument No. 1999-147972 of Official Records.

Dated: March 29, 1999
 Trustor: Garden of Champions LLC, a California limited liability company
 Trustee: First American Title Insurance Company, a California corporation
 Beneficiary: City of Indian Wells, a municipal corporation

Affects: The land and other property.

The effect of a document entitled "Substitution of Trustee and Full Reconveyance", recorded March 07, 2003 as Instrument No. 2003-163831 of Official Records.

A document recorded August 01, 2003 as Instrument No. 2003-585683 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

23.

delete

A Deed of Trust to secure an original indebtedness of \$40,000,000.00 recorded October 23, 2002 as Instrument No. 2002-595894 of Official Records.

Dated: October 23, 2002
Trustor: Garden of Champions LLC, a California limited liability company ("Garden of Champions") and Desert Champions LLC, a California limited liability company ("Desert Champions" together with Garden of Champions") and PB Philbern LLC, a Delaware limited liability company ("PB Philbern")
Trustee: First American Title Company
Beneficiary: Joe Damico, Lester Knight, Arnold Palmer, Heather Killen, The Michael J. Horvitz 1985 Trust, Mark H. McCormack Trust, dated November 18, 1991, as amended and restated, Mark H. McCormack, Trustee, Monica Seles, We are in, LLC, International Merchandising Corporation and Arantxa Sanchez-Vicario jointly and Severally

Affects: The land and other property.

Notes:

a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:

- i. Original note and deed of trust.
- ii. Payoff demand statement signed by all present beneficiaries.
- iii. Request for reconveyance signed by all present beneficiaries.

b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.

c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18500.5 of the California Probate Code in a form satisfactory to the Company

According to the public records, the beneficial interest of Monica Seles under the deed of trust was assigned to Monica Seles Trustee of the Monica Seles Revocable Trust dtd 7/26/95, as amended, Monica Seles Trustee by assignment recorded April 11, 2003 as Instrument No. 2003-257822 of Official Records.

According to the public records, the beneficial interest of Arnold D. Palmer under the deed of trust was assigned to Palmer Investments, L.P. by assignment recorded January 13, 2004 as Instrument No. 2004-0024048 of Official Records.

According to the public records, the beneficial interest of The Mark H. McCormack Trust, dated 11/18/91 under the deed of trust was assigned to Marital Trust f/b/o Betsy McCormack created under the Mark H. McCormack 1991 Trust U/A dated November 18, 1991 as amended, Michael J. Horvitz and Ray C. Cave, Trustees as to an undivided 20.2298709% interest by assignment recorded September 07, 2005 as Instrument No. 2005-0737071 of Official Records.

According to the public records, the beneficial interest of The Mark H. McCormack Trust, dated 11/18/91 under the deed of trust was assigned to Scott B. McCormack Trust est. under Mark H. McCormack 1991 trust on 10/01/04, Michael J. Horvitz and Ray C. Cave Trustee, as to an undivided 26.5900430% interest by assignment recorded September 07, 2005 as Instrument No. 2005-0737072 of Official Records.

According to the public records, the beneficial interest of The Mark H. McCormack Trust, dated 11/18/91, as Amended and Restated under the deed of trust was assigned to Todd H. McCormack Trust est. under Mark H. McCormack 1991 Trust on 10/01/04, Michael J. Horvitz and Ray C. Cave Trustee, as to an undivided 26.5900430% interest by assignment recorded September 07, 2005 as Instrument No. 2005-0737073 of Official Records.

According to the public records, the beneficial interest of The Mark H. McCormack Trust, dated 11/18/91, as Amended and Restated under the deed of trust was assigned to Leslie McCormack Gathy Trust est. under Mark H. McCormack 1991 Trust on 10/01/04, Michael J. Horvitz and Ray C. Cave Trustee, as to an undivided 26.5900431% interest by assignment recorded September 07, 2005 as Instrument No. 2005-0737074 of Official Records.

A document entitled "Absolute Assignment of Rents and Leases" recorded October 25, 2002 as Instrument No. 2002-603441 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust.

A document entitled "Absolute Assignment of Rents and Leases" recorded October 29, 2002 as Instrument No. 2002-612932 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust.

