

**CONSENT TO ENCUMBRANCE AND ESTOPPEL CERTIFICATE  
(With Access to Premises)**

THIS CONSENT TO ENCUMBRANCE AND ESTOPPEL CERTIFICATE ("Consent") is dated for reference purposes and entered into as of May 15, 2017, by and among The City of Riverside ("Landlord"), JVE Holding, LLC ("Tenant"), and Commonwealth Business Bank ("Lender"), with reference to the following facts:

**1. RECITALS**

1.1 Landlord and Tenant have entered into that certain lease dated October 15, 2014 ("Lease") covering certain premises located in San Bernardino County, California, commonly known as 1408 - 1520 South E St., San Bernardino, CA 92408 ("Premises").

1.2 Lender has made or is about to make a loan to Tenant in the amount of Two million (\$ 2,000,000.00) ("Loan"). Repayment of the Loan is/will be secured by a leasehold deed of trust ("Deed of Trust") encumbering Tenant's leasehold interest in the Premises created by the Lease ("Leasehold"). As additional security for the repayment of the Loan, Tenant has granted to Lender a security interest in certain personal property assets of Tenant that stored or used in or on the Premises (collectively, the "Collateral").

1.3 As a condition to making the Loan, Lender requires that Landlord consent to the encumbrance of the Leasehold and that Landlord and Tenant modify the Lease to provide, among other things, that Lender shall have certain rights with regard to the encumbrance of the Leasehold. Landlord and Tenant have agreed to modify the Lease subject to the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL BENEFITS ACCRUING TO THE PARTIES HERETO AND OTHER VALUABLE CONSIDERATION THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, AND IN ORDER TO INDUCE LENDER TO MAKE THE LOAN OR EXTENSION OF CREDIT REFERRED TO ABOVE, THE PARTIES HERETO DECLARE, UNDERSTAND AND AGREE TO THE FOLLOWING TERMS.

**2. CONSENT**

2.1 **Landlord's Consent.** Landlord hereby consents to the encumbrance of the Leasehold as evidenced by the Deed of Trust executed by Tenant in connection with the Loan. Landlord further consents to the security interest granted to Lender in the Collateral.

2.2 **~~Surrender of Premises; Amendment of Lease.~~** ~~Landlord agrees that it shall not allow or agree to any cancellation, mutual termination, surrender, acceptance of surrender, modification, or amendment of the Lease without the prior written consent of Lender.~~

2.3 **Access to Premises.** Landlord hereby grants to Lender a license to enter the Premises at all reasonable times to assemble, have appraised, display, sever, remove, maintain, prepare for sale or lease, repair, lease, transfer and/or sell at public auction(s) or private sale(s) the Collateral. The Collateral may remain on the Premises for a period of up to sixty (60) calendar days after termination of the Lease or Landlord's exercise of its rights to possess the Premises. During the above-described sixty (60) calendar day period, or for such shorter period as the Collateral may remain on the Premises, Lender shall pay to Landlord, periodically, a daily license fee equivalent to one-thirtieth (1/30th) of the minimum monthly rental provided for in the Lease (but without incurring any other obligation of Tenant under the Lease), which amount shall be paid prior to Lender's removal of any of the Collateral. Any extensions of the foregoing sixty (60) calendar day period shall only be with the written consent of Landlord, and shall be at the same rate. If Lender chooses to remove the Collateral, Lender shall, at Lender's sole cost and expense, repair any damage resulting from the removal of the Collateral from the Premises.

2.4 **Indemnification.** By signing this Consent, Tenant hereby agrees, to indemnify, defend and hold Landlord harmless from any and all claim, loss, cost, liability, damage, and/or expense, including, without limitation, attorney fees and costs, incurred in connection with, or arising from, the exercise of Lender's rights under Consent. This section shall survive the expiration or earlier termination of the Lease.

3. **LANDLORD'S AGREEMENT.** In consideration of the agreement by the Lender to make the Loan to Tenant, Landlord agrees to the following:

1	CONSENT TO ENCUMBRANCE AND MODIFICATION OF LEASE
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**3.1 Notice to Lender.** Landlord shall provide Lender with a duplicate copy of any and all notices that Landlord from time to time may give to or serve on Tenant pursuant to or relating to the Lease.

