

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Historic Mission Inn Corporation
4100 Newport Place
Suite 400
Newport Beach, California 92660
Attention: Ted Weggeland

(Space Above For Recorder's Use)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made and entered into as of December 22, 2000, by and between HISTORIC MISSION INN CORPORATION, a California corporation ("Landlord"), and THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public body, corporate and politic ("Tenant").

- 1. Term and Premises.** For the Lease Term and upon the provisions set forth in that certain written lease of even date herewith from Landlord to Tenant ("Lease"), all of which provisions are specifically made a part hereof as though fully and completely set forth herein, Landlord leases to Tenant, and Tenant leases from Landlord, that certain real property consisting of museum and office space ("Premises") located in the City of Riverside, County of Riverside, State of California, as depicted on Exhibit "1" attached hereto, and which is part of that hotel ("Hotel") legally described in Exhibit "2" attached hereto, together with all rights of ingress and egress and all other rights appurtenant to said Premises including, without limitation, the right to use the building constructed on the Premises for the purposes contemplated in the Lease, all of which rights are more particularly described in the Lease.
- 2. Options to Extend Term.** Reference is particularly made to Section 3.2 of the Lease wherein Tenant is granted options to extend the Lease Term on the terms and conditions set forth therein.
- 3. Use.** Reference is particularly made to Section 6.1 of the Lease wherein Tenant is granted the right to use the Premises for the Mission Inn Museum and general office uses.
- 4. Purpose of Memorandum of Lease.** This Memorandum is prepared for the purpose of providing for record notice of the Lease, and in no way modifies the express and particular provisions of the Lease.
- 5. For the Benefit of the Premises.** Landlord and Tenant intend that the covenants, conditions and restrictions described and referred to herein shall be both personal to Landlord and Tenant and binding on their successors and assigns. Each successive owner of the Premises or of any portion thereof, and each person having any interest therein derived through any owner thereof, shall be bound by such covenants, conditions and restrictions for the benefit of the Premises.

IN WITNESS WHEREOF, this Memorandum of Lease has been executed as of the date first written above.

"LANDLORD"


HISTORIC MISSION INN CORPORATION,
a California corporation


By: _____
Its: _____

By: _____
Name: _____
Title: _____

"TENANT"

THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE,
a public body, corporate and politic

By: 
Name: Robert C. Wales
Title: Executive Director

By: 
Name: Colleen J. Nicol
Title: Agency Secretary

APPROVED AS TO FORM


ASST. CITY ATTORNEY

Interim copy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On December 22, 2000 before me, Eva A. Correa
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Robert C. Wales and Colleen J. Nicol
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) ~~is~~are subscribed to the within instrument and acknowledged to me that ~~he~~she/they executed the same in ~~his~~her/their authorized capacity(ies), and that by ~~his~~her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Eva A. Correa
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

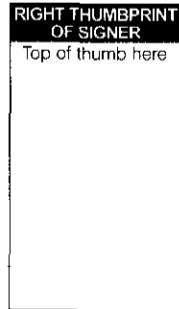
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

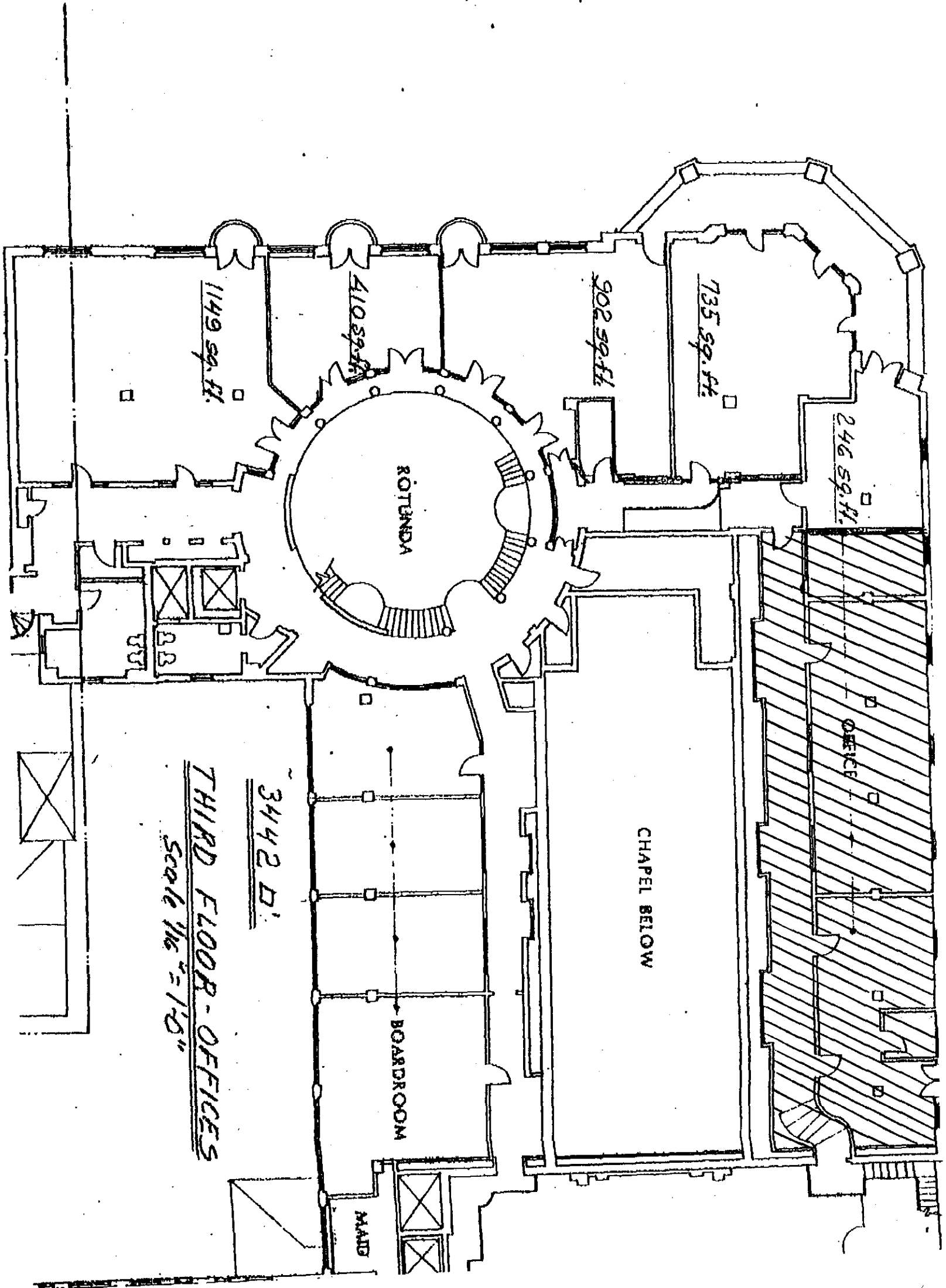
On _____, before me, _____, a Notary Public in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her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

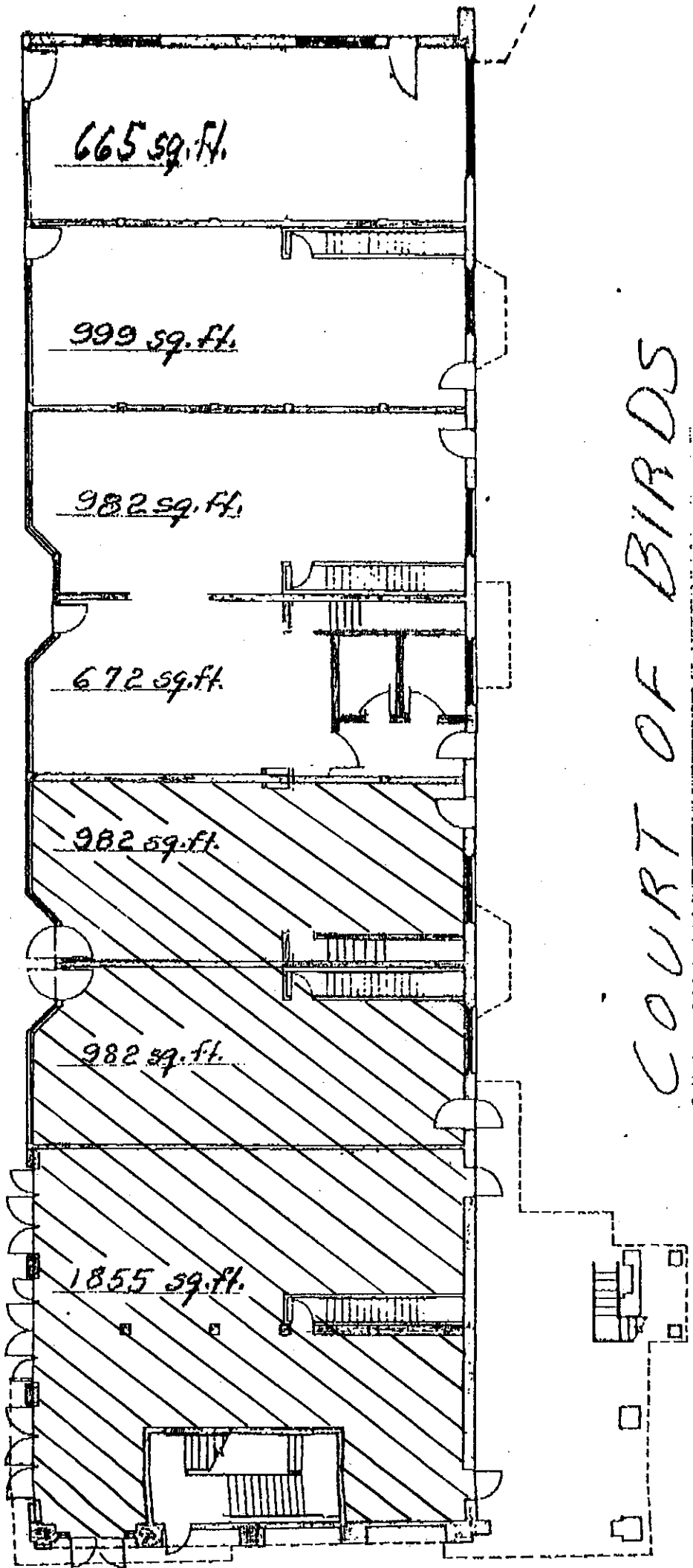
WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

DEPICTION OF PREMISES FLOOR PLAN





MARK

COURT OF BIRDS

7137 D'

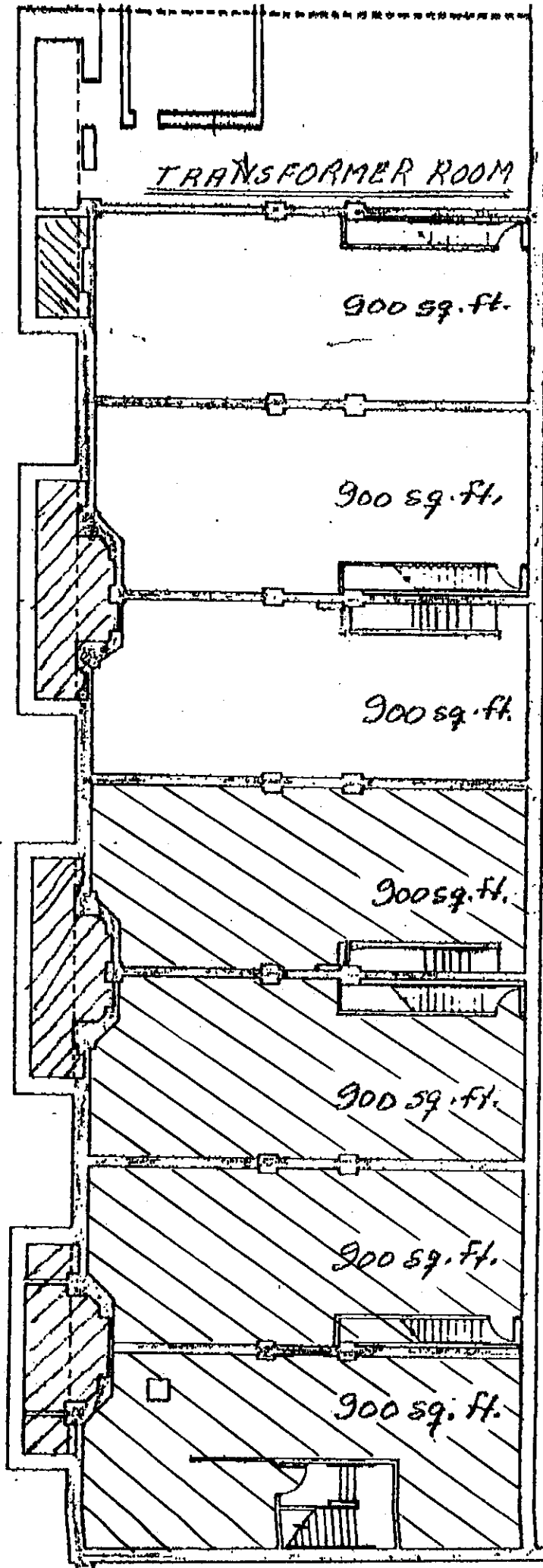
GROUND FLOOR-RETAIL SHOPS

Scale 1/16" = 1'-0"

EXHIBIT "1"
52-

Handwritten signature

MALL



6,300 D'

Scale $\frac{1}{16}'' = 1'-0''$

BASEMENTS - RETAIL SHOPS

EXHIBIT "1"

LEGAL DESCRIPTION OF HOTEL PROPERTY

THE LAND REFERRED TO IN THIS POLICY IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF RIVERSIDE, CITY OF RIVERSIDE AND IS DESCRIBED AS FOLLOWS:

PARCEL 1

THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BLOCK 6, RANGE 6, OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;

TOGETHER WITH THE FOLLOWING DESCRIBED PARCELS OF LAND FOR EASEMENTS, PERMITS AND/OR ENCROACHMENTS:

PARCEL 2
MAIN STREET

THAT PORTION OF MAIN STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17 OF THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 29° 01' 52" WEST ALONG THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHEASTERLY LINE OF SAID MAIN STREET, A DISTANCE OF 330.77 FEET TO THE MOST WESTERLY CORNER OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 60° 56' 34" WEST ALONG THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 4.00 FEET TO A LINE PARALLEL WITH AND 4.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 214.77 FEET;

THENCE NORTH 60° 58' 08" WEST, A DISTANCE OF 15.00 FEET TO A LINE PARALLEL WITH AND 19.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 101.00 FEET;

THENCE NORTH 60° 58' 03" WEST, A DISTANCE OF 2.00 FEET TO A LINE PARALLEL WITH AND 21.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;

EXHIBIT "2"

THENCE NORTH 29° 01' 53" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 15.01 FEET TO THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PROLONGATION, A DISTANCE OF 21.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3
SIXTH STREET

THAT PORTION OF SIXTH STREET, MAIN STREET AND ORANGE STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WASTERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SAID SIXTH STREET, A DISTANCE OF 130.99 FEET TO THE MOST NORTHERLY CORNER OF SAID BLOCK 6, RANGE 6;

THENCE CONTINUING NORTH 60° 56' 34" WEST ALONG THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 21.00 FEET TO A LINE PARALLEL WITH AND 21.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHEASTERLY LINE OF SAID MAIN STREET;

THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 5.00 FEET;

THENCE NORTH 74° 02' 39" EAST, A DISTANCE OF 21.21 FEET TO A LINE PARALLEL WITH AND 20.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE SOUTH 60° 56' 34" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 122.00 FEET;

THENCE SOUTH 29° 03' 26" WEST, A DISTANCE OF 3.50 FEET TO A LINE PARALLEL WITH AND 16.50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE SOUTH 60° 56' 34" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 213.00 FEET;

THENCE SOUTHEASTERLY AND SOUTHWESTERLY ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 16.00 FEET, THROUGH AN ANGLE OF 89° 58' 25", AN ARC LENGTH OF 25.13 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET;

THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 0.51 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 60° 56' 34" WEST ALONG SAID PROLONGATION, A DISTANCE OF 14.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT "2"

THAT PORTION OF ORANGE STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 6, RANGE 6; THENCE NORTH 29° 01' 51" EAST ALONG THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET, A DISTANCE OF 330.77 FEET TO THE MOST EASTERLY CORNER OF SAID BLOCK 6, RANGE 6;

THENCE SOUTH 60° 56' 34" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 14.00 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 330.77 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 60° 56' 34" WEST ALONG SAID PROLONGATION, A DISTANCE OF 14.00 FEET TO THE POINT OF BEGINNING.