24. The terms and provisions contained in the document entitled "Resolution of the Board of Directors of Coachella Valley Water District" recorded August 06, 2003 as Instrument No. 2003-597460 of Official Records.

INFORMATIONAL NOTES

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
4. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
 - A. WITH RESPECT TO A CORPORATION:
 1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
 2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 3. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
 1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
 1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendment;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - D. WITH RESPECT TO A GENERAL PARTNERSHIP:
 1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the

California Corporation Code (form GP-1), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;

2. A full copy of the partnership agreement and any amendments;
3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.

E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

1. A copy of its operating agreement and any amendments thereto;
2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

F. WITH RESPECT TO A TRUST:

1. A certification pursuant to Section 18500.5 of the California Probate Code in a form satisfactory to the Company.
2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.

G. WITH RESPECT TO INDIVIDUALS:

1. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

Conform to description to be included in
final version of Lot Line Adjustment No.
LEGAL DESCRIPTION 07-05-04.

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

PARCEL A:

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 6 EAST, SAN BERNARDINO BASE AND MERIDIAN;

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED SEPTEMBER 24, 1957 IN BOOK 2152 PAGE 289 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA, BY DEED RECORDED JUNE 18, 1937 IN BOOK 328 PAGE 375 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF, LYING WITHIN THAT CERTAIN FINAL ORDER OF CONDEMNATION, RECORDED MARCH 21, 1969 AS INSTRUMENT NO. 27701 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM THAT CERTAIN PORTION LYING SOUTHERLY OF THE SOUTHWESTERLY LINE OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO COACHELLA VALLEY WATER DISTRICT RECORDED DECEMBER 28, 1962 AS INSTRUMENT NO. 120089 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

PARCEL 2 AS SHOWN BY PARCEL MAP NO. 28833 ON FILE IN BOOK 195 PAGES 10 THROUGH 15 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPTING THEREFROM AN UNDIVIDED 15/16THS OF ALL OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, AS RESERVED BY HOWARD CHARTER, IN DEED RECORDED JULY 23, 1956 IN BOOK 1947 PAGE 92 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM AN UNDIVIDED 1/16TH OF ALL COAL, OIL, GAS AND OTHER MINERAL DEPOSITS AS RESERVED BY THE STATE OF CALIFORNIA IN PATENT RECORDED MARCH 25, 1930, IN BOOK 9 PAGE 442 OF PATENTS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL DEPOSITS CONTAINED IN SAID LAND, AS PROVIDED BY AN ACT OF THE LEGISLATURE, APPROVED MAY 25, 1921 (CHAPTER 303, STATUTES OF CALIFORNIA 1921) AND RESERVED IN THAT CERTAIN PATENT RECORDED MAY 12, 1928 IN BOOK 9, PAGE 310 OF PATENTS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM ANY INTEREST IN THAT CERTAIN UNLOCATED 20.00 FOOT SQUARE WELL SITE REFERRED TO IN DEED FROM HARRY L. BOYNTON, ET UX, TO JOHN D.

CARTER, DATED MARCH 20, 1930 IN BOOK 859 PAGE 118 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 604-040-035 (Affects: Parcel B) and 633-410-028 (Affects: Parcel A)

List of title endorsements to be provided
prior to closing Date.

The First American Corporation
First American Title Company
Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 WITH REGIONAL EXCEPTIONS

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy; (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
TITLE INSURANCE POLICY - 1987
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

* land use	* land division
* improvements on the land	* environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:

- * a notice of exercising the right appears in the public records on the Policy Date
- * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.

3.

Title Risks:

- * that are created, allowed, or agreed to by you
- * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
- * that result in no loss to you
- * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4.

Failure to pay value for your title.

5.

Lack of a right:

- * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998**

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

- | | |
|------------------|-----------------------------|
| a. building | b. zoning |
| c. land use | d. improvements on the land |
| e. land division | f. environmental protection |

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.

3. The right to take the Land by condemning it, unless:

- a. a notice of exercising the right appears in the Public Records at the Policy Date; or
- b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.

4. Risks:

- a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
- b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
- c. that result in no loss to You; or
- d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.