**3.2 Rights of Lender.** If the Tenant defaults under any of the documents evidencing the Loan, Lender shall have the right during the term of the Lease, to the extent permitted by the such Loan documents, to realize on the security afforded by the Deed of Trust by acquiring the Leasehold at Lender's own foreclosure sale or by accepting from Tenant an assignment of the Leasehold in lieu of foreclosure; provided, however, that Lender shall be bound by all the terms and conditions of the Lease from and after the date of its acquisition of the Leasehold. Lender may cause the encumbrance evidenced by the Deed of Trust to be foreclosed in any lawful way and, notwithstanding anything contained in the Lease, Lender may sell and assign the Leasehold or sublet all or any portion of the Premises. In the event of a foreclosure sale, judicial or otherwise, or a transfer in consideration of the extinguishment of the Loan, the purchaser shall acquire all the rights of Tenant under the Lease and Landlord shall accept performance from such purchaser as the Tenant under the Lease.

**3.3 Right of Lender to Cure Defaults.** Before Landlord may terminate the Lease because of any default under or breach of the Lease by Tenant, Landlord must give written notice of such default or breach to Lender and afford Lender the opportunity after service of the notice to:

- a. Cure the default or breach within 30 days after the date on which Lender receives notice from Landlord of such default or breach, where the default or breach can be cured by the payment of money to Landlord or some other person;
- b. Cure the default or breach within 30 days after the date on which Lender received notice from Landlord of such default or breach, where the default or breach must be cured by something other than the payment of money and can be cured within that time; and
- c. Cure the default or breach in such reasonable time as may be required after the date on which Lender receives notice from Landlord of such default or breach, where something other than money is required to cure the default or breach and cannot be performed within 30 days, provided that within 30 days Lender commences to act to cure the default or breach within that time period after service of notice of such default on Lender by Landlord and thereafter pursues such cure diligently and Lender actually completes such cure within a time that is reasonable under the circumstances.

**3.4 No Merger of Leasehold and Fee Estates.** During the term of the Loan and until the Loan is repaid in full, there shall be no merger of the Leasehold and the fee estate in the Premises without the written consent of Lender merely because both estates have been acquired or become vested in the same person or entity.

**3.5 Lender as Assignee of Lease.** Lender shall not be liable to Landlord as an assignee of the Leasehold unless and until such time as Lender acquires the Leasehold through foreclosure or other proceedings in the nature of foreclosure or as a result of some other action or remedy provided by law or the Deed of Trust. If Lender shall acquire title to the Leasehold by foreclosure, assignment in lieu of foreclosure, or assignment from a designee, Lender may assign such interest and thereupon shall be released from all liability and obligation for the performance or observance of the covenants and conditions of the Lease after the date of such assignment, provided that Lender's assignee shall have assumed all such liability and obligation for the performance or observance of the covenants and conditions of the Lease.

#### **4. ESTOPPEL CERTIFICATE**

In consideration of the agreement by the Lender to make the Loan to Tenant, Landlord advises and represents to the Lender that:

**4.1** The term of the Lease commenced January 01, 2013 and will end on January 1, 20 68 , unless sooner terminated as provided in the Lease.

**4.2** The Lease constitutes the complete lease agreement between Landlord and Tenant with respect to the Premises and there are no other agreements between Landlord and Tenant that are binding on Tenant, or that might affect the rights or obligations of Tenant or Lender, with respect to such Premises

**4.3** Landlord is the owner of all right, title, and interest of the "Landlord" under the Lease, and has made no assignments of such interest in the Lease, as security and otherwise

4.4 Tenant has no options or other rights to extend the term of the Lease, except as follows (please indicate the number of renewal options, the term of each renewal option, and the date by which each renewal option must be exercised, and if there are no renewal options, so state): No renewal options

4.5 The Lease is valid and is in full force and effect and has been duly executed and delivered by, and is the binding obligation of Landlord as set forth therein.

4.6 Except as set forth herein, there are no modifications, supplements, arrangements or understandings, oral or written, of any sort, modifying, amending, altering, supplementing or changing the terms of the Lease.

4.7 Tenant is currently paying the rent due under the Lease and performing the other obligations of Tenant under the Lease. All rent and other payments due from Tenant under the Lease are current. Except for the current month's rent. Tenant has not paid any rent under the Lease in advance, except as follows (if none, so state): None

The monthly base rent payable to Landlord under the Lease is \$12,099 and 22 /100 Dollars (\$12,099.22), payable in advance on the 1st of each month. The monthly base rent is adjustable only as set forth in the Lease.

4.8 Tenant has not paid or delivered to Landlord a Security Deposit or other similar deposit, except as follows: None

4.9 To the best of Landlord's actual knowledge: (i) Tenant has performed all of the obligations required to be performed by it under the terms of the Lease to the date hereof; (ii) Tenant is not in default of any of its obligations under the Lease, and no event has occurred that, with the giving of notice or the lapse of time, or both, would constitute such a default; and (iii) Landlord has no claims, offsets, credits, expenses, deductions or defenses against Tenant under the Lease as of the date hereof.