PARCEL 5
SEVENTH STREET

THAT PORTION OF SEVENTH STREET, MAIN STREET AND ORANGE STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN IN THE TOWN OF RIVERSIDE BY MAP OF FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID BLOCK 6, RANGE 6; THENCE SOUTH 60° 56' 34" EAST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SEVENTH STREET, A DISTANCE OF 330.99 FEET TO THE MOST SOUTHERLY CORNER OF SAID BLOCK 6, RANGE 6;

THENCE CONTINUING SOUTH 60° 56' 34" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 14.00 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET;

THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 5.99 FEET;

THENCE SOUTHWESTERLY AND NORTHWESTERLY ON A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 14.00 FEET, THROUGH AN ANGLE OF 90° 01' 34", AN ARC LENGTH OF 22.00 FEET;

EXHIBIT "2"

THENCE SOUTH 29° 03' 36" WEST, A DISTANCE OF 1.00 FEET TO A LINE PARALLEL WITH AND 21.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 334.99 FEET TO A LINE PARALLEL WITH AND 4.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHEASTERLY LINE OF SAID MAIN STREET;
THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 21.00 FEET TO THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PROLONGATION, A DISTANCE OF 4.00 FEET TO THE POINT OF BEGINNING.

PARCEL 6
SIXTH STREET TUNNEL

THAT PORTION OF SIXTH STREET ADJACENT TO BLOCK 5, RANGE 6, AND BLOCK 6, RANGE 6 OF TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17, THEREON, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING IN A VERTICAL SPACE, THE TOP PLANE OF WHICH TERMINATES AT THE BOTTOM OF THE STRUCTURAL ELEMENTS OF THE SURFACE IMPROVEMENTS OF SAID SIXTH STREET, AND THE BOTTOM PLANE OF SAID SPACE HAVING AN ELEVATION OF 833.50 FEET, U.S. CAST AND GEODETIC SEA LEVEL DATUM OF 1929, THROUGH THE MEDIUM OF THE CITY OF RIVERSIDE, PRECISE LEVEL NETWORK ON FILE IN THE OFFICE OF THE CITY SURVEYOR. THE LOCAL BENCH MARK REFERENCE OF THIS DESCRIPTION IS A U.S.C. & G.S. 3-1/2" DIAMETER BRASS CAP SET IN THE CONCRETE ENTRANCE LANDING OF THE RIVERSIDE MUNICIPAL MUSEUM, 75.00 FEET, MORE OR LESS, SOUTHWESTERLY OF THE CENTERLINE OF SEVENTH STREET, AND 125 FEET, MORE OR LESS, SOUTHEASTERLY OF THE CENTERLINE OF ORANGE STREET, STAMPED "2-1, 1906, RESET 1964", HAVING AN ELEVATION OF 857.615 FEET, SAID PORTION OF SIXTH STREET BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 5, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SIXTH STREET, A DISTANCE OF 175.42 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 29° 00' 58" WEST, A DISTANCE OF 49.50 FEET TO A LINE PARALLEL WITH AND 16.50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SAID SIXTH STREET;
THENCE SOUTH 60° 56' 34" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 15.00 FEET;
THENCE NORTH 29° 00' 58" EAST, A DISTANCE OF 16.50 FEET TO THE CENTERLINE OF SAID SIXTH STREET;
THENCE NORTH 60° 56' 34" WEST, ALONG SAID CENTERLINE, A DISTANCE OF 5.00 FEET;

EXHIBIT "2"

THENCE NORTH 29° 00' 58" EAST, A DISTANCE OF 33.00 FEET TO THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SIXTH STREET;
THENCE NORTH 60° 56' 34" WEST ALONG SAID LINE, A DISTANCE OF 10.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 7
SIXTH STREET BRIDGE

ALL THE THOSE PORTIONS OF THE HEREIN DESCRIBED PROPERTY WHICH LIE BETWEEN THE VERTICAL SPACE WITH THE BOTTOM PLANE HAVING ELEVATIONS AS DESCRIBED BELOW AND THE TOP PLANE HAVING AN ELEVATION OF 885.00 FEET, U.S. COAST AND GEODETIC SEA LEVEL DATUM OF 1929, THROUGH THE MEDIUM OF THE CITY OF RIVERSIDE PRECISE LEVEL NET ON FILE IN THE OFFICE OF THE CITY SURVEYOR. BENCH MARK REFERENCE FOR THIS DESCRIPTION IS A U.S.C. & G.S. 3 1/3" DIAMETER BRASS CAP SET IN THE CONCRETE ENTRANCE LANDING OF THE RIVERSIDE MUNICIPAL MUSEUM, 75 FEET + OR - SOUTHWESTERLY OF THE CENTERLINE OF SEVENTH STREET AND 125 FEET + OR - SOUTHEASTERLY OF THE CENTERLINE OF ORANGE STREET, STAMPED "Z-1, 1906, RESET 1964", HAVING AN ELEVATION OF 857.615 FEET;

COMMENCING AT THE MOST SOUTHERLY CORNER OF BLOCK 5, RANGE 6 OF THE TOWN RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;
THENCE NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, ALSO BEING THE NORTHEASTERLY LINE OF SIXTH STREET (66.00 FEET WIDE), A DISTANCE OF 173.00 FEET TO THE POINT OF BEGINNING, SAID POINT BEING IN THE BUILDING COMMONLY KNOWN AS THE MISSION INN ANNEX AT AN ELEVATION OF 863.75 FEET;
THENCE CONTINUING NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, IN THE MISSION INN ANNEX, A DISTANCE OF 14.00 FEET AT AN ELEVATION OF 863.75 FEET;
THENCE SOUTH 29° 03' 26" WEST, A DISTANCE OF 17.00 FEET AT AN ELEVATION OF 863.75 FEET TO POINT "A";
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 6.00 FEET TO POINT "B", SAID POINT HAVING AN ELEVATION OF 868.75 FEET;
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 20.00 FEET AT AN ELEVATION OF 868.75 FEET TO POINT "C";
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 5.00 FEET TO POINT "D", SAID POINT HAVING AN ELEVATION OF 866.00 FEET;
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 18.00 FEET AT AN ELEVATION OF 866.00 FEET TO THE NORTHEASTERLY LINE OF BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SIXTH STREET (66.00 FEET WIDE), SAID LINE BEING IN THE BUILDING COMMONLY KNOWN AS THE MISSION INN;
THENCE SOUTH 60° 56' 34" EAST ALONG THE SAID NORTHEASTERLY LINE OF BLOCK 6, RANGE 6, IN THE MISSION INN, A DISTANCE OF 14.00 FEET AT AN ELEVATION OF 866.00 FEET;

EXHIBIT "2"

THENCE NORTH 29° 03' 26" EAST, A DISTANCE OF 18.00 FEET AT AN ELEVATION OF 866.00 FEET TO POINT "E";
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 5.00 FEET TO POINT "F", SAID POINT HAVING AN ELEVATION OF 858.75 FEET;
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 20.00 FEET AT AN ELEVATION OF 858.75 FEET TO POINT "G";
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 6.00 FEET TO POINT HAVING AN ELEVATION OF 863.75 FEET;
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 17.00 FEET AT AN ELEVATION OF 863.75 FEET TO THE POINT OF BEGINNING.

PARCEL B
ORANGE STREET "BUS LANE"

THAT PORTION OF ORANGE STREET, SEVENTH STREET AND SIXTH STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SEVENTH STREET, A DISTANCE OF 14.00 FEET TO A POINT IN A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET, SAID POINT BEING THE TRUE POINT OF BEGINNING;
THENCE NORTH 29° 01' 51" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 331.28 FEET;
THENCE NORTHEASTERLY AND NORTHWESTERLY ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 16.00 FEET THROUGH AN ANGLE OF 89° 58' 25", AN ARC LENGTH OF 25.13 FEET TO LINE PARALLEL WITH AND 16.50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SAID SIXTH STREET;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 25.99 FEET TO A LINE PARALLEL WITH AND 24.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 358.27 FEET TO A LINE PARALLEL WITH AND 21.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 24.01 FEET;
THENCE NORTH 29° 03' 26" EAST, A DISTANCE OF 1.00 FEET;

EXHIBIT "2"

THENCE SOUTHEASTERLY AND NORTHEASTERLY ON A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 14.00 FEET, THROUGH AN ANGLE OF 90° 01' 35", AN ARC LENGTH OF 22.00 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 29° 01' 51" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 5.99 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 9
PARKING STRUCTURE ACCESS

A NON-EXCLUSIVE ENCROACHMENT FOR CONSTRUCTION, MAINTENANCE, AND ACCESS UNDER, OVER AND ON THE SURFACE OF THAT PORTION OF SIXTH STREET ADJACENT TO BLOCK 5, RANGE 6, AND BLOCK 6, RANGE 6 OF TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 5, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SIXTH STREET, A DISTANCE OF 175.42 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 60° 56' 34" WEST ALONG THE SAID LINE, A DISTANCE OF 18.58 FEET;
THENCE SOUTH 29° 03' 26" WEST, A DISTANCE OF 17.00 FEET TO A LINE PARALLEL WITH AND 17.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 68.93 FEET;
THENCE NORTH 29° 03' 26" EAST, A DISTANCE OF 17.00 FEET TO THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID LINE, A DISTANCE OF 50.35 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 10
ANNEX

BEGINNING AT THE MOST SOUTHWESTERLY CORNER OF BLOCK 5, RANGE 6 OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;
THENCE NORTH 29° 02' 03" EAST, 91.00 FEET;
THENCE SOUTH 60° 55' 43" EAST, 74.36 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 29° 08' 45" EAST, 35.22 FEET;
THENCE SOUTH 60° 55' 01" EAST, 81.11 FEET;
THENCE SOUTH 29° 00' 50" WEST, 56.00 FEET;
THENCE NORTH 60° 55' 01" WEST, 50.12 FEET;
THENCE NORTH 29° 00' 58" EAST, 20.78 FEET;

EXHIBIT "2"

THENCE NORTH 60° 55' 43" WEST, 30.99 FEET TO THE TRUE POINT OF BEGINNING FOR THE PURPOSE OF ACCESSING, MAINTAINING, SUBSTITUTING, EXPANDING AND REPLACING THE HEATING, VENTILATION AND AIR CONDITIONING SYSTEM.

PARCEL 11
ANNEX

BEGINNING AT THE MOST SOUTHWESTERLY CORNER OF BLOCK 5, RANGE 6 OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;
THENCE SOUTH 60° 56' 34" EAST, 155.48 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 29° 00' 53" EAST, 126.16 FEET;
THENCE SOUTH 60° 55' 01" EAST, 10 FEET;
THENCE SOUTH 29° 00' 53" WEST, 126.16 FEET;
THENCE NORTH 60° 56' 34" WEST, 10 FEET TO THE TRUE POINT OF BEGINNING FOR THE PURPOSE OF ACCESSING, MAINTAINING, SUBSTITUTING, EXPANDING AND REPLACING THE HEATING, VENTILATION AND AIR CONDITIONING SYSTEM.

KM

EXHIBIT "2"

HOTEL SPACE LEASE

THIS LEASE is made and entered as of the 22nd day of December, 2000, by and between HISTORIC MISSION INN CORPORATION, a California corporation ("Landlord"), and THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public body, corporate and politic ("Tenant").

ARTICLE I -- BASIC LEASE PROVISIONS

- 1.1 **Date of Lease.** December 22, 2000
- 1.2 **Tenant.** The Redevelopment Agency of the City of Riverside, who by separate agreement, will sublet the entire Premises to The Mission Inn Foundation, a non-profit corporation ("Subtenant") operating under the trade names: The Mission Inn Museum ("Museum") and The Mission Inn Foundation ("Foundation"). References to "Tenant" in this Lease shall include references to "Subtenant" as defined herein.
- 1.3 **Hotel.** The Mission Inn, located at 3649 Mission Inn Avenue in the City of Riverside, County of Riverside, State of California 92501.
- 1.4 **Premises.** Those certain premises located in the Rotunda Wing area and Mission Wing area of the Hotel, including the "Museum Main Space", the "Foundation Main Space", the "Museum Additional Space" and the "Foundation Additional Space" (all as defined below).
- 1.5 **Floor Area.** Approximately 6,500 square feet with approximately 3,000 square feet to be allocated to the Museum (the "Museum Main Space") and approximately 3,500 square feet to be allocated to the Foundation (the "Foundation Main Space"); notwithstanding the foregoing, the Museum currently occupies approximately 3,830 square feet, which is 830 square feet larger than the Museum Main Space (the additional 830 square feet shall sometimes hereinafter be referred to as the "Museum Additional Space") and the Foundation currently occupies approximately 5,470 square feet, which is 1,970 square feet larger than the Foundation Main Space (the additional 1,970 square feet are located entirely in the basement area of the Hotel and shall sometimes hereinafter be referred to as the "Foundation Additional Space"). The Foundation Main Space and the Museum Main Space are sometimes referred to herein collectively as the "Main Space". The Foundation Additional Space and the Museum Additional Space are sometimes referred to herein collectively as the "Additional Space". Landlord reserves the exclusive right to recapture the Museum Additional Space and/or the Foundation Additional Space, or any portion thereof, at any time and for any reason, upon one-eighty (180) days prior written notice from Landlord to Tenant.
- 1.6 **Term.** Twenty-two (22) years
- 1.7 **Minimum Rent.**
Main Space: PREPAID THROUGH DECEMBER 23, 2022 FOR INITIAL TWENTY-TWO (22) YEAR TERM
Museum Additional Space: \$0
Foundation Additional Space: \$0
- 1.8 **Use of Premises.** Mission Inn Museum and general office use by the Foundation only
- 1.9 **Security Deposit.** None
- 1.10 **Guarantor.** None
- 1.11 **Address For Notices to Tenant.** 3900 Main Street, Riverside, California 92522,
Attention: Executive Director
Telephone Number (909) 826-5554
- 1.12 **Address for Notices to Landlord.** 4100 Newport Place, Suite 400, Newport Beach, California 92660,
Attention: Ted Weggeland
Telephone Number (949) 809-3900
- 1.13 **Interest Rate:** Shall mean the greater of ten percent (10%) per annum or two percent (2%) in excess of the prime lending or reference rate of Wells Fargo Bank N.A. or any successor bank in effect on the twenty-fifth (25th) day of the calendar month immediately prior to the event giving rise to the Interest Rate imposition; provided, however, the Interest Rate will in no event exceed the maximum interest rate permitted to be charged by applicable law
- 1.14 **Commencement Date:** December 23, 2000
- 1.15 This Lease is entered into pursuant to the terms of that certain Disposition and Development Agreement ("DDA") dated December 23, 1992 by and between Landlord and Tenant

Landlord's Initials: JR

Tenant's Initials: TR

ARTICLE II -- LEASED PREMISES

2.1 **Premises; Floor Area; Hotel.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain Premises described in Section 1.4 of the Basic Lease Provisions which are located in the Hotel described in Section 1.3 of the Basic Lease Provisions. For all purposes of this Lease, "Floor Area" means all areas designated by Landlord for the exclusive use of Tenant or other occupants of the Hotel measured from the outside of the exterior walls and the center of the interior demising walls. The boundaries and location of the Premises are generally depicted and outlined on the floor plan of the Hotel, attached hereto as Exhibit "A" (the "Hotel Floor Plan") and shall be deemed to include the entryways to the areas comprising the Premises. Tenant acknowledges and agrees that Exhibit "A" sets forth the existing general layout of the ground floor and the basement of the Hotel and shall not be deemed a representation by Landlord that any tenants or occupants designated by name or type of business will conduct business in the Hotel, or that the Hotel will not be expanded, reduced or otherwise modified.

