

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

947C



**FROM:** Economic Development Agency / Facilities Management

**SUBMITTAL DATE:**

June 2, 2011

**SUBJECT:** Resolution No. 2011-140 Approval of the Ground Lease of the Property between the Redevelopment Agency for the County of Riverside (Agency) and Cardenas Market, 2<sup>nd</sup> District

**RECOMMENDED MOTION:** That the Board of Supervisors:

Conduct a joint public hearing pursuant with the Redevelopment Agency Board of Directors per Health and Safety Code 33431 and 33433

**BACKGROUND:** (Commences on Page 2)

Robert Field  
Assistant County Executive Officer/EDA

**FINANCIAL  
DATA**

|                               |      |                         |         |
|-------------------------------|------|-------------------------|---------|
| Current F.Y. Total Cost:      | \$ 0 | In Current Year Budget: | Yes     |
| Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment:      | No      |
| Annual Net County Cost:       | \$ 0 | For Fiscal Year:        | 2010/11 |

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** Yes

**SOURCE OF FUNDS:** N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

County Executive Office Signature

Jennifer L. Sargent

Dep't Recomm.: ☐ Policy

Consent ☐

Per Exec. Ofc.: ☐

Policy ☒

Consent ☐

Per Exec. Ofc.: ☐

Prev. Agn. Ref.:

District: 2

Agenda Number:

9.5

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

## **BACKGROUND:**

On April 1, 2008, the Redevelopment Agency for the County approved the "Authorization to Purchase Real Property" resolution granting the Redevelopment Agency the authority to acquire the property known as the "Mission Plaza Shopping Center," located at 5696 - 5770 Mission Boulevard, in the unincorporated area of Rubidoux.

The Redevelopment Agency acquired the property which is within the Agency's Jurupa Valley Project Area and plans to redevelop the shopping center in order to eliminate blight. The Agency plans to demolish most of the existing shopping center, renovate a portion of the center, and construct a new shopping center. In addition, the Agency is in the process of planning to acquire the property on the southeast corner of Mission Boulevard and Riverview Drive consisting of approximately 12,251 square feet, which will become part of the new shopping center property which will comprise a total of approximately 13.8 acres. The proposed site plan of the new shopping center includes approximately 130,000 square feet of retail shopping center space of which 50,000 square feet will be leased to an anchor tenant for the center. The Agency has prepared a Request for Qualifications to be distributed to retail developers to develop the center.

The Agency has entered into lease negotiations with Cardenas Markets to occupy the space on a long term ground lease. The Cardenas Market will be the anchor tenant for the center, construct their building and tenant improvements at their expense, and pay the Redevelopment Agency ground rent. The Agency plans to market the remaining retail space in the shopping center to tenants which compliment the Cardenas Market and bring a benefit to the community.

The terms of the Ground Lease are as follows:

|                     |   |
|---------------------|---|
| Location:           | 5714 – 5740 Mission Boulevard, Rubidoux<br>a portion of APN's 181-020-028 and 181-020-029   |
| Square Footage:     | Approximately 50,000 square feet  |
| Term:               | Twenty-Five (25) Years with six (6) options to renew  |
| Rent:               | \$.33 per square foot, plus operating expenses  |
| Rental Adjustments: | Ten (10%) percent every five years  |
| Improvement Costs:  | Lessee to construct building and improvements at their expense<br>Agency to construct Shopping Center and off-sites at Agency expense |

The use and lease were set forth in the CEQA document as referenced in Resolution No. 2011-015 and approved by the Redevelopment Agency on May 24, 2011. Notice of Intent to Lease was published under Section 6066 of the Government Code.

## **FINANCIAL DATA:**

There are no costs associated with this transaction.

**RESOLUTION NO. 2011-140**

**APPROVAL OF THE GROUND LEASE OF PROPERTY FROM THE  
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE TO  
CARDENAS MARKET  
(Second District)**

**WHEREAS**, the Redevelopment Agency for the County of Riverside ("Agency") is a Redevelopment Agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); and

**WHEREAS**, Riverside County Board of Supervisors adopted Redevelopment Plans for Redevelopment Project Area Nos. 1-1986, Jurupa Valley, Mid-County, Desert Communities, and I-215 Corridor, as amended ("Project Areas"); and

**WHEREAS**, Health and Safety Code Section 33433 requires a lease to be approved by the legislative body by resolution after a public hearing if the property to be leased was acquired with tax increment moneys; and

**WHEREAS**, the Agency owns real property and improvements located at 5714-5740 Mission Boulevard, Riverside, California, in the unincorporated area of the County of Riverside in the community of Rubidoux within the Jurupa Valley Project Area ("Property") and wishes to lease the Property to Cardenas Market; and

**WHEREAS**, the consideration is not less than the fair reuse value at the use and with the covenants, conditions, and development costs authorized by the lease; and

**WHEREAS**, the leasing of the Property will assist in the elimination of blight, is consistent with the implementation plan adopted pursuant to Health and Safety Code Section 33490 to operate and conduct a public library and library administrative

1 operation for the residents of the Jurupa Valley Project Area and surrounding  
2 communities within the County; and

3 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND**  
4 **ORDERED** by the Board of Supervisors of the County of Riverside, State of California,  
5 as follows:

6 1. That the Board of Supervisors hereby finds and declares that the above  
7 recitals are true and correct.

8 2. That the lease between the Redevelopment Agency for the County of  
9 Riverside and the Cardenas Market is hereby approved.  
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FORM APPROVED COUNTY COUNSEL

BY:  DATE 6-24-11  
ANITA C. WILLIS

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## GROUND LEASE

**Cardenas Markets, Inc., a California Corporation, as Lessee,  
and the Redevelopment Agency for the County of Riverside, as Lessor,  
(5714 Mission Boulevard, Riverside, California)**

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| .....   | Exhibit "C" |

1 **GROUND LEASE**

2 (Cardenas Markets, Inc., a California Corporation, as Lessee,  
3 and the Redevelopment Agency of the County of Riverside, as Lessor,  
4 5714 Mission Boulevard, Riverside, California)

5 This Ground Lease Agreement (the "Lease"), is dated as of \_\_\_\_\_, 2011, (the  
6 "Effective Date") and is made and entered into by and between the **Redevelopment**  
7 **Agency of the County of Riverside**, a public body, corporate and politic ("Agency," herein)  
8 and **Cardenas Markets, Inc., a California Corporation**, (Lessee, herein) for the property  
9 described below upon the following terms:

10 **Recitals**

11 Whereas, the Redevelopment Agency for the County of Riverside hereinafter the  
12 "Agency," is a Redevelopment Agency duly created, established and authorized to transact  
13 business and exercise its powers, all under and pursuant to the provision of the Community  
14 Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code  
15 (commencing with Section 33000 et seq.); and

16 Whereas, On July 9, 1996, the Riverside County Board of Supervisors adopted  
17 Ordinance Nos. 762 and 763 approving the Redevelopment Plan, hereinafter the "Plan," for  
18 the Jurupa Valley Project Area, hereinafter the "Project Area," which amended and merged  
19 several smaller project areas adopted in 1986, 1987, 1988, and 1989; and, Whereas,  
20 pursuant to Section 33670 of the Health and Safety Code, the Agency began receiving tax  
21 increment from the Project Area in January 1988; and,

22 Whereas, pursuant to the provisions of the Community Redevelopment Law, Section  
23 33391 of the Health and Safety Code, the Agency may acquire, within a survey area or for  
24 purpose of redevelopment, any interest in real property; and,

25 Whereas, pursuant to Section 33430 of the California Health and Safety Code, a  
26 redevelopment agency may assist in the construction of buildings, facilities, structures, or  
27 other improvements that are of benefit to the project area or the immediate neighborhood in  
28 which the project is located.

