

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
OF RIVERSIDE

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Michael Fantore & Ramiro Garcia  
1835 Caddington Drive  
San Pedro, CA 90732

RECEIVED FOR RECORD  
Min. Paul

MAR 27 1985

Recorded in Official Records  
of Riverside County, California

William E. Gandy  
RECORDED  
Page 1

CONDOMINIUM SUBLEASE

009 610 360

THIS SUBLEASE is made this 15th day of June,  
1984, by and between \*\*\*, a Cor-  
poration, a general partnership, hereinafter referred to as  
"Lessor" and Michael Fantore, a single man & Ramiro Garcia, a single man  
as joint tenants, hereinafter referred to as "Lessee".

\*\*1ST NATIONWIDE NETWORK MORTGAGE COMPANY, FORMERLY UNITED CITIZENS MORTGAGE COMPANY

W I T N E S S E T H

WHEREAS, Lessor is the owner of a leasehold estate in the  
real property of which the premises sublet hereunder is a part  
under that certain Business Lease No. PSL-271, recorded with the  
County Recorder of Riverside County on August 22, 1983, as In-  
strument No. 170101, and assigned to Lessor herein by assignment  
recorded September 1, 1983, as Instrument No. 179641, Official  
Records of Riverside County, covering the real property describ-  
ed in Exhibit "A" attached hereto and incorporated herein by  
reference.

NOW, THEREFORE, Lessor does hereby lease to Lessee, and  
Lessee does hereby lease from Lessor, the premises hereinafter  
described, on the following terms and conditions:

1. DEFINITIONS

The following terms, as used in this Lease, shall have the  
meanings assigned below:

(A) The term "Subdivision" as used herein, shall refer to  
Tract 15687.

(B) The term "Lease" or "this Lease" shall refer to this Sublease and the term "leasehold" shall mean the subleasehold estate created hereby.

(C) The term "Master Lease" shall refer to the Business Lease described above, as amended, and the term "Master Lessor" shall refer to the persons identified as Lessors in the Master Lease, and to their successors and assigns.

(D) The term "Declaration" shall refer to a document entitled Declaration of Covenants, Conditions and Restrictions for The Biarritz Homeowners Association, affecting the Subdivision, executed by Lessor and filed for record in Riverside County, California on April 23, \_\_\_\_\_, 1984, as Instrument No. 83360, as amended.

(E) The term "Leased Premises" shall refer to the premises described in Article 2, LEASED PREMISES. The term "Common Area" or "Common Areas" shall refer to the areas of the Subdivision so described in the Declaration. The term "Project" shall refer to the Subdivision, together with the improvements thereon.

(F) The term "Board of Directors" shall mean the Board of Directors elected and at a given time serving under the provisions of the Declaration.

(G) The term "Secretary" shall mean the Secretary of the Interior of the United States Government, or his authorized representative.

(H) The term "Association" shall refer to the Biarritz Homeowners Association, a California Nonprofit Mutual Benefit Corporation.

## 2. LEASED PREMISES

The property which is the subject of this Lease is situated in the County of Riverside, State of California, and is described in Exhibit "A" attached hereto and by this reference incorporated herein. The estate or interest of the Lessee is a subleasehold interest in and to said Leased Premises.

## 3. TERM

The term of this Lease shall commence on the date of the recordation hereof and continue until April 1, 2046.

## 4. RENTAL

(A) As minimum rental for the use and occupancy of the Leased Premises, Lessee agrees to pay to Lessor the sum of Twenty Six Dollars and Fifty-two Cents (\$26.52) per month, payable

in advance on the first day of each calendar month, commencing on the first day of the calendar month subsequent to recordation of this Lease. (Rent for the period between the date of recordation of this Lease and the first day of the calendar month subsequent to recordation shall be pro rated between the parties through escrow.) All such payments shall be made to Lessor at First Nationwide Savings, or at such other place as Lessor may, from time to time, indicate by written notice to Lessee.

(B) On January 1, 1986, the minimum rental shall be increased to Fifty Three Dollars (\$53) per month.

(C) On January 1, 1991, and every five (5) years thereafter, the then minimum rental shall be adjusted upwards or downwards by the same percentage as the cost of living index has changed during any such five (5) year period, provided that in no event shall the then minimum rental be less than the sum of Fifty-three Dollars (\$53) per month, and provided further that the amount of any such increase or decrease shall not exceed an average of five percent (5%) per year, i.e., it shall not exceed twenty-five percent (25%) for any five (5) year period. The cost of living index to be used is that reflected by the Consumer Price Index for all urban consumers, Los Angeles-Long-Beach-Anaheim, California (1967 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor. If for any reason whatsoever, there is any change in the method of calculation or formulation of said price index, or if that index shall be no longer published, then another index generally recognized as authoritative shall be selected by Lessor. In any event, the base used by any new index shall be reconciled to the 1967 index. It is agreed for purposes of this cost of living formula that the base index shall be the Consumer Price Index above referred to issued as of May 1, 1981.