2.2 **Reservations.** Provided Landlord does not unreasonably interfere with Tenant's use of and access to the Premises, Landlord reserves the right at any time to make alterations, additions and improvements to the Hotel and all parts thereof.

2.3 **Conditions of Record.** Landlord's title is subject to: (a) the effect of any covenants, conditions, restrictions, easements, reciprocal easement and operating agreements, development agreements, mortgages or deeds of trust, ground leases, rights of way, and other matters or documents of record now or hereafter recorded against Landlord's title, (b) the effects of all zoning laws of the city, county and state where the Hotel is situated, and (c) general and special taxes and assessments. Tenant agrees (i) that as to its leasehold estate it, and all persons in possession or holding under it, will conform to and will not violate said matters of record, and (ii) that this Lease is and shall be subject and subordinate to said matters of record and any amendments or modifications thereto.

ARTICLE III -- TERM

3.1 **Term; Commencement Date.** The Term of this Lease shall be for the period designated in Section 1.6 of the Basic Lease Provisions commencing on the Commencement Date, and ending on the expiration of such period, unless the Term is sooner terminated or extended as provided in this Lease.

3.2 **Extension of Term.** Provided that Tenant shall have fulfilled completely and timely the terms and conditions of this Lease, and provided Tenant has not assigned or sublet the Premises in whole or in part, other than as provided in Article XIV hereof, Tenant shall have the right to extend the term of this Lease with respect to the Foundation Main Space and the Museum Main Space only, for two (2) additional ten (10) year period(s) (each, an "extension term") under the same terms and conditions as the original Lease (except for Minimum Rent as provided below). It is understood that this option is unique to Tenant and Subtenant. Upon any assignment or subletting, other than as specifically provided in Article XIV hereof, with or without Landlord's consent, this option shall be rendered null and void. The Minimum Rent payable pursuant to Section 4.1 of this Lease for each extension term with respect to the Foundation Main Space and the Museum Main Space only, shall be the sum of One Dollar (\$1.00). In order to exercise such option to extend the Term of this Lease, Tenant shall give to Landlord written notice of its election to do so no fewer than one hundred eighty (180) days and no more than three hundred sixty (360) days prior to expiration of the original Term or extension term, as applicable, and if Tenant shall fail to give such notice within said time limit, all rights and privileges as granted to Tenant to extend the term of this Lease shall thereupon be null and void.

ARTICLE IV -- RENT

4.1 **Minimum Rent.** Tenant has prepaid all rent for the initial Term of this Lease for the Main Space into the Capital Account of Landlord in the non-refundable amount of One Million Two Hundred Fifty-Five Thousand Eight Hundred Seventy-Three Dollars (\$1,255,873.00) (the "Prepaid Rent"). Tenant shall not be entitled, under any circumstances or for any reason, other than for fraud and/or intentional misrepresentation committed by Landlord in connection with the negotiation of this Lease, to recover all or any portion of the Prepaid Rent, whether by way of refund, mitigation or otherwise.

ARTICLE V -- POSSESSION OF LEASED PREMISES

5.1 **Delivery of Possession.** Landlord and Tenant acknowledge and agree that Tenant, through Subtenant, is currently in possession of the Premises. Tenant further acknowledges that (a) the Premises (containing the Museum and the Foundation) currently occupied by Tenant contains approximately 9,300 square feet, which is in excess of the maximum square footage requirements set forth in this Lease; (b) Landlord shall have the exclusive right to recapture the Museum Additional Space and/or the Foundation Additional Space, or any portion thereof, at any time and for any reason, upon one-hundred eighty (180) days prior written notice from Landlord to Tenant; and (c) Landlord will perform no works of improvement in the Premises and that Tenant will remain in possession of the Premises on an "as-is" basis.

5.2 **Condition of Premises.** Tenant acknowledges that, except as otherwise expressly set forth in this Lease, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, the Hotel or their condition, or with respect to the suitability thereof for the conduct of Tenant's business. The taking of possession of the Premises by Tenant conclusively established that the Hotel, the Premises, the Tenant Improvements therein, the Hotel and the Common Areas were at such time complete and in good, sanitary and satisfactory condition and repair.

ARTICLE VI -- CONDUCT OF BUSINESS BY TENANT

6.1 **Use of Premises.** Tenant shall use the Premises solely for the use specified in Section 1.8 of the Basic Lease Provisions and under the trade names of Subtenant specified in Section 1.2 of the Basic Lease Provisions, and in accordance with the Rules and Regulations attached hereto as Exhibit "B". Tenant shall not use, or permit the Premises or any part thereof to be used, for any other use. Without limiting the generality of the preceding sentence, Tenant agrees as follows: Tenant shall not commit or suffer to be committed any waste upon the Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenants or patrons of the Hotel. No use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the Hotel, or cause a cancellation of any insurance policy covering the Premises or any part thereof. Tenant shall not sell or permit to be kept, used, stored or sold in or about the Premises any article which may be prohibited by standard form fire insurance policies. Tenant shall, at its sole cost, comply with any and all requirements pertaining to the use of the Premises of any insurance organization or company necessary for the maintenance of the fire and public liability insurance described in this Lease covering the Hotel and its appurtenances.

6.2 **Compliance with Laws.** Tenant shall not use the Premises, or permit anything to be done in or about the Premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use, occupancy, alteration or improvement of the Premises, including, without limitation, the provisions of the Americans with Disabilities Act of 1990, as amended, as it pertains to Tenant's use, occupancy, improvement and alteration of the Premises. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

ARTICLE VII -- MAINTENANCE AND REPAIRS

7.1 **Landlord's Maintenance Obligations.** Landlord on behalf of Tenant and the other occupants of the Hotel shall maintain in good condition and repair the foundations, roofs and exterior surfaces of the exterior walls of the Hotel (exclusive of doors, door frames, door checks, windows, window frames, and store fronts) and the heating, ventilation and air conditioning equipment of the Hotel; provided, however, if any repairs or replacements are necessitated by the negligence, gross negligence, or willful acts of Tenant or anyone acting under Tenant or by reason of Tenant's failure to observe or perform any provisions contained in this Lease or caused by alterations, additions or improvements made by Tenant or anyone acting under Tenant, the cost of such repairs and replacements shall be solely borne by Tenant. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be liable for failure to make repairs required to be made by Landlord under the provisions of this Lease unless Tenant has previously notified Landlord in writing of the need for such repairs and Landlord has failed to commence and complete the repairs within a reasonable period of time following receipt of Tenant's written notification. Tenant waives any right of offset against any rent due hereunder.

7.2 **Landlord's Right of Entry.** Landlord, its agents, contractors, employees and assigns may enter the Premises at all reasonable times upon reasonable prior notice under the circumstances (a) to examine the Premises; (b) to perform any obligation of, or exercise any right or remedy of, Landlord under this Lease; (c) to make repairs, alterations, improvements or additions to the Premises or to other portions of the Hotel as Landlord reasonably deems necessary; (d) to perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; and (e) to perform work that Landlord reasonably deems necessary to prevent waste or deterioration in connection with the Premises should Tenant fail to commence to make, and diligently pursue to completion, its required repairs as provided herein. In exercising such entry rights, Landlord agrees to use commercially reasonable efforts under the circumstances to minimize interference with Tenant's use of the Premises.

7.3 **Tenant's Maintenance Obligations.** Tenant, at its sole cost and expense, shall keep the Premises and all parts thereof including, without limitation, utility meters, pipes and conduits, all fixtures, furniture and equipment, the storefront or storefronts, as applicable, Tenant's signs, locks and closing devices, security devices, windows, window sashes, casements or frames, all doors and door frames, floor coverings, including carpeting, tile and other flooring, all wall coverings, shelving, restrooms and other lavatory facilities, in first class order, condition and repair and shall make all replacements necessary to keep the Premises in such condition. All replacements shall be of a quality equal to or exceeding that of the original. Should Tenant fail to make these repairs and replacements or otherwise so maintain the Premises for a period of ten (10) days after written demand by Landlord, or should Tenant commence, but fail to complete, any repairs or replacements within a reasonable time after written demand by Landlord, Landlord may make such repairs or replacements without liability to Tenant for any loss or damage that may occur to Tenant's stock or business other than those resulting from Landlord's gross negligence or willful misconduct, and Tenant shall pay to Landlord the reasonable costs incurred by Landlord in making such repairs or replacements together with interest thereon at the Interest Rate from the date of commencement of the work until repaid. Tenant shall, at its expense, repair promptly any damage to the Hotel caused by Tenant or its agents or employees or caused by the installation or removal of Tenant's personal property. Tenant shall, at its own expense, comply with all requirements, including the installation and periodic maintenance of fire extinguishers or automatic dry chemical extinguishing system, of the insurance underwriters and other governmental authority having jurisdiction therefor as necessary for maintenance of reasonable fire and extended coverage insurance for the Premises.

7.4 **Plate Glass.** Tenant shall replace, at its expense, any and all plate and other glass in and about the Premises which is damaged or broken from any cause whatsoever except due to the gross negligence or willful misconduct of Landlord, its agents or employees.

ARTICLE VIII -- COMMON AREA

8.1 **Definition of Common Area.** The term "Common Area," as used in this Lease, means all areas within the exterior boundaries of the Hotel now or later made available for the general use of Landlord, its patrons and other persons entitled to occupy Floor Area in the Hotel and their customers, guests and invitees, and the general public. Common Area shall not include (a) the entryway to a tenant's premises, or (b) any areas or facilities that could be considered as Common Area except that the areas or facilities are included in the description of premises leased to a tenant or are exclusively for the use of and are the responsibility of a tenant.

8.2 **Maintenance and Use of Common Area.** The manner in which the Common Area shall be maintained shall be solely determined by Landlord. The use and occupancy by Tenant of the Premises shall include the right to use the Common Area in common with Landlord and other tenants of the Hotel and their customers and invitees, subject to such reasonable, non-discriminatory rules and regulations concerning the use of the Common Area as may be established by Landlord from time to time including, without limitation, the Rules and Regulations attached hereto as Exhibit "B" as the same may be amended from time to time. Written notice of such rules and regulations and amendments and supplements thereto, if any, shall be given to Tenant thirty (30) days prior to their effective date. Tenant agrees to promptly comply with all such rules and regulations upon receipt of written notice from Landlord. Tenant and Tenant's employees and agents shall not solicit business in the Common Areas.

8.3 **Control of and Changes to Common Area.** Landlord shall have the sole and exclusive control of the Common Area, as well as the right to make reasonable changes to the Common Area. Provided Tenant's use of and access to the Premises is not unreasonably interfered with, such rights of Landlord shall include, without limitation, the right to (a) restrain the use of the Common Area by unauthorized persons, (b) cause Tenant to remove or restrain persons from any unauthorized use of the Common Area if they are using the Common Area by reason of Tenant's presence in the Hotel, (c) utilize from time to time any portion of the Common Area for promotional, entertainment and related matters, (d) temporarily close any portion of the Common Area for repairs, improvements or alterations, to discourage non-customer use, to prevent dedication or an easement by prescription, or for any other reasons deemed sufficient in Landlord's reasonable judgment, and (e) reasonably change the shape and size of the Common Area, add, eliminate or change the location of improvements to the Common Area, including, without limitation, buildings and lighting, and construct buildings and other improvements on the Common Area.

8.4 **Parking.** Landlord shall have no obligation whatsoever to provide parking for the Premises. Parking for the Premises may be available to Tenant by way of public parking on the adjoining streets and highways, the parking garage adjacent to the Hotel and other public parking facilities in the immediate vicinity, all of which are owned by third parties not controlled by Landlord. Tenant acknowledges that Landlord has not made and does not make any representations or warranties with respect to the availability of parking and agrees that Tenant shall be responsible at its sole cost and expense, for making arrangements with such third parties as are necessary to satisfy Tenant's parking requirements. Furthermore, Tenant agrees that its inability to secure parking for the Premises shall not in any way affect the validity or the enforceability of this Lease, and Tenant shall not be entitled to terminate this Lease nor to abate rent by reason of inadequate parking for the Premises.

ARTICLE IX -- UTILITIES

Tenant shall be solely responsible for and shall promptly pay all charges for telephone service and for any other utility used, consumed or provided in, or furnished, or attributable to the Premises at the rates charged by the supplying utility companies. Should Landlord elect to supply any or all of such utilities, Tenant agrees to purchase and pay for the same as additional rent as apportioned by Landlord. In no event shall Landlord be liable for any interruption or failure in the supply of any such utilities to the Premises, nor shall rent be abated as a result of any such interruption. Tenant agrees to reimburse Landlord within ten (10) days of billing for fixture charges and/or water tariffs, if applicable, which are charged by local utility companies. Landlord will notify Tenant of any such charges as soon as they become known. Any such charges will increase or decrease with current charges being charged Landlord by the local utility company, and will be due as additional rent. Notwithstanding anything to the contrary contained in this Article IX, Landlord shall be responsible for the cost of gas, water, sewer, electricity and refuse disposal used, consumed or provided in, or furnished, or attributable to the Premises.

ARTICLE X -- ALTERATIONS, SIGNS AND FIXTURES

10.1 **Installation.** Without Landlord's prior written consent, Tenant shall not make or cause to be made any alterations, additions or improvements to the Premises, or install or cause to be installed any trade fixtures, floor covering, interior lighting, plumbing fixtures, exterior signs, shades or awnings, or make any changes to the store front of the Premises. Tenant shall present Landlord with plans and specifications for such work concurrently with the request for approval.

10.2 **Removal by Tenant.** All alterations, decorations, fixtures, additions and improvements made by Tenant, or made by Landlord on Tenant's behalf by agreement under this Lease, whether temporary or permanent in character, and whether or not affixed to the Premises (except furnishings, trade fixtures and equipment installed by Tenant) shall remain the property of Landlord and shall not be removed from the Premises without Landlord's prior written consent. Upon the expiration or earlier termination of this Lease, Landlord may require Tenant to remove all the alterations, decorations, fixtures, additions, and improvements, and to restore the Premises as provided in Article XI hereof. If, following Landlord's request to do so upon the expiration of this Lease, Tenant fails to remove such alterations, decorations, additions and improvements and restore the Premises, Tenant shall promptly reimburse Landlord for the cost of removal and restoration.

10.3 **Liens.** Tenant shall keep the Premises free of any kinds of liens arising out of work performed for or materials furnished to Tenant, and shall promptly pay all contractors and materialmen used by Tenant to improve the Premises

so as to minimize the possibility of a lien attaching thereto. Should any lien be made or filed, Tenant shall bond against or discharge the same within twenty (20) days after written request by Landlord. Tenant shall indemnify, defend, protect and hold Landlord, the Premises and the Hotel and every part thereof free and harmless from and against any and all liability, damage, claims, demands, suits, actions or expense (including attorneys' fees) arising out of any work done or materials furnished with respect to the Premises by Tenant, its employees, representatives, successors, contractors, subcontractors, materialmen and assigns.