1       Whereas, on April 1, 2008, the Agency approved the acquisition of the property  
2 known as Mission Plaza, located at 5714 Mission Boulevard, in the unincorporated area of  
3 the Rubidoux area of the County of Riverside, and title to the property transferred to the  
4 Agency on August 8, 2008, and,

5       Whereas, on December 31, 2002 Lessee and Mission Plaza Properties Ltd, a  
6 California limited partnership, as Agency's predecessor in interest, entered into a written lease  
7 agreement for the commercial premises and improvements located at 5710, 5714, 5722,  
8 5724, 5726, 5728, 5730, 5740 and 5760 Mission Boulevard, Riverside, CA, as amended by  
9 an Amendment to Commercial Lease dated May 3, 2005 (collectively, the "2002 Lease", and

10       Whereas, the Agency desires to terminate the 2002 Lease and enter into a long  
11 term Ground Lease with Lessee which will aid in eliminating blight in the project area and  
12 provide valuable revenue to the Agency,

13       Now, therefore, in consideration of the preceding promises and the mutual covenants  
14 and agreements hereinafter contained, the parties hereby mutually agree to terminate the  
15 2002 Lease and any and all associated obligations and liabilities under the 2002 Lease as of  
16 the Effective Date, and further agree as follows:

17       1.     **Description.** The real property hereby leased consists of a portion of  
18 Assessor's Parcel Numbers 181-020-028 and 181-020-029, also known as 5714 Mission  
19 Boulevard, Riverside, California (the "Property," herein), located within the Mission Plaza  
20 Shopping Center (herein the "Shopping Center") consisting of approximately 4.19 acres,  
21 within the total Shopping Center which shall be calculated at the time of Lessee's opening ,  
22 the precise acreage to be provided after completion of a survey of the leasehold area, to be  
23 performed by Agency at Agency's expense, together with all roads, rights of way and  
24 easements and appurtenances, whether public or private, reasonably required for the use  
25 contemplated by the parties and as more particularly described in the Site Plan to be  
26 provided and to be attached hereto as Exhibit "A" and by this reference made a part of this  
27 Lease. The shopping center building square footage is estimated to be 130,304 square  
28 feet. The parties shall execute a recordable amendment by which survey descriptions shall



1 be inserted in lieu of the description in Exhibit "A."

2       **2.     Use.**

3           (a)     The Property is leased hereby for the exclusive purpose of constructing  
4 a building (herein the "Building") of approximately 50,000 square feet, for a full service super  
5 market, with customary and incidental related uses, including on-site improvements  
6 (collectively herein, the "Project" and the "Project Area"), as highlighted and set forth on the  
7 Site Plan attached to this Lease as Exhibit "A." Lessee, at its expense, shall construct, or  
8 cause to be constructed, upon the Property, the Project, as herein defined.

9           (b)     The Property shall not be used for any other purpose without first  
10 obtaining the written consent of the Agency, which consent shall not unreasonably be  
11 withheld by the Agency as determined by its Board of Supervisors.

12           (c)     Lessee agrees to plan, construct and open a fully improved and stocked  
13 grocery market and to use commercially reasonable efforts to be open for business to the  
14 public on the Property within Two Hundred Seventy (270) days (the "Opening Period") from  
15 delivery of the completed Building Pad by Agency. If Lessee fails to open in accordance with  
16 the time period set forth above, and Lessee demonstrates that Lessee has exercised due  
17 diligence to open during the Opening Period, the Opening Period shall be extended for sixty  
18 (60) days. In the event Lessee fails to open at the end of said sixty (60) day period, Lessee  
19 shall use Lessee's best efforts and due diligence to prosecute to completion all construction  
20 and preparations for opening as soon as possible, however, in the event Lessee has not  
21 opened by Three Hundred Sixty Five (365) days from delivery of the Building Pad by  
22 Agency, this Ground Lease shall automatically terminate on the Three Hundred Sixty Sixth  
23 (366th) day from delivery of the completed building pad by Agency. Nothing in this Section  
24 shall release Lessee of their obligations to pay the Monthly Rent as set forth in Section 5 of  
25 this Ground Lease. Except for the causes itemized in Section 21 of this Lease, in the event  
26 Lessee fails to continuously operate during the term of this lease, during any option periods  
27 or subsequent extensions, or in the event Lessee is in default of this Lease, and the date for  
28 curing said default or commencing to cure said default has expired, the obligation of Agency

1 to enforce the Protective Use clause in Section 2 (d) shall terminate immediately, and  
2 Section 2 (d) shall be automatically deleted from this Lease.

3 (d) Provided Lessee is not in default of this Lease, and the date for curing  
4 said default or commencing to cure said default have not yet expired, Agency agrees not to  
5 enter into any lease for space in the Shopping Center during the Term with any other tenant  
6 whose primary business in such space is the operation of a grocery market, Latino bakery,  
7 specialty cake bakery, liquor store, fresh produce store, or meat market (collectively, the  
8 "Protected Use"). If Agency fails to observe the requirements of this Section and such failure  
9 continues for more than thirty (30) days following written notice to Agency, then Lessee shall  
10 have all rights and remedies at law or in equity as a result of such breach.

11 **3. Term.**

12 (a) The term of this Lease shall be for a period of twenty five (25) years,  
13 commencing on the Effective date of this agreement ("Term").

14 (b) Any holding over (the "Hold Over Period") by Lessee after the expiration  
15 of the term of this Lease shall be on a month-to month basis strictly, and continuing tenancy  
16 rights shall not accrue to Lessee. During any such hold over period, Lessee shall be bound  
17 by all the terms and conditions of this Lease. In the event Lessee desires to vacate during  
18 the Hold Over Period, Lessee shall provide Agency with thirty (30) days advanced written  
19 notice to vacate.

20 **4. Option to Extend Term.**

21 (a) Agency grants to Lessee six (6) options to extend the Lease term  
22 ("Extension Options"). Each Extension Option shall be for a period of five (5) years  
23 ("Extended Term"), subject to the conditions described in this Section 4.

24 (b) The Extension Options shall be exercised by Lessee delivering to  
25 Agency written notice thereof no later than One Hundred Eighty (180) days nor no earlier  
26 than two hundred seventy days (270) prior to the expiration of the original Lease Term or  
27 any extension thereof.

28 (c) The annual rent payable by Lessee during any Extended Term shall be

increased ten (10) percent over the prior term.

(d) All terms and conditions of this Lease shall remain in full force and effect during the Extended Term.

**5. Rent.**

Rent shall be payable in advance, without offset or deduction in equal monthly installments as shown below, on the first day of each and every calendar month. Rent for any partial month shall be prorated based upon a thirty (30) day month.

