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GOLDEN ERA
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GOLF COURSE LEASE AGREEMENT

THIS GOLF COURSE LEASE AGREEMENT ("Lease") is made and executed as of this 13 day of NOVEMBER 1989, by and between CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Non-Profit Religious Corporation, operating under the name GOLDEN ERA PRODUCTIONS ("Lessor"), and CCA/SILBAND GOLFCORP, a California corporation ("Lessee"), with reference to the following:

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A. The subject matter of this Lease is a golf course commonly referred to as Golden Era Golf Course consisting of approximately 55 acres, including all improvements, buildings and appurtenances, more particularly described in Exhibit A attached hereto and by this reference made a part hereof ("Premises").

B. Lessor leased the ground on which the Premises are situated from Building Management Services, a Non-Profit Religious Corporation and constructed at its expense, the golf course and all improvements therein. Lessor desires to lease the Premises to Lessee on the terms and conditions contained herein, which act has been approved by Building Management Services.

C. Lessee desires to lease the Premises on the terms and conditions contained herein and has represented that he is qualified and competent to operate and maintain a golf course, club house, pro shop, snack shop, cart barn maintenance facility and driving range in accordance with the standards of the Professional Golfers Association of America ("PGA"). It is Lessor's desire that throughout the term of this Lease the golf course and facilities qualify as a "recognized golf course" according to PGA or United States Golfer Associate ("USGA") standards, and the standards one would expect to find at PGA West course in La Quinta, California, OR SIMILAR COURSES OF THIS CALIBER

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NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and conditions contained herein the parties agree as follows:

1. Summary of Lease Provisions.

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|----|--------------------|----------------------------------|-----|
| A. | <u>Premises:</u> | Legal Description.
Exhibit A. | See |
| B. | <u>Lease Term:</u> | Ten (10) years. | |

- C. Minimum Monthly Rent: See Exhibit B for Minimum Monthly Rent, plus various percentages of gross income as hereinafter defined.
- D. Rent Payable To: Golden Era Productions
19625 Highway 79
Gilman Hot Springs 92340
- E. Use of Premises: Golf course.
- F. Address for Notice: To Lessor:

GOLDEN ERA PRODUCTIONS
19625 Highway 79
Gilman Hot Springs, California
92340

With Copy To:

Sherman D. Lenske, Esq.
Lenske, Lenske & Abramson
6400 Canoga Avenue, Suite 315
Woodland Hills, CA 91367

To Lessee:

CCA/Silband Golfcorp
15821 Ventura Boulevard
Suite 665
Encino, California 91436

With Copy To:

Page & Addison
14651 Dallas Parkway, Suite 700
Dallas, Texas 75240

2. Lease of Premises. In consideration of Lessee's agreement to pay rent, and the covenants and conditions herein contained, Lessor hereby leases to Lessee and Lessee hereby hires from Lessor for the Lease term or terms hereinafter provided and upon the terms and conditions set forth herein, a golf course and driving range, together with various buildings to be constructed thereon, for use in connection with the golf course, in accordance with plans attached hereto as Exhibit A-1. The golf course, driving range, buildings and improvements are referred to as the "Premises".

3. Term.

3.1 In General. The term of this Lease shall be for ten (10) years unless sooner terminated pursuant to the terms and conditions of this Lease, commencing on the occurrence of delivery of possession of the Premises to Lessee ("Commencement Date").

3.2 Delay in Possession. Notwithstanding the Commencement Date, if, for any reason, Lessor cannot deliver possession of the Premises to Lessee on said date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Lessee hereunder or extend the term hereof, but in such case, Lessee shall not be obligated to pay rent until possession of the Premises is tendered to Lessee; provided, however, that if Lessor shall not have delivered possession of the Premises within one hundred fifty (150) days from the Commencement Date, Lessee may, at Lessee's option, by notice in writing to Lessor within ten (10) days thereafter, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder; provided further, however, that if such written notice of Lessee is not received by Lessor within said ten (10)-day period, Lessee's right to cancel this Lease hereunder shall terminate and be of no further force and effect.

3.3 Early Possession. If Lessee with Lessor's consent takes possession of the Premises prior to the Commencement Date, Lessee shall be subject to all of the covenants and conditions hereof, and shall pay rent at the monthly rate prescribed for the first month of the Lease term, prorated on the basis of a thirty-day month, for the period beginning with the taking of possession and ending with the Commencement Date.

3.4 Failure to Take Possession. Lessee's inability or failure to take possession of the Premises when delivered by Lessor shall not delay the Commencement Date or Lessee's obligation to pay rent.

3.5 Acceptance of Premises. Lessor warrants and represents that the Premises will be, as of the Commencement Date, in good sanitary condition and in good working order. Lessee's taking possession of the Premises on the Commencement Date shall constitute Lessee's acknowledgement that the Premises are in good sanitary condition and in good working order. Lessee accepts the Premises in an "as is" condition.

4. Rent.

4.1 Minimum Monthly Rent. Lessee shall pay to Lessor the minimum monthly rent in the amount stated in Exhibit B hereto ("Minimum Monthly Rent") and the percentage rent defined in Section 4.2 on the first day of each and every calendar month during the term hereof, commencing on the Commencement Date. If this Lease shall commence on a day other than the first day of a calendar month, or terminate on other than the last day of a calendar month, the Minimum Monthly Rent and any additional rent, including but not limited to percentage rent (as defined hereinbelow) payable for the month in which the Lease term commences or terminates, shall be prorated accordingly. All rent shall be paid in lawful money of the United States of America without deduction or offset, prior notice or demand, and is payable to and at the address set forth in Section 1.D hereof.

4.2 Percentage Rent.

4.2.1 Percentages for Years 1 Through 5. Lessee shall pay to Lessor each month during the first five (5) years of the term hereof, in addition to the Minimum Monthly Rent described in Section 4.1, the percentages of gross receipts, derived from the activities described in subsections (a) through (e) of this Section 4.2.1.

(a) Green Fees. Ten percent (10%) of all green fees (i.e., fees for use of the golf course).

(b) Food and Beverage. Five percent (5%) of gross receipts from the sale of food and beverages on the Premises.

(c) Driving Range. Ten percent (10%) of gross receipts from use of the driving range.

(d) Golf Carts. Ten percent (10%) of gross receipts from cart rentals.

(e) Golf/Pro Shop. Five percent (5%) of the gross receipts from the sale of goods and equipment rentals, including, without limitation, gross receipts from pay telephones, vending machines, music machines or amusement machines on the Premises but excluding fees for golf lessons or similar services.

4.2.2 Percentages for Years 6 Through 10. Lessee shall pay to Lessor each month, during the second five (5) years of the term hereof, in addition to the Minimum Monthly Rental described in Section 4.1, the percentages of gross receipts, derived from activities

described in subsections (a) through (c) of this Section 4.2.2.

(a) Green Fees, Carts and Driving Range. Lessee shall pay the following percentages of gross receipts from all green fees, use of the driving range, and cart rentals during the following years:

	<u>Years</u>	<u>Percentage</u>
(1)	6	11%
(2)	7	12%
(3)	8	13%
(4)	9	14%
(5)	10	15%

(b) Food and Beverage. Five percent (5%) of gross receipts from the sale of food and beverage on the Premises.

(c) Golf/Pro Shop. Five percent (5%) of the gross receipts from the sale of goods and equipment rentals, including without limitation, gross receipts from pay telephones, vending machines, music machines or amusement machines on the Premises but excluding fees for golf lessons or similar services.

4.2.3 Gross Receipts Defined. "Gross Receipts" shall mean the gross selling price or fee for all merchandise or rental used in or sold from the Premises by Lessee, its permitted subtenants, licensees or concessionaires whether for cash or on credit (whether collected or not), including the gross amount received by reason of orders taken on the Premises although filled elsewhere, and whether made by Lessee's personnel or vending machines. Gross Receipts in credit card transactions shall include only the actual amount received by Lessee from the credit card issuer. In addition, the term "Gross Receipts", as used in this Lease, shall not include the full retail price of California State Lottery tickets sold from the Premises, but shall include the full amount of compensation and any incentive bonuses paid to and received by Lessee for such sales, as such compensation and bonuses are determined from time to time by the State Lottery Commission and director.

Gross Receipts shall not include, or if included there shall be deducted (but only to the extent they have been included), the following:

(a) Any sums paid to third parties for the use of rental of pay telephones, music machines or amusement machines.

(b) Gift certificates, or similar vouchers, until such time as they shall have been converted into a sale by redemption.

(c) Sales and use taxes.

(d) Sales of fixtures, SALE < assets, insurance proceeds or trade fixtures.

4.2.4 Percentage Rent Period. The Percentage Rent period shall be monthly. The last Percentage Rent period shall end on the date the term expires or terminates.

"Monthly" rent periods are calendar months, except that the first monthly rent period shall commence on the Commencement Date and the last monthly rent period shall end on the date the term expires or terminates.

4.2.5 Statement of Gross Receipts. Lessee shall furnish to Lessor a statement of Lessee's Gross Receipts within twenty-one (21) days after the end of each monthly percentage rent period. Gross Receipts shall be broken down as to the activities referred to in Section 4.2.1. Each statement shall be signed and certified to be correct by Lessee or its authorized representative. The receipt by Lessor of any statement, or any payment of Percentage Rent for any period, shall not bind Lessor as to the correctness of the statement or percentage.

4.2.6 Annual Reports/Statements. Annually, throughout the life of the Lease, during the month of January, Lessee shall, in a timely manner, prepare an "Annual Report/Statement of Gross Receipts and Percentage Rentals", for the preceding calendar year, in a format acceptable to Lessor, which shall clearly evidence Lessee's Gross Receipts (as defined above) and the total amount of percentage rentals paid during the year. Such statement shall be certified by a Certified Public Accountant, which such statement reflecting the following language:

"I have examined the definition of Gross Receipts in Section 4.2 of the Lease between CCA Silband Golfcorp and Church of Scientology

International, dated
1989, all
relevant financial statements and
income tax returns of the Tenant,
and the Tenant's system of recording
Gross Receipts. In my opinion, the
attached statement of Gross Receipts
for (give time period) was complied
using a system that adequately
reflects the Tenant's Gross Receipts
(in accordance with the definition
in the Lease) for the aforementioned
period."

Lessee shall deliver such annual report/statement to Lessor so as to be received thereby on or before the 31st day of the month during which such annual report is prepared. Any rental amount(s) still due to be paid to Lessor for the calendar year covered by the report shall accompany the report.

4.2.7 Records to be Maintained by Lessee.
In order to ensure the availability of complete, up-to-date, and verifiable records with respect to any and all business conducted by Lessee upon and/or from the leased premises:

(a) Lessee shall maintain a method of accounting which complies with generally accepted accounting principles and shall keep true and accurate accounts, ledgers, journals (including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.), state and federal income tax returns and sales tax returns (together with checks and other documents evidencing payment of sums shown), records, books, data, and cash register tapes/records which shall, among other things, clearly and accurately show all sales made and services performed for cash, credit, or otherwise (without regard to whether paid or not); gross receipts; and the aggregate amount of all sales, services, orders, and all of Lessee's business operations/transactions under authority of the Lease. All such records shall be retained by Lessee for a minimum of six (6) years following the date on which such shall be created.

(b) Any and all accounts, records, books, data and other documentation kept and maintained by Lessee shall be open and made available for review/inspection by Lessor or Lessor's authorized agents and/or representatives at all reasonable times during normal business hours.

(c) The method of accounting, including bank accounts established for the golf course

business operations conducted under authority of the Lease, shall be separate from any and all accounting systems used for any other business operated by Lessee or for recording Lessee's other financial affairs.

4.2.8 Recordation of Sales. With respect to any and all business conducted in and upon the Premises by Lessee, during the term of the Lease, all sales (including, without limitation, sales of food, beverages, goods, merchandise, and/or services) and collections of green fees and any other sums by Lessee or any employee, agent, or representative of Lessee, in each and every instance, shall be recorded by means of cash registers/point of sale computers which publicly display the amount of each such sale/collection and automatically issue a customer's pre-numbered receipt or verify the amount recorded on a "slip" and a copy of such receipt or "slip" shall be given to the customer involved in the particular transaction.

(a) Such cash registers/point of sale computers shall, in all cases, have locked in sales totals and transactions counters which are constantly accumulating and which cannot be reset and shall be of a type having an internally located tape on which transaction number and sales details, including time and date of sale/collection, are imprinted.

(b) Beginning and ending cash register/point of sale computer readings shall be made a matter of daily record and maintained as part of Lessee's accounting records under the Lease.