10.4 **Signs, Awnings and Canopies.** Without Landlord's prior written consent, Tenant will not place or suffer to be placed or maintained on any door, wall or window of the Premises any sign, awning or canopy, nor any advertising matter on the glass of any window or door of the Premises or within 48" of any window. Tenant further agrees to maintain any permitted signs, awnings, canopies, decorations, lettering or advertising matter as may be approved in good condition and repair at all times. Within ninety (90) days of Landlord's request and provided that Tenant has been in occupancy of the Premises for at least five (5) years, Tenant shall remove Tenant's existing sign, patch the fascia, and install a new sign, at Tenant's sole cost and expense, in accordance with Landlord's Sign Criteria then in effect.

ARTICLE XI -- SURRENDER OF PREMISES

At the expiration or earlier termination of this Lease, Tenant shall surrender the Premises in a first class, clean condition in accordance with the requirements of Section 10.2 herein, reasonable wear and tear and damage by unavoidable casualty excepted, and shall surrender all keys for the Premises to Landlord at the place then fixed for the payment of rent. Tenant shall remove all of its furnishings, equipment and trade fixtures, and any alterations or improvements if required by Landlord as provided in Section 10.2 hereof, before surrendering the Premises to Landlord and shall repair any damage to the Premises caused thereby.

ARTICLE XII -- INSURANCE AND INDEMNITY

12.1 **Tenant Insurance.** During the Term, Tenant or Subtenant shall maintain at its own expense in full force and effect the following insurance policies:

(a) A policy of commercial general liability insurance, including coverage (by endorsement if necessary) for death, bodily injury, broad form property damage, premises/operations, blanket contractual liability, independent contractors, personal injury, products/completed operations, and, if applicable, liquor liability, with respect to the Premises and the business operated by the Tenant and subtenants and concessionaires of Tenant in the Premises, of which the combined single limit of general liability shall not be less than One Million Dollars (\$1,000,000) per occurrence. Such liability limit will be increased from time to time if Landlord's insurance advisor reasonably determines that a higher limit is customary for similar uses. Such policy shall be on an occurrence (and not on a claims-made) basis. Notwithstanding anything to the contrary contained herein, only the Redevelopment Agency of the City of Riverside, and not Subtenant or any other assignee or subtenant, may self-insure against the risks described in this Paragraph 12(a);

(b) Insurance covering all trade fixtures, merchandise, personal property and plate glass in or upon the Premises in amounts no less than one hundred percent (100%) of the replacement value thereof, providing protection against any peril included within the classification of "Fire and Extended Coverage" including sprinkler damage, if any, vandalism and malicious mischief; and

(c) Workers compensation insurance as required by law.

Each of Tenant's insurance policies required hereinabove shall name Landlord, and any person, firms, or corporations designated by Landlord, as additional insureds. Such persons or entities shall not, by reason of their inclusion under any such policy, incur liability for payment of any premium. Tenant's insurance policies shall contain a clause that insurer will not cancel or change coverage without first giving Landlord at least thirty (30) days prior written notice. All insurance required hereunder shall be issued by an insurance company or companies approved by Landlord, licensed to do business in California and having a financial rating of Class A-X or better as rated in the most current available "Best's Key Rating Guide". A copy of the policy or certificate of insurance (and of all endorsements thereto) shall be delivered to Landlord prior to Tenant's occupancy of the Premises, and thereafter at least ten (10) days prior to the expiration of any existing policy. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Landlord may carry. No policy required to be maintained by Tenant under this Section shall have a deductible in excess of \$5,000 without Landlord's prior written consent. If Tenant fails to maintain any insurance required under this Section, Landlord may itself maintain such insurance and charge the cost thereof to Tenant as additional rent. Such amount shall be due and owing within ten (10) days following written request therefor, and shall bear interest at the Interest Rate until paid. Landlord makes no representation or warranty to Tenant that the amount of insurance to be carried by Tenant under the terms of this Lease is adequate to fully protect Tenant's interests and Tenant assumes full responsibility to confirm the adequacy of its insurance coverage.

12.2 **Landlord Insurance.** During the Term, Landlord shall, subject to reimbursement as provided herein, maintain at its own expense in full force and effect the following insurance policies (collectively "Landlord Carried Insurance" herein):

(a) Fire with extended coverage insurance with a vandalism and malicious mischief endorsement, which insurance shall be in an amount equal to at least ninety percent (90%) of the replacement value (exclusive of foundation and excavation costs) of the Premises and other improvements within the Hotel;

(b) Insurance covering all art, artifacts, papers, photographs, and other items of aesthetic, cultural, or historical significance owned by Landlord within the Premises, which insurance coverages shall be in amounts from time to time deemed reasonably necessary by Landlord; and

(c) Rental loss insurance, or any other insurance coverages deemed necessary by Landlord or Landlord's lender throughout the Term, which insurance coverages shall be in amounts from time to time deemed reasonably necessary by Landlord or Landlord's lender.

The Landlord Carried Insurance may be obtained through a blanket policy or other form of pooled insurance coverage covering not only the Hotel, but other property owned by Landlord or its affiliates.

12.3 Indemnification of Landlord. Tenant will, during the Term, indemnify, protect, defend and save Landlord harmless from and against any and all claims, demands, actions, damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs of investigation with respect to any claim, demand or action) in connection with loss of life, bodily injury, personal injury and/or damage to property (collectively, "Claims") arising from or connected with the conduct or management of the business conducted by Tenant on the Premises, or the occupancy or use by Tenant of the Premises or any part thereof, or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to this Lease, or from violations of or noncompliance with any governmental requirements or insurance requirements, or from any acts or omissions of Tenant or any person on the Premises by license or invitation of Tenant or occupying the Premises or any part thereof under Tenant, whether such injury occurs in, on or about the Premises or the Common Area. In case Landlord shall be made a party to any litigation commenced by or against Tenant, Tenant shall accept any tender of defense by Landlord and shall defend Landlord and protect and hold Landlord harmless and pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation; provided, however, Tenant shall not be liable for any such injury or damage to the extent and in the proportion such injury or damage is ultimately determined to be attributable to the sole, active negligence or misconduct of Landlord, its agents or employees, unless covered by insurance required to be carried by Tenant. Landlord may, at its option, require Tenant to assume Landlord's defense in any action covered by this Section 12.3 through counsel satisfactory to Landlord.

12.4 Waiver Claims; Waiver of Subrogation. Provided that their respective policies of insurance are not invalidated thereby, each party hereby waives (a) its rights of recovery against the other party, its successors, assigns, directors, agents and representatives in connection with any loss or damage caused to the insured's property and covered by any property insurance policies of the insured, and (b) on behalf of its carriers, any right of subrogation it may have against the other. Each party shall notify its carrier of the waiver contained herein and shall obtain, if required by their respective insurers, any special endorsements required by such insurers to evidence compliance with the foregoing waiver.

12.5 Waiver of Loss and Damage. Except to the extent such matter is not covered by the insurance required to be maintained by Tenant under this Lease and such matter is attributable to the gross negligence or willful misconduct of Landlord, Landlord shall not be liable to Tenant, Tenant's employees, agents or invitees for: (i) any damage to property of Tenant, or of others, located in, on or about the Premises, nor for (ii) the loss of or damage to any property of Tenant or of others by theft or otherwise, (iii) any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance of plumbing works or from the roof, street or subsurface or from any other places or by dampness or by any other cause of whatsoever nature, or (iv) any such damage caused by other tenants or persons in the Premises, occupants of adjacent property of the Hotel, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of Tenant kept or stored on the Premises shall be so kept or stored at the sole risk of Tenant and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers, unless such damage shall be caused by the gross negligence or willful misconduct of Landlord.

12.6 Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in the Premises or elsewhere in the Hotel or of any damage or defects in the Premises, the Hotel or any fixtures or equipment therein.

12.7 Indemnification of Tenant. Landlord will, during the Term, indemnify, protect, defend and save Tenant harmless from and against any and all Claims attributable to the sole, active negligence or misconduct of Landlord, its agents or employees, unless covered by insurance required to be carried by Tenant; provided, however, Landlord shall not be liable for any injury or damage to the extent and in the proportion such injury or damage is ultimately determined to be attributable to the sole, active negligence or misconduct of Tenant, its agents or employees.

ARTICLE XIII -- OFFSET STATEMENT, ATTORNMENT, SUBORDINATION, MORTGAGEE PROTECTION CLAUSE

13.1 Offset Statement. Within ten (10) days after Landlord's written request, in connection with any sale, assignment, hypothecation or other transfer of Landlord's interest in this Lease or the Hotel, Tenant agrees to deliver in recordable form a certificate or tenant estoppel letter to any proposed mortgagee, purchaser, or other transferee, or to Landlord, certifying to the extent true that this Lease is in full force and effect, that to Tenant's knowledge there does not exist nor has there existed during the period of Tenant's tenancy any toxic materials or hazardous waste in, on or about the Premises, that a true and correct copy of this Lease and all amendments thereto are attached to the certificate or tenant estoppel letter, and that there are no defenses or offsets thereto, or stating those claimed by Tenant, and such other items as may be reasonably requested. Failure by Tenant to execute said offset statement shall be considered a material default by Tenant under this Lease.

13.2 Attornment and Nondisturbance. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage, deed of trust or other encumbrance made by Landlord

covering the Premises, Tenant shall attorn to the purchaser or mortgagee upon any such foreclosure sale or transfer in lieu of foreclosure sale and recognize such purchaser or mortgagee as the Landlord under this Lease, provided that any such purchaser or mortgagee shall recognize this Lease as remaining in full force and effect so long as Tenant is not in default hereunder.

13.3 Subordination. Subject to the nondisturbance and attornment provisions of Section 13.2 above, Tenant agrees that this Lease, at Landlord's option, shall be subject and subordinate to the lien of any mortgages or trust deeds or the lien resulting from any other method of financing or refinancing, now or hereafter in force against the land and buildings of which the Premises are a part or upon any buildings hereafter placed upon the land of which the Premises are a part, and to all advances made or hereafter to be made upon the security thereof. This section shall be self-operative and no further instrument of subordination shall be required unless requested by Landlord. Tenant covenants and agrees that it will execute such additional subordination agreements from time to time within twenty (20) days following written request therefor by Landlord. Tenant's failure to timely execute and return any required agreement under this Section shall constitute a material default under this Lease. Further, if Tenant fails to deliver any required agreement under this Section within such twenty (20) day period, Tenant irrevocably appoints Landlord as Tenant's attorney-in-fact for the purpose of executing and delivering the same on behalf of Tenant.

13.4 Mortgagee Protection Clause. Tenant agrees to give any mortgagees and/or trust deed holders, by registered mail, a copy of any notice of default served by Tenant upon Landlord, provided that prior to such notice Tenant has been notified in writing (by way of notice of assignment of lease, or otherwise) of the addresses of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default, or if such default cannot be cured within that time, then such additional time as may be necessary, provided such mortgagees and/or trust deed holders commence such cure within thirty (30) days and diligently pursue the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued. Tenant shall not unreasonably withhold its consent to changes or amendments to this Lease requested by the holder of any mortgage or deed of trust covering Landlord's interest in the Premises so long as such changes do not materially alter the economic terms of this Lease or otherwise materially diminish the rights or materially increase the obligations of Tenant hereunder.

ARTICLE XIV -- ASSIGNMENT AND SUBLETTING

14.1 Assignment and Subletting. Tenant will not assign this Lease in whole or in part, nor sublet all or any part of the Premises, without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for obtaining Landlord's consent to any subsequent assignment or subletting. Any assignment or sublease made by Tenant without Landlord's written consent shall be voidable at Landlord's election. Notwithstanding anything to the contrary contained in this Article XIV or elsewhere in this Lease, Landlord and Tenant acknowledge and agree that Tenant may and has, or within thirty (30) days after execution of this Lease will, assign all of Tenant's rights, title and interest in and to this Lease or sublet the entire Premises (as opposed to only a portion of the Premises) to Subtenant for the sole purpose of operating The Mission Inn Foundation offices/Museum; provided, Tenant shall not be released from its liabilities under this Lease unless Landlord shall specifically consent to such a release.

14.2 Other Prohibited Transfers. Tenant shall not grant any concession or right of use or occupancy to all or any part of the Premises (other than an assignment or sublease which shall be governed by Section 14.1 above), nor shall Tenant encumber, hypothecate, or assign this Lease as security for an obligation or indebtedness, or grant any other form of security interest in this Lease, without Landlord's prior written consent which may be withheld in Landlord's sole, absolute and arbitrary discretion. Any such concession, right or security interest made by Tenant without Landlord's written consent shall be null and void. If Tenant shall select or appoint some person or entity other than Tenant or Subtenant to manage and control the business conducted in the Premises, and the result thereof shall be substantially similar to the result of a sublease or assignment, then such selection or appointment shall be deemed an assignment within the meaning and provisions of this Article.

14.3 Sale of Premises. In the event Landlord shall sell, convey, transfer or exchange the Hotel, Tenant agrees to recognize and attorn to the purchaser, or transferee, as the Landlord hereunder and Landlord shall be and is hereby relieved and released from any liability under any and all of its covenants and obligations under this Lease arising out of any act, occurrence or event which occurs after such sale, conveyance, transfer or exchange.

ARTICLE XV -- DESTRUCTION

15.1 Total or Partial Destruction of Premises. If the Premises shall be damaged by fire, the elements or other casualty insured against under the provisions of Section 12.2 above, but are not thereby rendered untenable in whole or in part, Landlord shall, at its own expense, cause such damage to be repaired as soon as reasonably practical, and any rent or other charges payable hereunder shall not be abated. Tenant shall be responsible for the concurrent prompt repair and restoration of its furniture, fixtures and equipment in the Premises damaged by such event. If by reason of any damage or casualty, the Premises shall be rendered untenable only in part, the damage shall be repaired as described above, and any rent other charges payable hereunder shall not be abated. If the Premises shall be rendered wholly untenable by reason of such occurrence, either (i) the damage shall be repaired as described above, and any rent or other charges payable hereunder shall not be abated; or (ii) Landlord shall have the right, to be exercised by written notice delivered to Tenant within sixty (60) days from and after said occurrence, to elect not to reconstruct the Premises, and in such event this Lease and the tenancy hereby created shall cease as of the date of said damage. In such event, Landlord shall use good faith efforts to assist Tenant to find an alternate location, but Tenant shall not be entitled to receive any refund of any rent or other amount which has been prepaid by Tenant to Landlord. In the event the Premises are damaged as a result of casualty not covered by insurance required

to be maintained hereunder, or are damaged during the last twelve (12) months of the Term, Landlord, within sixty (60) days following the date of such damage may commence such repair or reconstruction work or may elect to terminate this Lease on the expiration of sixty (60) days following delivery of written notice to Tenant of Landlord's election not to repair or restore such damage. In such event, Landlord shall use good faith efforts to assist Tenant to find an alternate location, but Tenant shall not be entitled to receive any refund of any rent or other amount which has been prepaid by Tenant to Landlord.

15.2 Partial Destruction of Hotel. In the event that fifty percent (50%) or more of the Hotel shall be damaged or destroyed by fire or other cause, and the Premises is within close proximity to the damage by such fire or other cause, Landlord shall have the right to be exercised by written notice delivered to Tenant within sixty (60) days from and after said occurrence, to elect to cancel and terminate this Lease if it is determined the Premises cannot reasonably be repaired or rebuilt. Upon the giving of such notice to Tenant, the Term shall expire by lapse of time upon the 3rd day after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord in the condition required pursuant to Article XI. In such event, Tenant shall not be entitled to receive any refund of any rent or other amount which has been prepaid by Tenant to Landlord.

15.3 Proceeds. All proceeds from the insurance required to be kept under Section 12.2 above shall be delivered to and constitute the property of Landlord and the proceeds of all property insurance covering Tenant's leasehold improvements which would constitute the property of Landlord upon termination of this Lease shall also be paid to Landlord. Unless Landlord elects to terminate this Lease in accordance with Section 15.1 or 15.2 above, Landlord shall apply its insurance proceeds toward reconstruction of the Premises. Tenant shall be entitled to retain the proceeds of its insurance carried pursuant to Section 12.1 above covering its trade fixtures, merchandise, signs and other personal property which it would be entitled to remove upon the expiration of this Lease.