(a) The Monthly Rent for the property shall commence on the earlier of the opening for business or 270 days from delivery of the pad from Agency to Lessee (either of which are defined as the "Rent Commencement Date"), with all utility installations completed. The rent payable shall be Sixteen Thousand, Six Hundred sixty six dollars (\$16,666.66) per month for the first sixty (60) months of the lease term. Thereafter, the monthly rental shall be increased on the anniversary date of the Effective Date of the lease every five (5) years during the lease term as set forth below. The rent shall be payable as follows:

| <u>Lease Year</u> | <u>Annual Rent</u> | <u>Monthly Rent</u> |
|-------------------|--------------------|---------------------|
| 1 – 5             | \$200,000.00       | \$16,666.66         |
| 6 – 10            | \$220,000.00       | \$18,333.33         |
| 11 – 15           | \$242,000.00       | \$20,166.67         |
| 16 – 20           | \$266,200.00       | \$22,183.33         |
| 21 – 25           | \$292,820.00       | \$ 24,401.67        |

| <u>Option Terms</u> | <u>Annual Rent</u> | <u>Monthly Rent</u> |
|---------------------|--------------------|---------------------|
| 26 – 30             | \$322,102.00       | \$26,841.83         |
| 31 – 35             | \$354,312.00       | \$29,526.02         |
| 36 – 40             | \$389,743.00       | \$32,478.60         |
| 41 – 45             | \$428,718.00       | \$35,726.46         |
| 46 – 50             | \$471,590.00       | \$39,299.17         |
| 51 – 55             | \$518,749.00       | \$43,229.08         |

(b) In the event Lessee continues to occupy the property after the expiration of the Lease Term or any Extended Option term, the monthly rent shall be

1 increased to one hundred ten (110%) percent of the rent payable during the month  
2 immediately preceding the expiration of the Lease Term or Extended Option Term,  
3 notwithstanding that Lessee shall be subject to the all of the provisions in paragraph 3(b)  
4 above.

5       **6.     Title.**

6           (a)     The Agency represents and warrants that the leasehold interest in the  
7 Property shall be subject only to those exceptions as set forth in the Proforma Title Report  
8 (Proforma Title Report, herein) to be attached hereto as Exhibit "B" and by this reference  
9 made a part of this Lease. Said leasehold interest shall be insured by a title insurance  
10 company acceptable to Agency and Lessee and the cost of a policy of title insurance shall  
11 be paid by Agency.

12           (b)     Agency shall deliver to Lessee a Proforma Title Report to Lessee which  
13 shall illustrate the insured interest of Lessee. Lessee shall review and approve or  
14 disapprove of said Proforma Title Report within thirty (30) days of receipt of same from  
15 Agency. In the event Lessee disapproves of said report, Agency shall have thirty (30) days  
16 to cure any item(s) disapproved by Lessee. Thereafter, Agency shall provide a policy of  
17 title insurance covering the Leasehold interest as set forth in Sub-paragraph 6(a) above.

18           (c)     Title to the Building, structures and improvements to be constructed by  
19 Lessee, or that may from time to time constitute a part of the Building, including all flooring,  
20 windows, window coverings, partitions, machinery, equipment, utility installations and  
21 fixtures that are now, or may from time to time be, used, or intended to be used by Lessee  
22 within or upon the Building shall be and remain in Lessee until the termination of this Lease.  
23 Upon the termination of this Lease, title to the Building, structures and permanent  
24 improvements shall pass to and vest in Agency without cost or charge to it.

25           (d)     This Lease shall not be recorded; however, simultaneously with the  
26 execution and delivery of this Lease, Agency and Lessee are executing, acknowledging and  
27 delivering a memorandum of Lease suitable for recording. Such memorandum of lease  
28 shall be provided to the Assessor-County Clerk-Recorder's Office for the County of

1 Riverside, State of California along with notice of the lease which shall include a map of the  
2 leased property in accordance with the requirements of California Health and Safety Code  
3 section 33673.1.

4 (e) In the event Agency markets the Shopping Center for sale, or, in the  
5 event Agency receives an unsolicited offer to purchase the Shopping Center, Agency shall  
6 notify Lessee.

7 **7. Building Improvements.**

8 (a) Concurrently to Agency's On-Site and Off-Site Improvements as set  
9 forth in section 8, Lessee shall deliver to Agency the plans and specifications for the  
10 Building Improvements for Agency's approval before submitting to the appropriate  
11 governmental agencies, including without limitation, preliminary construction plans,  
12 preliminary plot plans, elevations, interior improvement plans, engineering reports and  
13 landscaping plans. Agency shall approve or disapprove in writing the plans and  
14 specifications within twenty-one (21) days after delivery to Agency. Any disapproval of the  
15 plans and specifications shall be accompanied by the reason(s) for disapproval. Lessee  
16 shall revise the plans and specifications consistent with the reason(s) for disapproval and  
17 resubmit the revised plans and specifications to Agency within fourteen (14) days from  
18 receipt thereof. In addition, Lessee, at its sole expense shall use all of its commercially  
19 reasonable, good faith efforts and due diligence to obtain any required governmental  
20 building permits, or related governmental permits as soon as possible, by applying for same  
21 within ten (10) days following Agency's approval of the Project Plans. All governmental  
22 permits shall be obtained which are necessary for Lessee to proceed with the construction  
23 and development of the Project and to utilize the Property for the uses described in  
24 paragraph 2 of this agreement, including, without limitation, all final permits and approvals  
25 for (A) construction of the Building; (B) signs (in number, size, configuration and location  
26 satisfactory to Lessee subject to approval by governing authorities). Lessee shall be  
27 permitted to utilize the top panel on the center pylon sign and may use standard building  
28 signage (collectively the "Permits"). After obtaining the permits and other approvals as set

1 forth above, Lessee at its sole expense, shall construct, or cause to be constructed the  
2 Project as herein defined, including the Building, improvements, and any adjacent  
3 landscaping and walkways at the Project. Subject to the provisions of Paragraph 16 herein,  
4 construction of the Project shall commence within a reasonable period of time, (a) at such  
5 time as Lessee has obtained the required approvals from all governmental and regulatory  
6 agencies, including the Permits, and (b) Lessee shall diligently pursue the completion of the  
7 construction of the Project within a reasonable period following commencement of  
8 construction of the Project. Not less than ten (10) days before beginning construction of the  
9 Project, Lessee shall give Agency written notice thereof so that Agency can post a Notice of  
10 Non-Responsibility. Lessee shall not be responsible for construction of the parking lots and  
11 parking facilities in the Project Area. The Agency, at Agency's sole cost and expense, shall  
12 be responsible for construction of the parking lots and parking facilities in Lessee's Project  
13 Area.

14 (b) The Project shall be of a permanent, built-on-site construction. All site  
15 plans, landscape plans, building elevations, building materials and colors, sign plans and all  
16 other plans and specifications (the "Project Plans") related to the construction of the Project  
17 shall be submitted to the Agency prior to commencement of any construction activities for  
18 approval, which approval by the Agency shall be in writing.

19 (c) Agency shall provide for Lessee a finished building pad of  
20 approximately 50,000 square feet, exact size to be determined by the parties, and Agency  
21 shall deliver said finished building pad graded within approximately one tenth of one foot of  
22 finish building pad elevation as defined by the approved grading plan. The pad elevations  
23 and soils compaction shall be certified by a licensed civil/soils engineer prior to pad  
24 acceptance by Lessee.

25 (d) Within thirty (30) days following the completion of the Project and any  
26 other improvements, Lessee shall submit to Agency a complete set of "As-Built" drawings  
27 showing every detail, latent or otherwise, of such improvements, alterations and fixtures,  
28 including, but not limited to, electrical circuitry and plumbing; and copies of lien waivers from

1 all contractors, subcontractors, suppliers and material men involved in construction of the  
2 Project.

3 (e) Agency shall plan and construct all other on-site improvements in the  
4 Shopping Center, including but not limited to the parking lots, driveways, vehicle access and  
5 egress, pedestrian walkways, parking lot landscaping, parking lot lighting, trash bin  
6 locations, utility infrastructure, monument signage and tenant directory signage. Tenant  
7 shall pay their pro-rata share as defined in section 13(f) for the costs of any pylon signage.