5. Failure to pay value for Your Title.

6. Lack of a right:

- a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
- This exclusion does not limit the coverage described in Covered Risk 11 or 18.

**12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
WITH EAGLE PROTECTION ADDED**

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph (d) does not limit the coverage provided under insuring provisions 7, 8, 16, 17, 19, 20, 21, 23, 24 and 25); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon:
(a) usury, except as provided under insuring provision 10 of this policy; or
(b) any consumer credit protection or truth in lending law.
6. Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to Date of Policy.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(i) to timely record the instrument of transfer; or
(ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.
8. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided under insuring provision 7.
9. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification.
This exclusion does not limit the coverage provided under insuring provision 7.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH EAGLE PROTECTION ADDED WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE

EXHIBIT K

PARTIAL ASSIGNMENT OF TURF MAINTENANCE AGREEMENT

[SEE ATTACHED]

PARTIAL ASSIGNMENT OF TURF MAINTENANCE AGREEMENT

THIS PARTIAL ASSIGNMENT OF TURF MAINTENANCE AGREEMENT (this "Assignment") is entered into as of March __, 2006, by and between **THE CITY OF INDIAN WELLS**, a charter city duly organized under the Constitution and laws of the State of California ("City"), and **DESERT CHAMPIONS LLC**, a California limited liability company ("DC"), with reference to the following facts:

RECITALS

A. DC and John M. Foster Turf Farms, Inc., dba West Coast Turf, a California corporation ("WCT") are parties to the certain Turf Maintenance Agreement dated as of October 1, 2002, as amended by First Amendment to Turf Maintenance Agreement entered into as of September 30, 2005 (the "WCT Agreement"). Pursuant to the WCT Agreement, which terminates July 31, 2006, WCT grows, maintains and harvests grass on the *Parking Area* and the *White Water Channel Area*, as those terms are defined in the WCT Agreement (collectively, the "Licensed Premises"), subject to DC's right to use the Licensed Premises for parking and other purposes as more particularly described in the WCT Agreement.

B. Garden of Champions, LLC, a California limited liability company ("GOC") is the fee owner of the Licensed Premises, and DC is the sublessee of the Licensed Premises pursuant to certain lease and sublease arrangements.

C. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions between the City and GOC (the "Property Purchase Agreement"), GOC has agreed to sell and City has agreed to buy a portion of the Licensed Premises (which portion is the "Property").

D. To facilitate the transaction described in the Property Purchase Agreement, DC desires to partially assign to City the right to receive certain payments and reimbursements otherwise payable under the WCT Agreement with respect to the portion of the Licensed Premises included in the Property, reserving for itself all remaining rights under the WCT Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Partial Assignment to City. Effective as of the *Closing Date* under the Property Purchase Agreement, for value received, and subject to Section 2 below, DC hereby assigns to City all of the rights and benefits under the WCT Agreement that relate to the portion of the Licensed Premises included within the Property, including, but not limited to: (a) the right to be reimbursed as described in Section 2.4 of the WCT Agreement, (b) the right to receive payment as described in Section 3.2 of the WCT Agreement, and (c) all rights with respect to WCT's indemnification and insurance obligation set forth in Section 6 of the WCT Agreement. City covenants and agrees that its use and operation of the Property is subject in all respects to the terms and conditions of the WCT Agreement, and that it will not interfere with, disturb or terminate the use of the Property by WCT under the WCT Agreement.

2. Reservation of Rights. DC expressly reserves for itself, its successors and assigns all other rights of DC under the WCT Agreement including, but not limited to, the right to receive reimbursement as described in Section 2.4 of the WCT Agreement with respect to the

portion of the Licensed Premises which is not included in the Property, the right to receive payment in accordance with Section 3.2 of the WCT Agreement (as to the portion of the Licensed Premises not included within the Property), all rights under Section 5 of the WCT Agreement with respect to early termination, all rights with respect to WCT's indemnification and insurance obligation set forth in Section 6 of the WCT Agreement, and the right to enforce the WCT Agreement. Notwithstanding the reserved rights, DC agrees it will not, without the express written consent of the City, amend the Agreement in any manner which affects the portion of the Licensed Premises included in the Property, or extend the term of the Agreement with respect to the portion of the Licensed Premises included in the Property.