(c) In the event of a technical or electrical failure of any one or more, but not all of such cash registers/point of sale computers installed on the Premises, whenever reasonably possible, an alternate cash register/point of sale computer shall be used to record the transactions normally recorded by the then inoperative cash register(s)/point of sale computer(s). In the event use of an alternate cash register/point of sale computer is not feasible, or in the event of total loss of electrical power making all such cash registers/point of sale computers unusable, Lessee shall record by hand any and all sales and fee/charge collections and issue a sequentially pre-numbered customer's receipt to make a matter of record any and all transactions which occur during the period that the cash register(s)/point of sale computer(s) is/are inoperative. All such hand-made records shall be maintained as part of Lessee's accounting records under the Lease.

4.2.9 Audit. Lessor shall be entitled, during the term and within six (6) years after expiration or termination of this Lease, to inspect and examine all

Lessee's books of account, records, cash receipts, and other pertinent data, so Lessor can ascertain Lessee's Gross Receipts. Lessee shall cooperate fully with Lessor in making the inspection. Lessor shall also be entitled, once during each Lease year and once after expiration or termination of this Lease, to an independent audit of Lessee's books of account, records, cash receipts, and other pertinent data to determine Lessee's Gross Receipts, by a certified public accountant to be designated by Lessor. The audit shall be limited to the determination of Gross Receipts.

If the audit shows that there is a deficiency in the payment of any Percentage Rent, the deficiency shall become immediately due and payable. The costs of the audit shall be paid by Lessor unless the audit shows that Lessee understated Gross Receipts by more than two percent (2%), in which case Lessee shall pay all Lessor's costs of the audit.

Lessor shall keep any information gained from such statements, inspection, or audit confidential and shall not disclose it other than to carry out the purposes of the Lease, except that Lessor shall be permitted to divulge the contents of any statements in connection with any financing arrangements or sale of Lessor's interest in the Premises.

4.2.10 No Partnership. Lessor shall not become or be deemed a partner or a joint venturer with Lessee by reason of the provisions of this Lease.

4.3 Taxes.

4.3.1 Lessee shall pay all real property taxes and general and special assessments ("real property taxes") levied and assessed against the Premises as additional rent. Lessee shall pay such taxes commencing with the Commencement Date and ending when the term of this Lease expires. See Schedule 1.

4.3.2 Lessor shall notify Lessee of the amount of the real property taxes and immediately upon receipt of the tax bill shall furnish Lessee with a copy of the same.

4.3.3 Lessee shall pay the real property taxes not later than ten (10) days before the taxing authority's delinquency date or ten (10) days after receipt of the tax bill, whichever is later, and within thirty (30) days shall furnish proof of payment to Lessor.

4.3.4 Lessee's liability to pay real property taxes shall be prorated on the basis of a 365-day year to account for any fractional portion of a fiscal tax year included in the term at the commencement of Lessee's liability and at the end of Lessee's liability at the expiration of this Lease.

4.3.5 Lessee at its cost shall have the right, at any time, to seek a reduction in the assessed valuation of the Premises or to contest any real property taxes that are to be paid by Lessee. If Lessee seeks a reduction or contests the real property taxes, the failure on Lessee's part to pay the real property taxes shall not constitute a default as long as Lessee complies with the provisions of this Section 4.3.5.

4.3.6 Lessor shall not be required to join in any proceeding or contest brought by Lessee unless the provisions of any law require that the proceeding or contest be brought by or in the name of Lessor or any owner of the Premises. In that case Lessor shall join in the proceeding or contest or permit it to be brought in Lessor's name as long as Lessor is not required to bear any cost. Lessee, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered, together with all costs, charges, interest, and penalties incidental to the decision or judgment.

4.3.7 If Lessee does not pay the real property taxes when due and Lessee seeks a reduction or contests them as provided in this Section, before the commencement of the proceeding or contest Lessee shall furnish to Lessor a surety bond issued by an insurance company qualified to do business in California. The amount of the bond shall equal one hundred twenty-five percent (125%) of the total amount of the unpaid real property taxes. The bond shall hold Lessor and the Premises harmless from any damage arising out of the proceeding or contest and shall insure the payment of any judgment that may be rendered.

4.3.8 Lessee shall not be required to pay any municipal, county, state, or federal income or franchise taxes of Lessor, or any municipal, county, state, or federal estate, succession, inheritance, or transfer taxes of Lessor. If at any time during the term the State of California or any political subdivision of the state, including any county, city, city and county, public corporation, district, or any other political entity or public corporation of this state, levies or assesses against Lessor a tax, fee, or excise on rents, on the square footage of the Premises, on the act of entering into this Lease, or on the occupancy of Lessee, or any other tax, fee, or

excise, however described, as a substitution in whole or in part for, or in addition to, any real property taxes, Lessee shall pay before delinquency that tax, fee, or excise on rents, insofar as it arises out of or pertains to or is allocable to Lessee's occupancy hereunder.

4.4 Additional Rent. "Additional rent" as used in this Lease shall mean any and all financial obligations of Lessee under this Lease, other than Minimum Monthly Rent and Percentage Rent. Additional rent shall include, without limitation, insurance, taxes, repairs and contributions to the Capital Improvement Fund and Equipment Replacement Fund.

4.5 Late Charge.

4.5.1 Lessee hereby acknowledges that late payment by Lessee to Lessor of rent, including percentage rent and additional rent payable in accordance with Section 4.5 hereof and all other costs to be paid by Lessee in accordance with this Lease, will cause Lessor to incur costs not contemplated in agreeing to the monetary and other terms of this Lease, the exact amount of which are presently anticipated to be extremely difficult to ascertain. Such costs may include processing and accounting charges and late charges which may be imposed on Lessor by the terms of any mortgage or deed of trust covering the property on which the Premises are located and other expenses of a similar or dissimilar nature. Accordingly, if an installment of rent, including percentage rent and additional rent, shall not be received by Lessor within five (5) days after such amount shall be due, Lessee shall pay to Lessor a late charge equal to ten percent (10%) of the amount due.

4.5.2 In the event an installment of rent, including additional rent, percentage rent and all other costs to be paid by Lessee, is not paid within twenty-eight (28) days after such installment is due, in addition to the late charge incurred above, the amount unpaid shall bear interest at a rate equal to four (4) percentage points in excess of Bank of America's prime reference rate from time to time announced, or four (4) percentage points in excess of the largest private state-chartered bank in California, commencing upon the twenty-ninth (29th) day after such installment is due.

4.6 Capital Improvement Fund. In addition to the monthly rental, and percentage rental paid to Lessor hereunder, Lessee shall make quarterly the annual percentages of green fee revenue described on Schedule 2 attached hereto, through Lessor, to the Golden Era Golf Course Capital Improvement Fund, established for the sole purpose of Golden Era Golf Course capital improvements.

The first contribution shall be due on the tenth (10th) day of the fourth (4th) month following the month in which the term of this Lease commences and payments shall continue quarterly thereafter with each payment due on the tenth (10th) day of each successive three (3) month period for the previous three (3) month period. Payments shall be made to Lessor by separate check and Lessor shall deposit such funds into an interest bearing account. Any interest that accrues on the deposited funds shall remain in, and become a part of, the fund.

All monies deposited into the fund shall be solely for capital improvements and not for routine maintenance and repair. Capital improvements are defined to mean an improvement which becomes a part of the Premises; costs at least Two Thousand Five Hundred Dollars (\$2,500.00) and has a minimum expected life of five (5) years.

At such time as Lessee desires to make capital improvements to the Premises, using monies from the fund, Lessee shall submit a written request to Lessor for approval. All monies deposited into this fund shall be used solely for capital improvements on the Premises. The decision of Lessor shall be final.

4.7 Equipment Replacement Fund. In addition to the monthly rental and percentage rental paid to Lessor hereunder, Lessee shall make monthly contributions of \$_____ per month to an Equipment Replacement Fund established by Lessor for the sole purpose of replacing equipment provided to Lessee for maintaining the Premises. Such payment has been determined by amortizing the cost of the equipment over a seven and one-half year (7-1/2) period, which cost is set forth in Exhibit C attached hereto.

Payments shall be due at such time as minimum monthly rent payments are due hereunder and shall continue throughout the term of this Lease. Payments shall be made to Lessor by separate check and Lessor shall deposit such funds into an interest bearing account. Any interest that accrues on the deposited funds shall remain in, and become a part of, the fund. Any funds remaining upon termination of this Lease shall be retained by Lessor.

The funds shall be used to replace the equipment listed in Exhibit C upon mutual agreement of the parties.

5. Use.

5.1 In General. Lessee shall use the Premises for the sole purpose of conducting and operating, at the sole cost and expense of the Lessee, a public golf course, including golf shop, snack shop, driving range and professional golf lessons, and for the purposes usually

associated with the above-mentioned purposes. The Premises shall not be used for any other purpose or purposes without the written consent of Lessor.

5.2 Limitations on Use. Lessee's use of the Premises as provided in this Lease shall be in accordance with the following:

(a) Lessee shall not knowingly do, bring, or keep anything in or about the Premises that will cause a cancellation or increase of any insurance covering the Premises;

(b) Lessee shall comply with all laws concerning the Premises or Lessee's use of the Premises at its sole cost and expense; and

(c) Lessee shall not use the Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance.

(d) Lessee shall not disturb, annoy, endanger or interfere with persons living adjacent to or near, the Premises, nor violate any law or regulation relating to the operation of a golf course. Lessee agrees to indemnify, defend and hold Lessor harmless from any claims, demands, expenses (including without limitation reasonable attorney fees) or causes of action whatsoever, arising out of a breach of any of the covenants contained in this Section 5.2.

5.3 Covenant of Continuous Operation. Lessee shall continuously use the Premises for purposes as specified in this Lease and shall continuously operate the Premises during all usual business hours as golf courses in the area are open for business. If the Premises are partially destroyed or partially condemned and this Lease remains in full force and effect, Lessee shall continue operation of its business at the Premises to the extent reasonably practical from the standpoint of good business judgment during any period of reconstruction. Lessee shall employ its best efforts to operate the business conducted on the Premises in a manner that will produce the maximum volume of Gross Receipts.

5.4 Lessee Promotion. Lessee shall promote the use of the golf course in a prudent and business-like manner, including without limitation, the maintenance of friendly relations with local civic groups and the local business community and shall implement the plans described on Exhibit D attached hereto. Lessee shall boldly state the name "Golden Era Golf Course" in all advertising, including

without limitation business cards used by employees engaged to work on the Premises.

5.5 Compliance With Governmental Regulations. Lessor shall comply with all governmental regulations, whether local, state or federal, affecting the operation of the golf course or rental of golf carts.

5.6 Designation of Local Representative by Lessee. Lessee shall at all times retain in the local area a qualified, competent and experienced representative to supervise its overall operations and authorized to represent and act for Lessee in matters pertaining to the day-to-day conduct of Lessee's business operations on the Premises. During any temporary periods of absence by said representative, an alternate representative of Lessee with like authorization must be present. Lessee shall at all times keep Lessor advised as to who Lessee's authorized representative is and how immediate communication can be established with that representative on a 24-hour basis in the event of an emergency.

5.7 Conduct of Golf Course and Other Concession Operations. Upon entering into the Lease, Lessor has foremost in mind providing the general public with first-class golf course and related concession facilities and services comparable to or exceeding other top quality public golf courses in California. Lessee and Lessee's successors and assigns shall operate such facilities and provide such services on the leased Premises in a first-class, professional and proper manner at all times throughout the life of the Lease.

(a) Lessee shall maintain a Professional Golf Association (PGA) Class A Pro on the course at all times, to be mutually agreed upon by the parties.

(b) Lessee is required to retain a golf course greens superintendent at all times who shall be a Class A member of the Golf Course Superintendents Association of America.

5.8 Quality of Services. Any and all such services provided the public shall be of high quality, and shall be prompt, courteous, efficient and adequate to meet the demand therefor. Lessee expressly agrees, the Lessee shall, throughout the term of the Lease, at Lessee's expense:

(a) In accordance with any and all State and local statutes, laws, ordinances, codes, rules, regulations, applicable thereto, make application for, obtain, maintain in full force and effect and, as and when

required, display, for public view, such licenses and permits as shall be necessary to engage in any one or more of the golf course, and/or pro shop operations required of Lessee under the Lease;

(b) Retain on the Premises an active, qualified, competent and experienced snack bar manager to supervise the food and beverage dispensing operations of Lessee;

(c) Maintain a complete list or schedule of the prices charged for all goods and services, or any and all combinations thereof, supplied the public in, on and/or from the Premises;

(d) Operate the golf course and any and all concession areas and facilities associated therewith in a first-class manner comparable to other high quality golf courses in California; keep same in a safe, clean, orderly and inviting condition at all times; and make all reasonable efforts to maximize use thereof by the members of the public throughout the term of the Lease;

(e) Serve and dispense quality foods and beverages with adequate portions and provide food and beverage service adequate to meet the demand therefor, all in full compliance with any and all applicable Federal Pure Food and Drug Laws and any and all other applicable federal, state, and/or local health rules, regulations, standards, laws and/or ordinances governing food and beverage services.