8 (f) The Building and related improvements constructed by Lessee and any  
9 other improvements, alterations and fixtures (including, but not limited to, "trade fixtures" as  
10 that term is used in Section 1019 of the Civil Code) on the Property shall be and remain the  
11 property of Lessee, except that in the event any other portion of the Property is not  
12 transferred to Lessee or its assignee on expiration or earlier termination of the Lease, then  
13 the Building, related improvements constructed by Lessee or any other improvements,  
14 alterations and fixtures of Lessee located on such portions of the Property not transferred to  
15 Lessee or its assignee shall become the property of the Agency or its assignee. At or prior  
16 to expiration or termination of this Lease, Lessee may remove such trade fixtures; provided,  
17 however, that such removal does not cause injury or damage to the Property, or in the  
18 event it does, Lessee shall restore the Property as nearly as practicable. If Lessee fails to  
19 make such repairs prior to the expiration or termination of this Lease, Agency may, but shall  
20 not be obligated to, make said repairs and Lessee shall reimburse Agency for all costs so  
21 incurred within thirty (30) days of Lessee's receipt of billing therefore. In the event such  
22 trade fixtures are not removed from any portion of the Property transferred to Lessee or its  
23 assignee on expiration or earlier termination of the Lease, and then the Agency may, at its  
24 election, either (1) remove and store such fixtures and restore the Property for the account  
25 of the Lessee, and in such event, Lessee shall within thirty (30) days after billing and  
26 accounting therefore reimburse Agency for the costs so incurred, or (2) take and hold such  
27 fixtures as its sole property. In the event that Lessee fails to timely pay to Agency any  
28 reimbursement due to Agency under this paragraph, then said unpaid reimbursement shall

1 bear interest at the maximum legal rate, calculated from the due date thereof until paid in  
2 full.

3 (g) Upon the expiration or earlier termination of the Lease, Lessee shall at  
4 its expense, (a) surrender the Property in the same or similar condition as existed at the  
5 time the Project first opened for business, subject to Agency approved alterations,  
6 improvements and reasonable wear resulting from uses permitted hereunder, (b) have  
7 removed all of Lessee's personal property from the Project; (c ) have repaired any damage  
8 to the Project caused by the removal of Lessee's personal property; and (d) leave the  
9 Premises free of trash and debris and the Building in a clean condition.

10 (h) Agency and its Board of Directors shall timely cooperate with Lessee  
11 during all phases of Lessee's on site improvements.

12 **8. On-Site and Off-Site Improvements.**

13 (a) It is understood by the parties hereto that sewer, water, telephone, gas  
14 and electrical utilities are available nearby the Property, but they may or may not reach the  
15 Property. Therefore, in order for the building improvements required in Paragraph 7 herein  
16 to be fully usable and operational, Agency, at its expense, shall extend and stub out within  
17 approximately one-half (0.5) feet of Lessee's Building pad the following: Two (2) 6" sewer  
18 P.O.C.; One (1) Electrical Vault with 1200 Amp 4-wire H. voltage; Two (2) water P.O.C. (1-  
19 Fire 8" minimum with 8" Double Detector Check Valve approved by Local Authority having  
20 jurisdiction and 1 Domestic 3" water supply with a Double Detector Check Valve approved  
21 by Local Authority having jurisdiction); and gas utility service facilities that may be required  
22 or desired by Lessee in the use, operation and maintenance of such building improvements.  
23 After such stub-outs have been made, Lessee shall be responsible for connection of said  
24 utilities to the Building and Lessee shall be responsible for payment for the use of such utility  
25 services.

26 (b) The off-site improvements referred to in Sub-Paragraph 8(a) above  
27 shall be completed prior to or at the same time the building improvements are completed as  
28 provided in Paragraph 7 herein.



1           **9.     Alterations.** Lessee shall have the right, at its sole cost and expense and  
2 without the necessity of obtaining Agency's consent, to make at any time and from time to  
3 time, interior alterations to the Building.

4           **10.   Cooperation.**

5           (a)    Agency shall cooperate with Lessee and otherwise exercise its best  
6 efforts to assist Lessee in expediting the processing of on-site and off-site improvements to  
7 be constructed upon, within or in connection with the Property. Notwithstanding anything to  
8 the contrary contained herein, nothing in this Lease shall be deemed to constitute a waiver  
9 by Agency of its police powers. Lessee acknowledges and agrees that it must comply with  
10 all government laws and regulations affecting development to the Property.

11           (b)   Any easements required by third parties for utilities to serve the  
12 Property shall be submitted to Agency, in writing, for its approval, which approval shall not  
13 be unreasonably withheld. Any and all costs associated with the preparation and  
14 recordation of any such easements required by third parties shall be borne solely by  
15 Agency.

16           **11.   Agency's Reserved Rights.** Notwithstanding Agency's lease of the Property  
17 to Lessee pursuant to section 1 of this Lease, Agency reserves to itself, its successors and  
18 assigns, together with the right to grant and transfer all or a portion of the same, the  
19 following: (a) Non-exclusive easements for ingress and egress and for parking and  
20 pedestrian purposes as set forth in the Reciprocal Easement Agreement designated as  
21 Exhibit "C" and made a part of this lease, vehicular ingress and egress, for the installation ,  
22 emplacement, maintenance and replacement of electric, gas, telephone, cable television,  
23 water, sanitary sewer lines, drainage facilities or any other utilities (collectively, "Utilities"),  
24 maintenance of Common Area and of landscaping on, over, under or across those portions  
25 of the Property not improved with buildings or other major structures constructed by Lessee  
26 pursuant to the terms of this Lease, together with the right to enter upon the Property in  
27 order to service, maintain, repair, reconstruct, relocate or replace any of such Utilities,  
28 Common Area or landscaping; (b) any and all oil, oil rights, petroleum, minerals, mineral

1 rights, natural gas rights and other hydrocarbon substances by whatsoever name known,  
2 geothermal resources (as defined in California Public Resources Code, Section 6903) and  
3 all products derived from any of the foregoing that may be within or under the Property  
4 together with the perpetual right of drilling, mining, exploring, prospecting and operating  
5 therefore and storing in and removing the same from the Property of any other property,  
6 including the right to whip stock or directionally drill and mine from lands other than those  
7 leased hereby, oil or gas well, tunnels and shafts into, through or across the subsurface of  
8 Property, and to bottom such whip stocked or directionally drilled wells, tunnels and shafts  
9 under and beneath or beyond the exterior limits thereof, and to re-drill, re-tunnel, equip,  
10 maintain, repair, deepen and operate any such wells or mines; without, however, the right to  
11 enter, drill, mine, store, explore and operate on or through the surface or the upper five  
12 hundred feet (500') of the subsurface of the Property; and (c ) any and all water, and any  
13 and all rights or interests therein, no matter how acquired by Agency and owned or used by  
14 Agency in connection with or with respect to the Property, together with the right and power  
15 to explore, drill, re-drill, remove and store the same from the Property or to divert or  
16 otherwise utilize such water, rights or interests on any other property owned or leased by  
17 Agency, whether such water rights shall be riparian, overlying, appropriative, percolating,  
18 littoral, prescriptive, adjudicated, statutory or contractual but without, however, any right to  
19 enter upon the surface of the Property in the exercise of such rights. The Property is  
20 accepted by Lessee subject to those existing easements or other encumbrances or other  
21 matters of record described in the Proforma Title Report, and Agency shall have the right to  
22 enter upon the Property and to install, lay, construct, maintain, repair and operate such  
23 sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil  
24 and gas pipelines, and telephone and telegraph power lines and such other facilities and  
25 appurtenances necessary or convenient to use in connection therewith, over, in, upon,  
26 through, across and along the Property or any part thereof. Agency also reserves the right  
27 to grant franchises, easements, rights of way and permits in, over and upon, along or across  
28 any and all portions of said Property as Agency may elect; provided, however, that no right

