

WHEN RECORDED MAIL TO:

City Clerk
City of Riverside
City Hall, 3900 Main Street
Riverside, California 92522

Project: Case Nos. GP-001-001, RZ-001-001,
PD-001-001
Riverside, California

DOC # 2002-537227

09/27/2002 08.00A Fee:NC

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Recorded in Official Records

County of Riverside

Gary L. Orso

Assessor, County Clerk & Recorder



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FREE RECORDING - To be recorded for the benefit of the City of Riverside Govt. Code 6103



COVENANT AND AGREEMENT AND DECLARATION OF MAINTENANCE AND USE OBLIGATIONS

THIS COVENANT AND AGREEMENT AND DECLARATION OF MAINTENANCE AND USE OBLIGATIONS is made and entered into this 10th day of September, 2002, by REGIONAL PROPERTIES, INC., a California corporation, ("Declarant"), with reference to the following facts:

A. Declarant is fee owner of that certain real property ("the Subject Property") consisting of approximately 9.7 vacant acres, situated on the southeasterly corner of Chicago and Central Avenues, in the City of Riverside, County of Riverside, State of California, which legal description is set forth specifically in Exhibit "A" attached hereto and incorporated herein by this reference.

B. Declarant has or will execute a License Agreement for the use of property owned by the City of Riverside ("City") which is adjacent to the Subject Property (the "Licensed Property"). The Licensed Property is more fully described in the License Agreement, a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference.

C. Declarant submitted an application with the City in General Plan Amendment Case GP-001-001, Zoning Case RZ-001-001 and Zoning Case PD-001-001 to amend the land use designation of the Subject Property from RMH (Medium High Density Residential), RAR (Agricultural and Rural Residential) and PFI (Public Facilities and Institutions) to RHD (High Density Residential), to rezone both properties from R-1-80 (Single Family Residential) and O (Official Zones) to R-3-30 (multi-family Residential Zone) and to establish an approximately 106 unit planned residential development with one bedroom, two bedroom and three bedroom units, together with parking and private and common open space on the Subject Property.

D. As a condition of approval of General Plan Amendment Case GP-001-001, Zoning Case RZ-001-001 and Zoning Case PD-001-001, Declarant is required to record a covenant over the Subject Property, indicating the project includes the use of the Licensed Property and that the Licensed Property cannot be redesigned for another use without Planning Department approval nor used without the approval of the Public Utilities Department, and also that the Declarant is subject to the terms and conditions of the License Agreement.

C/A-1101

E. Declarant desires to record a covenant and agreement and declaration of maintenance and use obligations acceptable to the City which meets the above-referenced condition and restricts the use of the Licensed Property.

NOW, THEREFORE, for the purpose of complying with a condition imposed by the City for the rezoning of the Subject Property, as stated above, and in consideration of such rezoning and approvals for the proposed structure, Declarant hereby covenants and agrees with the City of Riverside that the Subject Property is, and shall hereafter be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the following covenants, conditions and obligations:

1. The Subject Property is subject to all of the obligations set forth in the "License Agreement, Gage Canal - Chicago Avenue at Central Avenue," a copy of which is attached hereto as Exhibit B.

2. Any person, whether an individual, corporation, association, partnership or otherwise, who now or hereafter owns or acquires any right, title or interest in or to any portion of the Subject Property shall be deemed to have consented and agreed to maintenance and use obligations of the Subject Property and the Licensed Property as set forth herein above.

3. The terms of this Covenant and Agreement and Declaration of Maintenance and Use Obligations may be enforced by City, and its successors and assigns. Should City bring an action to enforce any of the terms of this Covenant and Agreement and Declaration of Maintenance and Use Obligations, the prevailing party shall be entitled to court costs, including reasonable attorneys' fees.

4. This Covenant and Agreement and Declaration of Maintenance and Use Obligations shall run with the land and each and all of its terms shall be binding upon Declarant, its heirs, successors and assigns, and shall continue in effect until such time as released by the City Council of the City of Riverside, California, by a writing duly recorded.

IN WITNESS WHEREOF, Declarant has caused this Covenant and Agreement and Declaration of Maintenance Use Obligations to be executed the day and year first above written.