15.4 Waiver of Termination. Tenant hereby waives any statutory rights which it may have to terminate this Lease in the event of the partial or total destruction of the Premises or the Hotel, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, it being agreed that the provisions of this Article XV shall control in the event of any damage or destruction.

ARTICLE XVI -- EMINENT DOMAIN

16.1 Total Condemnation of Premises or Hotel. If the whole of the Premises or a material part of the Hotel, i.e., twenty-five percent (25%) or more, shall be acquired for any public or quasi-public use or purpose or taken by eminent domain, then the Term shall cease and terminate as of the date possession of title is given to such condemning authority in such proceeding. In such event, Tenant shall not be entitled to receive any refund of any rent or other amount which has been prepaid by Tenant to Landlord.

16.2 Partial Condemnation of Premises or Hotel. If any part of the Premises or the Hotel shall be acquired or taken by eminent domain for any public or quasi-public use or purpose, and in the event that such partial taking or condemnation shall render the Premises or the Hotel unsuitable for the operation of Tenant's business, this Lease shall cease and terminate as of the date possession or title is given to such condemning authority in such proceeding. In the event of a partial taking or condemnation which is not extensive enough to render the Premises or the Hotel unsuitable for the operation of Tenant's business, Landlord shall promptly restore the Premises and/or the Hotel, as applicable, to a condition comparable to its condition at the time of such condemnation less the portion lost in the taking, and this Lease shall continue in full force and effect.

16.3 Allocation of Award. Except as provided below, in the event of any condemnation or taking as herein provided, whether whole or partial, Tenant shall not be entitled to any part of the award, as damages or otherwise, for such condemnation and Landlord is to receive the full amount of such award. Tenant expressly waives any right or claim to any part thereof, including the right or claim for the value of the unexpired portion of the Term or diminution in value of Tenant's leasehold interest, or for the value of any option to extend the Term or renew this Lease.

ARTICLE XVII -- DEFAULT

17.1 Default by Tenant. In the event of Tenant's failure to perform any of Tenant's obligations under this Lease when due or called for hereunder, Tenant shall have a period of three (3) days after service of written notice by Landlord specifying the nature of Tenant's default within which to cure such defaults, provided that if the nature of a non-monetary default is such that it cannot be fully cured within said three (3) day period, Tenant shall have such additional time as may be reasonably necessary to cure such default not to exceed thirty (30) days so long as Tenant commences such cure promptly after service of Landlord's notice and proceeds diligently at all times to complete such cure. If Tenant fails to comply with the foregoing provisions, Tenant shall be deemed to be in material breach of this Lease and Landlord with or without further notice or demand shall have all rights and remedies available to it at law, including Code of Civil Procedure 1161 (or its successor), or in equity. In such event, in accordance with state law, Landlord may re-enter the Premises and remove all persons and property from the Premise and such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. **TENANT AND LANDLORD HEREBY ACKNOWLEDGE AND AGREE THAT IN THE EVENT LANDLORD ELECTS TO TERMINATE THIS LEASE PURSUANT TO THE TERMS AND CONDITIONS CONTAINED HEREIN, TENANT SHALL NOT BE ENTITLED, UNDER ANY CIRCUMSTANCES, EXCEPT FRAUD OR INTENTIONAL MISCONDUCT OR INTENTIONAL MISREPRESENTATION COMMITTED BY LANDLORD IN CONNECTION WITH THE PERFORMANCE OF THE TERMS OF THIS LEASE, TO RECOVER ANY PREPAID RENT AND/OR OTHER MONETARY SUMS DEPOSITED HEREUNDER, WHETHER BY WAY OF REFUND, OR OTHERWISE, AND LANDLORD SHALL HAVE NO OBLIGATION TO MITIGATE ANY DAMAGES SUSTAINED BY LANDLORD AS A RESULT OF ANY SUCH TENANT DEFAULT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, LANDLORD MAY ONLY TERMINATE THIS LEASE IF LANDLORD IS NOT THEN IN DEFAULT HEREUNDER.**

17.2 **Default by Landlord.** Landlord shall not be in default in the performance of any obligation required to be performed by Landlord under this Lease unless Landlord has failed to perform such obligation within thirty (30) days after the receipt of written notice from Tenant specifying in detail Landlord's failure to perform; provided however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed in default if it commences such performance within such thirty (30) day period and thereafter diligently pursues the same to completion. Upon any such uncured default by Landlord, Tenant may only exercise those rights provided it in law or at equity which are specifically set forth below, and; (a) Tenant shall have no right to offset or abate rent in the event of any default by Landlord under this Lease, except to the extent offset rights are specifically provided to Tenant in this Lease; and (b) Tenant's rights and remedies hereunder shall be limited to the extent (i) Tenant has expressly waived in this Lease any of such rights or remedies and/or (ii) this Lease otherwise expressly limits Tenant's rights or remedies, including the limitation on Tenant's remedies set forth in the balance of this Section 17.2 and on Landlord's liability contained in Section 17.3 hereof. **TENANT AND LANDLORD HEREBY ACKNOWLEDGE AND AGREE THAT IN THE EVENT LANDLORD IS IN DEFAULT IN THE PERFORMANCE OF ANY OBLIGATION REQUIRED TO BE PERFORMED BY LANDLORD UNDER THIS LEASE, TENANT SHALL HAVE THE RIGHT TO EXERCISE ONLY ONE OF THE FOLLOWING ALTERNATIVE REMEDIES: (A) SUE LANDLORD FOR ACTUAL DAMAGE CAUSED BY LANDLORD'S SPECIFIC DEFAULT OR FOR SPECIFIC PERFORMANCE OF THE TERMS AND CONDITIONS OF THIS LEASE TO ENFORCE THE PERFORMANCE OF LANDLORD'S OBLIGATIONS HEREUNDER, OR (B) ONLY IN THE EVENT OF FRAUD OR INTENTIONAL MISCONDUCT OR INTENTIONAL MISREPRESENTATION COMMITTED BY LANDLORD IN CONNECTION WITH THE PERFORMANCE OF THE TERMS OF THIS LEASE, TERMINATE THIS LEASE AND RECOVER THE REMAINING UNAMORTIZED PORTION OF PRE-PAID RENT APPLICABLE TO THE REMANDER OF THE INITIAL THIRTY (30) YEAR TERM BASED ON A COMMENCEMENT DATE OF DECEMBER 23, 1992; PROVIDED, HOWEVER, THAT TO THE EXTENT NOT SPECIFICALLY PROVIDED HEREIN, TENANT SHALL HAVE NO RIGHT TO RECOVER ANY PREPAID RENT AND OR OTHER MONETARY SUMS DEPOSITED HEREUNDER, WHETHER BY WAY OF REFUND, MITIGATION OR OTHERWISE. UNDER NO CIRCUMSTANCES SHALL TENANT BE ENTITLED TO ANY REMEDY, WHETHER PROVIDED AT LAW, EQUITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, THE RIGHT TO RECOVER ANY PREPAID RENT (EXCEPT IN THE CASE OF FRAUD OR INTENTIONAL MISCONDUCT OR INTENTIONAL MISREPRESENTATION COMMITTED BY LANDLORD IN CONNECTION WITH THE PERFORMANCE OF THE TERMS OF THIS LEASE) AND/OR OTHER MONETARY SUMS DEPOSTED HEREUNDER, WHETHER BY WAY OF REFUND, MITIGATION OR OTHERWISE. THE REMEDIES PROVIDED TENANT ABOVE SHALL PROVIDE TENANT COMPLETE AND TOTAL SATISFACTION FOR ANY CLAIM THAT TENANT MAY HAVE AS A RESULT OF ANY SUCH LANDLORD DEFAULT.**



Tenant's Initials



Landlord's Initials

17.3 **Limitation on Tenant's Recourse.** Tenant's sole recourse under this Lease against Landlord for monetary damages is to the interest of Landlord in and to the Hotel. Tenant shall have no right to satisfy any judgment which it may have against Landlord from any other assets of Landlord or from any other assets of any partner, venturer or shareholder of Landlord. The provisions of this Section are not intended to limit the Tenant's right to seek injunctive relief or specific performance, or Tenant's right to claim the proceeds of insurance (if any) specifically maintained by Landlord for Tenant's benefit. The foregoing limitations shall also apply to any successor to Landlord's interest in the Premises.

17.4 **Landlord's Right to Perform.** Except as specifically provided otherwise in this Lease, all covenants and agreements by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. If Tenant shall fail to pay any sum of money or perform any other act on its part to be paid or performed hereunder and such failure shall continue for three (3) days with respect to monetary obligations (or ten (10) days with respect to non-monetary obligations) after Tenant's receipt of written notice thereof from Landlord, Landlord may, without waiving or releasing Tenant from any of Tenant's obligations, make such payment or perform such other act on behalf of Tenant. All sums so paid by Landlord and all necessary incidental costs incurred by Landlord in performing such other acts shall be payable by Tenant to Landlord within five (5) days after demand therefor as additional rent.

17.5 **Rights and Remedies Cumulative.** All rights, options and remedies of Landlord contained in this Section 17 and elsewhere in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease. Nothing in this Section 17 shall be deemed to limit or otherwise affect Tenant's indemnification of Landlord pursuant to any provision of this Lease.

ARTICLE XVIII -- HOLDING OVER, SUCCESSORS

18.1 **Holding Over.** Any holding over after the expiration of the Term or an extension term, with the consent of the Landlord, express or implied, shall, in the absence of a written agreement providing otherwise, be construed to be a tenancy from month to month at a Minimum Rent equal to one hundred twenty-five percent (125%) of the fair market rental rate for the Premises and shall otherwise be on the terms and conditions of this Lease.

18.2 **Successors.** All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of said parties; and if there shall be more than one party comprising Tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein.

ARTICLE XIX -- QUIET ENJOYMENT

19.1 **Landlord's Covenant.** Upon the observance and performance of all of the covenants, terms and conditions on Tenant's part to be observed and performed hereunder, Tenant shall peaceably and quietly hold and enjoy the

Premises for the Term without unreasonable hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject, nevertheless, to the terms and conditions of this Lease.

19.2 Relocation

(a) Landlord reserves the unilateral right to, at any time during the Term, by delivering ninety (90) days prior written notice to Tenant, relocate the Museum to other premises anywhere on the ground floor of the Hotel, or anywhere on floors 1, 2 or 3 of the Rotunda, or if and when improved, to any other space in the Mission Inn Annex building ("Substitute Museum Premises"); provided, however, that the Substitute Museum Premises contains a minimum and a maximum of 3,000 square feet of Floor Area, and provided further in no event shall Landlord relocate the Substitute Museum Premises to either the basement storage area of the Hotel or the Rotunda basement area. Landlord reserves the unilateral right to, at any time during the Term of this Lease, by delivering written notice to Tenant, relocate the Foundation to other premises within the Hotel, or when improved, to other space in the Mission Inn Annex building ("Substitute Foundation Premises"); provided, however, that the Substitute Foundation Premises contains a minimum and a maximum of 3,500 square feet of Floor Area. In no event shall the total aggregate square footage for the Substitute Museum Premises and the Substitute Foundation Premises exceed 6,500 square feet of Floor Area (i.e., Landlord shall have no obligation to provide relocation space for any Additional Space). The Substitute Museum Premises and Substitute Foundation Premises shall collectively be referred to herein as the "Substitute Premises." Additionally, Landlord, but not Tenant, shall have the right to relocate Tenant to "off-site" Substitute Premises which are within close proximity to the Hotel; rather than to other space within the Hotel or the Mission Inn Annex building. The location of the off-site Substitute Premises shall be mutually agreed upon and consented to by Landlord and Tenant, which consent shall not be unreasonably withheld. In the event Landlord and Subtenant are unable to agree upon the location of the proposed off-site Substitute Premises, the Riverside Redevelopment Agency, acting as arbitrator, shall have the authority to reasonably decide in good faith the appropriateness of the proposed off-site Substitute Premises, taking into account such factors as the location, size, physical condition and suitability of the off-site Substitute Premises for Subtenant's business operations. The decision of the Riverside Redevelopment Agency shall be binding upon Landlord, Tenant and Subtenant. Tenant shall vacate and surrender the applicable Premises to Landlord and shall occupy the Substitute Premises after Landlord has substantially completed the work to be performed by Landlord in the Substitute Premises pursuant to Section 19.2(b) below. Minimum Rent, Additional Rent and other charges shall be payable by Tenant at the same rate as payable by Tenant with respect to the Premises. From and after the relocation by Tenant to Substitute Premises, the Substitute Premises shall be deemed to be the Premises for the purposes of this Lease.

(b) If Landlord shall elect to relocate Tenant to Substitute Premises, Tenant shall not be entitled to any compensation for any inconvenience for interference with Tenant's business, but Landlord shall, at Landlord's sole cost and expense:

(i) Furnish and install or provide the necessary funding to Tenant to furnish and install in the Substitute Premises, to the extent reasonable given the then existing condition and configuration of the Substitute Premises, as determined by Landlord in its reasonable discretion, fixtures, equipment, improvements, appurtenances and leasehold improvements equal in kind and quality to those contained in the Premises at the time of Landlord's election;

(ii) At Landlord's option, arrange for or provide the necessary funding to Tenant for the moving of Tenant's personal property, equipment and trade fixtures from the Premises to the Substitute Premises;

(iii) Reimburse Tenant for Tenant's actual and reasonable out-of-pocket costs incurred in connection with the relocation of any telephone or other communications equipment from the Premises to the Substitute Premises; and

(iv) Reimburse Tenant for any other actual and reasonable out-of-pocket cost incurred by Tenant in connection with Tenant's move from the Premises to the Substitute Premises, provided such costs are approved by Landlord in advance, which approval shall not be unreasonably withheld.

(c) Tenant shall cooperate with Landlord so as to facilitate performance by Landlord of its obligations under Section 19.2(b) above. Without limiting the generality of the foregoing, Tenant shall provide Landlord promptly with any approvals or instructions and perform promptly in the Substitute Premises any work to be performed therein by Tenant to prepare the Substitute Premises for occupancy and opening for business.

ARTICLE XX -- TAXES ON TENANT'S PROPERTY AND BUSINESS OPERATIONS

Tenant agrees to pay before delinquency, all taxes and assessments (real and personal) levied against (a) any personal property or trade fixtures placed by Tenant in or about the Premises (including any increase in the assessed value of the Premises based upon the value of any such personal property or trade fixtures), and (b) any taxes relating to the operation of Tenant's business and/or the Museum. If any such taxes or assessments are levied against Landlord or Landlord's property, Landlord may, after written notice to Tenant (and under proper protest if requested by Tenant) pay such taxes and assessments, in which event Tenant agrees to reimburse Landlord all amounts paid by Landlord within ten (10) business days after demand by Landlord; provided, however, Tenant, at its sole cost and expense, will have the right, with Landlord's cooperation, to bring suit in any court of competent jurisdiction to recover the amount of any such taxes and assessments so paid under protest.

ARTICLE XXI -- TOURS

Landlord hereby grants to Tenant a license to conduct, at Tenant's sole cost and expense, a maximum of two (2) general tours and one (1) special tour (collectively, "Tours") per day of the Premises and the Hotel, provided such Tours are conducted by trained docents, contain no more than fifteen (15) people per tour and comply with all applicable governmental and insurance requirements, and any other future rules and/or regulations that may be imposed by Landlord to ensure the safe and efficient operation of the Hotel and the quite enjoyment of all Hotel guests and invitees. The Tour route, duration and start times shall be subject to approval by Landlord, taking into account and giving special consideration to the daily operation of the Hotel and the quite enjoyment of all Hotel guests and invitees.