(f) Maintain in the pro shop a stock of golf-related consumer goods and merchandise of high quality which shall be adequate to meet the demand therefor.

(g) Maintain good relations with the public by:

(1) charging fair, reasonable and nondiscriminatory, prices for all food, beverages, goods, merchandise and services provided the public;

(2) establishing an identification system for personnel assigned to the golf course starter service which shall clearly evidence to the golf course patrons the name of the person(s) on duty and responsible for collecting green fees (such system shall be provided by Lessee and Lessee's expense and may include appropriate attire, name tags/plates, etc.).

5.9 Safety. Lessee shall make best effort to immediately correct any unsafe condition or practice noted

by Lessee and/or reported thereto by Lessor, Lessor's officers, agents, or employees, or any other person whomsoever; and Lessee shall:

(a) obtain emergency medical assistance for any member of the public in need thereof because of illness or injury occurring anywhere on the Premises;

(b) report any instance of serious injury or death occurring on the Premises to Lessor, in writing, within twenty-four (24) hours after any such occurrence; and

(c) upon request by Lessor, cooperate fully with Lessor or any authorized officer/employee/representative/agent thereof, in the investigation of any injury or death occurring on the leased Premises during the life of the Lease.

5.10 Green Fees. Green fees shall, at all times throughout the term of the Lease, be reasonable and nondiscriminatory and comparable to those charged at other first-class public and private golf courses in Hemet, California and surrounding areas offering facilities, amenities and services which may reasonably be deemed to be comparable to those provided by Lessee on the Premises.

6. Maintenance and Operation.

6.1 In General. Lessee at its sole cost shall maintain the Premises, and every part thereof, in good, safe, clean and attractive condition, reasonable wear and tear excepted. Lessee shall maintain the Premises in accordance with the standards of the PGA and USGA to qualify the golf course as a "recognized golf course" according to such standards. The maintenance of the golf course is to be kept up to the standards one would expect at PGA West Course in La Quinta, California, or similar courses of this caliber.

6.2 Specific Maintenance Standards, Specifications and Requirements. The Premises shall be maintained by Lessee pursuant to and in accordance with Exhibit E attached hereto. It is expected that the Lessee will follow the maintenance requirements ~~exactly~~ as set forth in Exhibit E, but should these requirements need to be modified due to weather changes, soil conditions or otherwise, Lessee must notify and obtain approval from Lessor to institute changes. *OK*

Lessor shall have the right, at any time during the term of this Lease, to retain whatever professional

services may be necessary to evaluate Lessee's proficiency in maintaining these standards.

6.3 Operation Standards. Operation and maintenance of the Premises shall be entirely at Lessee's expense and shall include but need not be limited to the following:

(a) Lessee shall hire a qualified superintendent acceptable to both Lessee and Lessor and a minimum of eight (8) maintenance employees.

(b) Lessee shall allocate and expend at least Two Hundred Fifty Thousand Dollars (\$250,000.00) annually on maintenance. Said expenditure shall only include: electricity to run water pumps, fuel costs, irrigation repair and maintenance, flowers, superintendent and maintenance employee wages, fertilizer, seed, agricultural chemicals, sand and gravel, repair and maintenance of equipment and routine course maintenance expense. Lessee shall provide Lessor with a quarterly report, in a form satisfactory to Lessor, setting forth expenditures made during the previous three (3) month period in accordance with this subparagraph (b).

(c) The amount required to be spent under subparagraph (b) above shall be adjusted by the increase, if any, from the Commencement Date, in the Consumer Price Index of the Bureau of Labor Statistics for Urban Wage Earners and Clerical Workers, Los Angeles-Long Beach-Anaheim, California (1982-1984=100) "All Items" ("CPI").

The annual expenditure for each year of the term shall be calculated on the anniversary of the Commencement Date as follows: The Two Hundred Fifty Thousand Dollars (\$250,000.00) shall be multiplied by a fraction the numerator of which shall be the CPI of September of each year of the term hereof and the denominator shall be the CPI for September, 1989. The sum so calculated shall constitute the new annual expenditure hereunder but in no event shall the new annual expenditure be less than the amount required to be spent during the previous year.

In the event the compilation and/or publication of the CPI shall be transferred to another governmental agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make the calculation. Should the parties be unable to agree upon an index, then the matter shall be submitted to arbitration in accordance with the provisions of this Lease.

(d) Lessee shall in the fall of each year, over seed the Premises with an approved perennial rye grass seed, so that the Premises are kept green throughout the year. This area to be seeded shall include the roughs.

(e) Lessee shall employ only qualified personnel and shall adequately supervise their work. All employees supplied by Lessee shall conduct themselves in a satisfactory manner and in compliance with the regulations governing appearance required of Lessee's employees. Lessor is a non-profit religious corporation affiliated with the Churches of Scientology worldwide. Because of this affiliation, it is essential that Lessee, its officers, directors, employees, agents and representatives, do nothing to degrade, disgrace or otherwise lessen the image of the Church of Scientology. In furtherance of this, Lessee agrees that Lessee and all personnel employed by Lessee to work on the Premises shall be satisfactory to Lessor as to their personal conduct, honesty, courtesy, efficiency, training, health, personal appearance, and attitude toward the public. Lessee represents that Lessee is not antipathetic to the religion of Scientology. Moreover, Lessee shall not knowingly employ any person who is antipathetic to the religion of Scientology or its founder L. Ron Hubbard. Lessee covenants that Lessee shall not knowingly employ any person who will use improper language or act in a loud and boisterous manner in front of customers, use narcotics or drugs (unless prescribed by a physician) or excessively drink alcoholic beverages. Lessor shall have the right to observe and inspect the employees at any time, and, in the event an employee is not satisfactory to Lessor, Lessor may direct Lessee to correct the cause of said dissatisfaction or to remove the employee from the Premises within a reasonable time after written notice is received by Lessee. Nothing contained herein shall require Lessee to violate state or federal law.

(f) Lessee undertakes to ensure that the patrons whom Lessee allows to utilize the Premises shall do so solely for the purpose of the peaceful playing of the game of golf and/or the purchase of services or goods provided by Lessee. Lessee shall not knowingly permit any person antagonistic or hostile to the religion of Scientology, its Leadership, or its Founder, L. Ron Hubbard, to utilize any service provided on the Premises, including without limitation, the playing of the game of golf. Lessee will eject from the Premises any patrons who are observed by Lessee to be engaged in behavior or conduct inconsistent with such purposes or who are antagonistic or hostile to the religion of Scientology, its Leadership, or its Founder, L. Ron Hubbard. Nothing contained herein shall require Lessee to violate state or federal law.

(g) Lessee shall hire a reputable company to perform regular inspection and maintenance actions for all pumps which are part of the Premises.

(h) Lessee shall maintain all buildings open to the public in a very clean and sanitary condition at all times.

(i) Lessee shall repaint the club house and cart barn as needed at Lessee's expense.

(j) Lessee shall properly maintain in good working condition the electrical, mechanical, HVAC or plumbing systems contained within or connected to the Premises.

6.4 Lessee Recognition of Lessor. In addition to such rights and responsibilities as provided for herein, Lessee recognizes that Lessor has made substantial investment in the Premises and agrees that authorized members of Lessor, or such individuals as Lessor may in its sole discretion choose, shall have the right to play twelve (12) 18-hole rounds of golf with carts each week (non-cumulative) without charge or fee. Lessor shall give reasonable notice to Lessee for scheduling of the free rounds. Lessee further agrees to cooperate with public relations department of Lessor in any such matters as may arise for the purposes of enhancement of the public image of the Premises and/or Lessor, such matters shall include but not be limited to photo sessions of the Premises, interviews with representatives of magazines and periodicals, attendance at meetings and interviews as may be required, and use of the clubhouse, so long as the ~~photo sessions~~ do not directly interfere with the operation of the golf course.

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6.5 Lessee Responsibility for Snack Shop and Pro Shop. Lessee shall stock and maintain the Snack Shop in a prudent manner, with food and beverage at Lessee's expense. Lessee shall hold Lessor harmless for any bills or extended credit incurred in connection with the operation of the Snack Shop and Pro Shop. Lessee shall comply minimally with the following as regards operation of the Snack Shop;

(a) The Snack Shop shall be open to the public for business during all normal golf course business hours (minimumly described as 7 a.m. to 5 p.m.).

(b) At least the following shall be available at all times in the Snack Shop: hamburgers, hot dogs, sandwiches and other snacks, and beverages including cola, other soft drinks, coffee, beer and wine.

6.6 Lessee Sole Financial Responsibility. Lessee shall inform in writing and upon first contact, any entity with whom business of any kind is conducted, or any employee hired, as regards the financial separateness of Lessee and Lessor as delineated below:

(a) Contracts, Bills, Credit. Lessee shall when entering into any contract, vendor agreement, or when establishing a line of credit with any entity, state in writing as part of the contract that Lessee is responsible and that Lessor is not responsible for the operation of the Premises or any bills, encumbrances, liens, etc., connected to the Premises, or the operation of the Premises.

(b) Creditors. All vendors, utilities, phone companies, or any other company or person with whom Lessee does business either personally or under the name of Golden Era Golf Course must be notified in writing that Lessee is responsible and that Lessor is not responsible for any bills, debts, or credit extended of any kind whatsoever. Lessee further agrees to provide to Lessor, once a month, a list of all creditors including employees.

(c) Employee Notification. Each and every employee hired by Lessee shall be notified in writing as part of original hiring forms signed by such employee(s), and in accordance with the above, that Lessee is responsible and that Lessor is not responsible for the operation of the Premises or hiring and firing of its personnel.

(d) Copies of Contracts/Agreements. Lessee shall within 7 days of execution of this Agreement provide to Lessor a full copy of all vendor and/or labor contracts signed by Lessee relating to the Golden Era Golf Course.

6.7 Employee History. Lessee shall in a prudent manner personally verify references of former employment given by prospective employee(s) prior to hiring of such employee(s).

6.8 Personnel Records. Within the bounds of applicable law, and in accordance with prudent and accepted business practice, Lessee shall maintain personnel files on all employees who work on the Premises. As allowed by law, such files shall contain but not be limited to periodic performance reports on the employee(s). Lessor shall be provided with a completed copy of Lessee's standard personnel application form for each employee hired to work on the Premises.

6.9 Employee Conduct, and Dress Codes. Lessee shall inform any employee(s) in writing of the following and shall enforce the following items as good business practice:

(a) Lewd Conduct. Any lewd conduct or morally reprehensible activity engaged in by any employee of Lessee shall constitute grounds for immediate termination of employment.

(b) Service Orientation. Any and all employees hired by Lessee shall be instructed in writing that each must be friendly with the public and that any instance of rudeness shall be grounds for immediate termination. Each employee should understand that their job is to service the public.

6.10 Logo and Name. Lessee acknowledges that the name "Golden Era Golf Course" and any logo related to or associated therewith belongs to Lessor. Lessee may use the name and any logo during the term of this Lease, but such permission is limited to use relating to the operation of the Golden Era Golf Course. Upon termination of this Lease, Lessee shall cease using the name "Golden Era Golf Course" and any logo related to or associated therewith.

6.11 Repair.

(a) Lessee's Maintenance and Repair Obligations. Lessee shall, at all times during the life of this Lease, at Lessee's own cost and expense:

(1) keep and maintain the Premises and all buildings, structures, furnishings, mechanical and electrical equipment, plumbing, maintenance equipment, landscaping, irrigation systems, and all other improvements constructed, installed, and/or located in and/or on said Premises, including, without limitation, the golf course fairways, tee areas and putting greens, in good order and repair, free of weeds and rubbish, and in a clean, sanitary, sightly and neat condition (Lessor shall have no obligation to provide any services whatsoever in this regard), and

(2) construct, maintain and repair any and all facilities and other improvements which may, at any time and from time to time during the life hereof, be required by law to be located in or on the Premises to facilitate the commencement and/or continuation of the use(s) thereof for such purposes as are authorized hereunder. The Capital Improvement Fund described in Section 4.6 can be used for these improvements.

(b) Lessor's Right to Enter. Lessor's representatives shall have the right to enter upon all or

any part of the Premises at any and all reasonable hours on any day of the week for the purpose of inspecting same, or for the purpose of making any required repairs thereto and performing any required maintenance thereon. Lessee shall give reasonable notice of a formal inspection.

(c) Repairs by Lessor at Lessee's Expense.