3. Obligations relating to Water Facilities and Tournament Tickets. DC covenants that it will satisfy its obligation to maintain water facilities pursuant to Section 4.1 of the WCT Agreement, and will provide the *Tournament Tickets, Suite Tickets, and Tennis Passes* described in Section 4.2 of the WCT Agreement for the *2006 Tournament* (as the italicized terms are defined and used in the WCT Agreement).

4. Indemnification of City. DC shall defend, hold harmless and indemnify City from and against any and all losses, claims, demands, liabilities, fees, costs, expenses and damages arising out of DC's negligence or misconduct in exercising and performing (or failure to exercise and perform) its reserved rights and obligations under the WCT Agreement.

5. Effect of Assignment. The provisions of this Assignment shall be binding upon and inure to the benefit of the successor and assigns of the parties hereto. This Assignment is entered into in furtherance of the Property Purchase Agreement, and is of no force and effect unless and until the transaction described in the Property Purchase Agreement closes and the Property is transferred by GOC to City.

6. Counterparts. This Assignment may be executed in any number of counterparts and the signature pages accumulated to create one complete instrument.

EXECUTED as of the date first written above.

DESERT CHAMPIONS LLC,
a California limited liability company

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

By: _____
Its: _____

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

By: _____
Its: _____

APPROVED AS TO FORM:

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

ATTEST:

By: _____
_____, City Clerk

ACCEPTANCE OF ASSIGNMENT:

For value received and in consideration of the foregoing Assignment, the City of Indian Wells hereby accepts the foregoing assignment subject to all terms and conditions of this Assignment. This acceptance is made pursuant to the authority conferred by Resolution _____ of the City Council of the City of Indian Wells duly adopted on _____, 2006.

Dated: _____

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

By: _____
Its: _____

APPROVED AS TO FORM:

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

ATTEST:

By: _____
_____, City Clerk

ACCEPTED AND AGREED:

GARDEN OF CHAMPIONS LLC,
a California limited liability company

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

By: _____
Its: _____

EXHIBIT L
COVENANT AND AGREEMENT

[SEE ATTACHED]

RECORDING REQUESTED BY AND
WHEN RECORDED, RETURN TO:

FREEMAN, FREEMAN & SMILEY, LLP
2 Park Plaza, Suite 1245
Irvine, CA 92614
Attn: Jill M. Draffin

COVENANT AND AGREEMENT

THIS COVENANT AND AGREEMENT (“**Agreement**”) is dated as of the ___ day of March, 2006 by **GARDEN OF CHAMPIONS LLC**, a California limited liability company (“**GOC**”), in favor of the **CITY OF INDIAN WELLS**, a charter city duly organized under the Constitution and the laws of the State of California (“**City**”).

RECITALS

A. GOC is the fee owner of that certain real property commonly known as Indian Wells Tennis Garden and appurtenant facilities, located within the city limits of City and more fully described on Exhibit A attached and incorporated by this reference (the “**GOC Property**”). By Grant Deed recorded prior to recordation of this Agreement, GOC has transferred certain real property more particularly described on Exhibit B attached and incorporated by this reference (the “**Parking Area**”) to City. The Parking Area is used as a parking facility for the GOC Property, among other uses.

B. Previously, GOC had caused to be installed a tunnel below Miles Avenue for purposes of connecting the Parking Area and the GOC Property (the “**Tunnel**”). GOC has agreed with City that upon GOC’s receipt of written request from the City, GOC will permanently close the access from the Parking Area to the GOC Property by closing off the southern end of the Tunnel.

C. Previously, GOC had caused to be installed on the Parking Area (which GOC previously owned) a water well (“**Well**”) for the benefit of the GOC Property and other property owned by GOC. GOC has agreed with City that upon GOC’s receipt of written request from the City, GOC will cap the Well.