1 of the Agency provided for in this Paragraph shall be so executed as to interfere  
2 unreasonably with Lessee's rights and use hereunder. Agency shall cause the surface of  
3 the Property to be restored to its original condition (as they existed prior to any such  
4 entry) upon the completion of any construction by Agency or its agents. Any right of  
5 Agency set forth in this Paragraph shall not be exercised unless a prior written notice of  
6 thirty (30) days is given to Lessee; provided, however, in the event such right must be  
7 exercised by reason of emergency, then Agency shall give Lessee such notice in writing as  
8 is reasonable under the existing circumstances. Notwithstanding anything to the contrary  
9 contained herein, Agency agrees that all sanitary sewers, storm drains, pipelines, manholes,  
10 water and gas mains, electric power lines, transformers and conduits, cabling, telephone  
11 lines and other communications equipment and facilities utilized in connection with utility  
12 services (collectively "Utility Lines") to be located at or on the Property shall be placed  
13 underground and in a manner which does not interfere with the Project or its use. Any  
14 easement, license, right-of-way, permit or other agreement entered into by the Agency  
15 pursuant to this Paragraph 11, including but not limited to the installation, operation,  
16 maintenance, repair and replacement of Utility Lines, shall require the easement holder to  
17 maintain the easement and equipment located therein at its sole cost. Agency agrees to  
18 use best efforts to minimize any interference to Lessee's business caused by Agency's  
19 exercise of its rights hereunder.

20 **12. Maintenance.**

21 (a) Lessee, at Lessee's sole cost and expense, shall maintain the Building  
22 including the interior and exterior and the related improvements to be constructed on the  
23 Property, including but not limited to the pedestrian walkways adjacent to the Building, trash  
24 containers and enclosures, loading dock areas, and any landscaping and grounds adjacent  
25 to the building, in a neat, safe, orderly and attractive condition during the term of this Lease,  
26 and Lessee shall provide for the sanitary handling and disposal of all refuse accumulated as  
27 a result of Lessee's use of the Property (including any waste and hazardous waste) and the  
28 improvements thereon, except that Agency shall maintain the parking lots, parking facilities,

1 lighting, and parking lot sweeping in Lessee's Project area. Lessee agrees to reimburse  
2 Agency for these services pursuant to section 13 of this Lease. In addition, the exterior and  
3 the interior of the improvements on the Property shall be maintained by Lessee in good  
4 working condition and repair during the term of this Lease. Lessee shall repaint the exterior  
5 of the Building every seven (7) years.

6 (b) In the event of damage or destruction of all or any part of the  
7 improvements to be constructed upon the Property rendering said Property unusable, for the  
8 purposes set forth in Paragraph 2 herein, in whole or in part, Lessee shall repair such  
9 damage or destruction with due diligence but only to the extent of the insurance coverage  
10 required by this Lease.

11 **13. Common Area Maintenance.**

12 (a) The Common Area is that area within the Shopping Center which is  
13 neither occupied by Lessee, buildings, nor devoted to the exclusive use of a particular  
14 lessee, but includes areas containing pylon or monument signage, and buildings or  
15 structures which are used with respect to the operation of the Shopping Center , or other  
16 areas (the "Common Area").

17 (b) The initial construction of the Common Area improvements shall be  
18 completed by Agency and shall not be charged to Lessee. Prior to the Commencement  
19 Date, Agency shall have completed the construction of the Common Area improvements in  
20 a first class workmanlike manner, and in accordance with the plans and specifications,  
21 without any further work required. The completion of the Common Area improvements  
22 includes parking areas, paving, lighting, and landscaping, and all on and off site  
23 improvements for the Project.

24 (c) During the Lease Term Lessee, its invitees, customers, and employees  
25 shall have the nonexclusive right to use the Common Area in common with Agency, other  
26 lessees of portions of the Shopping Center and their respective invitees, customers, and  
27 employees, subject to the provisions of this Lease.

28 (d) Agency shall pay and be responsible for maintaining all improvements

1 on the Common Area in good and sanitary order, condition, and repair, including making  
2 replacements as Agency deems necessary or desirable, including without limitation, (1)  
3 management of the Shopping Center, (2) cleaning and removing rubbish and dirt, (3) labor,  
4 payroll taxes, materials, and supplies, (4) all utility services utilized in connection therewith,  
5 including sewer service fees, (5) maintaining, repairing, and replacing paved and unpaved  
6 surfaces, curbs, directional and other signs, landscaping, lighting facilities, drainage, and  
7 other similar items, (6) all premiums on compensation, casualty, public liability, property  
8 damage, and other insurance on the Common Area, and (7) security guard or patrol  
9 services, (8) replacements, alterations or additions made in compliance with governmental  
10 requirements (the cost of such items to be depreciated or amortized as part of Common  
11 Area costs instead of direct costs if appropriate under generally accepted accounting  
12 principles), (9) Holiday decorations, promotional and Shopping Center grand opening costs.  
13 For its services so rendered, Agency shall be entitled to an administration fee equal to ten  
14 percent (10%) of the additional charges (including Common Area Maintenance expenses,  
15 but excluding real estate taxes, possessory interest taxes, insurance, capital costs or levies,  
16 transfer taxes of Agency, any net income tax measured by the income of Agency from all  
17 sources, or any tax which may, at any time during the Term or Extended Term, be required  
18 to be paid on any gift, or demise, deed, mortgage, descent or other alienation of any part or  
19 all of the estate of Agency in and to the Property or Shopping Center, or any buildings or  
20 improvements which are now or hereafter located thereon, except as hereinafter provided)  
21 due pursuant to this Lease. If Lessee shall be required by law to pay, and pursuant thereto  
22 does pay, any tax, assessment or charge specified in this subsection, then Lessee shall do  
23 so promptly. Notwithstanding any of the foregoing, if Lessee causes additional costs by  
24 reason of its operation, such as insurance, security or lighting for abnormal operating hours,  
25 Agency may in its discretion charge such costs directly to Lessee. Notwithstanding any of  
26 the foregoing, if another lessee at the Shopping Center causes additional costs by reason of  
27 its operation, such as insurance, security or lighting for abnormal operating hours, Lessee  
28 shall not be responsible for such additional costs, and Agency may in its discretion charge

1 such costs directly to the other lessee(s).

2 (e) Agency shall keep accurate records showing in detail all expenses  
3 incurred for such maintenance for a period of three (3) years or the maximum amount of  
4 time required by law. These records shall, upon reasonable request, be made available  
5 during business hours at the offices of the Agency for inspection by Lessee.

6 (f) Lessee shall reimburse Agency for Common Area expenses based on  
7 Lessee's pro-rata share of the Common Area costs. Lessee's pro rata share shall be  
8 calculated as the ratio which Lessee's floor area specified in paragraph 2, bears to the total  
9 square footage in the Shopping Center described in paragraph 1. Lessee shall pay to  
10 Agency within thirty (30) days after delivery of Agency's statement, but not more than  
11 monthly, Lessee's pro rata share of the amount of all expenses described in paragraph 13

12 (d) together with estimated taxes per paragraph 42 and estimated insurance per paragraph  
13 22 based either on (a) the amount of such expenses actually incurred for the billing period,  
14 or (b) equal periodic installments which have been estimated in advance by Agency for a  
15 particular calendar year, in which event Agency shall within ninety (90) days after the end of  
16 such year, adjust the estimated expenses to reflect the actual expenses incurred for such  
17 year.

18 (g) Agency shall have general nonexclusive possession and control of the  
19 entire Common Area and may from time to time adopt rules and regulation pertaining to the  
20 use thereof. Agency shall, except as otherwise provided herein, operate and maintain the  
21 Common Area during the Lease Term. The manner in which the Common Area shall be  
22 operated and maintained and the expenditures therefore shall be in the Agency's sole  
23 discretion. Agency reserves the right to appoint a property manager, to carry out any or all  
24 of Agency's rights and duties with respect to the Common Area as provided in this Lease;  
25 and Agency may enter into a contract with such property manager on such terms and  
26 conditions and for such period as Agency shall deem proper; and if Agency does so Agency  
27 shall pay the charges from the management fees described in 13 (d).

28 (h) Agency shall designate what part of the Common Area, if any, shall be

1 used for automobile parking by employees of Lessees, occupants, and licensees. No  
2 employee of any such lessee, occupant, or licensee shall use any part of the Common Area  
3 for parking except such area or areas as may be so designated. As part of the Rules and  
4 Regulations, Agency shall have the right to tow employee vehicles illegally parked without  
5 liability and/or the right to impose fines or charges on Lessee for illegally parked employee  
6 vehicles.

7 (i) No fence, wall, structure, division, rail or obstruction shall be placed,  
8 kept, permitted or maintained upon the Common Area or any part thereof by Lessee. Except  
9 for holiday and seasonal sales, vending machines, shopping carts and coin operated  
10 children's rides, Lessee shall not engage in the sale, display, advertising, promotion, or  
11 storage of merchandise or any business activities of any kind whatsoever in the Common  
12 Area without Agency's prior written consent; nor shall Lessee permit any person to use the  
13 Common Area for solicitations, demonstrations, or any other activities that would interfere  
14 with the conduct of business in the Shopping Center or which might tend to create civil  
15 disorder or commotion.

16 **14. Inspection of Property.** Agency, through its duly authorized agents, shall  
17 have, at any time during normal business hours, the right to enter the Property for the  
18 purpose of inspecting, monitoring and evaluating the obligations of Lessee hereunder and  
19 for the purpose of doing any and all things which it is obligated and has a right to do under  
20 this Lease.

21 **15. Quiet Enjoyment.** Lessee shall have, hold and quietly enjoy the use of the  
22 Property so long as it shall fully and faithfully perform the terms and conditions that it is  
23 required to do under this Lease.

24 **16. Compliance With Government Regulations.** Lessee shall, at Lessee's sole  
25 cost and expense, comply with the requirements of all local, state and federal statutes,  
26 regulations, rules, ordinances and orders now in force or which may be hereafter in force,  
27 pertaining to the Property.

28 ///

1       **17.    Termination by Agency.** Agency shall have the right to terminate this Lease  
2 forthwith:

3               (a)    In the event Lessee commences any voluntary proceeding under the  
4 Bankruptcy laws of the United States, or Lessee fails to terminate any involuntary  
5 proceeding under said bankruptcy laws within ninety (90) days from the commencement  
6 thereof. In this event, the Lease will be terminated with thirty (30) days written notice from  
7 Agency to Lessee.

8               (b)    In the event that Lessee makes a general assignment, or Lessee's  
9 interest hereunder is assigned involuntarily or by operation of law, for the benefit of  
10 creditors. In this case, the Lease will be terminated with thirty (30) days written notice from  
11 Agency to Lessee.

12              (c)    In the event Lessee fails or refuses to perform, keep or observe any of  
13 Lessee's duties or obligations hereunder except its rental obligations; provided, however,  
14 that Lessee shall have thirty (30) days in which to correct Lessee's breach or default after  
15 written notice thereof has been served on Lessee by Agency unless the nature of default or  
16 breach is such that more than thirty (30) days are required. Lessee shall have such  
17 additional time as is reasonably required to remedy, provided remedy has commenced  
18 within the thirty (30) day period, and is diligently completed; provided, however, that Lessee  
19 diligently prosecutes the remedy to completion in a reasonable time.

20              (d)    In the event Lessee fails to complete the Project within four (4) years from  
21 the Effective Date, Agency shall have the right to terminate this Lease with ninety (90) days  
22 advanced written notice to Lessee.

23       **18.    Termination by Lessee.** In addition to its rights contained elsewhere in this  
24 Lease, Lessee shall have the right to terminate this Lease in the event Agency fails to  
25 perform, keep or observe any of its duties or obligations hereunder; provided, however, that  
26 Agency shall have thirty (30) days in which to correct its breach or default after written notice  
27 thereof has been served on it by Lessee; provided, however, if the breach or default is of a  
28 nature that requires more than thirty (30) days to correct, such efforts as are necessary to



1 make such corrections shall begin within said thirty (30) day period and shall be diligently  
2 prosecuted to completion thereafter; provided further, however, that if after thirty (30) days  
3 Agency fails to correct or commence to correct such breach, Lessee shall have the option to  
4 correct the default and deduct the cost of such remedy from rent. If any breach or default is  
5 not corrected after the time set forth herein, Lessee may elect to terminate this Lease in its  
6 entirety or as to any portion of the Property affected thereby.

7       **19. Limitations on Termination.** Notwithstanding anything to the contrary  
8 contained in this Lease, Agency agrees that if Lessee shall be in default under this Lease,  
9 except as to any default pursuant to Sub-Paragraphs 17 (b) and (c), the Agency will not  
10 exercise any right of termination without first providing Lessee and any Encumbrancer  
11 (described in Paragraph 27 below) with written notice of any default and an opportunity to  
12 cure such default. Any such cure shall be completed within thirty (30) days of the date of  
13 Agency's notice of such default, provided however, if the breach is of a nature that requires  
14 more than thirty (30) days to cure, such cure shall begin within said thirty (30) day period  
15 and shall be diligently prosecuted to completion thereafter. If any default remains uncured  
16 after the time set forth herein, Agency may exercise any and all rights or remedies at law or  
17 in equity, including, but not limited to:

18               (a) The right, without terminating this Lease or relieving Lessee of any  
19 obligations hereunder, and with process of law, to re-enter the Property, take possession  
20 thereof, remove all persons there from, other than those present under existing subleases,  
21 and occupy or lease the whole or any part thereof for and on account of the Lessee and  
22 upon the terms and conditions and for such rent as Agency may deem proper, and to collect  
23 said rent or any other rent that may thereafter become payable and apply the same toward  
24 the amount due or thereafter to become due from lessee and on account of such expenses  
25 of such subletting and any other damages sustained by Agency; and should such rental be  
26 less than that herein agreed to be paid by Lessee, Lessee agrees to pay such deficiency to  
27 Agency in advance on the day of each month herein before specified for payment of  
28 minimum rental and to pay to Agency forthwith upon any such reletting the costs and

1 expenses Agency may incur by reason thereof. Should Agency relet the Property under the  
2 provisions of this Paragraph, it shall execute any such lease in its own name, and the  
3 Lessee hereunder shall have no right or authority whatsoever to collect any rent from such  
4 tenant. The proceeds of any such reletting shall be first applied to the payment of the costs  
5 and expenses of reletting the Property including alterations and repairs which Agency, in its  
6 sole discretion, deems reasonably necessary and advisable and reasonable attorney's fees  
7 incurred by Agency in connection with the retaking of the said Property and such reletting  
8 and, second, to the payment of any indebtedness, other than rent, due hereunder owing  
9 from Lessee to Agency. When such costs and expenses of reletting have been paid, and if  
10 there is no such indebtedness or such indebtedness has been paid, Lessee shall be entitled  
11 to a credit for the net amount of rental received from any such reletting each month during  
12 such unexpired balance of the term and Lessee shall pay Agency monthly such sums as  
13 may be required to make up the rentals provided for in this Lease. Agency shall not be  
14 deemed to have terminated this Lease, the Lessee's right to possession of the leasehold or  
15 the liability of the Lessee to pay rent thereafter to accrue, or Lessee's liability for damages  
16 under any of the provisions hereof by any such re-entry or by any action in unlawful detainer  
17 or otherwise to obtain possession of the Property, unless Agency shall have notified Lessee  
18 in writing that it has so elected to terminate this Lease. Lessee covenants that the service  
19 by Agency of any notice pursuant to the unlawful detainer statutes of the State of California  
20 and the surrender of possession pursuant to such notice shall not (unless Agency elects to  
21 the contrary at the time of or at any time subsequent to the service of such notice and such  
22 election is evidenced by a written notice to Lessee) be deemed to be a termination of this  
23 Lease or of the Lessee's right to possession thereof. Nothing herein contained shall be  
24 construed as obligating Agency to relet the whole or any part of the Property. In the event of  
25 any entry or taking possession of the Property as aforesaid, Agency shall have the right, but  
26 not the obligation; to remove there from all or any part of the personal property located  
27 therein and may place the same in storage at a public warehouse at the expense and risk of  
28 the owner or owners thereof. Agency shall not, by any re-entry or other act, be deemed to

1 have accepted any surrender by Lessee of the Property or Lessee's interest therein, or be  
2 deemed to have otherwise terminated this Lease or to have relieved Lessee of any  
3 obligation hereunder, unless Agency shall have given Lessee express written notice of  
4 Agency's election to do so as set forth herein; or

5 (b) The right to terminate Lessee's right to possession of the Property by  
6 any lawful means, in which case this Lease shall terminate and Lessee shall immediately  
7 surrender possession of the Property to Agency. In such event, County shall be entitled to  
8 recover from Lessee, in addition to any other obligation which has accrued prior to the date  
9 of termination:

10 (i) The worth at the time of award of the unpaid rent which had been  
11 earned at the time of termination;

12 (ii) The worth at the time of award of the amount by which the  
13 unpaid rent which would have been earned after termination until the time of award exceeds  
14 the amount of such rental loss that Lessee proves could have been reasonably avoided;

15 (iii) The worth at the time of award of the amount by which the  
16 unpaid rent for the balance of the term after the time of award exceeds the amount of such  
17 rental loss that Lessee proves could be reasonably avoided; and

18 (iv) Any other amount necessary to compensate Agency for all the  
19 detriment proximately caused by Lessee's failure to perform its obligations under this Lease  
20 or which in the ordinary course of things would be likely to result there from, including, but  
21 not limited to, the cost of recovering possession of the Property; real estate brokerage  
22 commissions and other expenses of reletting, including necessary renovation and alteration  
23 of the Property, reasonable attorneys' fees and any other reasonable costs.

24 The "worth at the time of award" of the amounts referred to in  
25 subparagraphs (i) and (ii) above shall be computed by allowing interest thereon at eight per  
26 cent (8%) per annum. The worth at the time of award of the amount referred to in  
27 subparagraph (iii) above shall be computed by discounting such amount at one (1)  
28 percentage point above the discount rate of the Federal Reserve Bank of San Francisco at

1 the time of award; or

2 (c) Pursue any other remedy now or hereafter available to Agency under  
3 the laws or judicial decisions of the State of California, including, without limitation, the  
4 remedy provided in California Civil Code, Section 1951.4, including any amendments  
5 thereto, to continue this Lease in effect.

6 (d) Agency shall be under no obligation to observe or perform any  
7 covenant of this Lease on its part to be observed or performed which accrues after the date  
8 of any default by Lessee hereunder. In any action of unlawful detainer commenced by  
9 Agency against Lessee by reason of any default hereunder, the reasonable rental value of  
10 the Property for the period of the unlawful detainer shall be deemed to be the amount of rent  
11 and other sums required to be paid hereunder for the same period. Lessee hereby waives  
12 any right of redemption or relief from forfeiture under Sections 1174 or 1179 of the California  
13 Civil Code of Civil Procedure, or under any other present or future law, in the event Lessee  
14 is evicted or Agency takes possession of the Property by reason of any default by Lessee  
15 hereunder. The various rights and remedies reserved to Agency herein, including those not  
16 specifically described herein, shall be cumulative, and, except as otherwise provided by  
17 California law in force and effect at the time of the execution hereof, Agency may pursue  
18 any or all of such rights and remedies, whether at the same time or otherwise.

19 (e) No delay or omission of Agency to exercise any right or remedy shall be  
20 construed as a waiver of any such right or remedy or of any default by Lessee hereunder.

21 (f) The subsequent acceptance of rent hereunder by Agency shall not be  
22 deemed to be a waiver of any preceding breach by Lessee of any term, covenant or  
23 condition of this Lease, other than the failure of Lessee to pay the particular rental so  
24 accepted, regardless of Agency's knowledge of such pre-existing breach at the time of  
25 acceptance of such rent.

26 **20. Eminent Domain.**

27 (a) If the whole of the Property should be taken by any public or quasi-public  
28 authority under the power or threat of eminent domain during the Term or any Extended

1 Term, or if a substantial portion of the Property should be taken so as to materially impair  
2 the use of the Property contemplated by Lessee, and thereby frustrate Lessee's purpose in  
3 entering into this Lease, then in either of such events, this Lease shall terminate at the time  
4 of such taking. In such event, of the compensation and damages payable for or on account  
5 of the Property, exclusive of the Building(s) and improvements thereon, Lessee shall receive  
6 a sum equal to the worth at the time of the compensation award of the amount by which the  
7 fair rental value of the Property exceeds the rental payable pursuant to the terms of this  
8 Lease for the balance of the Term and Extension Terms; the balance of such compensation  
9 and damages for the Property shall be payable to and be the sole property of Agency except  
10 as set forth below. All compensation and damages payable for the Building(s),  
11 improvements, and Lessee's business located on the Property or constituting a part of the  
12 Property shall be divided among Agency and Lessee as follows:

13 (i) All compensation and damages payable for or on account of Building(s) and  
14 improvements having a remaining useful life less than the remaining Term and Extension  
15 Terms as of the date of such taking shall be payable to and be the sole property of Lessee;  
16 and

17 (ii) A proportionate share of all compensation and damages payable for or on  
18 account of Building(s) and improvements having a remaining useful life greater than the  
19 remaining Term as of the date of such taking, determined by the ratio that the then  
20 remaining Term bears to the then remaining useful life of such Building(s) and  
21 improvements, shall be payable to and be the sole property of Lessee, and the remaining  
22 share thereof shall be payable to and be the sole property of Agency.

23 (iii) All compensation and damages payable for or on account of the loss of  
24 business value, including past profits, future profits and loss of any business goodwill shall  
25 be payable to and be the sole property of Lessee.