ARTICLE XXII -- GO DARK

Should the Main Space "go dark" during the term of this Lease for a period of ninety (90) consecutive days (as extended by delays referred to in Section 23.6 below, repairs alterations and improvements, restoration due to casualty or condemnation, labor disputes or due to the actions of Landlord or its agents or employees), such that no business permitted by the terms of this Lease is being operated within any portion of the Main Space, then Landlord may terminate this Lease at any time thereafter during the continuance of such "dark" period upon written notice to Tenant specifying a termination date which is no sooner than thirty (30) days after such notice. Upon the expiration of such thirty (30) day extension period, this Lease will automatically terminate unless Tenant (or Subtenant) has reopened the Museum and began occupying the entire Main Space for the use described in Section 1.8 of the Basic Lease Provisions, in which case Landlord's termination notice will be of no force or effect. Landlord's notice of termination may only be given within thirty (30) days of the conclusion of said ninety (90) day period. Upon termination of this Lease by Landlord pursuant to this Article XXII, Tenant shall not be entitled, under any circumstances, to recover any prepaid rent and/or other monetary sums deposited hereunder, whether by way of refund, or otherwise, and Landlord shall have no obligation to mitigate any damages sustained by Landlord as a result of Tenant's failure to remain open for business.

ARTICLE XXIII -- MISCELLANEOUS

23.1 Intentionally Omitted.

23.2 **Waiver.** The waiver by either party of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of any other term, covenant or condition of this Lease or of any subsequent breach of the same term, covenant or condition. No covenant, term or condition of this Lease shall be deemed to have been waived by either party, unless such waiver is in writing by the waiving party.

23.3 **Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than a partial payment of the rent herein stipulated, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

23.4 **Entire Agreement.** This Lease and the Exhibits, and Addenda, if any, attached hereto and forming a part hereof, set forth all the representations, covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Premises, and there are no representations, covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties.

23.5 **No Partnership.** Landlord does not in any way or for any purpose become a partner of Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Tenant by reason of this Lease.

23.6 **Force Majeure.** In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium, riots, insurrection, war or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability) (herein collectively, "Force Majeure Delays"), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 23.6 shall not apply to nor operate to excuse Tenant from any payments due in accordance with the terms of this Lease.

23.7 **Notices.** All notices hereunder must be served personally or by certified or registered mail as aforesaid, postage prepaid, addressed to Tenant at the address specified in Section 1.11 of the Basic Lease Provisions and to Landlord at the address specified in Section 1.12 of the Basic Lease Provisions, or at such other address as Landlord or Tenant may designate by written notice pursuant to this Section, except that notice to Tenant at the Premises shall in all events be proper notice. Any notice given by mail as aforesaid shall be deemed given forty-eight (48) hours after deposit in the mails.

23.8 **Captions and Section Numbers.** The captions, section numbers and article numbers in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

23.9 **Partial Invalidity.** If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or

unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and enforceable to the fullest extent permitted by law.

23.10 **No Option.** The submission of this Lease for examination does not constitute a reservation of or option for the Premises and this Lease becomes effective as a Lease only upon execution and delivery thereof by Landlord to Tenant.

23.11 **Recording.** Tenant and Landlord agree to record a Memorandum of Lease in substantially the form and content of the attached Exhibit "C".

23.12 **Legal Expenses.** If either Landlord or Tenant should bring suit against the other with respect to this Lease, then all costs and expenses, including without limitation, actual professional fees and costs such as appraisers', accountants' and attorneys' fees and costs, incurred by the party which prevails in such action, whether by final judgment or out of court settlement, shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment. As used herein, attorneys' fees and costs shall include, without limitation, attorneys' fees, costs and expenses incurred in connection with any (i) postjudgment motions; (ii) contempt proceedings; (iii) garnishment, levy, and debtor and third party examination; (iv) discovery; and (v) bankruptcy litigation.

23.13 **Rights Cumulative.** The rights and remedies of Landlord specified in this Lease shall be cumulative and in addition to any other rights and remedies provided by law.

23.14 **Authority.** If Tenant is a corporation or partnership, each individual executing this Lease on behalf of such entity represents or warrants that he or she is duly authorized to execute and deliver this Lease on behalf of such entity and that such entity shall be bound by all the terms and provisions hereof.

23.15 **Time of the Essence.** Time is of the essence of each and every provision of this Lease except for delivery of possession of the Premises as set forth herein.

23.16 **Nondiscrimination.** Tenant acknowledges and agrees that there shall be no discrimination against, or segregation of, any person, group of persons, or entity on the basis of race, color, creed, religion, age, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, assignment, occupancy, tenure, use, or enjoyment of the Premises, or any portion thereof.

23.17 **Exhibits.** This Lease contains the following Exhibits which are attached hereto and incorporated herein by this reference:

- Exhibit A - Hotel Floor Plan
- Exhibit B - Rules and Regulations
- Exhibit C - Memorandum of Lease

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

LANDLORD:

HISTORIC MISSION INN CORPORATION,
a California corporation

By: *Ernest D. Roberts*
Its: Chairman, President, & C.E.O.

By: *Richard D. Shyree*
Its: Treasurer

By: *Richard D. Shyree*
Its: Secretary

TENANT:

THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE,
a public body, corporate and politic

By: *Robert C. Wales*

Name: Robert C. Wales

Title: Executive Director

Attest: *Colleen J. Nicol*
Colleen J. Nicol
Agency Secretary

APPROVED AS TO FORM

Kathleen M. Donze
ASSI. CITY ATTORNEY

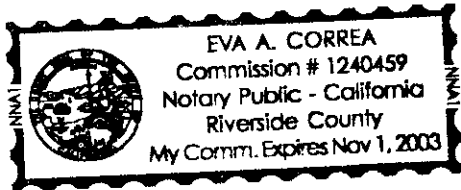
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of Riverside } ss.

On December 22, 2000 before me, Eva A. Correa,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared Robert C. Wales and Colleen J. Nicol,
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he~~/she/they executed the same in ~~his~~/her/their authorized capacity(ies), and that by ~~his~~/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Eva A. Correa
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

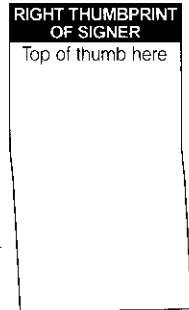
Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

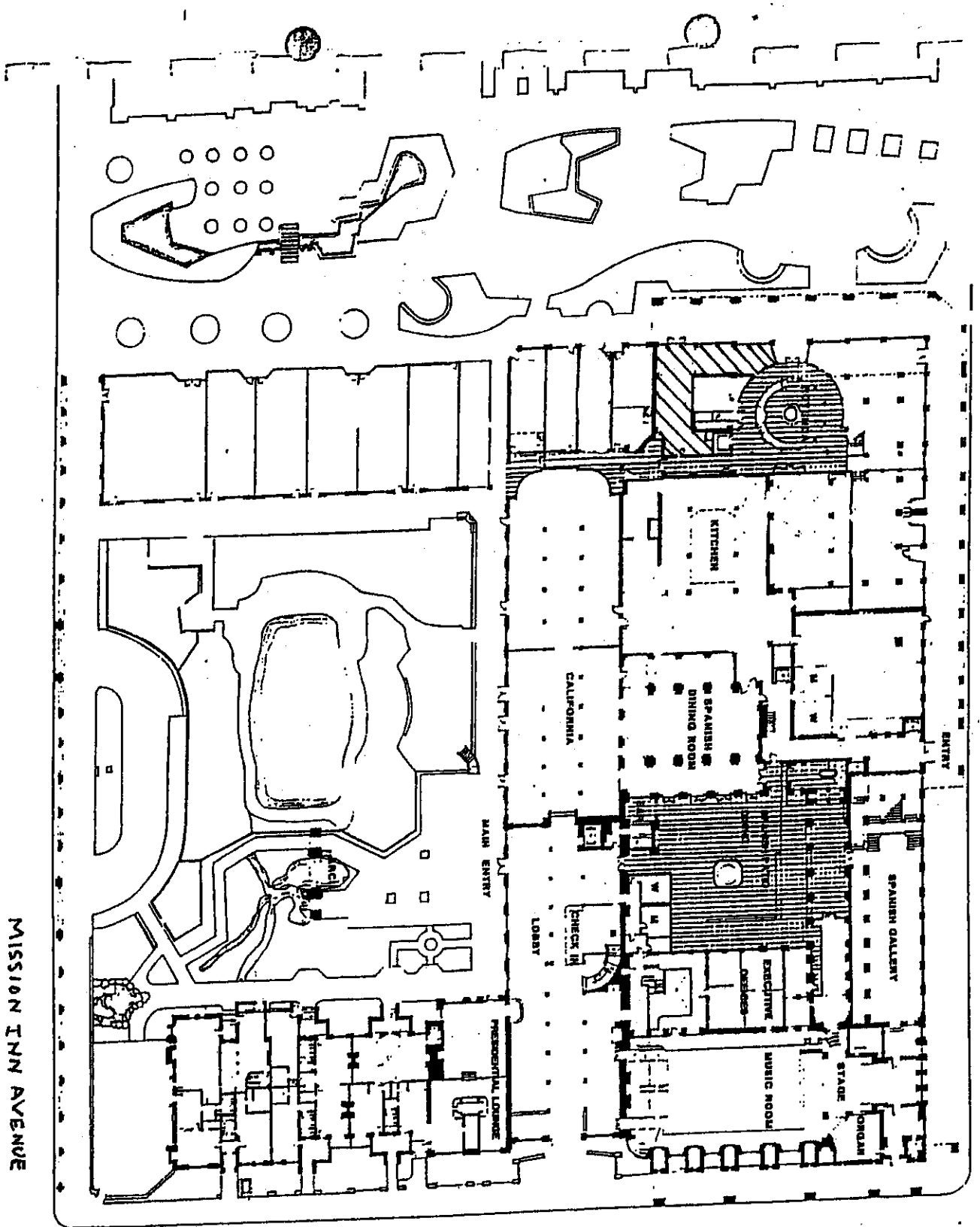
Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____



Signer Is Representing: _____

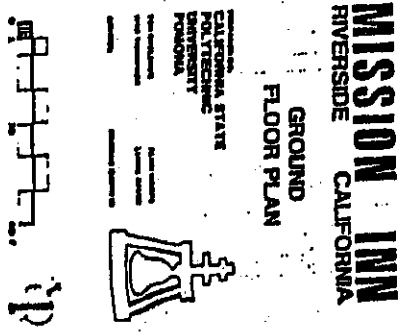
HOTEL FLOOR PLAN



ORANGE STREET

MISSION INN AVENUE

- PROPOSALS**
- ROTUNDA ENTRANCE
 - ARCADE ENTRANCE
 - FRONT ENTRY DRIVE
 - ORANGE STREET ENTRANCE
 - SIXTH STREET



MISSION INN
RIVERSIDE CALIFORNIA

GROUND FLOOR PLAN

CALIFORNIA STATE
POLYTECHNIC
UNIVERSITY
RIVERSIDE

HISTORY

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, or stairways shall not be obstructed or used for any purpose other than ingress and egress. No tenant or the agents, employees or invitees of any tenant shall go upon the roof of the Hotel or on to other areas not open to the general public (unless specifically designated in the lease for such tenant's use) without the prior written consent of Landlord.
2. All garbage and refuse shall be placed by Tenant in the containers at the location prepared by Landlord for refuse collection, in the manner and at the times and places specified by Landlord. Tenant shall not burn any trash or garbage of any kind in or about the leased Premises or the Hotel. All cardboard boxes must be "broken down" prior to being placed in the trash container. All styrofoam chips must be bagged or otherwise contained prior to placement in the trash container so as not to constitute a nuisance. Pallets may not be disposed of in the trash bins or enclosures. It is the Tenant's responsibility to dispose of pallets by alternative means. Except when removed for immediate temporary use, or for use within a building, all trash bins shall remain within trash enclosures at all times. Enclosure doors shall remain closed when not in active use. No uncontainerized liquids shall be poured or placed into a trash bin. Should any garbage or refuse not be deposited in the manner specified by Landlord. Landlord may, after three (3) hours verbal notice to Tenant, take whatever action necessary to correct the infraction at Tenant's expense.
3. No awnings or other projections shall be attached to the outside walls of the Hotel without the prior written consent of the Landlord. No hanging planters, television sets or other objects shall be attached to or suspended from ceilings without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior written consent of Landlord.
4. No sign, advertisement or notice shall be exhibited, painted or affixed by any tenant on any part of, or so as to be seen from the outside the Premises without the prior written consent of the Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove same without any liability, and may charge the expense incurred in such removal to the tenant violating this rule.
5. The wash room partitions, mirrors, wash basins and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damage resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.
6. No tenant shall mark, paint, drill into, or in any way deface any part of the exterior of the Hotel.
7. No animals of any kind shall be brought into, or kept in or about the Premises and unless the premises shall be designed for food and beverage service, no cooking shall be done or permitted by the tenant of the Premises except that the preparation of coffee, tea, hot chocolate and similar items for the tenant and its employees and business visitors shall be permitted. No tenant shall cause or permit any unusual or objectionable odors to escape from the Premises.
8. Landlord reserves the right to exclude or expel from the Hotel any person who, in the judgment of Landlord is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Hotel.
9. No tenant shall occupy or permit any portion of his Premises to be occupied as an office for a public stenographic or typist, or for the manufacture or sale of narcotics in any form, or as a medical office, or as a barber shop, manicure shop or employment agency without the express written consent of Landlord. No tenant shall engage or pay any employees on the Premises except those actually working for such tenant of the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purposes.
10. No tenant shall make, or permit to be made any unseemly or disturbing noises, sounds or vibrations or disturb or interfere with occupants of this or neighboring buildings or premises or those having business with them whether by the use of any musical instrument, radio phonograph, unusual noise, or in any other way.
11. No tenant shall throw anything out of doors or onto the parking lot and common areas. The outside areas immediately adjoining the Premises shall be kept clean and free from dirt and rubbish by the Tenant to the satisfaction of the Landlord, and Tenant shall not place or permit any obstruction or materials in such areas. No exterior storage shall be allowed.
12. No tenant shall at any time bring or keep upon the Premises any flammable, combustible, or explosive fluid, chemical or substance. The tenant shall not do or permit anything to be done in the Premises, or bring or keep anything herein, which shall in any way increase the rate of the fire insurance on the Hotel or on the property kept therein, or obstruct or interfere with the rights of other tenants, or in any way injure or annoy them, or conflict with the regulations of the Fire Department or the Fire laws, or with any insurance policy upon the Hotel or any part thereof, or with any rules and ordinances established by the Board of Health or other governmental authority.
13. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof without Landlord's written approval. Each tenant must, upon the termination of this tenancy, restore to the Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such

tenant shall pay to the Landlord the cost of replacing the same or of changing the lock or jocks opened by such lost key if Landlord shall deem it necessary to make such change.

14. Any persons employed by any tenant to do janitor work, shall, while in the Hotel and outside of the Premises, be subject to all rules and regulations contained herein, and the tenant shall be responsible for all acts of such persons.

15. Canvassing, soliciting and peddling in the Hotel are prohibited and each tenant shall cooperate to prevent the same.

16. No air conditioning unit or other similar apparatus shall be installed or used by any tenant without the written consent of Landlord. No aerial antenna shall be erected on the roof or exterior walls of the Premises, or on the grounds, without in each instance, the written consent of Landlord first being obtained. Any aerial or antenna so installed without such written consent shall be subject to removal by Landlord at any time without notice.

17. Landlord will direct electricians as to where and how telephone or telegraph wires are to be introduced. No boring or cutting for wires or stringing of wires will be allowed without written consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

18. Landlord reserves the exclusive right to regulate and control the use of all parking ramps and areas, pedestrian walkways, plaza and other public areas forming a part of the Hotel. Landlord does not hereby assume any responsibility to provide security in and around these areas and tenant assumes all responsibility for the protection of the property and person of tenant, its agents and invitees from the acts of third persons.