D. The parties desire to agree to agree to the provisions set forth herein regarding the Tunnel and the Well.

NOW, THEREFORE, City and GOC hereby covenant and agree as follows:

AGREEMENT

1. Covenant to Close Tunnel Access. GOC covenants that within one hundred eighty (180) days after written notice from City or its successor and assign, GOC will cause the southern entrance to the Tunnel to be permanently closed, using such commercially reasonable methods, means and materials as GOC determines (the “**Tunnel Work**”). The Work shall be completed at GOC’s sole cost and expense, in compliance with all applicable laws, in accordance

with usual and customary safety measures and in a manner that will permanently seal the southern entrance that will allow the City or its successor and assign (at its or their sole cost and expense) to fill and compact the area adjacent to the southern entrance. If the Tunnel Work is performed, then concurrently with the completion of the Tunnel Work, GOC shall install a gate at the entrance to the Tunnel from the GOC Property if one does not then exist. In addition, if the Tunnel Work is performed and GOC elects to use any portion of the Tunnel for storage or related purposes, then GOC shall be obligated to obtain any and all permits for such use that may be required pursuant to applicable City requirements. This covenant is for the benefit, of and is enforceable by, City or its successor and assign.

2. Covenant to Remove Well. GOC covenants that within thirty (30) days after written notice from City or its successor and assign, GOC shall cease all use of the Well and shall no longer be entitled to draw or otherwise use or acquire water from the Well. GOC further covenants that within one hundred eighty (180) days after written notice from City or its successor and assign, GOC will cause the Well to be capped, using such commercially reasonable methods, means and materials as GOC determines (the "Well Work" together with the Tunnel Work, collectively, the "Work"). The Well Work shall include the obligation to complete and obtain, at GOC's sole cost and expense, all required permits and related government clearances with respect to the capping of the Well. The Well Work shall be completed at GOC's sole cost and expense, and in compliance with all applicable laws and usual and customary safety measures. This covenant is for the benefit, of and is enforceable by, City or its successor and assign.

3. Agreement to Cooperate; License; Indemnification. City hereby grants GOC, its agents, employees, contractors and representatives a temporary license to enter the Parking Area at any time prior to completion of the Work for purposes of carrying out investigations, studies, preliminary work, construction work and related inspections and shall cooperate to provide reasonable access to the portions of the Parking Area reasonably required by GOC to carry out the Work. The parties will cooperate to limit public access to the construction site during the period of construction of the Work. GOC shall immediately repair, at GOC's sole cost and expense, any damage to the Parking Area caused by or resulting from the entry of GOC or any of its agents, employees, contractors or representatives onto the Parking Area and/or carrying out the Work pursuant to this Agreement. GOC further agrees to defend, hold harmless and indemnify City from and against any and all losses, claims, demands, liabilities, fees, costs, expenses and damages arising out of the entry and/or carrying out the Work by GOC or any of its agents, employees, contractors, or representatives onto the Parking Area pursuant to this Agreement.

4. Binding Agreement. The GOC Property and the Parking Area and each portion thereof shall be owned, conveyed, mortgaged, encumbered, leased, developed, improved, used and occupied subject to this Agreement and the covenants set forth herein shall (i) run with and be binding on each portion of the GOC Property as a burdened servient tenement and each portion of the Parking Area as a benefited dominant tenement, and (ii) be enforceable as and constitute covenants running with the land in accordance with California Civil Code Sections 1462, 1465, 1466, 1467 and 1468. Promptly on GOC's request, following GOC's completion of the Work (or, if the City has not requested that GOC carry out the Tunnel Work and/or the Well Work within sixty (60) months after the date hereof, then following expiration of such sixty (60) month period) City will execute a written termination of this Agreement in form suitable for recording. This Agreement shall not terminate until the date on which the City or its successor or assign has

executed, acknowledged and recorded, in the Official Records of Riverside County, such written termination indicating that the Work has been completed or sixty (60) month period has elapsed without the City requesting the Tunnel Work and/or the Well Work, and this Agreement has therefore been terminated.

5. Amendment. This Agreement cannot be amended or terminated (except as described in Section 4 above) without the prior written approval of City.

IN WITNESS WHEREOF, the parties hereto have caused this Covenant and Agreement to be executed as of the date first written above.

GARDEN OF CHAMPIONS LLC,
a California limited liability company

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

By: _____

Its: _____

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

By: _____

Its: _____

APPROVED AS TO FORM:

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

ATTEST:

By: _____
_____, City Clerk

STATE OF _____

COUNTY OF _____

On March ____, 2006 before me, _____, Notary Public in and for said County and State, personally appeared _____ personally known to me (or proved to me 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.

WITNESS my hand and official seal

Signature _____

STATE OF _____

COUNTY OF _____

On March ____, 2006 before me, _____, Notary Public in and for said County and State, personally appeared _____ personally known to me (or proved to me 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.

WITNESS my hand and official seal

Signature _____

EXHIBIT A

Legal Description of GOC Property

EXHIBIT A
Legal Description of GOC Property

Parcel 5 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.

EXHIBIT B

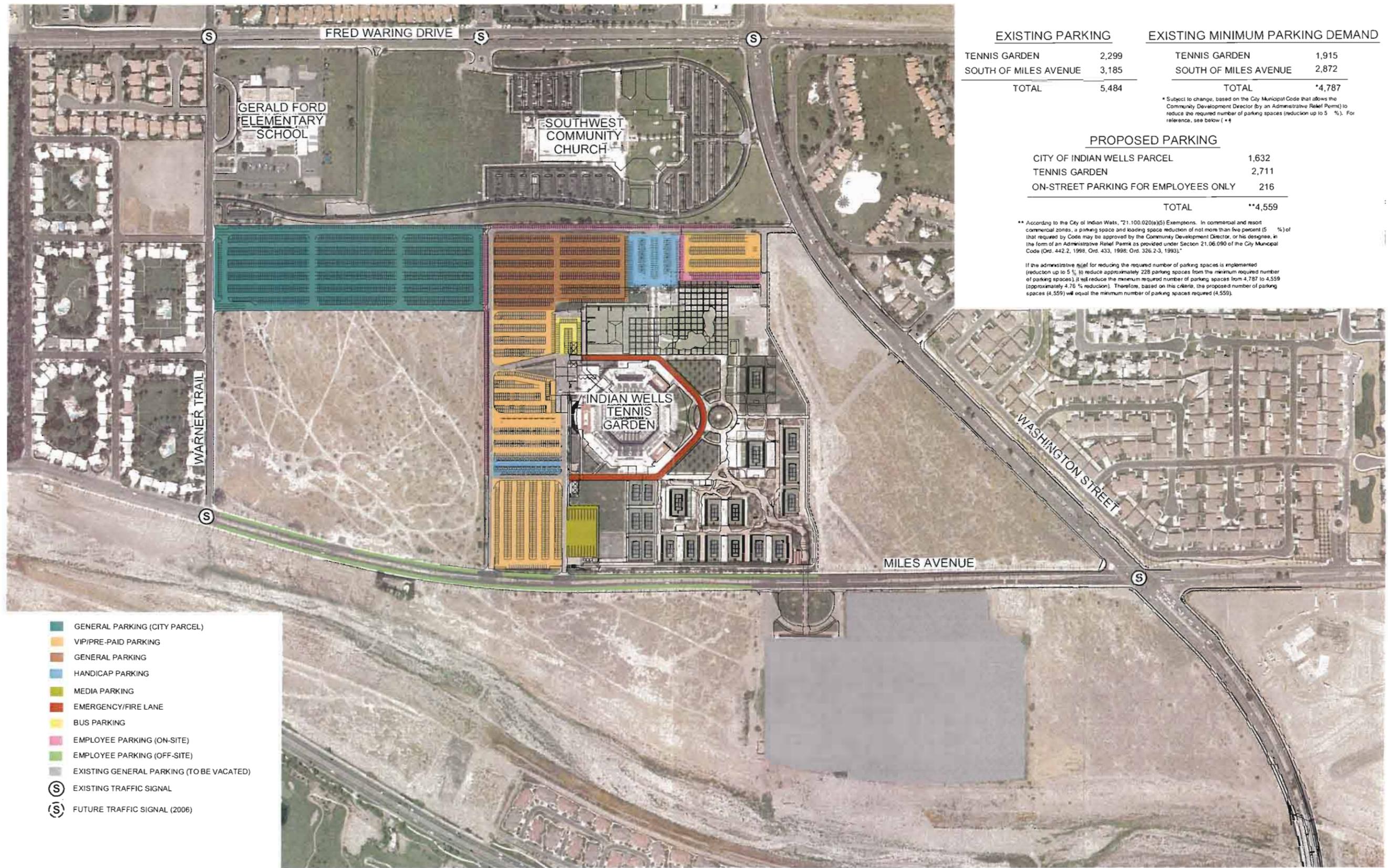
Legal Description of Parking Area

EXHIBIT B
CITY PARCEL

Parcel A in the City of Indian Wells, County of Riverside, State of California, as shown on Lot Line Adjustment 07-05-04 recorded March 10, 2006 as Instrument No. 2006-0174897, Records of Riverside County, California.

EXHIBIT M

EXHIBIT 1 TO INDIAN WELLS TENNIS GARDEN
TRAFFIC MANAGEMENT PLAN
DATED MARCH 6, 2006



- GENERAL PARKING (CITY PARCEL)
- VIP/PRE-PAID PARKING
- GENERAL PARKING
- HANDICAP PARKING
- MEDIA PARKING
- EMERGENCY/FIRE LANE
- BUS PARKING
- EMPLOYEE PARKING (ON-SITE)
- EMPLOYEE PARKING (OFF-SITE)
- EXISTING GENERAL PARKING (TO BE VACATED)
- EXISTING TRAFFIC SIGNAL
- FUTURE TRAFFIC SIGNAL (2006)

EXISTING PARKING		EXISTING MINIMUM PARKING DEMAND	
TENNIS GARDEN	2,299	TENNIS GARDEN	1,915
SOUTH OF MILES AVENUE	3,185	SOUTH OF MILES AVENUE	2,872
TOTAL	5,484	TOTAL	*4,787

* Subject to change, based on the City Municipal Code that allows the Community Development Director (by an Administrative Relief Permit) to reduce the required number of parking spaces (reduction up to 5%). For reference, see below (**).