If Lessor deems any repairs required to be made by Lessee necessary, Lessor may demand in writing (except for emergencies) that Lessee make the same forthwith, and if Lessee refuses or neglects to commence such repairs within ten (10) day after receipt of the demand and complete same with reasonable dispatch, Lessor may make or cause such repairs to be made and shall not be responsible to Lessee for any loss or damage that may occur to Lessee's stock or business by reason thereof, and, if Lessor makes or causes such repairs to be made, Lessee agrees that the cost thereof shall be payable, as additional rent, along with the next monthly rental installment due hereunder after the completion of such repairs and the submission by Lessor to Lessee of a statement of such cost, or if no further rental installments are then payable, within thirty (30) days following submission by Lessor of any such statement.

6.12 Design and Discounts. Lessee agrees to provide assistance in design of the improvements to be constructed on the Premises, including without limitation the club house and where applicable shall pass along to Lessor all discounts arising out of agreements between Lessee and vendors selling to the Premises.

7. Utilities, Disposable Waste, Hazard and Nuisance Control, and Hazardous Substances.

7.1 Utilities. During the term of the Lease, Lessee shall make its own arrangements for and pay all charges for sewer, electricity, telephone, trash collection and other utility service(s) supplied to and used on the Premises. All such charges shall be paid before delinquency, and Lessor and the Premises shall be protected and held harmless by Lessee therefrom.

7.2 Solid Waste. Lessee, at Lessee's own cost and expense, shall provide a complete and proper arrangement, in compliance with all laws or regulations for the adequate, sightly, sanitary handling and disposal of all solid waste caused as a result of any and all activities conducted on the Premises. Lessee shall provide and use suitable covered receptacles for the short-term accumulation and storage of solid wastes such as rubbish, grass clippings and landscape pruning, trash, garbage, discarded machinery or parts and any other solid commercial and/or industrial wastes and/or other refuse. Such receptacles shall be

served as frequently as necessary, by qualified, professional providers of waste removal and disposal services, to prevent an overflow of waste and to prevent odors, fumes, attraction of pests, and dispersal of wastes due to wind or water runoff. The area in which said waste receptacles are stored shall be kept clean and free of all trash and debris. The temporary piling of boxes, cartons, barrels or other similar items, for more than forty-eight (48) hours, in an unsightly manner, on or about the Premises, pending removal and disposal thereof, is prohibited.

7.3 Liquid Waste. Lessee shall at all times comply with any and all applicable laws, ordinances, rules, regulations or orders of any and all governmental agencies having jurisdiction over the storage, transport, treatment or disposal of liquid waste; and Lessee agrees that it shall neither conduct nor suffer or permit the conducting of any activity(ies) in or on the Premises which shall be in violation thereof, and Lessee shall ensure that no untreated liquid waste, from any type of operation/activity conducted/engaged in on the Premises, is allowed to enter any storm drainage system, sanitary sewer system, and/or aquifer. Lessee agrees that it shall, at Lessee's cost and expense, provide/construct/install such separate, approved drainage/collection and/or separation systems as may be required to dispose of liquid wastes if, as and when any such systems shall be necessary by reason of any of Lessee's activities/operations/uses in/on/of the Premises or any part thereof. Lessor warrants that the design of the waste disposal system on the Premises does not knowingly violate any regulation or applicable laws regarding waste disposal.

7.4 Control of Hazards and Nuisances. Lessee shall, at all times, keep the Premises and each and every part thereof in a neat, clean and orderly condition, and shall prevent the accumulation of, and shall maintain the Premises free from, any refuse or waste materials which might be or constitute a potential health, environmental, or fire hazard or public or private nuisance. Lessee shall neither knowingly conduct nor suffer or permit the conducting of any activity on the Premises which either directly or indirectly violates standards of public health or creates unlawful amounts or levels of air pollution (gases, particulate matter, odors, fumes, smoke, dust, etc.); water pollution; light, glare, or heat; trash or refuse accumulation; or any other activity/operation which is hazardous or dangerous by reason or risk of explosion, fire or harmful emission. If it is discovered that Lessee is not in compliance with these provisions, Lessee will take corrective actions at its own expense in order to attain compliance.

7.5 Hazardous Substances.

7.5.1 Restrictions. Lessee shall not knowingly cause or permit to occur:

(a) Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions in, on, under or about the Premises, or arising from Lessee's use(s) or occupancy(ies) thereof, including, but not limited to, soil and ground water conditions; or

(b) The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any hazardous substance in, on, under or about the Premises, or the transportation to or from the Premises of any hazardous substance, except where Lessor's advance written consent to any such use, generation, release, manufacture, refining, production, processing, or storage shall have first been requested in writing and received by Lessee, except for those chemicals normally used and approved by regulatory agencies for use on golf courses. Any and all such consents of Lessor shall be deemed given subject to and conditioned upon Lessee's fully and faithfully complying with any and all federal, state, or local statutes, laws, ordinances, rules and/or regulations, now or hereafter enacted, applicable to the use, generation, manufacture, refining, production, processing, transport, transfer, storage, and/or sale of that/those hazardous substances to which any such consent of Lessor may, in anyway whatsoever, be deemed to apply.

(c) Lessor's consent/approval shall not be required for the use, storage and disposal of materials/supplies containing hazardous substances where such materials/supplies shall be lawfully available to both the general public and Lessee through commercial retail outlets so long as:

(1) such materials/supplies are not for "resale", are obtained periodically but frequently enough to preclude the storage of unreasonable quantities of such on the Premises, and are for use by Lessee or Lessee's employees, agents, representatives, contractors, or sub-contractors in the performance of Lessee's normal day-to-day and/or periodic housekeeping and routine, recurring maintenance activities on the Premises (e.g., commercial cleaning products [soaps/detergents/solvents], furniture and floor waxes, landscape fertilizers, weed/pest killers, etc.); and

(2) so long as the use, storage and disposal of any and all of such materials/supplies shall be in full compliance with any and all federal, state and local statutes, laws, ordinances, rules and regulations applicable thereto now or hereafter enacted (including, without limitation, any and all Occupational Safety and Health statutes, laws, rules and regulations of the Federal Government and the State of California.

7.5.2 Environmental Clean-Up.

(a) Throughout the term of this Lease, Lessee shall, at Lessee's cost and expense, comply with any and all federal, state and local statutes, laws, ordinances, rules and regulations regulating the use, generation, storage, transportation, or disposal of hazardous substances ("Laws").

(b) Lessee shall, at Lessee's cost and expense, make all submissions to, provide all information required by, and comply with any and all requirements of any and all governmental authorities (the "Authorities") under the Laws.

(c) Should any Authority demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of hazardous substances that occurs during the life of the Lease, at, on, or from the Premises, or which arises at any time as a result of Lessee's use(s) or occupancy(ies) of the Premises, then Lessee shall, at Lessee's cost and expense, prepare and submit the required plans and all related bonds and other financial assurances and carry out all such clean-up plans in a timely manner.

(d) Lessee shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of hazardous substances that is reasonably requested by Lessor, or as required by law. If Lessee fails to fulfill any duty imposed under this subparagraph of this Section of this Article within a reasonable period of time, Lessor may do so; and, in such case, Lessee shall cooperate with Lessor in order to prepare any and all documents Lessor deems necessary or appropriate to determine the applicability of the Laws to the Premises and Lessee's occupancy(ies) and/or use(s) thereof, and for compliances therewith, and Lessee shall execute any and all such documents promptly upon Lessor's request. No such action by Lessor and no attempt made by Lessor to mitigate damages under any Law shall constitute a waiver of any of

Lessee's obligations under this subparagraph of this Section of this Article.

(e) Lessor warrants and represents that there are no known violations of law relating to the use, generation, storage, transportation, or disposal of hazardous substances on the Premises.

7.5.3 Indemnification. Lessee shall indemnify, defend, and hold harmless Lessor, Lessor's officers, agents and employees from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith (including attorneys' and consultants' fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of hazardous substances that occurs during the term of the Lease, at, on or from the Premises, or which arises at any time as a result of Lessee's use(s) or occupancy(ies) of the Premises, or as a result of Lessee's failure to provide any or all information, make any or all submissions, and take any and all steps required by any or all Authorities under the Laws and any and all other environmental laws.

7.5.4 Lessee's Obligations/Liabilities Surviving Expiration of Life of Lease. Lessee's obligations and liabilities under subsections 7.5.2 and 7.5.3 of this Section 7.5 shall survive the expiration of the term of this Lease. Lessee shall only be responsible for those liabilities caused by Lessee during the term of this Lease.

8. Alterations. Lessee shall not make any alterations to the Premises without Lessor's consent. Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of this Lease, except that Lessor may elect within thirty (30) days before expiration of the Lease, or within ten (10) days after termination of the Lease, to require Lessee to remove any alterations that Lessee has made to the Premises.

If Lessor so elects, Lessee at its cost shall restore the Premises to the condition designated by Lessor in its election, before the last day of the term, or within twenty (20) days after notice of election is given, whichever is later.

If Lessee makes any alterations to the Premises as provided in this paragraph, the alterations shall not be commenced until ten (10) days after Lessor has received notice from Lessee stating the date the installation of the alterations is to commence so that Lessor may post and record an appropriate notice of non-responsibility.

9. Mechanic's Liens. Lessee shall pay all costs for construction done by it or caused to be done by it on the Premises as permitted by this Lease. Lessee shall keep the Premises free and clear of all mechanic's liens resulting from construction done by or for Lessee.

Lessee shall have the right to contest the correctness or the validity of any such lien if, immediately on demand by Lessor, Lessee procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one half (1-1/2) times the amount of the claim of the lien. The bond shall meet the requirements of Civil Code Section 3143, or such other governing statute, and shall provide for the payment of any sum that the claimant may recover on the claim (together with costs of suit, if it recovers in the action).

10. Liability of Parties.

10.1 Release of Lessor. Lessor shall not be liable to Lessee, and Lessee hereby waives all claims against Lessor for any entry into the Premises or for damage to any person or property in or about the Premises, or the approaches, entrances, streets, sidewalks or corridors thereto, by or from any cause whatsoever, including without limitation, damage caused by any defect in the Premises, or by water leakage of any character from the roof, walls, basement or other portion of the Premises, or caused by gas, fire, oil, electricity or any cause whatsoever, in, on, or about the Premises or any part thereof, except claims arising from the willful or gross negligence of Lessor or its authorized agents. Lessee shall immediately notify Lessor in writing of any defective condition in or about the Premises. Lessor shall not be liable and Lessee hereby waives all claims for damages that may be caused by Lessor in re-entering and taking possession of the Premises as herein provided. All property kept, stored or maintained in the Premises shall be so kept, stored or maintained at the sole risk of Lessee.

Lessor represents that the Premises will be in good, safe, clean and sanitary condition on the Commencement Date.

Lessor represents that the Premises will be in good, safe, clean and sanitary condition on the Commencement Date.

10.2 No Liability for Third Party Unauthorized or Criminal Acts. Lessor shall not be liable to Lessee, and Lessee hereby waives any claim against Lessor for any unauthorized or criminal entry of third parties into the

Premises or for any damage to persons or property by or from any unauthorized or criminal acts of third parties.

10.3 Indemnity. Lessee covenants to defend and indemnify Lessor, its officers, directors, trustees, members, representatives, agents and employees, and save Lessor harmless from and against any and all claims, actions, damages, liability and expenses, including attorneys' fees, in connection with loss of life, bodily injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises, including without limitation any claims arising out of defects in the design or construction of the Premises, or the occupancy or use by Lessee of the Premises or any part thereof, or arising from or out of Lessee's failure to comply with any provision of this Lease or otherwise occasioned wholly or in part by any act or omission of Lessee, its agents, representatives, contractors, employees, customers or licensees, except for the willful, wanton and reckless misconduct of Lessor or its authorized agents. In case Lessor shall, without fault on its part, be made a party to any litigation commenced by or against Lessee, then Lessee shall protect and hold Lessor harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Lessor in connection with such litigation. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever except that which is caused by the failure of Lessor to observe any of the terms and conditions of this Lease and such failure has persisted for an unreasonable period of time after written notice of such failure, or by the willful and gross negligence of Lessor or its authorized agents, and Lessee hereby waives all claims in respect thereof against Lessor.

11. Insurance.

11.1 Public Liability and Property Damage Insurance. Lessee at its cost shall maintain public liability and property damage insurance with a single combined liability limit of not less than \$2,000,000.00, and property damage limits of not less than \$2,000,000.00, insuring against all liability of Lessee and its authorized representatives arising out of and in connection with Lessee's use or occupancy of the Premises.

All public liability insurance and property damage insurance shall insure performance by Lessee of the indemnity provisions of this Lease. Both parties shall be named as insureds, and the policy shall contain cross-liability endorsements.

11.2 Increase in Amount of Public Liability and Property Damage Insurance. At reasonable times, if, in the opinion of Lessor, the amount of public liability and property damage insurance coverage at that time is not adequate, Lessee shall increase the insurance coverage as required by Lessor. Lessee shall have the right to renegotiate the terms of the Lease, should Lessor require such increase.

11.3 Casualty Insurance. Lessee, at Lessee's cost, shall maintain on the buildings, golf course and other improvements that are part of the Premises, and also upon the fixtures, golf carts and personal property thereon, a policy of standard fire, theft, flood and extended coverage insurance, with vandalism and malicious mischief endorsements, to full replacement value. The "full replacement value" of the buildings, Equipment, golf course and other improvements to be insured shall be determined by the company issuing the insurance policy. Lessee shall notify Lessor in writing of the amount of the insurance so carried and, in the absence of objection by Lessor, within ten (10) days thereafter it shall be considered for all purposes that Lessee has caused the Premises to be insured for its full insurable value. Said insurance shall provide for payment of loss thereunder to Lessor.

11.4 Vehicle. Lessee shall provide and maintain automobile insurance required by the State of California for each vehicle owned by Lessee and used in connection with the operation of the Premises in amounts not less than \$100,000.00 per occurrence and \$300,000.00 in the aggregate.

11.5 Workman's Compensation. Lessee shall provide and maintain Workman's Compensation insurance as required by the State of California.

11.6 Payment of Premiums. Lessee shall pay directly the premiums for maintaining the insurance required by the preceding subsections.

11.7 Other Insurance Matters. All the insurance required under this Lease shall:

(a) Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least an A+3A status as rated in the most recent edition of Best's Insurance Reports;

(b) Be issued as a primary policy; and

(c) Contain an endorsement requiring thirty (30) days' written notice from the insurance company to both parties before cancellation or change in the

coverage, scope, or amount of any policy. Each policy, or a certificate of the policy, together with evidence of payment of premiums, shall be deposited by Lessee with Lessor at the commencement of the term, and on renewal of each policy not less than thirty (30) days before expiration of the term of the policy.

11.8 Right of Lessor to Insure. In the event Lessee shall neglect or fail for any reason to obtain and maintain insurance as required by this Lease, and to pay the premiums therefor, Lessor may, at Lessor's election, procure and renew such insurance and pay the premiums thereon. Any amount paid for such insurance by Lessor shall become immediately due and payable from Lessee to Lessor.

11.9 Waiver of Subrogation. As long as their respective insurers so permit, Lessor and Lessee hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party shall obtain any special endorsements, if required by their insurer to evidence compliance with the aforementioned waiver.

12. Destruction of Premises.

12.1 Insured Risk. If, during the term, the Premises are totally or partially destroyed from a risk covered by the insurance described in Paragraph 11.3, rendering the Premises totally or partially inaccessible or unusable, Lessor shall restore the Premises, subject to the provisions hereinafter set forth.

If the cost of the restoration exceeds the amount of proceeds received from the insurance required under Section 11.3, Lessor may elect to terminate this Lease by giving written notice to Lessee within fifteen (15) days after determining that the restoration costs will exceed the insurance proceeds. Lessee, within fifteen (15) days after receiving Lessor's termination notice, may act to keep this Lease in effect by giving Lessor written notice thereof and by tendering to Lessor, at the time of Lessee's notification to Lessor, the difference between the amount of insurance proceeds and the cost of restoration, in which case Lessor shall restore the Premises.

12.2 Uninsured Risk. If, during the term, the Premises are totally or partially destroyed from a risk not covered by the insurance described in Paragraph 11.3, rendering the Premises totally or partially inaccessible or unusable, Lessor may, at Lessor's election, either restore the Premises or elect to terminate this Lease. Should Lessor elect to terminate this Lease, Lessee, within fifteen

(15) days after receiving Lessor's termination notice, may act to keep this Lease in effect by giving Lessor written notice thereof, and by tendering to Lessor the full cost of restoration, in which case Lessor shall restore the Premises.

12.3 Miscellaneous. Should restoration take place as set forth above, such destruction shall not terminate this Lease but rent shall be equitably reduced during the period of this Lease.

If the existing laws do not permit the restoration, Lessor may terminate this Lease immediately by giving written notice to Lessee.

Should Lessor give written notice of election to terminate pursuant to Sections 12.1 or 12.2 above, this Lease shall terminate fifteen (15) days thereafter unless Lessee shall deliver, before the end of that period, to Lessor, Lessee's written election and funds as set forth above.

The provisions of Section 1932 and 1933, subdivision (4) of the California Civil Code, any amendments thereto and any other laws which may hereafter become in force' during the term of this Lease which authorize the termination of the Lease upon the partial or complete destruction of the Premises are hereby waived by Lessee. Lessee waives the provisions of Section 1941 and 1942 of the California Civil Code permitting Lessee to make repairs at Lessor's expense.

13. Assignment, Subletting, Etc.

13.1 Voluntary Assignment. Lessee shall not voluntarily assign or encumber its interest in this Lease or in the Premises, or sublease all or part of the Premises, or allow any other person or entity (except Lessee's authorized representatives) to occupy or use all or any part of the Premises, without first obtaining Lessor's consent, which shall not unreasonably be withheld. Any assignment, encumbrance, or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default. A consent to any assignment, encumbrance, or sublease shall not constitute a consent to any further or other assignment, encumbrance, or sublease.

Any sublessee or transferee permitted hereunder shall agree in writing to assume and be bound by all obligations of this Lease as a condition for Lessor's consent.

No assignment or subletting shall release Lessee from its responsibility to pay rent or to perform the other provisions of this Lease and Lessee shall be jointly and severally liable with any sublessees and/or transferees.

If Lessee is a corporation, any dissolution, merger, consolidation, or other reorganization of Lessee, or the sale or other transfer of a controlling percentage of the capital stock of Lessee, in either a single or series of successive transactions, or the sale of fifty-one percent (51%) of the value of the assets of Lessee, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing fifty-one percent (51%) or more of the total combined voting power of all classes of Lessee's capital stock issued, outstanding, and entitled to vote for the election of directors. The public trading of Lessee's stock shall not be deemed a voluntary assignment.

Lessee shall, upon demand, reimburse Lessor for Lessor's reasonable attorneys' fees incurred by Lessor in connection with any assignment, encumbrance, or sublease to which Lessor may otherwise consent.

All rent received by Lessee from its subtenants or assignees in excess of the rent payable by Lessee to Lessor under this Lease shall be paid to Lessor, and any sums to be paid by a subtenant or assignee to Lessee in consideration of the assignment of this Lease shall be paid to Lessor.

13.2 Involuntary Assignment. No interest of Lessee in this Lease shall be assignable involuntarily or by operation of law. Each of the following acts shall be considered an involuntary assignment, and shall be and constitute, de facto, a default hereunder on the part of Lessee:

(a) If Lessee voluntarily commences a proceeding under Title 11, United States Code; or an Order for Relief is entered against Lessee in an involuntary proceeding under Title 11. It is a material part of the consideration inducing Lessor to enter into this Lease that this specific Lessee occupy the Premises. This is due to Lessee's demonstrated special expertise in its operation of the Premises.

(b) If a writ of attachment or execution is levied on this Lease, and Lessee shall not have released the same within ten (10) days; or if a receiver is appointed, and Lessee shall not have, within thirty (30) days, caused the received removed.

14. Default.

14.1 Lessee's Default. The occurrence of any of the following shall constitute a default by Lessee:

(a) Failure to pay rent, including, but not limited to Minimum Monthly Rent, additional rent and Percentage Rent, when due, if the failure continues for ten (10) days after written notice has been given to Lessee.

(b) Abandonment and vacation of the Premises (failure to occupy and operate the Premises for five (5) consecutive days shall be deemed an abandonment and vacation).

(c) Failure to perform any other provision of this Lease if the failure to perform is not cured within ten (10) days after notice has been given to Lessee. If the default cannot reasonably be cured within ten (10) days, Lessee shall not be in default of this Lease if Lessee commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

(d) Failure to keep the golf course maintained to the standards one would expect to find at PGA West Golf Course in La Quinta, California, or similar courses of this caliber.

Notices given under this paragraph shall specify the alleged default, and shall demand that Lessee perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Lessor so elects in the notice, or in a notice subsequent.

14.2 Lessor's Remedies. Lessor shall have the following remedies, if Lessee commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

(a) Lessee's Right to Possession not Terminated. Lessor may continue this Lease in full force and effect, and the Lease will continue in effect as long as Lessor does not terminate Lessee's right to possession, and Lessor shall have the right to collect rent when due. During the period Lessee is in default, Lessor may enter the Premises and relet them, or any part of them, to third parties for Lessee's account. Lessee shall be liable immediately to Lessor for all costs Lessor incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodeling the Premises

required by the reletting and like costs. Reletting can be for a period shorter or longer than the remaining term of this Lease. Lessee shall pay to Lessor the rent due under this Lease on the dates the rent is due, less the rent Lessor receives from any reletting. No act by Lessor allowed by this paragraph shall terminate this Lease unless Lessor notifies Lessee in writing that Lessor elects to terminate this Lease. After Lessee's default and for as long as Lessor does not terminate Lessee's right to possession of the Premises, if Lessee obtains Lessor's consent, Lessee shall have the right to assign or sublet its interest in this Lease subject to the provisions regarding subletting and assignment in this Lease, but Lessee shall not be released from liability.

(b) Termination of Lessee's Right to Possession. Upon such default, Lessor may terminate Lessee's right to possession of the Premises. No act by Lessor other than giving written notice to Lessee shall terminate this Lease. Without limitation, acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this Lease shall not constitute a termination of Lessee's right to possession unless Lessor so elects in writing. On termination, Lessor has the right to recover from Lessee:

(1) The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Lease;

(2) The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided;

(3) The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided; and

(4) Any other amount, and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.

"The worth, at the time of the award", as used in (a) and (b) of this paragraph, is to be computed by allowing interest at the rate of ten percent (10%) per annum. "The worth, at the time of the award", as referred to in (3) of this paragraph, is to be computed by

discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(c) Appointment of Receiver. If Lessee is in default of this Lease and fails to cure such default within ten (10) days, Lessor shall have the right to have a receiver appointed to collect rent and conduct Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this Lease.

(d) Lessor's Right to Cure Lessee's Default. Lessor, at any time after Lessee commits a default, may cure the default at Lessee's cost. If Lessor at any time, by reason of Lessee's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Lessor shall be due immediately from Lessee to Lessor at the time the sum is paid, and if paid at a later date shall bear interest in accordance with Section 4.5.2 from the date the sum is paid by Lessor until Lessor is reimbursed by Lessee. The sum, together with interest on it, shall be additional rent.

(e) Notice of Termination. Any notification to Lessee by Lessor of Lessor's election that this Lease is terminated shall be in writing. An oral notice of termination shall be ineffective.

15. Condemnation. If more than twenty-five percent (25%) of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its election, to terminate this Lease. Lessor shall be entitled to any and all income, rent, award, or other interest therein whatsoever, which may be paid or made in conjunction with such public or quasi-public use or purpose, and Lessee shall have no claim against Lessor for the value of any unexpired term (including any option period) of this Lease. Nothing herein, however, prejudices Lessee's claims to receive compensation from the condemning authority for equipment and trade fixtures owned by Lessee, for Lessee's claims for loss of goodwill, and for relocation expenses. In the event of a partial taking, where the Lease is not terminated as herein provided, the rental thereafter to be paid shall be equitably reduced. Lessee shall be entitled to recover from the condemning authority compensation for leasehold interest.

16. Surrender or Abandonment of Premises. On expiration, abandonment, or after termination of the term, Lessee shall surrender to Lessor the Premises in a good, clean, safe and attractive condition, except for ordinary

wear and tear, taking into consideration Lessee's maintenance duties.

By giving at least five (5) days notice to Lessee, Lessor may elect to retain, or dispose of in any manner, any alterations of Lessee's personal property which Lessee does not remove from the Premises on expiration or termination of the term as allowed or required by this Lease. Title to Lessee's personal property that Lessor elects to retain or dispose of on expiration of the five (5) day period shall vest in Lessor. Lessee waives all claims against Lessor for any damage to Lessee resulting from Lessor's retention or disposition of Lessee's personal property. Lessee shall be liable to Lessor for Lessor's costs for storing, removing, and disposing of Lessee's personal property. Lessee grants to Lessor a lien on all Lessee's personal property on the Premises for any unpaid obligations of Lessee to Lessor.

If Lessee fails to surrender the Premises to Lessor on expiration or termination of the term as required by this paragraph, Lessee shall hold Lessor harmless from all damages resulting from Lessee's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Lessee's failure to surrender the Premises.