19. Truck wells shall be used solely for temporary and immediate loading and unloading purposes. Parking or storage of items within truck well areas is strictly prohibited. Truck well doors shall remain closed when not in active use. No use of truck wells shall be allowed which causes vehicles waiting use thereof to park or wait excessively on a public street. Truck wells shall be kept neat and free of debris at all times.

Tenant agrees to comply with all such rules and regulations upon notice from Landlord. Should Tenant not abide by these Rules and Regulations, Landlord may serve a three (3) day notice to correct deficiencies. If Tenant has not corrected deficiencies by the end of the notice period, Tenant will be in default of the Lease.

Landlord reserves the right to amend or supplement the foregoing rules and regulations and to adopt and promulgate additional rules and regulations applicable to the Hotel or any portion thereof. Notice of such rules and regulations and amendments and supplements thereto, if any, shall be given to the Tenant.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Historic Mission Inn Corporation
4100 Newport Place
Suite 400
Newport Beach, California 92660
Attention: Ted Weggeland

(Space Above For Recorder's Use)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made and entered into as of December ____, 2000, by and between HISTORIC MISSION INN CORPORATION, a California corporation ("Landlord"), and THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public body, corporate and politic ("Tenant").

1. Term and Premises. For the Lease Term and upon the provisions set forth in that certain written lease of even date herewith from Landlord to Tenant ("Lease"), all of which provisions are specifically made a part hereof as though fully and completely set forth herein, Landlord leases to Tenant, and Tenant leases from Landlord, that certain real property consisting of museum and office space ("Premises") located in the City of Riverside, County of Riverside, State of California, as depicted on Exhibit "1" attached hereto, and which is part of that hotel ("Hotel") legally described in Exhibit "2" attached hereto, together with all rights of ingress and egress and all other rights appurtenant to said Premises including, without limitation, the right to use the building constructed on the Premises for the purposes contemplated in the Lease, all of which rights are more particularly described in the Lease.
2. Options to Extend Term. Reference is particularly made to Section 3.2 of the Lease wherein Tenant is granted options to extend the Lease Term on the terms and conditions set forth therein.
3. Use. Reference is particularly made to Section 6.1 of the Lease wherein Tenant is granted the right to use the Premises for the Mission Inn Museum and general office uses.
4. Purpose of Memorandum of Lease. This Memorandum is prepared for the purpose of providing for record notice of the Lease, and in no way modifies the express and particular provisions of the Lease.
5. For the Benefit of the Premises. Landlord and Tenant intend that the covenants, conditions and restrictions described and referred to herein shall be both personal to Landlord and Tenant and binding on their successors and assigns. Each successive owner of the Premises or of any portion thereof, and each person having any interest therein derived through any owner thereof, shall be bound by such covenants, conditions and restrictions for the benefit of the Premises.

IN WITNESS WHEREOF, this Memorandum of Lease has been executed as of the date first written above.

"LANDLORD"

HISTORIC MISSION INN CORPORATION,
a California corporation

By: _____
Its: _____

By: _____
Name: _____
Title: _____

"TENANT"

THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE,
a public body, corporate and politic

By: _____
Name _____
Title: _____

By: _____
Name: _____
Title: _____

FORM ONLY DO NOT SIGN

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

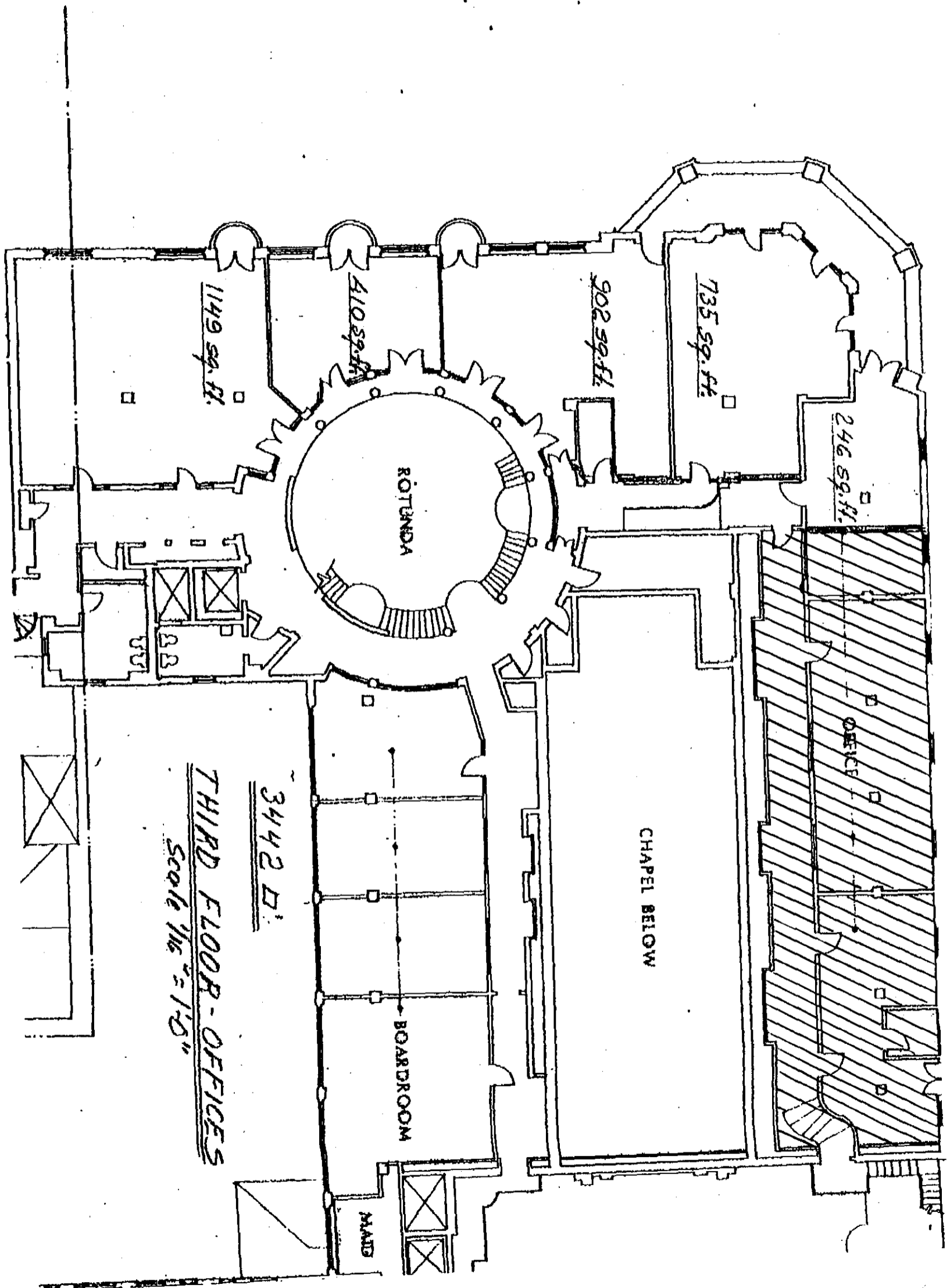
On _____, before me, _____, a Notary Public in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her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

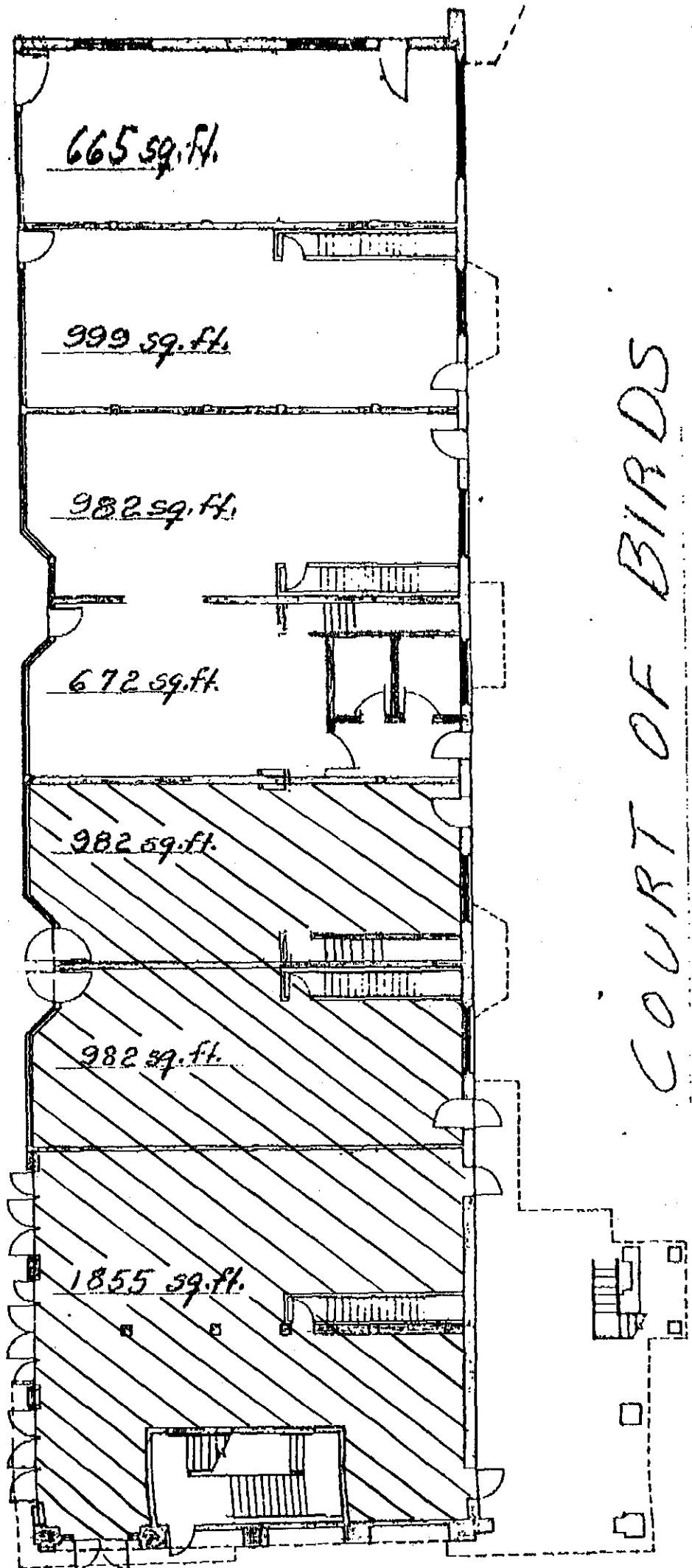
WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)

DEPICTION OF PREMISES FLOOR PLAN





MARK

COURT OF BIRDS

7137 D'

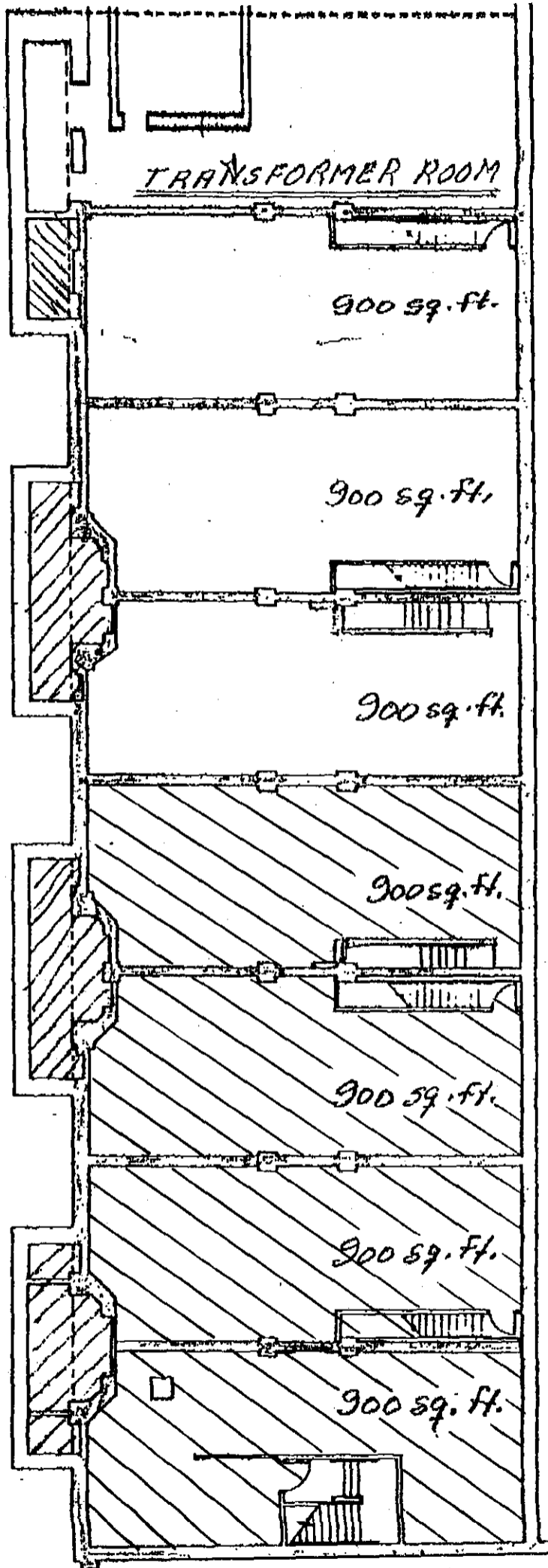
GROUND FLOOR-RETAIL SHOPS

Scale 1/16" = 1'-0"

EXHIBIT "1"
-2-

Handwritten signature

MALL



6,300 D'

Scale $1/16" = 1'-0"$

BASEMENTS - RETAIL SHOPS

EXHIBIT "1"

LEGAL DESCRIPTION OF HOTEL PROPERTY

THE LAND REFERRED TO IN THIS POLICY IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF RIVERSIDE, CITY OF RIVERSIDE AND IS DESCRIBED AS FOLLOWS:

PARCEL 1

THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BLOCK 6, RANGE 6, OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;

TOGETHER WITH THE FOLLOWING DESCRIBED PARCELS OF LAND FOR EASEMENTS, PERMITS AND/OR ENCROACHMENTS:

PARCEL 2
MAIN STREET

THAT PORTION OF MAIN STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17 OF THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID BLOCK 6, RANGE 6; THENCE SOUTH 29° 01' 52" WEST ALONG THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHEASTERLY LINE OF SAID MAIN STREET, A DISTANCE OF 330.77 FEET TO THE MOST WESTERLY CORNER OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 60° 56' 34" WEST ALONG THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 4.00 FEET TO A LINE PARALLEL WITH AND 4.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 214.77 FEET;

THENCE NORTH 60° 58' 08" WEST, A DISTANCE OF 15.00 FEET TO A LINE PARALLEL WITH AND 19.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;

THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 101.00 FEET;

THENCE NORTH 60° 58' 03" WEST, A DISTANCE OF 2.00 FEET TO A LINE PARALLEL WITH AND 21.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;

EXHIBIT "2"

THENCE NORTH 29° 01' 51" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 15.01 FEET TO THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PROLONGATION, A DISTANCE OF 21.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3
SIXTH STREET

THAT PORTION OF SIXTH STREET, MAIN STREET AND ORANGE STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SAID SIXTH STREET, A DISTANCE OF 130.99 FEET TO THE MOST NORTHERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE CONTINUING NORTH 60° 56' 34" WEST ALONG THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 21.00 FEET TO A LINE PARALLEL WITH AND 21.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHEASTERLY LINE OF SAID MAIN STREET;
THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 5.00 FEET;
THENCE NORTH 74° 02' 39" EAST, A DISTANCE OF 21.21 FEET TO A LINE PARALLEL WITH AND 20.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 122.00 FEET;

THENCE SOUTH 29° 03' 26" WEST, A DISTANCE OF 3.50 FEET TO A LINE PARALLEL WITH AND 16.50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 213.00 FEET;
THENCE SOUTHEASTERLY AND SOUTHWESTERLY ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 16.00 FEET, THROUGH AN ANGLE OF 89° 58' 25", AN ARC LENGTH OF 25.13 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET;
THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 0.51 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID PROLONGATION, A DISTANCE OF 14.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT "2"

THAT PORTION OF ORANGE STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 29° 01' 51" EAST ALONG THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET, A DISTANCE OF 330.77 FEET TO THE MOST EASTERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 14.00 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 330.77 FEET TO THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID PROLONGATION, A DISTANCE OF 14.00 FEET TO THE POINT OF BEGINNING.