[SIGNATURES ON FOLLOWING PAGE]



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REGIONAL PROPERTIES, INC
a California Corporation

By: [Signature]
Name: Mark Rubin
Title: President

By: [Signature] SECRETARY
Name: Alex Lory
Title: Secretary

APPROVED AS TO FORM:

[Signature]
Deputy City Attorney

APPROVED AS TO CONTENT:

[Signature]
Planning Department

[Signature]
Public Utility Department

APPROVED AS TO CONTENT:

THE GAGE CANAL COMPANY,
a California Corporation

By: [Signature]
Paul Renck, President

By: [Signature]
Ross Lewis, Secretary



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

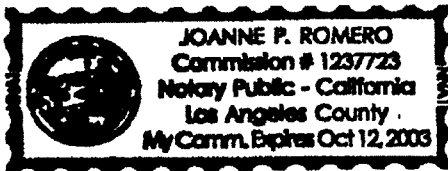
County of Los Angeles } ss.

On August 14, 2002, before me, Joanne P. Romero, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Mark Rubin and Alex Lowy,
Name(s) of Signer(s)

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

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



WITNESS my hand and official seal.

Joanne P. Romero
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

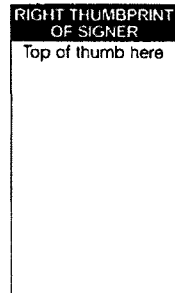
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



C/A-1101

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

On August 15, 2002, before me, Diane L. Hinkle, the undersigned, a notary public in and for said State, personally appeared Ross Lewis and Paul Renck personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Diane L. Hinkle
Notary Public

August 15, 2002



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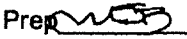
C/A-1101

EXHIBIT A

Project:
Regional Properties License Agreement
S.E. Corner Chicago and Central

That portion of Lot 5 of the Martin and Ormand Tract and that portion of the Gage Canal Co. Right of Way, both as shown by map on file in Map Book 6, Page 84, thereof, records of Riverside County, California bounded southerly and southeasterly by the southerly right of way line of the Gage Canal Right of Way as shown by said map, bounded westerly by the easterly right of way of Chicago Avenue, and bounded northerly by the southerly right of way line of Central Avenue.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.


Mark S. Brown, L.S. 5655 8/2/02 Date Prep 
License Expires 9/30/03



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1 Canal Company, City hereby grants to Licensee use of the Premises which is adjacent to the proposed
2 Development and which is approximately one hundred and ten (110) feet wide and three hundred (300)
3 feet long, as generally shown on Exhibit "A" and described in the legal description marked Exhibit "B,"
4 all as attached hereto and made a part hereof by this reference . A non-refundable processing fee of One
5 Hundred Fifty Dollars (\$150.00) shall be paid by Licensee to City at the time this License is executed
6 by Licensee and submitted to City for processing. The rights granted herein to Licensee shall be for the
7 benefit of and appurtenant to the real property owned by the Licensee adjoining the Premises as shown
8 on Exhibit "A."

9 **2. TERM:** The term of this License shall be for a period of twenty-five (25) years,
10 and shall commence upon City Council's approval of this License ("Effective Date"), and shall
11 terminate on May 31, 2027, unless License is earlier terminated pursuant to termination provisions
12 contained herein. This License shall be automatically extended for three additional periods of ten (10)
13 years each, unless either party gives written notice of cancellation to the other at least six (6) months
14 prior to the expiration of the License term then in effect, whether the initial term or a subsequent
15 extension, or the License is terminated as provided in Section 21.

16 **3. USE OF PREMISES:** The Premises shall be used solely for the purpose of
17 grading in compliance with approved plans and paving said Premises, as required, and for the
18 construction of a parking lot; installation of access gates; vehicular ingress and egress; traffic circulation
19 and parking by the tenants and guests of the Development, only to the extent approved by the City;
20 permitted subsurface utility crossings (sewer, water, electric and gas); landscaping and walkway; public
21 improvements in the form of sidewalks, benches and drinking fountains and public's access to said
22 improvements, and the continued use and maintenance to City's standards of the proposed
23 improvements and landscaping, all as set out in Exhibit "C," Scope of Development, attached hereto
24 and made a part hereof by this reference and further described in plans submitted to the City identified
25 as Central and Chicago, Case No. PD-001-001, and for no other purpose. Such use shall not interfere
26 with the primary function of the Canal to provide water or with the rights and obligations of the Gage
27 Canal Company. Licensee recognizes that some of the improvements are to be constructed over the
28 existing, operating, covered Canal, which has been converted to an underground pipeline in this