##### 5. COMPLIANCE WITH DECLARATION

(A) This Lease and the interests of the parties hereto shall be subject to the recorded Declaration and to all of the covenants, conditions, restrictions, reservations, easements, liens and provisions therein contained, and Lessee does hereby covenant and agree to comply with the provisions of said Declaration and to pay regular and special assessments when due and faithfully to perform all of the other obligations of Lessees in the Subdivision as established by said Declaration. Said Declaration is incorporated as a part of this Lease as if set forth at length herein. In the event of conflict the terms and conditions of the Declaration shall prevail.

(B) If the Board of Directors shall fail to maintain the Common Area and improvements situated thereon, repair or rebuild such improvements if damaged or destroyed, insure the same against material damage, insure against liability for bodily injury or property damage resulting from use of the Common Area,

repaint exteriors of dwellings when needed, or pay taxes levied on the Common Area or any part thereof, all as required by the Declaration, and should such failure continue and no reasonable effort be made by the Board to correct the same for a period of thirty (30) days after written notice to the Board (given in the manner provided by the Declaration) and to each Lessee of a residential unit in the Subdivision stating in what manner the Board has failed to fulfill its obligations under the Declaration (including the right to join with other lessees in the call of special meetings of lessees) until such omissions by the Board have been corrected, or a reasonable time for such correction has elapsed, then Lessee shall, upon Lessor's written request, furnish proxies in favor of Lessor as required to carry out the purposes of this paragraph. In the event of a dispute between the parties concerning their respective rights pursuant to the provisions of this Article, such dispute shall be determined by arbitration under the rules of the American Arbitration Association.

6. LEASE SUBJECT TO MASTER LEASE

This Lease and the interest of the parties hereto and any approved encumbrances hereof are subject to all of the covenants, conditions and provisions set forth in the Master Lease and amendments thereto, and to the rights and interest of the Master Lessor. Reference is made to the Master Lease for particulars, and the same is incorporated as a part of this Lease as if set forth at length herein. In the event of conflict, the terms and conditions of the Master Lease will prevail.

7. RELEASE OF LESSOR AFTER ASSIGNMENT

In the event that subsequent to the execution of this Lease, Lessor hereunder assigns its interest, or any part hereof, then Lessor herein shall be released in full from any further liability upon any of the covenants or conditions, expressed or implied, in favor of Lessee, and, in such event, Lessee shall and agrees to look solely to the responsibility of the assignee or successor in interest of Lessor.

8. LESSOR'S NONRESPONSIBILITY FOR REPAIRS, ETC.

During the term of this Lease, Lessor shall not be required to make any repairs, changes, alterations, additions or improvements to the Leased Premises, except to the extent such duty may be imposed upon Lessor as Declarant under the provisions of the Declaration.

62696

9. USE OF LEASED PREMISES

Lessee shall use the Leased Premises only for private single family dwelling purposes and such other uses and purposes as are authorized by the Declaration. Lessee shall do nothing to disturb the Lessees of other units in the Subdivision in their peaceful use, occupancy and enjoyment of the premises leased to them.

10. MAINTENANCE OF UNIT

Lessee shall at all times during the term of this Lease maintain Lessee's improvements, if any, in good condition and repair. In the event of damage to or destruction of such improvements, or any part thereof, Lessee shall promptly reconstruct or repair the same in accordance with the original plans therefor, excepting such changes as shall be approved by the Architectural Committee established by the Declaration, or shall cause such improvements and/or the debris resulting from the damage or destruction thereto to be removed and the unit to be restored to its original condition. Lessee shall comply with all laws affecting the improvements or requiring any repairs thereof; shall not commit, suffer or permit any act upon the Leased Premises in violation of law, and shall do all other acts which from the character of use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

11. FIRE AND DAMAGE INSURANCE

(A) Lessee shall at all times keep Lessee's improvements, if any, insured against loss or damage from fire, vandalism, malicious mischief and the perils of the extended coverage endorsement to the California standard fire policy, or any form of coverage providing equal or greater protection, which insurance shall be carried in the amount of the full insurable value of such improvements. The policy or policies representing such insurance shall be carried in the joint names of Lessee and Lessor, and shall contain a loss payable endorsement in favor of any approved encumbrancer (as hereinafter defined). Each such policy shall be written in the form commonly referred to as "Tenant's Improvement Coverage" and shall contain a waiver of subrogation provision for the benefit of all lessees of other units in the Project, the Board of Directors, Lessor and Master Lessor. Such insurance shall be carried with responsible insurance companies having a rating of at least A plus -- Class XI in the current edition of Best's Insurance Guide. All premiums and other charges payable in respect to such insurance shall be paid by Lessee. A copy of the certificate of each such policy and a copy of the receipt for payment of the premium therefor or other satisfactory evidence of such payment shall at all times be deposited with Lessor.

(B) Except as otherwise provided in Subparagraph (d) of this Article, in the event of any loss or damage for which insurance funds are received, all funds so received shall be deposited into an escrow approved by Lessor, and Lessee shall deposit into such escrow all additional funds required to cover the work required of Lessee pursuant to Article 10 hereof. Escrow instructions shall provide that all funds so deposited shall be used to pay the cost of work required of Lessee under Article 10 of this Lease, upon proper architect's, engineer's or contractor's certificates, or in such other manner as shall be approved by Lessor. If there has been no default on the part of Lessee in the performance of the covenants herein, any excess of money received from insurance remaining in escrow after completion of such reconstruction or repair shall be paid to Lessee; if a default has taken place, said excess shall remain in escrow as security for performance by Lessee until said default shall have been corrected, after which funds remaining shall be paid to Lessee. If Lessee fails to correct such default, then such funds shall be paid to Lessor. Should the cost of work required of Lessee under the Article hereof entitled "MAINTENANCE OF UNIT" be less than \$10,000.00, this subparagraph (b) shall not apply.

(C) Any failure by the Association to insure the condominium project as required by the Declaration shall confer upon Lessor the right to exercise all of the voting power of the Association conferred upon Lessee by the Declaration, until such omission has been corrected.

(D) Any approved encumbrancer shall be named as beneficiary under the insurance mentioned herein, and in the event of loss or damage to Lessee's improvements while an approved encumbrance remains unpaid, the proceeds of such insurance (but not exceeding the amount of the approved encumbrance) shall be paid to the encumbrancer. If such proceeds paid to the encumbrancer are sufficient to repair the loss or damage with respect to which the same were paid, or if insufficient to repair the loss or damage and Lessee shall within three (3) months after such payment by the insurer to the encumbrancer deposit with the encumbrancer enough money to completely repair the loss or damage, when added to the amount paid by the insurer to the encumbrancer, the encumbrancer shall, upon written order of Lessor and Lessee, pay such monies for such repair and it shall not be deemed a payment or credit on the encumbrance. However, if prior to the expiration of such three (3) month period Lessee shall not so deposit money with the encumbrancer, the said sum so paid by the insurer to the encumbrancer shall be applied and credited upon the approved encumbrance.

## 12. PUBLIC LIABILITY INSURANCE

Lessee may, but shall not be required to, carry liability insurance with respect to his risks as a Lessee in such amounts as coverages as Lessee shall determine; provided, however, that

any such liability insurance carried by Lessee shall be written as excess insurance to that required to be maintained by the Board of Directors pursuant to the Declaration.

13. TAXES AND ASSESSMENTS

Lessee shall pay, before delinquency, all real property taxes and assessments of every nature assessed against the Leased Premises. Payment by the Board of Directors shall be deemed payment by Lessee for purposes of this Article.

14. UTILITIES

Lessee shall be responsible for the payment of charges for any and all utility services furnished to the Leased Premises. Payment by the Board of Directors shall be deemed payment by Lessee for purposes of this Article.

15. MECHANIC'S LIENS

(A) Lessee shall not suffer or permit to be enforced against the Leased Premises or the Project, or any part thereof, any lien for work, materials or labor arising out of any improvement undertaken by Lessee (including construction, alteration, repair and restoration work), but shall pay or cause to be paid any such lien before any action is brought to enforce the same; and Lessee hereby indemnifies and agrees to hold the Lessor and said Premises free and harmless from all liability for any and all such liens, together with all costs and expenses in connection therewith; provided that if Lessee shall in good faith contest the validity of any lien, claim or demand, Lessee shall, at its expense, defend itself and Lessor against the same, and shall pay and satisfy any adverse judgment that may be rendered before the enforcement thereof against Lessor, or said Premises, and if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to the contested lien indemnifying Lessor against liability for the same.

(B) At least fifteen (15) days before the commencement of improvement to the Leased Premises (including construction, alteration, repair or restoration work), Lessee shall give or cause to be given to Lessor written notice thereof, specifying the nature of the intended work and the expected date of commencement thereof and Lessor shall have the right at any time, from time to time, to post and maintain on the Leased Premises or any part thereof, such notices of nonresponsibility as may be provided by law.

62696

16. NON-LIABILITY OF LESSOR, THE UNITED STATES GOVERNMENT AND MASTER LESSOR

Lessor, the United States Government and the Master Lessor shall not be liable for any loss, damage or injury of any kind or character to any person or property arising from any use of the Leased Premises or any part thereof or caused by or arising from any act or omission of Lessee or any of its agents, employees, subtenants, licensees or invitees or by or from any accident on the Leased Premises or any fire or other casualty thereon or occasioned by the failure of Lessee or any subtenant, licensee or invitee of Lessee to maintain said Premises to or cause the same to be maintained in safe condition or by any nuisance made or suffered thereon, or arising from any other cause whatsoever; and Lessee, as a material part of the consideration of this Lease, hereby waives on its behalf all claims and demands against Lessor, the United States Government and the Master Lessor and hereby indemnifies and agrees to hold Lessor, the United States Government and the Master Lessor entirely free and harmless from all liability for claims of other persons for any such loss, damage or injury, together with all costs and expenses arising therefrom, including attorneys' fees. This indemnity agreement shall be made a part of each Sublease of a unit in the Project, in order that the obligations imposed by such agreement with respect to losses resulting from accidents occurring on the Common Area, resulting from the use, maintenance or non-maintenance thereof or from any condition existing thereon shall be the common obligations of all the Sublessees.

17. LESSOR'S PAYMENT OF CLAIMS

Should Lessee fail to pay and discharge or cause to be paid and discharged, when due as provided in the Article hereof entitled "TAXES AND ASSESSMENTS", any tax, assessment or other charge upon or in connection with the Leased Premises; any maintenance fund payment or special assessment payable under the terms of the Declaration, as provided in the Article hereof entitled "COMPLIANCE WITH DECLARATION"; or any claim or lien for labor or material employed or used in, or any claim for damages arising out of the construction, repair, replacement, maintenance and use of the Leased Premises and the buildings, structures, facilities and other improvements thereon, or to satisfy any judgment rendered on any such contested lien or claim as hereinabove provided in the Article hereof entitled "MECHANIC'S LIENS", and if Lessee, after thirty (30) days written notice from Lessor, shall fail to pay and discharge the same, then Lessor may, at its option, pay any such tax, assessment, insurance premium or expense, lien, claim or demand, or settle or discharge any action therefor or satisfy any judgment thereon, and all costs, expenses and other sums incurred or paid by Lessor in connection therewith shall be paid to Lessor by Lessee upon written demand together with interest thereon at the rate of ten percent (10%) per annum from the date incurred or paid until repaid, and any default in any

such repayment shall constitute a breach of the covenants and conditions of th's Lease. The option herein provided Lessor shall not, however, serve as a waiver of any breach or default on the part of the Lessee, but shall be construed as an additional and cumulative remedy hereby granted Lessor.

#### 18. ASSIGNMENT

Lessee shall not assign or otherwise transfer the Leased Premises or any portion thereof or any right or interest therein or this Lease or any right or interest herein without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld, and until the transferee or transferor shall pay to Lessor a transfer fee of Fifty Dollars (\$50); provided, however, that nothing herein contained shall alter or impair the provisions of the Article hereof entitled "ENCUMBRANCES".

#### 19. ENCUMBRANCES

(A) This Lease, or any right to or interest in this Lease may not be encumbered without the written approval of the Lessor and the Secretary, which approval shall not be unreasonably withheld, and no encumbrance shall be valid without such approval. Lessee agrees to furnish as requested any financial statement or analysis pertinent to the encumbrance that Lessor or the Secretary may deem necessary to justify the amount and terms of said encumbrances.

(B) Except as otherwise provided in the Article entitled "ENCUMBRANCE" in the Master Lease, the property interest affected by an encumbrance of this Lease shall be limited to the leasehold estate created hereby and shall be governed by the terms and conditions of this Lease. Said Article of the Master Lease is incorporated herein and made a part hereof by reference and the provisions of such Article to the extent the same are applicable shall govern the rights of Lessee, Lessor, the Master Lessor, the Secretary and the encumbrancer with respect to any encumbrance of this Lease, and to any present or future encumbrance of the Master Lease.

(C) If the leasehold estate of the Lessee shall be transferred at foreclosure sale (including trustee's sale under trust deed) under an encumbrance approved as hereinabove provided, the provisions of the Article hereof entitled "ASSIGNMENT", requiring consent to assignment and the payment of a transfer fee shall not apply to such sale. Any approved encumbrancer (leasehold mortgagee) shall not become personally liable for obligations of this Lease except for those which accrue after it becomes the owner of the leasehold estate by foreclosure (including a Trustee's Sale under a Power of Sale or an acceptance of an assignment or Deed in Lieu of Foreclosure), assignment or otherwise,

and thereafter shall remain liable for such obligations only so long as the leasehold mortgage remains the owner.

62696 (D) Lessor agrees that it will (1) deliver to any approved encumbrancer ("leasehold mortgagee") a copy of any notice of default delivered to Lessee, and (2) not terminate this Lease because of any default or breach hereunder on the part of Lessee, authorized by the Article hereof entitled "DEFAULT", if within forty-five (45) days after service of written notice from Lessor expressing Lessor's intention to terminate this Lease for such default or breach and describing the same, the holder of the trust deed shall cure such default or breach if the same can be cured by the payment or expenditure of money, or in the event such default or breach is not so curable, shall within said forty-five (45) day period commence and thereafter diligently pursue to complete proceedings for foreclosure and sale under and pursuant to the trust deed, and shall keep and perform all of the covenants and conditions of said Lease requiring the payment or expenditure of money by the Lessee until such time as said leasehold shall be sold upon foreclosure pursuant to the trust deed, or shall be released or reconveyed thereunder; provided, however, that if the holder of the trust deed shall fail or refuse to comply with any and all of the conditions of this subparagraph (c) then and thereupon Lessor shall be released from the covenants of forbearance herein contained. Encumbrancer shall be excused from pursuing foreclosure to the extent necessary to comply with any injunction or order of a court of competent jurisdiction affecting the ability of encumbrancer to lawfully proceed with foreclosure.

## 20. DEFAULT

(A) Should Lessee (i) use the Leased Premises or suffer the same to be used for any purpose other than as authorized in the Lease; or, (ii) fail to maintain Lessee's improvements or to carry out the work of repair or restoration (including removal of debris) required of Lessee in the event of damage to or destruction of such improvements at the times and in the manner herein provided; or (iii) should Lessee default in the payment of any installment of rent or any other sum when due as hereinabove in this Lease provided; or (iv) should Lessee fail to pay or caused to be paid any tax, assessment, insurance premium, lien, judgment or other charge provided in this Lease to be paid or cause to be paid by Lessee at the times and in the manner herein provided; or (v) should Lessee default in the performance of or breach any other covenants, conditions or restrictions provided in this Lease to be kept or performed by Lessee; or (vi) should Lessee be in default under the terms of any encumbrance of the leasehold; or (vii) should any right or interest of Lessee under this Lease be attached, levied upon or seized under legal process and the same shall not have been released therefrom within thirty (30) days or should a receiver or liquidator be appointed to take possession of the Leased Premises or should Lessee

within thirty (30) days; and if any such default or breach shall continue uncured or unrectified for a period of thirty (30) days for items (A) (i), (ii), (v), (vi) and (vii) and ten (10) days for items (A) (iii) and (iv) from and after written notice thereof by Lessor to Lessee, in which notice Lessor shall specify the nature of the claimed default or breach, then and in any such event Lessor may either:

- (1) Terminate this Lease or the leasehold interest created by it and re-enter the premises, either with or without process of law, and remove all persons therefrom and repossess and enjoy the Premises, together with all additions, alterations and improvements thereto. Upon such termination, Lessor may recover from Lessee all damage he may incur by reason of said breach, including:
  - (i) the worth at the time of the award of the unpaid rent which had been earned at the time of termination;
  - (ii) the worth at the time of the award of the amount by which the unpaid rent would have been earned after termination until the time of the award exceeds the amount of such rental loss that Lessor proves could have been reasonably avoided;
  - (iii) 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 such rental loss for such period that Lessee proves could have been reasonably avoided;
  - (iv) any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of the award" of the amounts referred to in subparagraphs (i) and (ii) hereinabove is computed by allowing interest at the rate of ten percent (10%) per annum. The "worth at the time of the award" of the amount referred to in subparagraph (iii) hereinabove is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%). Lessor may relet this property prior to the time of the award for breach of this Lease by Lessee.

(2) Efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease do not waive Lessor's right to recover damages under this paragraph and nothing herein shall effect the right of Lessor to indemnification for personal liability arising prior to termination of this Lease for personal injuries or property damage as otherwise provided in this Lease.

(3) Anything to the contrary notwithstanding, as an additional option, even though Lessee has breached this Lease and abandoned the property, this Lease continues in effect for so long as Lessor does not terminate Lessee's right to possession; Lessor may enforce all his rights and remedies under this Lease including the right to recover rent as it becomes due under this Lease. This remedy being granted pursuant to the provisions of Section 1951.4 of the Civil Code of the State of California. For purposes of this section, the following acts do not constitute a termination of Lessee's right to possession:

(i) acts of maintenance or preservation or efforts to relet the property;

(ii) the appointment of a receiver on initiative of Lessor to protect his interest under this Lease.

(B) No waiver of a breach of any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

## 21. REMOVAL

(A) All buildings and improvements, excluding removable personal property on the Leased Premises, shall remain on said property after the termination of this Lease and shall thereupon become the property of the Lessor or the Master Lessor if the Lease expires concurrently with the Master Lease.

(B) The term "removable personal property" as used in this Article shall not include property which normally would be attached or affixed to the buildings, improvements or land in such a way that it would become a part of the realty, regardless of whether such property is in fact so placed in or on or affixed or attached to the buildings, improvements or land in such a way as to legally retain the characteristics of personal property.

(C) The Lessee expressly waives the provisions of state and local law pertaining to improvements affixed to the land by any person acting in good faith and erroneously believing because of a mistake either of law or fact that he has a right to remove such improvements.

## 22. NOTICES

62696 Any notice to be given or other document to be delivered by either party to the other hereunder may be delivered in person to Lessor or to Lessee, or may be deposited in the United States mail within Riverside County, California, registered with postage prepaid, return receipt requested, and addressed to the party for whom intended as follows: To Lessor at First Nationwide Network Mortgage Company; and to Lessee at such address as shall be furnished Lessor in writing for such purpose, or if no address be so furnished, then to Lessee at the mailing address for the Unit described in this Lease. Either party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one above specified. If any notice or other document is sent by registered mail, as aforesaid, the same shall be deemed served or delivered twenty four (24) hours after mailing thereof as above provided. Should Lessee consist of more than one (1) person, the personal delivery or mailing of such notice to any one of such persons shall constitute complete service upon all such persons. Any notice to be given by Lessor to any encumbrancer of Lessee shall be served in the same manner as hereinabove provided and shall be delivered or directed to the encumbrancer at its address as last shown on the records of Lessor. Provided, however, actual delivery of any notice to be delivered to any approved encumbrancer is required and such notice will be effective only as of the date of actual receipt.

## 23. REMEDIES AND ATTORNEYS' FEES

All rights, options and remedies of Lessor contained in this Lease shall be construed and held to be cumulative and not exclusive, and Lessor shall have the right to pursue any one or all of such remedies, or any other remedy which may be provided by law, whether or not stated in the Lease. No waiver by Lessor of any breach of any of the covenants or conditions of this Lease by Lessee shall constitute a waiver of any succeeding or preceding breach of the same or any other covenant or condition herein contained. Should Lessor institute any action to enforce or protect or establish any of its rights and remedies hereunder, then Lessee agrees to pay Lessor all costs incurred in said action, including a reasonable sum as attorneys' fees, whether such action is prosecuted to judgment or not.

## 24. CONDEMNATION

If at any time during the term hereof, the Leased Premises, or any part thereof, is taken or condemned by public authority under the laws of eminent domain, then and in every such case, and subject to the provisions of the Declaration, the leasehold estate and interest of Lessee in the property taken, shall forthwith terminate, and all compensation awarded by reason of such

condemnation shall be paid to Lessee, Lessor, Master Lessor and encumbrancer as their interests may appear. If only a part of the Leased Premises shall be taken or condemned, subject to the provisions of the Declaration, this Lease shall continue as to the remainder thereof, provided that if any portion of the Leased Premises be so taken or condemned, the rent thereafter payable hereunder for the remainder of the term hereof shall be reduced in the proportion that the area of the Leased Premises so taken bears to the total area of the Leased Premises, and Lessor shall refund to Lessee the unearned portion, if any, of the monthly installment of rent which shall have been paid by Lessee in advance, and provided further, that in the event the result of the taking or condemnation is to substantially impair the usefulness of the Leased Premises for the intended purposes, or to substantially impair the use of the Common Area, Lessee may terminate this Lease by written notice to Lessor given within sixty (60) days after possession of the Leased Premises so taken or condemned has passed to such public authority, in which event Lessee shall pay Lessor any rent accruing hereunder to the date of termination and all unpaid taxes and assessments then a lien upon the Leased Premises. In the event of a dispute between the parties concerning their respective rights pursuant to the provisions of this Article, such dispute shall be determined by arbitration under the rules of the American Arbitration Association.

#### 25. HOLDING OVER

This Lease shall terminate and become null and void without further notice upon the expiration of the term herein specified and any holding over by Lessee after the expiration of said term shall not constitute a renewal hereof or give Lessee any rights hereunder or in or to the Leased Premises, except as otherwise provided in this Lease, it being understood and agreed that this Lease cannot be renewed, extended or in any manner modified except in writing signed by both parties hereto, provided, however, that nothing in this Article shall be construed to alter or impair the provisions of the Article hereof entitled "REMOVAL".

#### 26. REPRESENTATIONS

Lessee covenants and agrees that he has examined the Leased Premises and that the same are delivered to him in good order and condition and that no representations as to said Premises have been made by Lessor or by any person or agent acting for Lessor, and subject to the provisions of the Declaration, it is agreed that this document contains the entire agreement between the parties hereto and that there are no verbal agreements, representations, warranties, or other understandings affecting the same and Lessee, as a material part of the consideration hereof, hereby waives all claims against Lessor for rescission, damages, or otherwise by reason of any alleged covenants, agreements or understanding not contained in this Lease.

27. CONSTRUCTION AND EFFECT

Time is of the essence of this Lease. The article headings herein are used only for the purpose of convenience and shall not be deemed to contain the subject matter of articles herein, nor to be considered in the construction hereof. This Lease and each and all of the covenants, conditions and restrictions hereof shall inure to the benefit of and shall bind the successors and assigns of Lessor, and the successors and assigns and subtenants of Lessee, and all reference to Lessee or Lessor shall include the successors of said respective parties unless the context shall otherwise require. If any successor Lessee consists of more than one (1) person, the covenants and obligations of Lessee hereunder shall be the joint and several covenants and obligations of such persons. In this Lease the masculine gender includes the feminine and neuter, and the singular number includes the plural, whichever the context so requires.

28. SURRENDER

Termination of the Business Sublease, by cancellation or otherwise, shall not serve to cancel this Sublease and/or any subtenancy hereunder but shall operate as an assignment to the sublessor under the Business Sublease of the Lessor's interest herein. Termination of the Master Lease (and thereby the Business Sublease), by cancellation or otherwise, shall not serve to cancel this Sublease and/or any subtenancy hereunder but shall operate as an assignment to the Master Lessor of Lessor's interest herein. Until Lessee is notified of any such termination, there shall no liability to the sublessor under the Business Sublease or to Master Lessor, as the case may be, for the performance of the covenants and conditions herein which have been performed for the benefit of Lessor herein.

IN WITNESS WHEREOF, each of the parties hereto has caused this Lease to be executed the day and year first above written.

LESSOR:

1ST NATIONWIDE NETWORK MORTGAGE COMPANY, FORMERLY,  
UNITED CITIZENS MORTGAGE COMPANY,  
A Corporation

LESSEE:

By:

  
RICHARD GABER, VICE PRES.

By:

  
SUSAN I. EDWARDS, ASST. SECTY

27. CONSTRUCTION AND EFFECT

Time is of the essence of this Lease. The article headings herein are used only for the purpose of convenience and shall not be deemed to contain the subject matter of articles herein, nor to be considered in the construction hereof. This Lease and each and all of the covenants, conditions and restrictions hereof shall inure to the benefit of and shall bind the successors and assigns of Lessor, and the successors and assigns and subtenants of Lessee, and all reference to Lessee or Lessor shall include the successors of said respective parties unless the context shall otherwise require. If any successor Lessee consists of more than one (1) person, the covenants and obligations of Lessee hereunder shall be the joint and several covenants and obligations of such persons. In this Lease the masculine gender includes the feminine and neuter, and the singular number includes the plural, whichever the context so requires.

28. SURRENDER

Termination of the Business Sublease, by cancellation or otherwise, shall not serve to cancel this Sublease and/or any subtenancy hereunder but shall operate as an assignment to the sublessor under the Business Sublease of the Lessor's interest herein. Termination of the Master Lease (and thereby the Business Sublease), by cancellation or otherwise, shall not serve to cancel this Sublease and/or any subtenancy hereunder but shall operate as an assignment to the Master Lessor of Lessor's interest herein. Until Lessee is notified of any such termination, there shall no liability to the sublessor under the Business Sublease or to Master Lessor, as the case may be, for the performance of the covenants and conditions herein which have been performed for the benefit of Lessor herein.

IN WITNESS WHEREOF, each of the parties hereto has caused this Lease to be executed the day and year first above written.

LESSOR:

LESSEE:

UNITED CITIZENS MORTGAGE COMPANY,  
A Corporation

By: \_\_\_\_\_

  
MICHAEL FANTORE

By: \_\_\_\_\_

RAMIRO GARCIA

62696  
STAPLE HERE

CAT. NO. NND0737  
TO 21846 CA (11-83)

(Corporation)

**TICOR TITLE INSURANCE**

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE } ss.

On JUNE 15, 1984

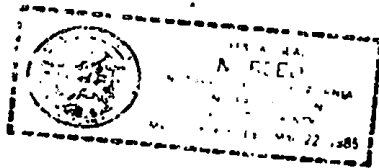
before me, the undersigned, a Notary Public in and for

said State, personally appeared RICHARD GABER  
personally known to me or proved to me on the basis  
of satisfactory evidence to be the person who executed  
the within instrument as the VICE  
President, and SUSAN T. EDWARDS

personally known to me or  
proved to me on the basis of satisfactory evidence to be  
the person who executed the within instrument as the  
ASSISTANT Secretary of the Corporation  
that executed the within instrument and acknowledged  
to me that such corporation executed the within instru-  
ment pursuant to its by laws or a resolution of its  
board of directors

WITNESS my hand and official seal

Signature: [Signature]



(This area for official notarial seal)

ed,

se  
f of  
such

cal.

