

WHEN RECORDED MAIL TO:

Agency Secretary
Redevelopment Agency for the City of Riverside
City Hall, 3900 Main Street
Riverside, California 92522

Project: 1325 Spruce Street
Riverside, CA
APN 249110050-2 &
249110051-3

DOC # 2006-0800916

10/31/2006 08:00A Fee:NC

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Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder



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AGREEMENT AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

(DUTY TO MAINTAIN EXTERIOR PROPERTY APPEARANCE)

THIS COVENANT AND AGREEMENT AND DECLARATION OF RESTRICTIONS is made and entered into this 7th day of September, 2006, by **Spruce Street Professional Building, LLC**, a California limited liability company ("Declarant") and the Redevelopment Agency of the City of Riverside, a public body corporate and politic ("Agency"), with reference to the following facts:

A. Declarant is the fee owner of the real property (the "Property") in the City of Riverside, County of Riverside, State of California, located at 1325 Spruce Street, Assessor's Parcel Numbers 249110050-2 and 249110051-3 and legally described in Exhibit "A" attached hereto.

B. Agency has paid Declarant the sum of Fifty Thousand Dollars (\$50,000) in exchange for this Agreement and Declaration of Covenants, Conditions and Restrictions ("Covenant").

C. In order to maintain and enhance the appearance of gateway properties of the City's industrial business parks, and in particular, the Property, the Agency and Declarant desire to execute and record this Covenant which places certain restrictions on the exterior property to ensure its continued appearance.

NOW, THEREFORE, Declarant hereby covenants and agrees with the Agency that the Property is, and shall hereafter be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, improved, used and occupied subject to the following declarations, limitations, covenants, conditions, and restrictions for any portion of the Property:

1. Standard of Maintenance.

Declarant shall maintain the Property in a clean, neat, orderly and safe condition and in

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good operating order and repair. "Good Repair" shall mean a condition in which the overall appearance of the Property does not result in the diminution of the appearance of the Property as compared to neighboring properties and shall include, but not be limited to, components, that are visible from the public right-of-way. Declarant shall therefore, at its sole cost and expense, maintain in Good Repair and condition:

- (a) All improvements on the property including, but not limited to, structures, fences, walls, roofs, chimneys, cornices, gutters, downspouts, drains, porches, steps, landings, fire escapes, exterior stairs, windows, shutters, doors, storefronts, signs, marquees and awnings.
- (b) All Painted surfaces and shall maintain and apply paint or preservatives as necessary to prevent deterioration and to remove major areas of flaking or peeling or chipped or damaged paint that are visible from the public right-of-way.
- (c) All vegetation by preventing any overgrown vegetation including trees, shrubbery, ground covers, landscaping, lawns and other plantings that are visible from the public right-of-way which from the overall appearance results in the diminution of the appearance of the Property as compared to adjacent properties.
- (d) All vegetation by removing and replacing any dead, decayed or diseased trees, shrubs, or other vegetation which is otherwise in need of landscape maintenance attention that is visible from the public right-of-way.
- (e) All lighting and light standards required for use and operation of the Property.
- (f) All drainage swales and other drainage facilities and storm drains on the Property.
- (g) All off-site landscaping, sidewalk and irrigation facilities located within the public right-of-way.
- (h) All aspects of the Property and any utility installations which Declarant has exclusive use of, including without limitations those relating to mechanical, air conditioning, plumbing, sewer, electrical, heating, water, gas, cable television, drains, fire protection (including all required tests and maintenance) and other lines, equipment, systems and fixtures exclusively serving Property.

2. Failure to Perform.

If Declarant fails to perform the maintenance as required hereunder, the Agency shall have the right but not the obligation to perform the maintenance obligations of the defaulting Declarant without order of court and on thirty (30) days written notice. In such event, Declarant shall be obligated to reimburse the Agency for the cost of such maintenance and repair. If Declarant is subject to such reimbursement obligation, it shall also be required to pay an additional fifteen percent (15%) of such cost of maintenance and repair to the Agency to cover the Agency's administrative and overhead expenses. Declarant's failure to reimburse the Agency within thirty (30) days from the date of invoicing



shall entitle the Agency to record a notice of lien against the Property, and to enforce the lien through an action in foreclosure.

3. Enforcement.

(A) In addition to other available remedies and at the election of the Agency, failure to comply with this Covenant shall be deemed a violation of Riverside Municipal Code ("RMC") section 6.14.020 relating to landscaping maintenance, RMC section 13.06.090 relating to vegetation maintenance and all breaches and/or violations of this Covenant shall be deemed a nuisance subject to abatement pursuant to RMC section 6.15.010 et seq. Declarant hereby waives all protests, challenges, objections, claims and causes of action of whatever kind or nature including constitutional claims, if any, arising out of the enforcement of this Covenant by the City of Riverside. If Agency elects to proceed against Declarant under the provisions of the RMC, such action will also include any and all rights to impose a special assessment lien against the Property.

(B) Declarant is aware of the provisions of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

Declarant acknowledges that they may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained, may give rise to additional damage, loss, costs or expenses in the future. Nevertheless, Declarant hereby acknowledges that this Covenant has been negotiated and agreed upon in light of that situation, and hereby expressly waives any and all rights which they may have under California Civil Code Section 1542, or under any statute or common law or equitable principal of similar effect. This waiver shall not supercede any of the provisions of this Covenant or the rights of the parties hereto to enforce this Covenant in law or equity.

(C) It is agreed that the covenants, conditions, and restrictions created by this Covenant are of a special and unique kind and character in that they promote the public health, safety, welfare and morals of the community and that the rights granted to the Agency hereunder are of a similar special and unique kind and character so that if there is a default by the Declarant, or breach by the Declarant of any material provision of this Covenant, the Agency would not have an adequate remedy at law. It is expressly agreed, therefore, that the Agency's rights under this Covenant may be enforced by an action for the enforcement and implementation of this Covenant, specific performance and such other equitable relief as is provided by the laws of the State of California and of the City of Riverside.



4. Covenant Running with the Land.

This Covenant shall run with the land and each and all of its terms shall be binding upon Declarant, it's heirs, successors and assigns, and shall continue in effect until such time as released by the Development Director of the Redevelopment Agency for the City of Riverside, California, by a writing duly recorded.

[remainder of page left blank]



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

Agency:

REDEVELOPMENT AGENCY OF
THE CITY OF RIVERSIDE,
a public body, corporate and politic

Declarant:

SPRUCE STREET
PROFESSIONAL BLDG, LLC

By: *Michael J. Beck* 10/23/06
Executive Director
Michael J. Beck

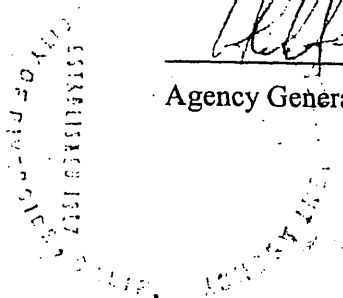
By: *Ray M. Magallon*
Name: RAY MAGALLON
Title: MANAGING MEMBER

Attest: *Colleen J. Nicol*
Colleen J. Nicol
Agency Secretary

By: _____
Name:
Title:

APPROVED AS TO FORM:

[Signature]
Agency General Counsel



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Riverside } ss.

On October 23, 2006 before me, Lorena Verdusco, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Michael J. Beck and Colleen J. Nicol
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.

Lorena Verdusco
Signature of Notary Public

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: Agreement & Declaration of Covenants Conditions & Restrictions
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: _____



STATE OF CALIFORNIA)
)ss
COUNTY OF RIVERSIDE)

On SEPT 7, 2006, before me, CRYSTAL A. SCHROEDER
NOTARY PUBLIC, the undersigned,
a notary public in and for said State, personally appeared RAY MADRAN
personally known to me (or 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.



Crystal A. Schroeder
Notary Signature



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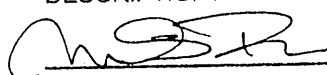
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EXHIBIT "A"

All that certain real property situated in the County of Riverside, State of California, described as follows:

Parcels 1 and 2 of Parcel Map No. 21676, in the City of Riverside, County of Riverside, State of California, as shown by Map on file in Book 143, Pages 8 and 9 of Parcel maps, records of Riverside County, California.

DESCRIPTION APPROVAL

 9/18/02
MARK S. BROWN DATE
CITY SURVEYOR



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