17. Personal Property Taxes. Lessee shall pay before delinquency all taxes, assessments, license fees, and other charges ("taxes") that are levied and assessed against Lessee's personal property installed or located in or on the Premises and the Equipment, and that become payable during the term. On demand by Lessor, Lessee shall furnish Lessor with satisfactory evidence of these payments.

If any taxes on Lessee's personal property are levied against Lessor or Lessor's property, or if the assessed value of the Premises is increased by the inclusion of a value placed on Lessee's personal property, and if Lessor pays the taxes on any of these items or the taxes based on the increased assessment of these items, Lessee, on demand, shall immediately reimburse Lessor for the sum of the taxes levied against Lessor, or the proportion of the taxes resulting from the increase in Lessee's assessment. This sum shall be deemed additional rent. Lessor shall have the right to pay these taxes regardless of the validity of the levy.

18. Signs.

18.1 Golf Course/Company/Business Identification Signs. Lessee may, with the approval of Lessor, install a maximum of two (2) golf course/company/business

identification signs on the Premises. Such signs shall be for identification purposes only, and any material of an advertising or promotional nature is explicitly prohibited. Signs shall not be painted on any buildings or other structures unless they are part of the architectural treatment of the building/structure design. Roof-mounted signs shall not be installed anywhere on the Premises. Any and all signs must be professionally designed, manufactured, installed and maintained so as to present, at all times throughout the term of the Lease, an architecturally attractive appearance and be harmonious with the architectural features of other improvements on the Premises and surrounding properties. Lessee, on approval of Lessor, shall be permitted to put up banners, signs and other items of similar nature for promotional purposes.

18.2 Commercial Advertising Signs. Lessee shall neither install nor suffer or permit to be installed upon or maintained on the Premises, or on the outside of any improvements located thereon, any billboards or commercial advertising signs of any type or description whatsoever.

19. Golf Carts and Ball Picker. Lessee shall provide, at its expense, a fleet of electrically powered golf carts of sufficient number to satisfy demand, together with the necessary charging equipment. The fleet shall be specifically insured under Lessee's casualty and liability insurance policies. Lessee shall maintain the carts in good and safe working condition during the term of this Lease. Lessee shall also provide, at its expense, a ball picker to retrieve balls used on the driving range.

20. Compliance With Applicable Law. Lessee shall be responsible for maintaining strict compliance with any and all applicable laws (including but not limited to ordinances, codes and regulations) of each and every government entity having jurisdiction for all or any portion of the Premises, whether federal, state, city, county or other, including but not limited to the Occupational Safety and Health Act (OSHA). Without limiting the generality of the foregoing:

20.1 Permits. Lessee shall obtain any and all contractor permits required for the operation or maintenance of the Premises, with Lessor's assistance, including but not limited to Lessor's execution of any and all documents reasonably necessary to obtain such permits.

20.2 Sellers Sales Tax Permit. Lessee shall obtain a California Sellers Permit as issued by the California State Board of Equalization prior to the commencement of business.

20.3 Food Permit. Lessee shall prior to the commencement of storage, preparation, sales and serving of food, obtain all needed governmental health permits for the food establishment, and obtaining of health cards for any and all employees who are now or will be engaged in food handling and/or preparation. Lessee agrees to be fully responsible for the maintenance of such permits and to keep them valid and in force at all times.

21. Miscellaneous Provisions.

21.1 Captions for Convenience. The captions of paragraphs of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

21.2 Attorneys' Fees. Should either party hereto institute any action or proceeding, including without limitation, litigation or arbitration, in court to enforce any provisions hereof or for damages by reason of an alleged breach of any provision of this Lease, the prevailing party shall be entitled, in addition to any ~~and all other relief granted by the court or other tribunal~~ to an award in said action or proceeding of that sum of money which represents the attorneys' fees reasonably incurred by the prevailing party therein in filing or otherwise instituting and in prosecuting or otherwise pursuing said action or proceeding, and, additionally, the attorneys' fees reasonably incurred by said prevailing party in negotiating any and all matters underlying said action or proceeding.

GAJ
OR
ARBITRATION
Proceeding

21.3 Time of Essence. Time is of the essence of this Lease and each and all of its provisions.

21.4 Fair Meaning. The language in all parts of this Lease shall be in all cases construed simply according to its fair meaning and not strictly for or against Lessor or Lessee.

21.5 Remedies Cumulative. The specified remedies to which Lessor or Lessee may resort under the terms of this Lease are cumulative and not to be exclusive of any other remedies or means of redress to which either party may be lawfully entitled in case of any breach or threatened breach by the other of any provision of this Lease. The failure of Lessor or Lessee to insist in any one or more cases upon the strict performance of any of the covenants of this Lease shall not be construed as a waiver or a relinquishment for the future of such covenant. One or more waiver of any covenant, term or condition of this Lease by Lessor or Lessee shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by one party to or of

any act by the other party requiring such party's consent or approval shall not be deemed to waive or render unnecessary such party's consent or approval to or of any subsequent similar acts by the other party.

21.6 Provisions are Covenants and Conditions. All provisions, whether covenants or conditions, on the part of Lessee shall be deemed to be both covenants and conditions.

21.7 Integrated Agreement. This Lease contains all the agreements of the parties and cannot be amended or modified except by a written agreement executed by Lessor and Lessee.

21.8 Prohibition Against Recording Lease, Recordable Memorandum of Lease. This Lease shall not be recorded, except that if either party requests the other party to do so, the parties shall execute a Memorandum of Lease in recordable form. All costs relative to such recording including but not limited to recording fees, fees for revenue stamps, etc., shall be paid by Lessee.

21.9 Right to Estoppel Certificates. Each party, within ten (10) days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent, if any.

Failure to deliver the certificate within the ten (10) days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

If a party fails to deliver the certificate within the ten (10) days, the party failing to deliver the certificate irrevocably constitutes and appoints the other party as its special attorney-in-fact to execute and deliver the certificate to any third party.

21.10 Holding Over. If Lessee shall hold over the leased Premises after the expiration of the term hereof with the consent of Lessor, either express or implied, such holding over shall be construed to be only a tenancy from month to month, subject to all the covenants, conditions and obligations hereof, and Lessee shall pay to Lessor the same

monthly rental as provided in this Lease for said period; provided, however, that nothing herein contained shall be construed to give Lessee any rights so to hold over or to continue in possession of the leased Premises after the expiration of the term hereof.

21.11 Consent of Parties. Whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval.

21.12 California Law. This Lease shall be construed and interpreted in accordance with the laws of the State of California.

21.13 Notices and Payments. Wherever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice of demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by registered and regular mail, addressed as set forth in Section 1.G.

All payments to be made by either party to the other, shall be made at the aforementioned address of such party.

Either party may change such address by written notice to the other, given as herein provided.

21.14 Assignment by Lessor. If Lessor sells or transfers the leased Premises, Lessor, on consummation of the sale or transfer, shall be released from any liability thereafter accruing under this Lease. This Lease shall survive the sale of the Premises, should the Premises ever be sold.

21.15 Lessor's Entry on Premises. Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times, during the normal working hours of the Lessee, upon reasonable notice, for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Lessee is complying with its obligations under this Lease;

(b) To do any act that Lessor has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease or notices of non-responsibility;

(d) To show the Premises to prospective brokers, agents, buyers, or persons interested in sale or exchange, at any time during the term, and to show the Premises for lease during the last six (6) months of the term, or during any period while Lessee is in default.

Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Lessor's entry on the Premises as provided in this paragraph, except damage resulting from the willful or negligent acts or omissions of Lessor or its authorized representatives.

21.16 Binding Upon Successors. Each and all of the covenants and obligations of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, administrators and executors.

21.17 Confidentiality. Lessee recognizes that he will be given access to information regarding Lessor and the Premises, all of which Lessor considers confidential. Lessee agrees to keep in confidence and prevent disclosure to any person or organization not having a need to know, for the operation and maintenance of the Premises, all information provided to Lessee or coming into his possession as a result of the performance of this Lease, including, without limitation, the terms of this Lease.

21.18 Authorization. Each individual executing this Lease on behalf of a corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation. If a party is a corporation, it will deliver to the other party evidence of such authority within thirty (30) days after executing this Lease.

21.19 Inventory. Lessee shall maintain a minimum inventory, including logo and name brand merchandise, with a retail value of \$35,000.00. Moreover, Lessee shall maintain an inventory of food items sufficient to meet normal demand.

21.20 Furnishings. Lessor shall furnish the Snack Shop, Club House and Pro Shop with the items described on Exhibit F attached hereto. Lessee shall be responsible for repair and maintenance of such furnishings. Lessee agrees to provide all other items necessary to conduct business on the Premises.

21.21 Arbitration. Any controversy or claim arising out of or relating to all or any part of this Lease, or any breach or alleged breach of this Lease, which cannot

be resolved by the parties, shall be settled by binding arbitration in Riverside County, California, at a location to be designated by Lessor, in accordance with the rules of the American Arbitration Association, and judgment upon any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. In the event of arbitration, each party thereto shall have the right to conduct reasonable discovery pursuant to the provisions of the California Code of Civil Procedure, as presently or hereafter constituted, pursuant to all rules of court applicable to discovery in civil actions before the Riverside County Superior court, as said rules presently are or hereafter may be constituted, and pursuant to any and all provisions of law and court rules not presently existing which shall in the future come to exist in place of or in augmentation of all statutes and/or rules of court. Arbitration shall not be required with respect to any matter in connection with which injunctive relief or specific performance is sought by all or any of the parties hereto, or with respect to an unlawful detainer action.

21.22 Public Relations. Lessee will cooperate with the public relations department of Lessor to the end that, all inquiries relating to Golden Era Golf Course, Golden Era Productions or Church of Scientology, including without limitation press, governmental or other public inquiries, are handled to the satisfaction of Lessor and in accordance with guidelines to be furnished Lessee from time to time.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease on the day and year first above written.

CHURCH OF SCIENTOLOGY
INTERNATIONAL

By 

By _____

"Lessor"

CCA/SILBAND GOLFCORP

By 

By 

"Lessee"

Schedule 1

Real Property Taxes

The Premises do not have a separate assessor's parcel number. Lessee shall pay its share of the real property taxes described in Section 4.3 based upon a percentage of the acreage in the Premises and the relative value to the acreage in the balance of the assessed parcel or parcels.

Schedule 2

Annual Percentage Contributions

<u>Years</u>	<u>Percentage</u>
1	0%
2-5	10%
6-10	7%

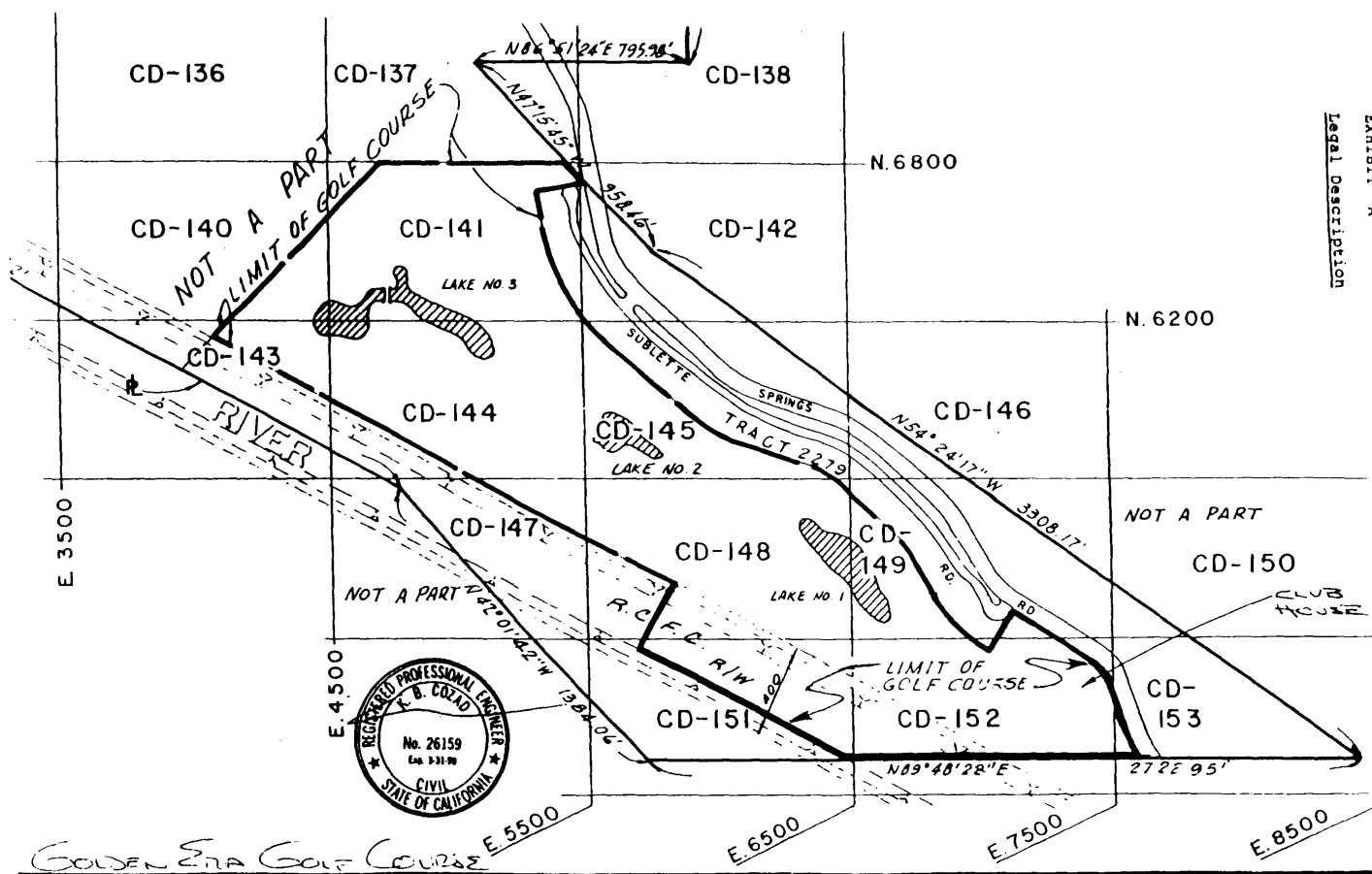


EXHIBIT B

Minimum Monthly Rental

<u>Years</u>	<u>Minimum Monthly Rental</u>
1	\$ 4,000.00
2	\$ 4,500.00
3	\$ 5,000.00
4	\$ 5,500.00
5	\$ 6,000.00
6	\$ 6,300.00
7	\$ 6,615.00
8	\$ 6,946.00
9	\$ 7,293.00
10	\$ 7,658.00