PARCEL 5
SEVENTH STREET

THAT PORTION OF SEVENTH STREET, MAIN STREET AND ORANGE STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN IN THE TOWN OF RIVERSIDE BY MAP OF FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SEVENTH STREET, A DISTANCE OF 330.99 FEET TO THE MOST SOUTHERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE CONTINUING SOUTH 60° 56' 34" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, A DISTANCE OF 14.00 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET;
THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 5.99 FEET;
THENCE SOUTHWESTERLY AND NORTHWESTERLY ON A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 14.00 FEET, THROUGH AN ANGLE OF 90° 01' 34", AN ARC LENGTH OF 22.00 FEET;

EXHIBIT "2"

THENCE SOUTH 29° 03' 36" WEST, A DISTANCE OF 1.00 FEET TO A LINE PARALLEL WITH AND 21.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 334.99 FEET TO A LINE PARALLEL WITH AND 4.00 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHEASTERLY LINE OF SAID MAIN STREET;
THENCE NORTH 29° 01' 52" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 21.00 FEET TO THE NORTHWESTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PROLONGATION, A DISTANCE OF 4.00 FEET TO THE POINT OF BEGINNING.

PARCEL 6
SIXTH STREET TUNNEL

THAT PORTION OF SIXTH STREET ADJACENT TO BLOCK 5, RANGE 6, AND BLOCK 6, RANGE 6 OF TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17, THEREON, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING IN A VERTICAL SPACE, THE TOP PLANE OF WHICH TERMINATES AT THE BOTTOM OF THE STRUCTURAL ELEMENTS OF THE SURFACE IMPROVEMENTS OF SAID SIXTH STREET, AND THE BOTTOM PLANE OF SAID SPACE HAVING AN ELEVATION OF 833.50 FEET, U.S. CAST AND GEODETIC SEA LEVEL DATUM OF 1929, THROUGH THE MEDIUM OF THE CITY OF RIVERSIDE, PRECISE LEVEL NETWORK ON FILE IN THE OFFICE OF THE CITY SURVEYOR. THE LOCAL BENCH MARK REFERENCE OF THIS DESCRIPTION IS A U.S.C. & G.S. 3-1/2" DIAMETER BRASS CAP SET IN THE CONCRETE ENTRANCE LANDING OF THE RIVERSIDE MUNICIPAL MUSEUM, 75.00 FEET, MORE OR LESS, SOUTHWESTERLY OF THE CENTERLINE OF SEVENTH STREET, AND 125 FEET, MORE OR LESS, SOUTHEASTERLY OF THE CENTERLINE OF ORANGE STREET, STAMPED "2-1, 1906, RESET 1964", HAVING AN ELEVATION OF 857.615 FEET, SAID PORTION OF SIXTH STREET BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 5, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SIXTH STREET, A DISTANCE OF 175.42 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 29° 00' 58" WEST, A DISTANCE OF 49.50 FEET TO A LINE PARALLEL WITH AND 16.50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SAID SIXTH STREET;
THENCE SOUTH 60° 56' 34" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 15.00 FEET;
THENCE NORTH 29° 00' 58" EAST, A DISTANCE OF 16.50 FEET TO THE CENTERLINE OF SAID SIXTH STREET;
THENCE NORTH 60° 56' 34" WEST, ALONG SAID CENTERLINE, A DISTANCE OF 5.00 FEET;

EXHIBIT "2"

THENCE NORTH 29° 00' 58" EAST, A DISTANCE OF 33.00 FEET TO THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SIXTH STREET;
THENCE NORTH 60° 56' 34" WEST ALONG SAID LINE, A DISTANCE OF 10.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 7
SIXTH STREET BRIDGE

ALL THE THOSE PORTIONS OF THE HEREIN DESCRIBED PROPERTY WHICH LIE BETWEEN THE VERTICAL SPACE WITH THE BOTTOM PLANE HAVING ELEVATIONS AS DESCRIBED BELOW AND THE TOP PLANE HAVING AN ELEVATION OF 885.00 FEET, U.S. COAST AND GEODETIC SEA LEVEL DATUM OF 1929, THROUGH THE MEDIUM OF THE CITY OF RIVERSIDE PRECISE LEVEL NET ON FILE IN THE OFFICE OF THE CITY SURVEYOR. BENCH MARK REFERENCE FOR THIS DESCRIPTION IS A U.S.C. & G.S. 3 1/3" DIAMETER BRASS CAP SET IN THE CONCRETE ENTRANCE LANDING OF THE RIVERSIDE MUNICIPAL MUSEUM, 75 FEET + OR - SOUTHWESTERLY OF THE CENTERLINE OF SEVENTH STREET AND 125 FEET + OR - SOUTHEASTERLY OF THE CENTERLINE OF ORANGE STREET, STAMPED "Z-1, 1906, RESET 1964", HAVING AN ELEVATION OF 857.615 FEET;

COMMENCING AT THE MOST SOUTHERLY CORNER OF BLOCK 5, RANGE 6 OF THE TOWN RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;
THENCE NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, ALSO BEING THE NORTHEASTERLY LINE OF SIXTH STREET (66.00 FEET WIDE), A DISTANCE OF 173.00 FEET TO THE POINT OF BEGINNING, SAID POINT BEING IN THE BUILDING COMMONLY KNOWN AS THE MISSION INN ANNEX AT AN ELEVATION OF 863.75 FEET;
THENCE CONTINUING NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, IN THE MISSION INN ANNEX, A DISTANCE OF 14.00 FEET AT AN ELEVATION OF 863.75 FEET;
THENCE SOUTH 29° 03' 26" WEST, A DISTANCE OF 17.00 FEET AT AN ELEVATION OF 863.75 FEET TO POINT "A";
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 6.00 FEET TO POINT "B", SAID POINT HAVING AN ELEVATION OF 868.75 FEET;
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 20.00 FEET AT AN ELEVATION OF 868.75 FEET TO POINT "C";
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 5.00 FEET TO POINT "D", SAID POINT HAVING AN ELEVATION OF 866.00 FEET;
THENCE CONTINUING SOUTH 29° 03' 26" WEST, A DISTANCE OF 18.00 FEET AT AN ELEVATION OF 866.00 FEET TO THE NORTHEASTERLY LINE OF BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SIXTH STREET (66.00 FEET WIDE), SAID LINE BEING IN THE BUILDING COMMONLY KNOWN AS THE MISSION INN;
THENCE SOUTH 60° 56' 34" EAST ALONG THE SAID NORTHEASTERLY LINE OF BLOCK 6, RANGE 6, IN THE MISSION INN, A DISTANCE OF 14.00 FEET AT AN ELEVATION OF 866.00 FEET;

EXHIBIT "2"

THENCE NORTH 29° 03' 26" EAST, A DISTANCE OF 18.00 FEET AT AN ELEVATION OF 866.00 FEET TO POINT "E";
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 5.00 FEET TO POINT "F", SAID POINT HAVING AN ELEVATION OF 868.75 FEET;
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 20.00 FEET AT AN ELEVATION OF 868.75 FEET TO POINT "G";
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 6.00 FEET TO POINT HAVING AN ELEVATION OF 863.75 FEET;
THENCE CONTINUING NORTH 29° 03' 26" EAST, A DISTANCE OF 17.00 FEET AT AN ELEVATION OF 863.75 FEET TO THE POINT OF BEGINNING.

PARCEL 8
ORANGE STREET "BUS LANE"

THAT PORTION OF ORANGE STREET, SEVENTH STREET AND SIXTH STREET, ADJACENT TO BLOCK 6, RANGE 6, AS SHOWN ON THE TOWN OF RIVERSIDE BY MAP ON FILE IN BOOK 7 PAGE 17, THEREOF, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 60° 56' 34" EAST ALONG THE SOUTHEASTERLY PROLONGATION OF THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SEVENTH STREET, A DISTANCE OF 14.00 FEET TO A POINT IN A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6, ALSO BEING THE NORTHWESTERLY LINE OF SAID ORANGE STREET, SAID POINT BEING THE TRUE POINT OF BEGINNING;
THENCE NORTH 29° 01' 51" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 331.28 FEET;
THENCE NORTHEASTERLY AND NORTHWESTERLY ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 16.00 FEET THROUGH AN ANGLE OF 89° 58' 25", AN ARC LENGTH OF 25.13 FEET TO LINE PARALLEL WITH AND 16.50 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF BLOCK 6, RANGE 6, ALSO BEING THE SOUTHWESTERLY LINE OF SAID SIXTH STREET;
THENCE SOUTH 60° 56' 34" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 25.99 FEET TO A LINE PARALLEL WITH AND 24.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE SOUTH 29° 01' 51" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 358.27 FEET TO A LINE PARALLEL WITH AND 21.00 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 24.01 FEET;
THENCE NORTH 29° 03' 26" EAST, A DISTANCE OF 1.00 FEET;

EXHIBIT "2"

THENCE SOUTHEASTERLY AND NORTHEASTERLY ON A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 14.00 FEET, THROUGH AN ANGLE OF 90° 01' 35", AN ARC LENGTH OF 22.00 FEET TO A LINE PARALLEL WITH AND 14.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE OF SAID BLOCK 6, RANGE 6;
THENCE NORTH 29° 01' 51." EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 5.99 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 9
PARKING STRUCTURE ACCESS

A NON-EXCLUSIVE ENCROACHMENT FOR CONSTRUCTION, MAINTENANCE, AND ACCESS UNDER, OVER AND ON THE SURFACE OF THAT PORTION OF SIXTH STREET ADJACENT TO BLOCK 5, RANGE 6, AND BLOCK 6, RANGE 6 OF TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 THEREOF, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 5, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6, ALSO BEING THE NORTHEASTERLY LINE OF SAID SIXTH STREET, A DISTANCE OF 175.42 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 60° 56' 34" WEST ALONG THE SAID LINE, A DISTANCE OF 18.58 FEET;
THENCE SOUTH 29° 03' 26" WEST, A DISTANCE OF 17.00 FEET TO A LINE PARALLEL WITH AND 17.00 FEET SOUTHWESTERLY, MEASURED AT RIGHTS ANGLES FROM THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6;
THENCE SOUTH 60° 56' 34' EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 68.93 FEET;
THENCE NORTH 29° 03' 26" EAST, A DISTANCE OF 17.00 FEET TO THE SOUTHWESTERLY LINE OF SAID BLOCK 5, RANGE 6;
THENCE NORTH 60° 56' 34" WEST ALONG SAID LINE, A DISTANCE OF 50.35 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 10
ANNEX

BEGINNING AT THE MOST NORTHWESTERLY CORNER OF BLOCK 5, RANGE 6 OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;
THENCE NORTH 29° 02' 01" EAST, 91.00 FEET;
THENCE SOUTH 60° 55' 43" EAST, 74.36 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 29° 08' 45" EAST, 35.22 FEET;
THENCE SOUTH 60° 55' 01" EAST, 81.11 FEET;
THENCE SOUTH 29° 00' 50" WEST, 56.00 FEET;
THENCE NORTH 60° 55' 01" WEST, 50.12 FEET;
THENCE NORTH 29° 00' 58" EAST, 20.78 FEET;

EXHIBIT "2"

THENCE NORTH 60° 55' 43" WEST, 30.99 FEET TO THE TRUE POINT OF BEGINNING FOR THE PURPOSE OF ACCESSING, MAINTAINING, SUBSTITUTING, EXPANDING AND REPLACING THE HEATING, VENTILATION AND AIR CONDITIONING SYSTEM.

PARCEL 11
ANNEX

BEGINNING AT THE MOST SOUTHWESTERLY CORNER OF BLOCK 5, RANGE 6 OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE SOUTH 60° 56' 34" EAST, 155.48 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 29° 00' 53" EAST, 126.16 FEET;

THENCE SOUTH 60° 55' 01" EAST, 10 FEET;

THENCE SOUTH 29° 00' 53" WEST, 126.16 FEET;

THENCE NORTH 60° 56' 34" WEST, 10 FEET TO THE TRUE POINT OF BEGINNING FOR THE PURPOSE OF ACCESSING, MAINTAINING, SUBSTITUTING, EXPANDING AND REPLACING THE HEATING, VENTILATION AND AIR CONDITIONING SYSTEM.

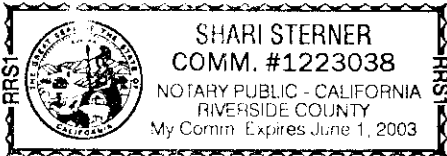
KM

EXHIBIT "2"

STATE OF CALIFORNIA)
COUNTY OF Riverside) ss.

On December 21, 2000, before me, Shari Sterner, a Notary Public in and for said state, personally appeared Richard Skyppe, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



(SEAL)

Shari Sterner
Notary Public in and for said State

STATE OF CALIFORNIA)
COUNTY OF Riverside) ss.

On December 21, 2000, before me, Shari Sterner, a Notary Public in and for said state, personally appeared Duane R. Roberts, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

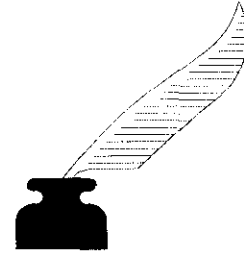
WITNESS my hand and official seal.



(SEAL)

Shari Sterner
Notary Public in and for said State

DOCUMENT TRANSMITTAL FORM



TO: CITY CLERK'S OFFICE

FROM: LEGAL DEPARTMENT

DATE: December 22, 2000

(HIGH PRIORITY)

CONTRACTOR/LESSOR: HISTORIC MISSION INN CORPORATION

PROJECT DESCRIPTION/BID NO.: Memorandum of Lease and Hotel Space Lease

X Approved by City Council on (Agency) ^{RA} 12/19/00
Anticipated City Council future agenda of
No City Council action required

Insurance required:

Bonds required:

X No Insurance Required
Yes, as Attached
Yes, withhold execution until received

X No Bonds Required
Yes, as Attached
Yes, withhold execution until received

Comments: Please have Bob Wales sign ASAP. Please date as noted.

Department: City Manager

Contact person: ~~Bob Wales~~ Sharon Merritt

Approved as to form by: Kathleen M. Gonzales

City Attorney File No.: 00-2336

Date Approved: 12/22/00

cc: Purchasing Division
Originating Department: City Manager

CITY OF RIVERSIDE

**Distribution of Executed Contracts and Agreements
by City Attorney's Office**

Contractor: HISTORIC MISSION INN CORPORATION

Subject: Memorandum of Lease and Hotel Space Lease

1. **Colleen J. Nicol, City Clerk, original copy for file.**

- Council Action on: 12/19/00**
- No Council action necessary**

2. **Sharon Merritt, Development Department, original(s) for transmittal to Contractor and conformed copy for file.**

3. **Brent Mason, Finance Department - Accounting, conformed copy for file.**

4. **Gene Light, Finance Department - Risk Management, conformed copy for file.**

5. **Del Duarte-Sells, Finance Department - Purchasing, distribution copy only.**

Date: December 28, 2000

By: Mirisha Oliver

Insurance in file.

No insurance and bond information necessary

BOND COMPANY:

INSURANCE EXPIRES: