

EXHIBIT B

When recorded mail to:

City of Yuma
Office of the City Clerk
One City Plaza
Yuma, AZ 85364

THIRD AMENDMENT TO YUMA RIVERFRONT DEVELOPMENT FIRST PHASE LAND AND IMPROVEMENTS LEASE

This Third Amendment to Yuma Riverfront Development First Phase Land and Improvements Lease ("Third Phase I Lease Amendment") is made as of _____, 20__, by and between CITY OF YUMA, ARIZONA, an Arizona municipal corporation ("City" or "Landlord"), and KESARI HOSPITALITY LLC, an Arizona limited liability company ("Hotel Tenant" or "Tenant").

RECITALS

A. Master DDA. City and Clark-Lankford, LLC, a Delaware limited liability company ("Developer or "Master Developer"), entered into an Amended and Restated Yuma Riverfront Master and First Phase Development and Disposition Agreement dated January 21, 2009 (the "2009 DDA"), and recorded on February 5, 2009, at Fee No. 2009-03198, Official Records of Yuma County, Arizona ("Official Records"), as amended by (i) a First Amendment to Amended and Restated Yuma Riverfront Master and First Phase Development and Disposition Agreement, dated March 17, 2009 (the "First Amendment to 2009 DDA"), and recorded on March 24, 2009, at Fee No. 2009-08128, Official Records; (ii) a Second Amendment to Amended and Restated Yuma Riverfront Master and First Phase Development and Disposition Agreement, dated May 26, 2010 (the "Second Amendment to 2009 DDA"), and recorded on May 27, 2010, at Fee No. 2010-13305, Official Records; (iii) a Third Amendment to Amended and Restated Yuma Riverfront Master and First Phase Development and Disposition Agreement, dated May 19, 2011 (the "Third Amendment to 2009 DDA"), and recorded on June 17, 2011, at Fee No. 2011-14282, Official Records; (iv) a Fourth Amendment (the "Fourth Amendment to 2009 DDA") in Section 1.3 of the Amended and Restated Phase 2 Development and Disposition Agreement, Partial Assignment of Master Developer's Interest and Fourth Amendment of Master DDA, dated March 31, 2016, and re-recorded at Fee No. 2016-22363, Official Records; and (v) a Fifth Amendment (the "Fifth Amendment to 2009 DDA") in Section 1.3 of the Yuma Pivot Point Phase Three Component Real Property Sale and Development Agreement, Partial Assignment of Master Developer's Interest, Covenants and Fifth Amendment of Master DDA, dated and recorded on October 10, 2017, at Fee No. 2017-25413, Official Records (the "Phase Three Extended Hotel Agreement"). The 2009 DDA together with such First, Second, Third, Fourth and Fifth Amendments to the 2009 DDA are herein collectively called the "Master DDA" and in their entirety amended and restated the document recorded in the Official Records on January 19, 2005 at Fee No. 2005-02309, such latter document having replaced the document recorded in the Official Records at Fee No. 2004-44007.

B. Phase I Lease. Pursuant to and in furtherance of the Master DDA, City, as landlord, and Developer, as tenant, entered into the Yuma Riverfront Development First Phase Land and Improvements Lease dated June 16, 2005, and recorded on June 28, 2005, at Fee No. 2005-27767, Official Records, as amended by (i) the First Amendment to Yuma Riverfront Development First Phase Land and Improvements Lease dated May 26, 2010, and recorded on May 27, 2010, at Fee No. 2010-13304, Official Records (the “**First Phase I Lease Amendment**”); (ii) the Second Amendment to Yuma Riverfront Development First Phase Land and Improvements Lease dated June 13, 2011, and recorded on June 17, 2011, at Fee No. 2011-14281, Official Records (the “**Second Phase I Lease Amendment**”); and (iii) this Third Phase I Lease Amendment, and as affected by that Modification Agreement (defined below) (collectively, the “Phase I Lease”).

C. Hotel and Conference Center. The Phase I Lease contemplated the development and construction of improvements, including, but not limited to, the construction of improvements now known as the Hilton Garden Inn Yuma (aka Pivot Point Hotel) and a separate Conference Center, located at 310 North Madison Avenue, Yuma, Arizona 85364 (collectively the “Hotel and Conference Center Improvements”). The Hotel and Conference Center Improvements are located on real property legally described on Exhibit A attached to this Third Phase I Lease Amendment. The Hotel and Conference Center Improvements and the real property legally described on such Exhibit A are hereinafter collectively called the “Hotel and Conference Center” or the “Hotel and Conference Center Premises” or the “Hotel and Conference Center Component”).

D. Modification Agreement. City, Developer and Hotel Tenant entered into (or will enter into contemporaneously with this Third Phase I Lease Amendment) that certain Yuma Riverfront Modification Agreement dated of even date with this Third Phase I Lease Amendment, and recorded contemporaneously herewith in the Official Records (the “Modification Agreement”), pursuant to which City, Developer and Hotel Tenant among other things modified and amended the Master DDA and approved of and authorized this Third Phase I Lease Amendment.

E. Assignment of Phase I Lease. Pursuant to the Modification Agreement, the Sublease referenced therein was terminated and Developer assigned to Hotel Tenant all of Developer’s right, title and interest in and to the Phase I Lease, whereby (i) Hotel Tenant was substituted as the Tenant under the Phase I Lease in place of Developer, (ii) City approved of Developer’s assignment of the Phase I Lease to Hotel Tenant, and agreed to recognize Hotel Tenant as the Tenant under the Phase I Lease, and, (iii) in accordance with Section 3 of the aforesaid Second Amendment to the Phase I Lease, the Premises demised by the Phase I Lease were limited to the Hotel and Conference Center Premises.

F. Amendment. City, as Landlord, and Hotel Tenant, as Tenant under the Phase I Lease now desire to further modify and amend the Phase I Lease, as provided in this Third Phase I Lease Amendment.

G. Effective Date. This Third Phase I Lease Amendment, the Modification Agreement and the termination of the Sublease shall be effective (the “Effective Date”) upon the date of (i) the consummation of the following described New Loan to Hotel Tenant and (ii) the

pay-off of the following described Existing Loan, with respect to the Hotel and Conference Center Improvements:

(a) New Loan: That certain loan from Wells Fargo Bank, National Association to Hotel Tenant and secured by that certain Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated on or around the Effective Date.

(b) Existing Loan: That certain loan from Western Alliance Bank, an Arizona corporation, to Hotel Tenant and secured by that certain Subleasehold Deed of Trust, Security Agreement and Fixture Filing dated as of January 14, 2016 and recorded on January 19, 2016, at Fee No. 2016-01170, Official Records.

Hotel Tenant or the lender under such New Loan will provide written notice of the Effective Date to City promptly following the occurrence of the Effective Date. If for any reason the Effective Date has not occurred by March 1, 2018, this Third Phase I Lease Amendment, the Modification Agreement and the termination of the Sublease shall be void and of no further force or effect whatsoever.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, City and Hotel Tenant confirm, represent, warrant, covenant and agree as follows:

1. Public Improvements Financing. Section 3.3 of the Phase I Lease (which was superseded by Section 8 of the Third Amendment to the 2009 DDA) is hereby deleted.

2. Development of Hotel and Conference Center; Hotel Reserves. Section 7.1 of the Phase I Lease (concerning the design, construction and development of the Hotel and Conference Center, which has been completed) is no longer relevant and is hereby deleted. To the extent a Leasehold Mortgagee requires Hotel Tenant to maintain reserve funds with such Leasehold Mortgagee designated for furniture, fixture and/or equipment purposes, Hotel Tenant shall not be required to maintain duplicative reserve funds in order to satisfy Hotel Tenant's reserve obligations pursuant to Section 8.2.3 of the Phase I Lease.

3. Premises Limited to Hotel and Conference Center. Section 3 of the aforesaid Second Amendment to the Phase I Lease deleted the Hotel Restaurant Component and the Commercial Component from the Phase I Lease in all respects, thereby limiting the Premises demised by the Phase I Lease to the Hotel and Conference Center. Accordingly, in no event shall Hotel Tenant be obligated to (i) construct the Hotel Restaurant, (ii) indemnify or maintain insurance with respect to the Hotel Restaurant or (iii) maintain, replace or repair any Additional Shared Parking Areas located on the Hotel Restaurant Component site.

4. Annual Rent. As set forth in Section 3.1.1 of the Phase I Lease, no Annual Rent shall be payable for the first thirty-five (35) Lease Years of the Lease Term for the Hotel and Conference Center Component, and after the initial thirty-five (35) Lease Years of the Lease Term, the Annual Rent for the Hotel and Conference Center Component during the remaining Lease Term shall be equal to three percent (3%) of the Hotel Room Revenue for each

preceding Lease Year, all as set forth in in Section 3.1.1 of the Phase I Lease. The parties hereby confirm and agree that Commencement Date of the Lease Term is June 16, 2005, and that the initial thirty-five (35) Lease Years of the Lease Term will end on June 15, 2040, such that the first payment of Annual Rent for the Hotel and Conference Center Component shall be due and payable on June 16, 2041.

5. Public Improvements. The following new Section 22 is hereby added to the Phase I Lease:

22. Public Improvements. Tenant shall continue to possess all rights, benefits and privileges in and to the Public Improvements (as the term “Public Improvements” is used and defined in the Third Amendment to the 2009 DDA) granted for the benefit of the Hotel and Conference Center pursuant to the Master DDA.

6. Trade Names and Trade Marks. The following new Section 23 is hereby added to the Phase I Lease:

23. Trade Names and Trade Marks. Tenant shall continue to comply with the requirement concerning “Yuma” being part of the name of the Hotel and Conference Center as set forth in Section 6.8.1 of the Master DDA. Also, Tenant shall continue to possess all rights in and to the Trade Names and Trade Marks (as those terms are used and defined in Section 6.8.2 of the Master DDA) granted for the benefit of the Hotel and Conference Center, subject to the City’s License and the other provisions in Section 6.8.2 of the Master DDA as they relate to the Hotel and Conference Center.

7. City’s Use of Conference Center. The following new Section 24 is hereby added to the Phase I Lease:

24. City’s Use of Conference Center. As contemplated by Section 6.8.5 of the Master DDA, the City shall continue to have the right to use the Conference Center or individual rooms therein, without base room rental charges, for a maximum of thirty (30) days per calendar year for no more than three (3) consecutive days if reserved by written notice received by Tenant a minimum of six (6) months in advance (the “Reservation Notice”). Dates designated in a Reservation Notice a minimum of six (6) months in advance shall not be changed by Tenant without prior written consent of the City. Dates designated in a Reservation Notice less than six (6) months in advance are subordinate to priority use by Tenant. Notwithstanding the foregoing, reservation of dates requires the City to execute the then-current Conference Center facility use agreement which other parties utilizing the Conference Center will also be required to execute; provided that base room rental charges shall be waived, and food, beverage, audio, visual, and other products or

services will be charged as used at rates no higher than the lowest rates then being charged to other parties utilizing the Conference Center.

8. Tenant's Surcharge. The following new Section 25 is hereby added to the Phase I Lease:

25. Tenant's Surcharge. Because Tenant has replaced Clark-Lankford, LLC as "Tenant" under this Lease, Tenant and its permitted successors and assigns shall collect or require the collection of a one percent (1%) surcharge ("Hotel and Conference Center Surcharge") on all transactions or activities now or hereafter subject to and in addition to any transaction privilege taxes levied or imposed under the City Tax Code that occur within or for the Hotel and Conference Center during the Term of this Lease. The Hotel and Conference Center Surcharge shall be collected and reported to Landlord not more frequently than monthly and in such manner as Landlord shall reasonably determine from time to time. Tenant and its permitted successors and assigns shall require that all agreements, sub-agreements, leases, subleases, management contracts, guest and customer transactions, group and other user agreements or any other document that implements the use, leasing, and operation of the Hotel and Conference Center, contain provisions requiring the payment, collection and reporting of the Hotel and Conference Center Surcharge to Landlord for the Term of this Lease. At the end of the Term of this Lease, the collection of the Hotel and Conference Center Surcharge will terminate. Landlord and Tenant shall execute any mutually acceptable additional agreements or documents necessary to implement this Section 25, particularly those for the collection and reporting procedures to ensure that the Hotel and Conference Center Surcharge is collected and then reported and paid to Landlord. Landlord will deposit Tenant's share ("Tenant's Surcharge Share") of the Hotel and Conference Center Surcharge received by Landlord into the Special Fund referenced in Section 7.2.2 of the Master DDA for disbursement to Tenant pursuant to Section 7.2.3 of the Master DDA; provided that Tenant's Surcharge Share shall be used only for the purpose of operational costs and expenses, maintenance, refurbishment, reconstruction and future expansion of the Conference Center, which shall be evidenced by paid receipts delivered by Tenant to Landlord on a monthly basis as Tenant's expenditures of Tenant's Surcharge Share are made for such purpose. Until January 21, 2019 (the first ten (10) years of the Term of the Master DDA ending on January 20, 2019), Tenant's Surcharge Share will be one hundred percent (100%) of the Hotel and Conference Center Surcharge received by Landlord. Commencing on January 21, 2019, and for the remainder of the Term of this Lease, Landlord and Tenant will equally share the Hotel and Conference Center Surcharge received by Landlord. Landlord's fifty percent (50%) portion of the Hotel and Conference Center Surcharge shall be deposited in a special fund created by Landlord (the "Special Surcharge Fund") that is segregated from other City funds and held in constructive trust for the benefit of and reinvestment in the North End Redevelopment Area (created by City Council Resolution No. 2318 dated August 17, 1983), as such reinvestment is from time to time determined by the City in its sole and absolute discretion.

9. GPLET Abatement. The following new Section 26 is hereby added to the Phase I Lease:

26. GPLET Abatement. Because Tenant has replaced Clark-Lankford, LLC as “Tenant” under this Lease, the commitment of City to provide the benefit of the eight (8) year government property lease excise tax abatement available pursuant to A.R.S. § 42-6209 (the “GPLET Abatement”) is hereby separated into two commitments, one commitment for the benefit of the Hotel and Conference Center demised by this Lease (the “Hotel and Conference Center GPLET Abatement”), and the other commitment for the remainder of the Project (as “Project” is defined in the Master DDA) excluding the Hotel and Conference Center (the “Remaining Project GPLET Abatement”). At the end of the eight (8) year Hotel and Conference Center GPLET Abatement (which abatement ended on November 30, 2017, with the first payment of the GPLET due on December 1, 2018), the following provisions will apply for the remainder of the Term of this Lease and any extensions or renewals thereof:

(a) In addition to the Annual Rent, Tenant shall pay Incremental Rent as set forth in Section 3.2 of this Lease (as amended by the Second Phase I Lease Amendment dated as June 13, 2011), with the first payment of the Incremental Rent due on November 30, 2018. Notwithstanding anything to the contrary in this Lease, in no event shall the Incremental Rent exceed an amount equal to the applicable combined state, county, city and special district assessments and property taxes for the Premises, determined as if the Premises were privately owned and subject to such property taxes and assessments. In determining the GPLET rates required by A.R.S. § 42-6203(A) and § 42-6203(B) as component calculations of the Incremental Rent, Landlord shall utilize the GPLET Return Form and Worksheets for the applicable year as published by the Arizona Department of Revenue (e.g., DOR Forms 82620 and 82620-W), and, for clarity, for Landlord’s determination of Incremental Rent, the GPLET tax rate for A.R.S. § 42-6203(A) shall equal the amount actually payable by Tenant to the Yuma County Treasurer.

(b) The Incremental Rent received from the Hotel and Conference Center shall be deposited in a special fund created by Landlord (the “Special Incremental Rent Fund”) that is segregated from other City funds and held in constructive trust for the benefit of and reinvestment in the North End Redevelopment Area, as such reinvestment is from time to time determined by Landlord in its sole and absolute discretion.

(c) Without limiting Tenant’s rights to contest the amount of Taxes pursuant to Section 5.4 of this Lease, Landlord

shall join in any such contest or permit Tenant to do so in Landlord's name, and such rights of Tenant shall specifically include the right to contest the applicable combined state, county, city and special district assessments and property taxes in connection with the Premises to the extent the same are utilized in connection with (or otherwise relate to) the determination of the amount of Incremental Rent to be paid by Tenant under this Lease.

(d) If Landlord shall sell, transfer or otherwise assign its fee interest in the Premises, Tenant's obligation to pay (i) the GPLET for the Premises, as determined under the provisions of A.R.S. § 42-6201 through § 42-6209 and (ii) Incremental Rent shall each cease as of the effective date of such sale, transfer or other assignment, it being understood that Tenant's obligation to pay the Annual Rent as and when required shall not be affected.

10. Parking. Subject to Section 5.6 (captioned Component Parking) of the Phase Three Extended Hotel Agreement referenced in Recital A above, the following new Sections 27 and 28 are hereby added to the Phase I Lease:

27. Shared Parking Spaces. Tenant shall continue to have all rights (to which Tenant has succeeded by virtue of Developer's assignment of this Lease to Tenant) in and to the Shared Parking Spaces (as that term is used and defined in the Master DDA) granted for the benefit of the Hotel and Conference Center pursuant to and as limited by Section 5.10 of the Master DDA; provided, that Tenant shall comply with the same insurance, indemnity and other obligations respecting the Shared Parking Spaces that are required of Master Developer under Section 5.10(c) and (d) of the Master DDA.