1 location, and all existing improvements located on the Premises are to be protected in place. Licensee
2 shall be subject to the following terms and conditions:

3 (a) Any future construction or reconstruction within the Premises shall be in
4 accordance with plans approved by the City's Public Utilities Department - Water Division, and the
5 Gage Canal Company; provided, however, notwithstanding any such approval, the Licensee assumes
6 full responsibility for the design, construction or reconstruction, including complete liability for defects
7 in such design and construction or reconstruction all at Licensee's sole cost. During any construction,
8 reconstruction, repair or maintenance by Licensee, Licensee's contractors or agents, all existing City
9 and/or Gage facilities shall be protected in place by Licensee.

10 (b) The Canal shall be kept in an operating condition at all times, and the
11 Licensee agrees to assume all liability resulting in injury or damage to any person or entity caused by
12 the exercise of the rights herein granted resulting in any water escaping from the Canal.

13 (c) Licensee acknowledges and agrees that this License is subject to the
14 Agreement for Operation of Gage Canal Facilities and the amendments thereto between the City and
15 The Gage Canal Company; and consistent therewith, Licensee shall reimburse the City for all costs or
16 expenses incurred by the City or The Gage Canal Company for any or all of the following: replacement
17 water purchased due to water loss; the relocation or repair of City's or Gage's facilities necessitated
18 or caused by Licensee's construction, reconstruction, maintenance or use of the Premises; or as a result
19 of Licensee's exercise of the rights granted herein, including the right of the Gage Canal Company to
20 partially or totally remove all or a portion of the improvements installed by Licensee for maintenance,
21 repair, replacement or augmentation of the existing Canal or covered Canal facilities. The costs related
22 to the removal and replacement of the subject project improvements shall be the responsibility of the
23 Licensee.

24 (d) Licensee agrees that the City has the right to partially or totally remove all
25 or a portion of the surface improvements installed by Licensee for any City domestic water pipeline
26 installation determined to be necessary by the City. Costs related to the removal of the surface
27 improvements for such installation and costs related to the replacement of the subject surface
28 improvements shall be borne by and be the responsibility of the Licensee.



1 (e) The Licensee shall keep the Premises clear and free of structures, invasive
2 landscaping, and surface obstructions consistent with Licensee's intended use as approved by the City.

3 (f) No construction or reconstruction shall be commenced until this License has
4 been executed by all parties hereto, and plans have been prepared by Licensee and approved by the City
5 and Gage Canal Company. Licensee is to contact the Public Utilities Department prior to commencing
6 work on the Premises.

7 (g) Licensee recognizes that a pump house owned and operated by the Canyon
8 Crest Country Club ("Country Club") is located on the Premises, and Licensee agrees to allow Country
9 Club to access the pump house at any time as required. Licensee indemnifies City, Gage and Country
10 Club from any claims filed caused by noise produced by the pump as provided for in Section 17.
11 Licensee shall reimburse the City for all costs or expenses incurred by the Country Club for the
12 relocation or repair of Country Club's facilities necessitated or caused by Licensee's construction,
13 reconstruction, maintenance or use of the Premises; or as a result of Licensee's exercise of the rights
14 granted herein, including the right of the Country Club to partially or totally remove as necessary that
15 portion of the improvements installed by Licensee for maintenance, repair, replacement or augmentation
16 of the existing pump house or its appurtenances. The costs related to the removal and replacement of
17 the subject project improvements shall be the responsibility of the Licensee.

18 (h) City makes no representation, covenant, warranty or promise that the
19 Premises is fit for any particular use, including the use for which this License is granted and Licensee
20 is not relying on any such representation, covenant, warranty or promise and accepts the Premises in
21 its "as is" condition.

22 **4. CONSIDERATION:**

23 (a) As consideration for use of the licensed Premises, Licensee shall pay to City
24 on an annual basis a license fee in the amount of Three Thousand Seven Hundred Eighty Dollars
25 (\$3,780.00) payable in monthly payments of Three Hundred and Fifteen Dollars (\$315.00).

26 (b) The monthly license fee shall be due and payable in advance on or before
27 the first (1st) day of each month and shall be paid by check made payable to the "City of Riverside" and
28 sent to the City of Riverside, Central Cashiering, City Hall - Plaza Level, 3900 Main Street, Riverside,



1 California 92522.

2 (c) Annual CPI Adjustment. If this License is still in effect, commencing with
3 the license fee due on June 1, 2003 the annual base fee shall be adjusted, and, if still in effect, annually
4 thereafter. Adjustments shall be based upon increases, if any, in the Consumer Price Index for All
5 Urban Consumers (CPI-U) "All Items" for the Los Angeles-Anaheim-Riverside Standard Metropolitan
6 Statistical Area (1982-84 = 100) published by the Bureau of Labor Statistics of the United States
7 Department of Labor ("the Index"). The Index in publication for the month of March 2002 shall be the
8 "Base Index." The Index in publication three (3) months before each annual Adjustment Date shall be
9 the "Comparison Index." As of each annual Adjustment Date, the adjusted annual license fee payable
10 during the ensuing twelve-month period shall be determined by increasing the annual base fee by a
11 percentage equal to the percentage increase, if any, in the Comparison Index over the Base Index. If
12 the Comparison Index for any Adjustment Date is equal to or less than the Comparison Index for the
13 preceding Adjustment Date (or the Base Index, in the case of the first Adjustment Date), the adjusted
14 annual license fee for the ensuing twelve-month period shall remain the amount of the annual license
15 fee payable during the preceding twelve-month period. When the adjusted annual license fee payable
16 as of each Adjustment Date is determined, City shall promptly give Licensee written notice of such
17 adjusted annual license fee.

18 (d) If Licensee fails to pay the monthly license fee by the tenth (10th) day of the
19 month in which it is due, Licensee agrees that the actual damage to the City would be impracticable or
20 extremely difficult to determine. Therefore, Licensee agrees to pay a late fee equal to ten percent (10%)
21 of the annual license fee, which amount shall be added to the license fee due and considered part of the
22 license fee due City hereunder. The amounts due under this subparagraph are in addition to and not in
23 lieu of any other remedies of City.

24 (e) As further consideration, Licensee shall be responsible for the maintenance
25 and the landscaping of the Premises surface and the maintenance of said landscape in an attractive
26 condition.

27 (f) In addition, Licensee agrees to maintain the Premises in a neat and clean
28 condition free of all weeds, trash and refuse, and to keep the adjacent walls, fences, gates, signs and any



1 other improvements free of graffiti.

2 **5. NON-DISCRIMINATION:** Except as provided in Section 12940 of the
3 California Government Code, during Licensee's performance of this License, Licensee shall not
4 discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical
5 handicap, medical condition, including the medical condition of Acquired Immune Deficiency
6 Syndrome (AIDS) or any condition related thereto, marital status, sex or sexual orientation in use of the
7 premises during the term of this License. Further, Licensee agrees to conform to the requirements of
8 the Americans with Disabilities Act in the performance of this License.

9 **6. SUPERVISION:** Licensee shall be responsible for supervision and monitoring
10 of all activities on the Premises, control of public access to the Premises at all times, and monitoring
11 and abatement of any nuisance that is caused, or may be caused, by Licensee and Licensee's use.

12 **7. MAINTENANCE:** All that portion of the Premises generally identified in the
13 attached Exhibit "A" shall be maintained by Licensee in a clean and orderly manner, all in compliance
14 with all applicable provisions of the Riverside Municipal Code. A neat and clean appearance, and safe
15 and sanitary conditions are required and are considered of utmost importance by City.

16 **8. FLAMMABLES, WASTE AND NUISANCES:** Licensee agrees that it will
17 not place or store, or allow any placement or storage of any hazardous waste, hazardous material, or
18 flammable materials within the boundaries of the Premises, and that it will not commit any waste upon
19 or damage to the Premises, nor suffer any to be done. Licensee also specifically agrees that it will not
20 allow others to take such actions within the boundaries of the Premises. Licensee further agrees that
21 it will keep the Premises clean, free from rubbish and debris, and in a condition satisfactory to City in
22 accordance with Section 7.

23 **9. HAZARDOUS SUBSTANCES INDEMNITY:** Licensee expressly agrees to
24 and shall indemnify, defend, release and hold the City, and the Gage Canal Company, their officers,
25 officials, directors, agents, servants, employees, harmless from and against any liability, loss, fine,
26 penalty, fee, charge, lien, judgment, damage, entry, claim, cause of action, suit, proceeding (whether
27 legal or administrative), remediation, response, removal, or clean-up and all costs and expenses
28 associated therewith, and all other costs and expenses (including, but not limited to, attorney's fees,



1 expert fees, and court costs) in any way related to the disposal, treatment, transportation, manufacture,
2 or use of any Hazardous Substances on, in, under, or about the Premises by Licensee, its officers,
3 directors, agents, servants, employees. This indemnity, defense and hold harmless obligation shall
4 survive the expiration or termination of this License.

5 **10. HAZARDOUS SUBSTANCES DEFINED:** Hazardous Substances shall
6 mean any (a) substance, product, waste or other material of any nature whatsoever which is or becomes
7 listed, regulated, or addressed pursuant to CERCLA, 42 U.S.C. § 9601, *et seq.*; The Hazardous Materials
8 Transportation Act, 49 U.S.C. § 1801, *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C.
9 § 6901, *et seq.* ("RCRA"); The Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; The Clean
10 Water Act, 33 U.S.C. § 1251, *et seq.*; The Hazardous Waste Control Act, California Health and Safety
11 Code ("H. & S.C.") § 25100, *et seq.*; the Hazardous Substance Account Act, H. & S.C. § 25330, *et seq.*;
12 the California Safe Drinking Water and Toxic Enforcement Act, H. & S.C. § 25249.5, *et seq.*;
13 Underground Storage of Hazardous Substances H. & S.C. § 25280, *et seq.*; the Carpenter-Presley-Tanner
14 Hazardous Substance Account Act (H & S.C. § 25300 *et seq.*); The Hazardous Waste Management Act,
15 H. & S.C. §§ 25170.1, *et seq.*; Hazardous Materials Response Plans and Inventory H. & S.C. § 25001
16 *et seq.*; or the Porter-Cologne Water Quality Control Act, Water Code § 13000, *et seq.*, all as amended,
17 or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or
18 decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous,
19 toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (b) any
20 substance, product, waste or other material of any nature whatsoever which may give rise to liability
21 under any of the above statutes, (c) petroleum, crude oil or any substance which contains gasoline,
22 diesel fuel or other petroleum hydrocarbons other than petroleum and petroleum products contained
23 within regularly operated motor vehicles, and (d) polychlorinated biphenyls (PCB), radon gas, urea-
24 formaldehyde, asbestos and lead.

25 **11. UTILITIES:** There currently is no utility service to the Premises. The City
26 shall be under no obligation to provide any utility service of any kind to the Premises during the term
27 of this License. If Licensee determines utilities are required for Licensee's use of the Premises,
28 Licensee shall arrange for such utilities and pay directly for all utilities and services supplied to the



1 Premises, including but not limited to water, electricity, telephone, gas and cleaning of the Premises,
2 together with any taxes thereon.

3 **12. TAXES:** Without admitting any such liability, Licensee recognizes and
4 understands that this License may create a possessory interest subject to property taxation pursuant to
5 California Revenue and Taxation Code Section 107 and that Licensee may be subject to the payment
6 of property taxes levied on such interest if such a determination is made by the Riverside County Tax
7 Assessor or other government entity with the authority to make such determinations. All taxes and
8 assessments which become due and payable on the subject premises and any improvements thereon
9 shall be the sole responsibility of Licensee, and any such payments shall not reduce any payment due
10 City hereunder.

11 If Licensee shall, in good faith, desire to contest the validity, the imposition, or the
12 amount of any tax or assessment or any other governmental charge herein agreed to be paid by Licensee,
13 Licensee shall be permitted to do so; provided, however, the Licensee shall not permit or allow any lien
14 to be placed or assessed upon the real property or any improvements thereon.

15 **13. CITY'S RIGHT TO INSPECT:** City will have the right to inspect the
16 premises and the improvements at any time to ensure compliance with the terms of this Agreement.
17 Any repairs found necessary as a result of inspections and which are the responsibility of Licensee shall
18 be made promptly by Licensee, but in no event shall such repairs be initiated by Licensee later than 10
19 calendar days after receipt of written notification of the need for such repairs and such repairs shall be
20 completed within a reasonable time as determined by City for the required repairs to be made.