4.10 To the best of Landlord's actual knowledge, Landlord is not in default of any of its obligations under the Lease, and no event has occurred that, with the giving of notice of the lapse of time, or both, would constitute such a default.

## 5. GENERAL PROVISIONS

5.1 **Time of the Essence.** Time is hereby declared to be of the essence of this Consent and of every part hereof.

5.2 **Notices.** Except as otherwise provided herein, any notice or other communication required or permitted to be given under this Consent shall be in writing and shall be personally served by messenger, or sent by a commercial overnight delivery service (such as Federal Express), or by certified mail, return receipt requested, and shall be deemed given on the date actually received if served by messenger, or on the next business day after deposit with an overnight delivery service, or on the date of receipt as shown on the return receipt if sent by certified mail. The addresses of the parties to which notices and other communications shall be sent (until notice of a change thereof is served as provided herein) are set forth below. Lender, Landlord or Tenant may change its address for giving notices or demands hereunder by written notice of such change to the other parties in accordance with the provisions hereof.

5.3 **Entire Agreement; Amendment.** This Consent and any agreements, instruments or documents referred to herein constitute the entire agreement among the parties hereto regarding the subject matter hereof, and all prior and/or contemporaneous communications, verbal or written, between Lender and Borrower regarding the subject matter hereof shall be of no further effect or evidentiary value. This Consent can be amended only by a written agreement executed by duly authorized representatives of Lender, Landlord and Tenant.

5.4 **Construction of Agreement.** Neither this Consent nor any uncertainty or ambiguity herein shall be construed or resolved against Lender, Landlord or Tenant, whether under any rule of construction or otherwise. On the contrary, this Consent has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

5.5 **Severability.** Each provision of this Consent shall be severable from every other provision of this Consent for the purpose of determining the legal enforceability of any specific provision.

5.6 **Headings.** All section headings and section numbers have been set forth herein for convenience of reference only, and shall not limit or affect the meaning or interpretation of any section hereof.

**5.7 Successors and Assigns.** This Consent shall bind and inure to the benefit of the respective successors and assigns of each of the parties.

**5.8 Governing Law.** This Consent and all other agreements and instruments required by Lender in connection herewith shall be governed by and construed in accordance with the laws of the State of California.

**5.9 Counterpart Execution.** This Consent may be executed in several counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same Consent.

**5.10 "Venue and Attorney's Fees.** Any action at law or in equity brought by either party hereto for the purpose of enforcing a right or rights provided for by this Consent shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term or condition of this Agreement, it is mutually agreed that all parties shall bear their own attorneys' fees."

**5.11 Lease in Full Force and Effect.** Except as amended or supplemented by this Consent, the terms and condition of the Lease remain in full force and effect. In the event, however, of any inconsistency or conflict between the terms of this Consent and the Lease, the terms of this Consent shall prevail.

IN WITNESS WHEREOF, this Consent is executed on behalf of the parties' duly authorized representatives on the date(s) indicated below and effective as of the date set forth above.

DATE: \_\_\_\_\_

DATE: 6/22/2017

LANDLORD:

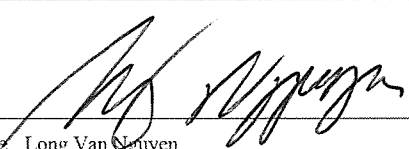
The City of Riverside,  
a California charter city and municipal corporation

TENANT:

JVE Holding, LLC,  
a California limited liability company

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By   
Name Long Van Nguyen  
Title Member

Address: 4001 Inglewood Ave #101-327  
Redondo Beach, CA 90278  
Tel.: 714-454-1124  
Email: jimmylong1972@gmail.com

APPROVED AS TO FORM:

BY: Susan Wells  
ASSISTANT CITY ATTORNEY

DATE: June 21, 2017

**LENDER:**

Commonwealth Business Bank,  
a

By 

Name Alex Choi

Title EVP & CCO

Address: 3435 Wilshire Blvd #700

Los Angeles, CA 90010

Tel.: 323-648-3171

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

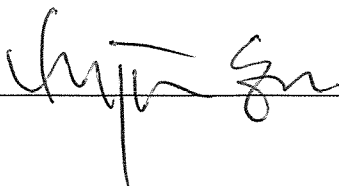
### ACKNOWLEDGMENT

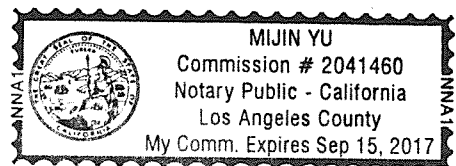
STATE OF CALIFORNIA                    )  
  )  
COUNTY OF LOS ANGELES                    )

On June 21, 2017 before me, Mijin Yu, a Notary Public in and for said State, personally appeared Alex Choi who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~)(~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



(seal)