PROPOSED PARKING	
CITY OF INDIAN WELLS PARCEL	1,632
TENNIS GARDEN	2,711
ON-STREET PARKING FOR EMPLOYEES ONLY	216
TOTAL	**4,559

** According to the City of Indian Wells, "21.100.020(e)(5) Exemptions. In commercial and resort commercial zones, a parking space and loading space reduction of not more than five percent (5%) of that required by Code may be approved by the Community Development Director, or his designee, in the form of an Administrative Relief Permit as provided under Section 21.06.090 of the City Municipal Code (Ord. 442.2, 1998; Ord. 433, 1998; Ord. 326.2-3, 1993)."

If the administrative relief for reducing the required number of parking spaces is implemented (reduction up to 5%), to reduce approximately 228 parking spaces from the minimum required number of parking spaces, it will reduce the minimum required number of parking spaces from 4,787 to 4,559 (approximately 4.76% reduction). Therefore, based on this criteria, the proposed number of parking spaces (4,559) will equal the minimum number of parking spaces required (4,559).

NOT TO SCALE



INDIAN WELLS TENNIS GARDEN EXISTING AND PROPOSED PARKING AREAS

SCHEDULE 1 TO AGREEMENT

GLOSSARY OF DEFINED TERMS

Capitalized terms not otherwise defined in the Agreement shall have the meaning set forth in this Schedule 1.

“**Agreement**” shall mean the Purchase and Sale Agreement and Joint Escrow Instruction between City and the GOC to which this Schedule is attached.

“**Bill of Sale**” shall have the meaning set forth in Section 3(d)(ii)(E).

“**Business Day**” means any day, excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State, City or federal government.

“**City**” shall mean the City of Indian Wells, a charter city duly organized under the Constitution and laws of the State of California.

“**Closing**” shall mean the consummation of the conveyance of the Property, and the other transactions contemplated under the Agreement, all of which shall occur on or before the Closing Date.

“**Closing Date**” shall mean the earlier to occur of (i) the date on which all conditions to the Close of Escrow, as set forth in Article 4 hereof have been satisfied or waived in writing by the appropriate Party, or (ii) March 31, 2006.

“**Conditions Precedent**” shall have the meaning set forth in Article 4.

“**Deed**” shall mean the grant deed to be duly executed, acknowledged and delivered in recordable form by GOC in accordance with Section 3(d)(ii)(A) conveying to City good and marketable fee simple title to the Land. The Deed shall be in substantially the same form as the form attached to the Agreement as Exhibit B.

“**Developer Parcel**” shall have the meaning set forth in Section 4(b)(vi).

“**Environmental Laws**” shall mean all federal, state and local laws, ordinances, orders, rules and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, or govern or regulate the use, management, storage, disposal, clean up or remediation of Hazardous Substances and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U. S. C. § 9601, et seq. (“CERCLA”), the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., the Clean Water Act, 33 U.S.C. § 1251, et seq., the Hazardous Substance Account Act, California Health and Safety Code § 25300, et seq., the Hazardous Waste Control Law, California Health and Safety Code § 25100, et seq., the Medical Waste Management Act, California Health and Safety Code § 25015, et seq., the Porter-Cologne Water Quality Control

Act, California Water Code § 13000, et seq., California Education Code § 17210 et seq., and California Code of Regulations, Title 5 § 14010 et seq.

“**Escrow**” shall mean the escrow established with Escrow Holder for the consummation of the conveyance of the Property in accordance with this Agreement.

“**Escrow Holder**” shall mean Linda Kenaston of First American Title Insurance Company.

“**Execution Date**” shall mean the date set forth in the preamble of the Agreement.

“**General Assignment**” shall have the meaning set forth in Section 3(d)(i)(C).

“**GOC**” shall mean have the meaning set forth in the preamble of the Agreement.

“**Hazardous Materials**” shall mean any substance or material that is described as a toxic or hazardous substance, explosive material, radioactive substance, waste or material or a pollutant or contaminant or infectious waste, or words of similar import, in any of the Environmental Laws, or by any governmental agency having jurisdiction and includes, but is not limited to, asbestos, petroleum or petroleum products (including, without limitation, crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), polychlorinated byphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity.

“**Land**” means that certain real property consisting of approximately 50.159 acres of land located in the City of Indian Wells, County of Riverside, State of California, described on Exhibit A to the Agreement, together with (i) all rights, easements, privileges, tenements, hereditaments, appurtenances, reversions, remainders, licenses and benefits appurtenant, belonging to or running with said land, and (ii) all right, title and interest of GOC in and to the areas lying beneath any street, road or highway abutting or adjoining said land.

“**Official Records**” shall mean the Official Records of Riverside County, California.

“**Opening of Escrow**” shall mean the date the Parties open Escrow for the purpose of conveying the Property and consummating the transactions described in the Agreement.

“**Monetary Exception**” shall have the meaning set forth in Section 6(a).

“**Net Proceeds**” shall have the meaning set forth in Recital C.

“**Non-Permitted Exception**” shall have the meaning set forth in Section 6(a).

“**Parking Lot Lease**” shall have the meaning set forth in Section 4(a)(iii).

“**Party**” shall mean either City or GOC

“**Parties**” shall mean City and GOC, collectively.

“Permitted Exception” shall have the meaning set forth in Section 6(a).

“Preliminary Report” shall have the meaning set forth in Section 6(a).

“Property” shall mean and include the Land together with any and all fixtures, landscaping and other improvements located thereon as of the Closing Date.

“Release” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including, without limitation, continuing migration, of Hazardous Materials into or through soil, air, surface water or groundwater.

“Stadium” shall have the meaning set forth in Recital A.

“State” shall mean the State of California.

“Transferor’s Certificate” shall mean the certificate, to be duly executed by GOC under penalty of perjury and delivered by GOC in accordance with Section 3(d)(ii)(B) of the Agreement, certifying that GOC is not a “foreign person” in accordance with the provisions of Section 1445 of the Internal Revenue Code and any similar provisions of applicable state law.

“Title Policy” shall mean the standard form of ALTA (Form 1970 B) owner’s title policy to be issued by the Title Company for the Land as provided in Section 4(b)(iii).

“Title Company” shall mean First American Title Insurance Company.