EXHIBIT C

Equipment

<u>Description</u>	<u>Cost</u>
Lely	\$ 6,000.00
Hahn Sprayer	\$ 9,434.00
Edger	\$ 354.00
String Trimmer	\$ 625.00
Triking	\$ 11,080.00
Tractor	\$ 12,427.49
Front end loader	\$ 1,470.76
Riding greens mower	\$ 14,377.50
Riding rotary mower	\$ 10,810.82
Fertilizer spreader	\$ 3,509.18
Weed sprayer	\$ 3,621.00
Cushman vehicle	\$ 8,828.85
Sweeper	\$ 8,349.00
String trimmer	\$ 692.25
Greens mower	\$ 10,117.50
Five gang mower	\$ 15,123.00
Utility vehicle	<u>\$ 1,445.00</u>
	\$118,364.50

 Lessor's initials

 Lessee's initials

The parties intend to add additional equipment to this Exhibit. Such equipment shall be deemed added, and thus made subject to this Lease, when initialed by the parties.

EXHIBIT D

Publicity and Promotion

The level of play at any public golf facility can be increased through the development of comprehensive and dynamic programming and advertising promotions.

As a part of Lessee's on-going management of the Golden Era Golf Course, advertising packages will be developed and distributed to local chambers of commerce and to local newspapers to be incorporated into community recreation information and regional travel and tourism literature. These promotional packages will outline the facility as well as highlight special services and programs to be offered.

Special promotions and tournaments will be developed for the members of the men's and ladies' clubs as well as other individual clubs and organizations which may frequent the resorts. These programs could include; afternoon and summer twilight leagues with tournaments and awards; golf derby's designed for competition against other local golf clubs; or a mid-day golf and lunch sold as a package at a reduced rate. Each of these promotions has the potential to increase play and publicity for the facility.

All marketing and promotional efforts will be geared toward maintaining a good working relationship with all surrounding communities.

EXHIBIT E

MAINTENANCE STANDARDS PROGRAM FOR
GOLDEN ERA GOLF COURSE

(SPECIFIC MINIMUM MAINTENANCE STANDARDS, SPECIFICATIONS
AND REQUIREMENTS)

A. MAINTENANCE SERVICES.

1. General. Lessee shall, at Lessee's cost and expense, perform/provide the golf course maintenance, care and up-keep services hereinbelow within this Exhibit set forth at the frequencies and/or at the times specified therefor. The standards, specifications and requirements hereinbelow contained shall be the MINIMUM types and frequencies of services to be provided, it being mutually understood and expressly agreed that Lessor shall have the right to determine the extent and frequency of any additional "as needed" services to be provided by Lessee during the life of the Lease and to modify these standards, specifications and requirements as and when Lessor may reasonably deem such action(s) to be necessary in order to ensure the proper maintenance of the golf course facilities in a first-class condition, and to the standards of PGA West in La Quinta, California.

2. Greens Maintenance. Lessee shall, at all times during the life of the Lease, maintain all greens in accordance with the latest accepted playability and golf-industry-wide standards to the satisfaction of Lessor and, in so doing, observe the following minimum requirements:

a. Change cups and repair ball marks daily.

b. Mow all green seven (7) times per week unless weather prohibits.

(1) The cut height of the green's turf shall be not less than 3/16 inch and not more than 1/4 inch.

(2) Green shall be mowed with a reel-type mower with no less than seven (7) blades per reel.

(3) Mowers shall be designed specifically for mowing golf course greens and shall

be of the type, make and model accepted by the golf industry.

(4) Aprons shall be maintained at 3/8 inch.

c. Verticut all greens during the period February through November, annually, in the event thatching occurs.

d. Aerate greens at least two (2) times per year, three (3) if greens can handle this aeration with the first such aeration to occur no earlier than the third week in March and no later than the second week in May, and the second aeration to occur no earlier than the first week in October and no later than the first week in November. Remove all plugs the same day. Top dress with approved materials as to type and quantity following each aeration of greens.

e. Have the soil analyzed within thirty (30) days following the commencement of this "Maintenance Standards Program" and then once every three (3) years thereafter throughout the life of the Lease (or more frequently if such be required) to determine proper action to follow in order to correct any deficiencies so as to maintain healthy, verdant greens and/or provide uniform growth of turf.

f. Apply fertilizer in the quantity and type recommended by soil analysis to provide uniform growth of turf. A minimum of 8 to 10 pounds of actual Nitrogen per 1,000 square feet per year shall be applied during the fall and spring seasons, annually. Fertilizer shall also be applied during the summer months as and when such actions shall be necessary.

g. As and when necessary, treat greens with such proper, approved environmentally safe chemicals as shall be generally used within the golf industry in the State of California to control insects, disease, weeds and other pests and fully and faithfully comply with any and all noticing, reporting, storage, handling, and use requirements of the State of California Health and Safety Code applicable to Lessee's use of any and all such chemicals on the lease premises.

h. The perimeters of the greens shall be hand watered as need be to keep them green and to handle any hot spots during the summer months.

3. Tee Maintenance. Lessee shall, at all times during the life of the Lease, maintain all tees in

accordance with the latest accepted playability and golf-industry-wide standards to the satisfaction of Lessor and, in so doing, observe the following requirements:

a. Service tees daily by moving tee markers and benches. Change tee towels weekly and, on a daily basis, keep ball washers filled to proper level (with water and an appropriate, environmentally safe, approved cleaning agent).

b. Using a reel-type mower, mow tees to a cut height of 5/16 inch or less at least three (3) times a week during warm weather months, annually, to the satisfaction of Lessor.

c. Aerate tees at least two (2) times per years with the first such aeration to occur no earlier than the third week in March and no later than the second week in May, and the second aeration to occur no earlier than the first week in October and no later than the first week in November. Remove all plugs the same day. Top dress with approved materials as to type and quantity following each aeration of trees.

d. Repair worn and damaged turf areas as they occur by over-seeding and/or re-sodding to ensure playable tees at all times.

e. As and when necessary, treat trees with such proper, approved, environmentally safe chemicals as shall be generally used within the golf industry in the State of California to control insects, disease, weeds, and other pests so as to maintain healthy turf and fully and faithfully comply with any and all noticing, reporting, storage, handling, and use requirements of the State of California Health and Safety Code applicable to Lessee's use of any and all such chemicals on the leased premises.

f. Apply six (6) pounds of actual Nitrogen per 1,000 square feet of turf to trees per year, two (2) pounds of which is be composed of Nitrogen (for color and growth), Phosphate (for healthier and stronger stems [runner from Bermuda grass]), and Potash (for root strength), hereinafter referred to as "NPK" (A ratio of 4-1-2 may be used).

4. Fairway Maintenance (including Driving Range Area): Lessee shall, at all times during the life of the Lease, maintain all fairways in accordance with the latest accepted playability and golf-industry-wide standards to the satisfaction of Lessor and, in so doing, observe the following minimum requirements:

a. Using a reel-type mower, mow all fairways as frequently as necessary to maintain a cut height of 1/2 inch or less, depending on the type of grass and time of year, to the satisfaction of Lessor. All fairways shall be cut at least twice per week.

b. Aerate all fairways during the month of May, annually and then as and when necessary during the remainder of the year.

c. Over-seed and top dress (or re-sod) worn and/or bare areas of all fairways as and when necessary.

d. As and when necessary, treat all fairways with such proper, approved, environmentally safe chemicals as shall be generally used within the golf industry in the State of California to control insects, disease, weeds and other pests so as to maintain healthy turf and fully and faithfully comply with any and all noticing, reporting, storage, handling, and use requirements of the State of California Health and Safety Code applicable to Lessee's use of any and all such chemicals on the leased premises.

e. Apply six (6) pounds of actual Nitrogen per 1,000 square feet of turf to fairways during the course of the year. Apply the formula NPK (A ratio of 4-1-2 may be used).

f. At all times keep all fairways free and clear of gopher holes and any and all other undesirable conditions which may hinder play.

g. All leaves and twigs will be removed from the course on a daily basis.

h. Any standing water or puddling is to be handled by the installation of dry sumps, installed with the approval of the Lessor.

5. Maintenance of Other Turf Areas. Lessee shall, at all times during the life of the Lease, maintain all other turf and landscaped lawn areas located anywhere on the leased premises in accordance with the latest accepted playability and golf-industry-wide standards to the satisfaction of Lessor and, in so doing, observe the following minimum requirements:

a. Mow any and all such areas at least twice per week throughout the year. Roughs are to be maintained at a height of 1 1/4 inch.

b. Over-seed and top dress (or re-sod) worn or bare areas in turf as and when necessary.

c. As and when necessary, treat all turf with such proper, approved, environmentally safe chemicals as shall be generally used within the golf industry in the State of California to control insects, disease, weeds, and other pests so as to maintain healthy turf and fully and faithfully comply with any and all noticing, reporting, storage, handling, and use requirements of the State of California Health and Safety Code applicable to Lessee's use of any and all such chemicals on the leased premises.

d. Apply (4) pounds of actual Nitrogen per 1,000 square feet of turf per year, two (2) pounds of which is to be composed of the formula NPK (A ratio of approximately 4-1-2 may be used).

e. The driving range shall be cut at a height of 2 inches and shall be cut twice a week.

6. Maintenance of Sand Traps and Water Hazards. Lessee shall, at all times during the life of the Lease, maintain all sand traps and water hazards in accordance with the latest accepted playability and golf-industry-wide standards to the satisfaction of Lessor and, in so doing, observe the following minimum requirements:

a. Sand traps shall be edged a minimum of two times per month and maintained in a weed-free condition at all times and Lessee shall replace sand and rakes as and when necessary. A minimum of two (2) rakes shall be provided at each sand trap on the golf course. All sand traps will be raked four times a week, on Monday, Wednesday, Saturday and Sunday.

b. Any and all water hazards (i.e., streams, lakes or ponds) which are either located on the leased premises as of the commencement date of the term of this Lease or which may, at any time and from time to time be subsequently constructed/installed thereon during the life of this Lease, shall be kept clean and free of trash and debris, and Lessee shall implement an approved mosquito abatement program meeting any and all federal, state and local environmental requirements applicable thereto, designed to minimize the number of mosquitos breeding in any such water hazard and preclude any such hazard's becoming either a public nuisance or health hazard at any time during the life of the Lease. The perimeter of all lakes are to be weeded and edged on a weekly basis.

c. Environmentally safe chemicals shall be used in the lakes, as need be, to keep them free of algae.

7. Maintenance of Nursery. Throughout the life of the Lease, Lessee shall, at all times, maintain sod nurseries for greens (minimum 10,000 sq. foot bent grass). Bent grass for greens shall be maintained in accordance with the maintenance standards/specifications set forth for greens within paragraph 2 above. Following any removal of sod, the soil shall be replaced and the area re-seeded. Lessee shall also maintain a 5,000 sq. foot hybrid Bermuda nursery and a nursery of common Bermuda and rye grass.