STATE OF CALIFORNIA )

) ss.

COUNTY OF RIVERSIDE )

On \_\_\_\_\_, 198\_, before me, the undersigned,  
personally appeared \_\_\_\_\_

/ / personally known to me  
/ / proved to me upon the basis of satisfactory evidence  
to be the person who executed the within instrument on behalf of  
the Corporation therein named, and acknowledged to me that such  
Corporation executed the it

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE SS

On November 23, 1984

before me

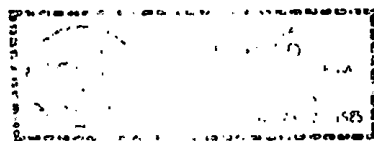
M. REED

(here insert the name & quality of the officer)

personally appeared MICHAEL FANTORE AND  
RAMIRO GARCIA

personally known to me (or proved to me on the basis of satisfactory  
evidence) to be the person whose name is subscribed to this instrument  
and acknowledged that he (she or they) executed it

Signature: [Signature]



Notary Public in and for said County and State

FOR NOTARY SEAL OR STAMP

62696

Notary

CHICAGO TITLE  
Personal Acknowledgement

Notary

EXHIBIT "A"

LEGAL DESCRIPTION OF CONDOMINIUM SUBLEASE  
TRACT 15687

A SUBLEASEHOLD CONDOMINIUM COMPOSED OF:

PARCEL 1:

An undivided 1/110th interest in and to Lot 1 of Tract No. 15687 and the improvements thereon in the County of Riverside, State of California, as per Map recorded on September 15, 1983, in Map Book 135, Page 8 through 9, inclusive, of Maps, in the office of the County Recorder of said County ("said Tract").

EXCEPTING therefrom and reserving to Lessor, its heirs, successors and assigns, each of the following:

- (1) Units 1 through 110, inclusive, as shown on the Condominium Plan recorded on October 10, 1984, as Instrument No. 219080 of Official Records, in the office of the County Recorder of Riverside County, California.
- (2) A non-exclusive easement over all parking spaces shown on said Condominium Plan, together with the right to convey same to others.

PARCEL 2:

Unit 48, as shown on said Condominium Plan.

PARCEL 3:

An exclusive easement and right to use Parking Space No. A C AND D, as shown on said Condominium Plan, said Space constituting Restricted Common Area as defined in the Declaration.

62696

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
PALM SPRINGS OFFICE

APPROVAL OF CONDOMINIUM SUBLEASE

The within form of Condominium Sublease to Business Lease No. PSL-271, consisting of 18 pages and attached Exhibit "A", is hereby approved for use in conveying subleasehold estates in and to condominium units located within Tract 15687.

Dated: 11/11/68

William E. Gianelli  
WILLIAM E. GIANELLI, ACTING DIRECTOR  
BUREAU OF INDIAN AFFAIRS  
DEPARTMENT OF THE INTERIOR  
PALM SPRINGS OFFICE

Pursuant to the authority delegated by  
209 DM & 10 BIAW 31 and Sacramento  
Area Office Re-delegation Order No. 1  
(45 F.R. 3013)

SCHEDULE OF PROPOSED RENTS

FOR

THE BIARRITZ

NO. PSL-271

The Sublease Rent until January 1, 1986 will be:

| <u>No. of Units</u> | <u>Rent per Month<br/>per Unit</u> | <u>Total Monthly Rent</u> |
|---------------------|------------------------------------|---------------------------|
| 110                 | \$26.52                            | \$ 2,917.20<br>x 12       |
| TOTAL ANNUAL RENT   |                                    | \$35,006.40               |

The Sublease Rent after January 1, 1986 will be:

| <u>No. of Units</u> | <u>Rent per Month<br/>per Unit</u> | <u>Total Monthly Rent</u> |
|---------------------|------------------------------------|---------------------------|
| 110                 | \$53.00                            | \$ 5,830.00<br>x 12       |
| TOTAL ANNUAL RENT   |                                    | \$69,960.00               |

The above Schedule of Proposed Rents for The Biarritz project is hereby approved.

Dated: 5-1-85

William H. Gianelli  
William H. Gianelli, Acting Director  
Department of the Interior  
Bureau of Indian Affairs  
Fair Springs Office

Pursuant to the authority delegated by  
205 DM 8. 10 BIAM 3 1. and Sacramento  
Area Office Redlegation Order No 1  
(43 F.R. 30131)