21 **14. FREE FROM LIENS OR CLAIMS:** Licensee shall keep the premises free
22 from any mechanics' or materialmen's liens or other liens of any kind or nature for any work done,
23 labor performed, or material furnished thereon at the instance or on account of Licensee, and Licensee
24 further agrees to indemnify and save harmless City from and against any and all claims, liens, demands,
25 costs and expenses of whatsoever nature for any such work done, labor performed, or materials
26 furnished. The City at any time may post and keep posted on the Premises appropriate notices to protect
27 the City against the claims of any such persons, firms or corporations.

28 **15. INSURANCE:** Prior to City's execution of this Agreement, Licensee shall



1 obtain, and shall thereafter maintain during the term of this Agreement at Licensee's sole expense, such
2 commercial general and automobile liability insurance as required to insure Licensee against damages
3 for personal injury, including accidental death, as well as from claims for property damage which may
4 arise from or which may concern operations by anyone directly or indirectly employed by, connected
5 with, or acting for or on behalf of Licensee.

6 All liability insurance shall be issued by insurance companies authorized to transact
7 liability insurance business in the State of California.

8 Licensee's commercial general liability policy shall cover both bodily injury
9 (including death) and property damage (including but not limited to premises-operations liability,
10 products-completed operations liability, independent contractors liability, personal injury liability, and
11 contractual liability), in an amount not less than \$1,000,000 per-occurrence limit/\$2,000,000 aggregate.

12 Licensee's automobile liability policy shall cover both bodily injury and property
13 damage in an amount not less than \$1,000,000 per-occurrence limit, unless otherwise approved by the
14 City's Risk Manager and the City Attorney, or their designees.

15 These minimum amounts of coverage shall not constitute any limitation or cap on
16 Licensee's indemnification obligations under Section 17 hereof.

17 Insurance policies or original certificates and additional insured endorsements
18 evidencing the coverage required by this Agreement, for both commercial general and auto liability,
19 shall be filed with City and shall include City and The Gage Canal Company, their officers, agents and
20 employees as additional insureds. Said policies shall be in the usual form of commercial general
21 liability insurance.

22 The policies shall not be canceled unless thirty (30) days' prior written notification
23 of intended cancellation has been given to City by certified or registered mail.

24 City, its agents and employees make no representation that the limits of the insurance
25 specified to be carried by Licensee pursuant to this Agreement are adequate to protect Licensee. If
26 Licensee believes that any required insurance coverage is inadequate, Licensee will obtain such
27 additional insurance coverage as Licensee deems adequate, at Licensee's sole expense.

28 **16. NONINTERFERENCE WITH USE:** Licensee's use of the Premises and the



1 exercise of the rights herein granted shall not in any manner whatsoever interfere with the City's
2 operations. City and The Gage Canal Company shall at all times have access to the Premises and the
3 Country Club shall be permitted access to its improvements as indicated in Section 3(g). The rights
4 herein granted are not exclusive rights and in no way limit the City and/or The Gage Canal Company
5 in the use of the licensed area for purposes not inconsistent with the uses granted herein.

6 **17. INDEMNIFICATION:** Except as to the sole negligence, or willful misconduct
7 of City, Country Club and/or The Gage Canal Company, Licensee shall protect, defend, indemnify,
8 and hold City and the Gage Canal Company and their officers, agents, employees and volunteers
9 completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or
10 demands arising by reason of injury to or death of any person or damage to any property, including all
11 reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court
12 costs, and expert fees), of any nature whatsoever arising out of or incident to this License and/or the
13 use or occupancy of the Premises or the acts or omissions of Licensee's officers, agents, employees,
14 contractors, subcontractors, licensees, invitees or guests, regardless of where the injury, death, or
15 damage may occur, unless such injury, death or damage is caused by the negligence or willful
16 misconduct of City and/or The Gage Canal Company or its officers, employees or agents. This
17 indemnification provision shall apply to any acts or omissions, willful misconduct or negligent
18 conduct, whether active or passive, on the part of Licensee or any of Licensee's officers, agents,
19 employees, contractors, subcontractors, licensees, invitees or guests. City shall give Licensee
20 reasonable notice of any such claims or actions. Licensee shall use counsel reasonably acceptable to
21 City in carrying out its obligations hereunder.

22 The parties expressly agree that any payment, attorney fee, cost or expense City and/or
23 The Gage Canal Company incurs or makes to or on behalf of an injured employee under City's self-
24 administered workers' compensation program or that of The Gage Canal Company is included as a
25 loss, expense or cost for the purposes of this Section 17.

26 The provisions of this section shall survive the expiration or early termination of this
27 License.

28 **18. ASSIGNMENTS:** This License is personal to Licensee, and Licensee shall



1 not assign or transfer this License or any privilege thereunder, in whole or in part, and any attempt so
2 to do shall be void and shall confer no right on any third party. Notwithstanding anything to the
3 contrary herein, Licensee may assign this License to its parent company, its subsidiaries, its affiliates
4 or a valid purchaser of the Development upon prior notice to City.

5 **19. NON-POSSESSORY INTEREST:** No permanent or possessory interest shall
6 accrue to Licensee in the licensed Premises by reason of this License or by exercise of the permission
7 given and Licensee agrees to claim no such interest.

8 **20. GOVERNING LAW AND JURISDICTION:** Licensee agrees that in the
9 exercise of its rights under this License, Licensee shall comply with all applicable federal, state, county
10 and local laws, and regulations in connection with its use of the licensed Premises. The existence,
11 validity, construction, operation and effect of this License and all of its terms and provisions shall be
12 determined in accordance with the laws of the State of California. Any action at law or in equity
13 brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this
14 License shall be tried in a court of competent jurisdiction in the County of Riverside, State of
15 California, and the parties hereby waive all provisions of law providing for a change of venue in such
16 proceedings to any other county.

17 **21. TERMINATION:** In addition to the other methods of terminating this License
18 provided in this agreement, if in the City's determination the premises are required for City's use, this
19 License may be terminated at any time upon thirty (30) days' notice in writing to Licensee. Upon
20 termination of this License in any manner provided in this agreement, the Premises shall remain in its
21 improved condition, including but not limited to all improvements, landscaping and personal property
22 existing on the Premises at the time of termination, unless the City submits a written request to
23 Licensee that some or all of the improvements be removed in which case Licensee is given thirty (30)
24 days to complete said removal of the improvements as identified by City. Should the City accept the
25 Premises with all improvements thereon, then such improvements shall become the property of the
26 City.

27 If the Premises is abandoned by the Licensee for a period of six (6) months, all rights
28 of the Licensee shall automatically terminate hereunder. Further, if the Licensee hereunder fails to



1 conform with the terms and conditions of this License, all of the Licensee's rights hereunder shall
2 terminate.

3 No termination hereunder shall release the Licensee from any liability or obligation
4 which may have attached or accrued prior to or which may accrue as of the time of termination of this
5 License.

6 22. **DEFAULT:** Upon the failure of Licensee to perform any condition or term
7 required herein, the City shall give written notice of such failure to perform as constituting a default
8 of this License. If within 10 calender days Licensee does not correct the failure to the satisfaction of
9 the City, or does not provide a written explanation of Licensee's failure to perform, which explanation
10 is acceptable to the City, License shall then terminate immediately without further notice. Also, the
11 City shall have the right to require that all operations immediately cease if City determines that the
12 activities are being conducted in an unsafe or illegal manner. Upon termination of this License and
13 if City requests, the Licensee shall immediately remove all personal property, facilities and
14 improvements from the Premises.

15 23. **HOLDING OVER:** If Licensee fails to vacate the Premises upon termination
16 of this License or upon earlier termination at City's request, Licensee agrees to pay a fee of One
17 Hundred Dollars (\$100.00) per day for each day that Licensee occupies the Premises beyond the
18 termination date as stated in this License or earlier termination by City.

19 24. **ENTIRE AGREEMENT:** It is expressly agreed that this License embodies
20 the entire agreement between the parties hereto in relation to the subject matter hereof and that neither
21 agreement or understanding, verbal or otherwise, relative to this subject matter exists between the
22 parties hereto at the time of execution. This License may be modified or amended by the mutual
23 consent of the parties in writing.

24 25. **NOTICES:** Service of any notices, bills, invoices or other documents required
25 or permitted under this License shall be sufficient if sent by one party to the other by United States
26 mail, postage prepaid and addressed as follows:

27 City

28 City of Riverside

Licensee

Regional Properties, Inc.



1 Real Property Services Division 1875 Century Park East, Suite 1350
2 3787 University Avenue Century City, CA 90067
3 Riverside, CA 92501

3 The Gage Canal Company
4 7452 Dufferin Avenue
5 Riverside, CA 92504

6 26. **SEVERABILITY:** Each provision, term, condition, covenant, and/or
7 restriction, in whole and in part, in this License shall be considered severable. In the event any
8 provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this License is
9 declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be
10 severed from this License and shall not affect any other provision, term, condition, covenant, and/or
11 restriction, of this License and the remainder of the License shall continue in full force and effect.

12 27. **SECTION TITLES:** The Section titles of this License (i) are inserted only for
13 the convenience of the parties, (ii) are not intended to describe, define, limit, or otherwise affect the
14 provisions in the portions of the License to which they pertain, and (iii) in no way describe, define,
15 limit, or otherwise affect the scope or intent of this License or in any way affect the agreement of the
16 parties set out in this License.

17 28. **RESERVATIONS:** This License is subject to all reservations, restrictions,
18 rights and rights-of-way of record.

19 29. **ATTORNEY'S FEES:** Should either City or Licensee institute any legal action
20 to enforce or determine any provision of this License to be kept and performed by the other, the
21 prevailing party in such action shall be entitled to an award of reasonable attorney's fees which shall
22 be fixed by the court, and all other reasonable costs and expenses of such suit.

23 30. **AUTHORITY:** The individuals executing this License and the instruments
24 referenced herein on behalf of Regional Properties, Inc., each represent and warrant that they have the
25 legal power, right and actual authority to bind Regional Properties, Inc., to the terms and conditions
26 hereof and thereof.

27 **IN WITNESS WHEREOF** the parties hereto have caused this License to be duly
28



1 executed on the date and year first written above.

2 LICENSOR:

LICENSEE:

3 CITY OF RIVERSIDE

REGIONAL PROPERTIES, INC.

4
5 By: [Signature]
6 City Manager

By: [Signature]
7
8 MARK RUMIN
9 Printed Name

10 ATTEST:
11
12 By: [Signature]
13 City Clerk

Title President
14
15 By: [Signature]
16
17 Alex Louy
18 Printed Name
19 Title SECRETARY

20 APPROVED AS TO CONTENT:

21 THE GAGE CANAL COMPANY,
22 a California Corporation

23 By: [Signature]
24 Paul Renck, President

25 By: [Signature]
26 Ross Lewis, Secretary

27 APPROVED AS TO FORM:

28 [Signature]
Deputy City Attorney

8/5/02

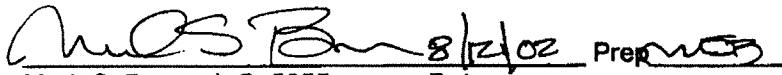



EXHIBIT B

Project:
Regional Properties License Agreement
S.E. Corner Chicago and Central

That portion of Lot 5 of the Martin and Ormand Tract and that portion of the Gage Canal Co. Right of Way, both as as shown by map on file in Map Book 6, Page 84, thereof, records of Riverside County, California bounded southerly and southeasterly by the southerly right of way line of the Gage Canal Right of Way as shown by said map, bounded westerly by the easterly right of way of Chicago Avenue, and bounded northerly by the southerly right of way line of Central Avenue.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.


Mark S. Brown, L.S. 5655 8/2/02 Date Prep 
License Expires 9/30/03



2002-537227
09/27/2002 08:00A
22 of 23

EXHIBIT "C"
SCOPE OF DEVELOPMENT
GAGE CANAL, CENTRAL AND CHICAGO

1. Rough Grading & Clearing
2. Precise Grading Improvements
 - a) Parking lot and Lighting
 - b) Access Gates & Entry Monumentation
 - c) Public and Private Utilities (Sewer, Water, Storm Drain, Telephone, Gas, electric)
 - d) Site Access Driveway from Central Avenue
 - e) Drainage Structures
3. Landscaping
 - a) Sidewalk, Benches & Drinking Fountain
 - b) Irrigation and Planting
 - c) Earthen Retaining Wall System (no concrete footing or Rebar)
4. Use
 - a) Vehicular Ingress and Egress
 - b) Traffic Circulation
 - c) Parking by Tenants and Guests of the Development
 - d) Public Access
 - e) Drainage Conveyance
 - f) Utility Services (Public and Private)