28. Additional Shared Parking. Tenant shall continue to have all rights (to which Tenant has succeeded by virtue of Developer's assignment of this Lease to Tenant) in and to the Additional Shared Parking Right and Additional Shared Parking Areas (as those terms are used and defined in the Master DDA) granted for the benefit of the Hotel and Conference Center pursuant to and as limited by Section 7 of the Third Amendment to the 2009 DDA; provided, that Tenant shall comply with the same insurance, indemnity and other obligations respecting the Additional Shared Parking Areas that are required of Master Developer under Section 5.11(e) and (f) as amended by Section 7 of the Third Amendment to the 2009 DDA; and provided further, that so long as Tenant complies with such obligations, Tenant shall not be deemed to be in violation of applicable parking requirements under the City of Yuma zoning code.

11. Deletion of Master DDA Cross-Default. Section 15.1(f) of the Phase I Lease is hereby deleted.

12. Notices. All notices to be made or given under this Third Phase I Lease Amendment and the Phase I Lease to Landlord and Hotel Tenant shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express overnight delivery service, freight prepaid. Notices shall be deemed given and made on the day of personal delivery, or on the third (3rd) day after deposit in the United States mail, or on the day delivered by express overnight delivery service, whichever is applicable, to Landlord or Hotel Tenant at their respective addresses below or such other addresses as either party may designate by notice to the other party hereto:

If to Landlord:

City Administrator
City of Yuma
One City Plaza
P.O. Box 13014
Yuma, AZ 85366-3014

With copies to:

City Attorney
City of Yuma
One City Plaza
P. O. Box 13014
Yuma, AZ 85366-3014

and

Snell & Wilmer, L.L.P.
400 S. Van Buren
One Arizona Center
Phoenix, AZ 85004-2202

If to Hotel Tenant:

Kesari Hospitality, LLC
445 Hotel Circle S
San Diego, CA 92108
Attn: Mike Kalthia

With a copy to:

Charles J. Riekema, PLC
2601 North 3rd Street, Suite 100
Phoenix, Arizona 85004
Attn: Charles J. Riekema

13. Right to Assign and Sublet. Hotel Tenant's right to assign its right, title and interest in and to the Phase I Lease or to sublet the Hotel and Conference Center, shall continue to be governed by Article 13 of the Phase I Lease.

14. Right to Encumber. Hotel Tenant's right to encumber the right, title and interests of Tenant under the Phase I Lease shall continue to be governed by Article 14 of the Phase I Lease.

15. GPLET. Landlord and Hotel Tenant intend for the Phase I Lease, as amended by this Third Phase I Lease Amendment, to continue to further the original purpose and intent of the Phase I Lease with respect to the Hotel and Conference Center, and to qualify, to the fullest extent, for all of the benefits, privileges, and rights afforded under A.R.S. § 42-6203(A) and § 42-6209(C).

16. Effect on Phase I Lease. Except as expressly and specifically amended by this Third Phase I Lease Amendment, the Phase I Lease and all of its covenants, conditions and provisions shall remain in full force and effect.

17. Conflicts. If any provisions of the Phase I Lease or the Master DDA conflict with any of the provisions of this Third Phase I Lease Amendment, the provisions of this Third Phase I Lease Amendment shall govern and control.

18. Successors and Assigns. This Third Phase I Lease Amendment will be binding upon and inure to the benefit of Landlord and Hotel Tenant, and their respective successors and assigns.

19. Counterparts. This Third Phase I Lease Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument and agreement.

20. Recitals. The Recitals set forth above are incorporated into this portion of the Third Phase I Lease Amendment by this reference.

21. Defined Terms. Any capitalized terms not defined in this Third Phase I Lease Amendment shall have the meanings ascribed to them in the Phase I Lease or, if applicable, in the Master DDA or the Modification Agreement.

IN WITNESS WHEREOF, the parties have executed this Third Phase I Lease Amendment as of the date first above set forth.

[SIGNATURES FOLLOW]

CITY:

CITY OF YUMA, ARIZONA, an Arizona
municipal corporation

By: _____
Gregory K. Wilkinson
City Administrator

ATTEST:

Lynda L. Bushong, City Clerk

APPROVED AS TO FORM:

By: _____
Richard W. Files, City Attorney

STATE OF ARIZONA)
) ss.
County of Yuma)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by Gregory K. Wilkinson, City Administrator of the City of Yuma, who acknowledged that he signed the foregoing instrument on behalf of the City.

Notary Public

My commission expires:

KESARI HOSPITALITY LLC,
an Arizona limited liability company

STATE OF _____)
) ss.
County of _____)

Notary Public

EXHIBIT A

Lot 1, of PIVOT POINT YUMA, according to the plat of record in the office of the County Recorder of Yuma County, Arizona, in Book 26 of Maps and Plats, Pages 92 through 96, recorded in Recording No. 2013-33774.