8. Maintenance of Accessory Equipment. At all times during the life of the Lease, Lessee shall maintain all golf course accessory equipment in a clean, safe and functional/operable condition and shall replace any and all golf course equipment/materials as and when necessary, including, without limitation, the following:

All signs

Tee benches

Tee markers and mats

Ball washers, including tee towels and soap on a weekly basis

Out of bounds markers

Directional flags and poles

Distance markers (150 yards, etc.)

Greens' flags, poles, cups

Practice green markers and cups

Trash receptacles

Cleat brushes

9. Irrigation. Throughout the life of the Lease, Lessee shall irrigate all portions of the golf course and any and all other turfed and/or landscaped areas on the leased premises to ensure adequate moisture for proper growth and appearance and Lessor shall have the right to require a change in the irrigations schedule being followed by Lessee if, as and when the need therefor shall, in Lessor's opinion, be required. In order to ensure adequacy and to monitor the effectiveness of the irrigation schedule

at any given time, Lessee shall determine adequate soil moisture content by visual observation, plant resiliency, examining cores removed by soil probe, and use of moisture sensing devices.

a. Consideration shall be given to soil texture, structure, porosity, water holding capacity, drainage, compaction, precipitation rate, runoff, infiltration rate, evapotranspiration, seasonal temperatures, prevailing wind conditions, time of day or night, type of grass plant and root structure.

b. In the areas where wind creates problems of spraying onto property adjacent to the leased premises or road rights-of-way, the irrigation system controllers/timers shall be set to operate during the period of lowest wind velocity which would normally occur at night.

c. Lessee shall be solely responsible for monitoring all irrigation systems installed in and on the leased premises and correct for coverage, adjustment, clogging of lines, and removal of obstacles (including shrubs, bushes, grasses and other low-growing plant materials obstructing the spray).

d. Lessee shall check the irrigation system daily and adjust and/or repair any and all sprinkler heads causing excessive runoff, including slope area or which throw directly onto roadway paving or walkways within rights-of-way.

e. All controllers/timers shall be inspected on a daily basis and adjusted or repaired on a weekly basis or more frequently as and when required, taking into consideration the water requirements of each remote control valve (sprinkler station).

f. A soil probe or suitable tensionmeter or other approved measures shall be used to determine the soil moisture content in various areas.

g. Lessee shall observe and make a written record of any deficiencies resulting from the original design of the irrigations systems for the leased premises and review and make recommendations to Lessor with regard to any improvements that Lessee may need to make in order to improve such design and facilitate more satisfactory irrigation.

h. Lessee shall, at all times, bear in mind the fact that water conservation requirements of Lessor require prudent use of water resources and Lessee shall, at all times during the life of the Lease, take all reasonable

precautions to ensure that no over-watering, flooding, standing water, excessive runoff occurs, or any other waste of water does not occur.

i. In the event a reduction of the volume of water supplied to the golf course during any water peak demand periods, the priority of water distribution by Lessee shall be as follows:

- (1) Greens
- (2) Tees
- (3) Fairways
- (4) Other turf and landscaped areas.

k. Lessee shall take advantage of Edison's reduced electrical rates and use pumps during non-peak times to save on electrical costs.

j. Lessee shall check on a daily basis the working condition of the pump station and keep it running on good condition, and properly maintained in conjunction with an outside maintenance firm which will be contracted to keep the pumps fully maintained.

10. Tree Maintenance. At all times throughout the life of the Lease, Lessee shall maintain all trees located on the leased premises in a safe, healthy, structurally sound and aesthetically pleasing condition/appearance and, to this end, shall implement an ongoing care/maintenance/up-keep program to trim, top, shape, prune, thin-out, treat, and generally promote growth in all such trees, shrubs and bushes, on a regularly recurring basis, all in a manner acceptable to Lessor and meeting the following minimum requirements.

a. Trees shall be pruned to maintain and stimulate proper health and growth by cutting out dead, diseased, weak, insect-infested, and damaged limbs.

b. Trees shall be regularly and periodically pruned so as to: (1) maintain a clearance of seven (7) feet in all areas of pedestrian traffic and areas accessible to golf cart traffic; and (2) maintain clearance of fourteen (14) feet in all areas of vehicular traffic such as parking lots, driveways, and tree extensions over and through fence-lines and into roadways and adjacent streets. Such pruning shall provide safe vehicular and pedestrian visibility and clearance in order to prevent or eliminate hazardous situations.

c. Trees shall be trimmed and shaped, on a regularly recurring basis, to provide symmetrical appearance typical of the species.

d. Downed trees and limbs, whether felled by natural causes or otherwise shall be removed as soon as possible so as not to interfere with the playability of the course. Stumps and wood chips shall be removed to a minimum of twelve (12) inches below grade level and the hole back-filled to grade, unless otherwise authorized and approved in writing by Lessor.

e. Except for removal of trees felled or so damaged by an act of God as to constitute a safety hazard unless removed, Lessee shall neither remove, nor suffer or permit the removal of any tree from the leased premises without the advance written consent of Lessor. Any and all trees removed from the Leased premises shall, within (30) days following a removal thereof, be replaced by Lessee with another tree which shall be planted in the location of the felled/removed tree or at such other location as shall be specified by Lessor.

f. Lessee shall, within six (6) calendar months following the commencement date of the term of this Lease, prepare and provide Lessor with Lessee's comprehensive tree maintenance program for Lessor's review and approval. Following Lessor's approval of such program, Lessee shall perform in accordance therewith at all times during the life of the Lease. Either party to the Lease may request a review of Lessee's tree-maintenance program at any time during the life of the Lease; however, no tree-maintenance program previously approved by Lessor shall be modified/changed unless and until such modification/change shall be mutually agreed upon by Lessor and Lessee, in which event the modification/change agreed upon shall be confirmed in writing signed by both parties.

g. In the event Lessee desires to maintain a leaf-mulch pile anywhere on the leased premises, such pile shall be appropriately screened from public view by decorative opaque fencing and/or landscaping acceptable to Lessor and, if installed, shall be maintained free and clear of weeds, rodents and other pests, and odors and in a manner so as not to be or become a public nuisance or health or fire hazard.

B. OTHER REQUIREMENTS.

Lessee shall:

1. On a daily basis, remove all litter from the golf course, maintenance yard, landscaped areas and driving

range and shall remove all trash and debris resulting from golf course maintenance as it occurs, any and all of such to be removed from the leased premises and disposed of at an approved off-site disposal site pursuant to any and all Federal, State and local statutes and local statutes, laws, codes, ordinances, rules and regulations applicable thereto. Lessee shall also clean, repair and replace trash receptacles as necessary to maintain clean, safe, and sanitary conditions at all times during the life of the Lease.

2. Maintain all shrub and ground cover and lawn areas in a manner to promote healthy growth and an aesthetically pleasing appearance at all times.

3. Maintain all trees in a safe, healthy and aesthetically pleasing condition at all times, keeping adjacent turf mowed and trimmed to the trunks of trees on the golf course proper. Any and all herbicides or contact sprays of any kind or description for the purpose of facilitating ease of keeping grass mowed and trimmed to the base of trees shall be only such herbicides or sprays as shall not do any damage to any tree, shrub or bush and of an otherwise environmentally safe type generally used within the golf industry in the State of California for such purposed, and Lessee shall full and faithfully comply with any and all noticing, reporting, storage, handling, and use requirements of the State of California Health and Safety Code applicable to Lessee's use of any and all such herbicides or contact sprays on the leased premises.

4. At all times during the life of this Lease, take whatever preventive steps as shall be necessary to protect all slope areas from erosion, fire, and rodent damage and control rodent and other animal pests as necessary to prevent erosion and destruction of plantings on the leased premises.

5. Maintain, repair and/or replace, as and when necessary, surface flow lines, swales, catch basins, grates, sub-surface drainage systems, and other drainage structures in a clean, clear, weed-free, and properly functioning condition at all times during the life of this Lease.

6. Maintain golf maintenance storage rooms/buildings/yards in a clean, orderly, safe and sanitary condition at all times in full conformity with any and all applicable Federal, State and local statutes, laws, codes, ordinances, rules and regulations.

7. At all times during the life of the Lease:

a. Observe all legal requirements and safety regulations in the use and storage of chemicals, hazardous materials, supplies, and equipment according to OSHA;

b. Protect golfers from injury and the golf course from damage during periods of frost, rain, sleet, hail, lightning, or any other unusual/unsafe conditions;

c. Maintain walkways, steps, handrails, header-boards, and cart paths in a clean, edged, safe, weed-free condition. All cart paths, walks, etc. are to be edged weekly;

d. Maintain all fencing, netting and fence lines in a safe, secure, and aesthetically pleasing condition:

e. Maintain all parking lots and driveways in clean, safe and weed-free condition; grass around clubhouse and parking lot are to be cut once a week. Decorative bushes around the club house are to be trimmed weekly;

f. Maintain any and all interior, unpaved service roads in a safe and usable condition; and

g. Inspect the following frequently and make repairs thereto as and when the need therefor arises:

(1) All area lighting systems/fixtures/equipment for safe and functioning condition;

(2) All golf course buildings (including rest-rooms and locker facilities) and any and all other structures for clean, safe, secure and sanitary conditions;

(3) All golf course parking lots, walkways and interior paved and/or unpaved service roads.

8. Maintenance of Equipment. Lessee shall at all times keep all maintenance equipment in excellent running condition. This shall include:

a. Washing down maintenance equipment at the end of each day.

b. Waxing the maintenance equipment once a week.

c. Following a weekly checklist of maintenance requirements for each piece of equipment.

d. Changing the oil once a month on each piece of equipment or more frequently if required to do so by the warranty.

9. Employees. Lessee shall employ a qualified Class A member of the Golf Course Superintendent Association of America to be the golf course superintendent. Lessee shall also employ an additional eight (8) full-time employees to maintain the course.

C. MAINTENANCE EQUIPMENT.

1. General. Lessor is delivering to Lessee the maintenance equipment, described on Exhibit C ("Equipment") to the Lease. Lessee agrees to maintain and repair the Equipment in accordance with this Exhibit E.

2. Maintenance. Lessee, at its own expense, shall keep the Equipment in good repair, condition, and working order and shall furnish any and all parts, mechanisms, and devices required to keep the Equipment in good mechanical and working order. Such maintenance shall include, without limitation, daily wash down of the Equipment, where necessary. Lessee shall keep copies of all service records on the Equipment, together with a detailed log of maintenance expenditures. Lessee shall provide copies of the service records and log upon request by Lessor. Upon termination of this Lease, for whatever cause, Lessee shall return the Equipment in good repair and operative condition, ordinary wear and tear excepted.

3. Use of Equipment. Lessee shall use the Equipment in a careful and proper manner solely in connection with the maintenance of the Premises and, at Lessee's own cost and expense, shall comply with all laws, ordinances, rules and regulations applicable to the use or maintenance of the Equipment.

4. As Is - No Warranty. Lessee hereby accepts the Equipment in the condition existing as of the date hereof and acknowledges that neither Lessor nor its agents has made any representation or warranty as to the present or future suitability of the Equipment for the conduct of Lessee's business. There are no express or implied warranties in connection with this Lease.

5. Alterations. Without the prior written consent of Lessor, Lessee shall not make any alterations, additions, or improvements to the Equipment. All additions and improvements of whatsoever kind or nature made to the

Equipment shall belong to and become the property of Lessor on the expiration, or earlier termination, of this Lease.

6. Ownership. The Equipment shall at all times be and remain the sole and exclusive property of Lessor. Lessee shall neither remove nor permit removal of any serial number, model number, name or any other identification of ownership. Lessee shall at all times during the term hereof maintain the Equipment free and clear of all taxes, liens and encumbrances.

7. Indemnification. Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorneys' fees and court costs, arising out of, connected with, or resulting from the Equipment, including without limitation the manufacture, selection, delivery, possession, use, operation, or return of the Equipment.

8. Insurance. Lessee agrees to procure and keep in force at its own expense an all risk casualty insurance policy with a loss payable to Lessor, to protect the Lessor with full insurance coverage at full replacement value against any loss or damage occasioned by fire, theft, flood, explosion, accident, act of God, riot, or any other cause that may occur during the term of this Lease, and to protect the Lessor with public liability insurance coverage against any and all liability for personal or property damage which may be occasioned by operation of the Equipment. The aforementioned insurance shall be in amounts and written by companies acceptable to Lessor. Upon execution of this Lease, Lessee shall provide Lessor with certificates of insurance. Each policy shall provide for thirty (30) days' written notice to Lessor in the event of cancellation or expiration.

9. No Assignment. The Equipment shall not be sublet by the Lessee, nor shall Lessee assign or transfer any interest in this Lease without the express written consent of the Lessor.