26 (b) If less than the whole of the Property should be taken by any public or  
27 quasi-public authority under the power or threat of eminent domain during the Term and this  
28 Lease is not terminated as provided in subsection (a) above, Agency shall promptly

1 reconstruct and restore the Property, with respect to the portion of the Property not so taken,  
2 as an integral unit of the same quality and character as existed prior to such taking. The rent  
3 payable by Lessee following such taking shall be equitably reduced by agreement of Agency  
4 and Lessee in accordance with the reduced economic return to Lessee, if any, which will  
5 occur by reason of such taking. The compensation and damages payable for, or on account  
6 of, such taking shall be applied to the reconstruction and restoration of the Property by  
7 Agency pursuant to this subsection (b) by application, first, of any sums payable for or on  
8 account of Lessee's Building(s) and improvements situated on the Property, and second, of  
9 any sums payable for or on account for the loss of Lessee's business value, including past  
10 profits, future profits and loss of any business goodwill, and third, the Property exclusive of  
11 such Building(s) and, improvements. The remainder, if any, after reconstruction and  
12 restoration shall be divided between Agency and Lessee in the manner provided in  
13 subsection (a) above.

14 (c) No taking of any leasehold interest in the Property or any part thereof shall  
15 terminate or give Lessee the right to surrender this Lease, nor excuse Lessee from full  
16 performance of its covenants for the payment of rent and other charges or any other  
17 obligations hereunder capable of performance by Lessee after any such taking, but in such  
18 case all compensation and damages payable for or on account of such taking shall be  
19 payable to and be the sole property of Lessee.

20 (d) Upon a taking as described in subsection (a), Agency and Lessee shall  
21 make every effort to agree to an allocation of the award or payment as set forth herein. If,  
22 after a reasonable time, Agency and Lessee for any reason cannot agree (i) as to whether  
23 any portion of the Property or Building taken is so substantial as to impair materially the use  
24 of the Property contemplated by Lessee, (ii) on the division of any compensation or  
25 damages paid for or on account of any taking of all or any portion of the Property or  
26 Building, or (iii) on the amount by which the rent payable by Lessee hereunder is to be  
27 equitably reduced in the event of a partial taking, then, and in any of such events, the matter  
28 shall be submitted to mediation and determined in the manner provided in Section 35

1 hereof.

2       **21.    Force Majeure.** If either party is delayed in the performance of any covenant  
3 of this Lease because of any of the following causes; acts of the other party, action of the  
4 elements, war, riot, labor disputes, inability to procure or general shortage of labor or  
5 materials in the normal channels of trade, delay in transportation, delay in inspections, or  
6 any other cause beyond the reasonable control of the other party so obligated, whether  
7 similar or dissimilar to the foregoing, financial inability excepted, then such performance  
8 shall be excused for the period of the delay and the period for such performance shall be  
9 extended for a period equivalent to the period of such delay. The delayed Party shall:

10               (a)     Give prompt written notice of such occurrence to the other party;

11               (b)     Diligently attempt to remove, resolve, or otherwise eliminate such event  
12 causing delay, keep the other Party advised with respect thereto, and shall commence  
13 performance of its obligations hereunder immediately upon such removal, resolution or  
14 elimination.

15       **22.    Insurance.** Lessee shall procure and maintain or cause to be maintained, at  
16 its sole cost and expense, the following insurance coverages during the term of this Lease.  
17 These requirements, with the approval of the County's Risk Manager, may be modified to  
18 reflect the activities associated with the Lessee provided that any changes are reasonable in  
19 nature and consistent with industry standards. The procurement and maintenance of the  
20 insurance required below will not diminish or limit Lessee's obligation to indemnify or hold  
21 the County harmless. Lessee agrees to have in place insurance coverage as it is required  
22 and applicable. This Section shall not be construed to require Lessee to have all insurance  
23 required under this provision, in place from the date of Commencement of this Lease.

24               (a)     Workers' Compensation:       Procure and maintain Workers'  
25 Compensation Insurance, in full compliance with the Workers' Compensation and  
26 Occupational Disease Laws of all authorities having jurisdiction over the Property. Such  
27 policy shall include Employer's Liability and Occupational Disease coverage, with limits not  
28 less than One Million Dollars (\$1,000,000) per occurrence. Policy shall be endorsed to

1 provide a "Borrowed Servant Endorsement, Alternate Employer Endorsement, or Additional  
2 Insured Endorsement" naming the Agency as an additional insured. Policy shall provide a  
3 Waiver of Subrogation in favor of the County.

4 (b) Commercial General Liability Insurance: Procure and maintain  
5 comprehensive general liability insurance coverage that shall protect Lessee from claims for  
6 damages for personal injury, including, but not limited to, accidental and wrongful death, as  
7 well as from claims for property damage, which may arise from Lessee's use of the Property  
8 or the performance of its obligations hereunder, whether such use or performance be by  
9 Lessee, by any subcontractor, or by anyone employed directly or indirectly by either of them.  
10 Such insurance shall name Agency as an additional insured with respect to this Lease and  
11 the obligations of Lessee hereunder. Such insurance shall provide for limits of not less than  
12 Two Million Dollars (\$2,000,000) per occurrence.

13 (c) Vehicle Liability: If Lessee uses, or causes to be used, any vehicle  
14 or mobile equipment in the performance of its obligations under this Lease, Lessee shall  
15 maintain liability insurance for all owned, non-owned and hired vehicles in an amount not  
16 less than one million dollars (\$1,000,000) per occurrence combined single limit. If the policy  
17 contains a general aggregate limit, it shall apply separately to this Lease of be no less than  
18 two (2) times the occurrence limit. The policy shall be endorsed to name the Agency as  
19 Additional Insured.

20 (d) All Risk Property Insurance:

21 (i) All-Risk real and personal insurance coverage, excluding  
22 earthquake and flood, for the full replacement cost value of building, structures, fixtures,  
23 equipment, improvements/alterations and systems on the premises for property that the  
24 Lessee owns or is contractually responsible for. Policy shall include Business Interruption,  
25 Extra Expense, and Expediting Expense to cover the actual loss of business income  
26 sustained during the restoration period. Policy shall name the Lessee as a Loss Payee and  
27 shall name Agency as an additional insured at the Property.

28 (ii) Course of Construction Insurance. During the full term of



1 construction of the planned improvements, Lessee shall purchase and maintain or cause to  
2 be maintained All Risk Builder's Risk insurance (Completed Value Form) excluding  
3 earthquake and flood, including coverage for materials and supplies located on and offsite  
4 but to be part of, or used in the construction of, the completed Project. Policy shall also  
5 include as insured property, scaffolding, false work, and temporary buildings located on the  
6 Project site, and the cost of demolition and debris removal. If the contractor or others insure  
7 scaffolding, false work and temporary buildings separately, evidence of such separate  
8 coverage shall be provided to Agency prior to the start of the work. The Course of  
9 Construction coverage limit of insurance shall equal or exceed the highest values exposed  
10 to loss at any one time during the project term. Policy shall waive subrogation in favor of all  
11 Agencies, Districts, Special Districts, and Departments of the County of Riverside, their  
12 respective directors, officers, Board of Supervisors, employees, elected or appointed  
13 officials, agents or representatives.

14 e) General Insurance Provisions – All Lines:

15 (i) Any insurance carrier providing insurance coverage hereunder  
16 shall be admitted to the State of California unless waived, in writing, by the County Risk  
17 Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A-: VIII (A:8).

18 (ii) Insurance deductibles or self-insured retentions must be  
19 declared by the Lessee's insurance carrier(s), and such deductibles and retentions shall  
20 have the prior written consent from the County Risk Manager. Upon notification of  
21 deductibles or self insured retentions unacceptable to the Agency, and at the election of the  
22 County's Risk Manager, Lessee's carriers shall either: 1) reduce or eliminate such  
23 deductibles or self-insured retentions as respects this Lease with the Agency; or 2) procure  
24 a bond which guarantees payment of losses and related investigations, claims  
25 administration, and defense costs and expenses.

26 (iii) Cause Lessee's insurance carrier(s) to furnish the Agency with  
27 either: 1) a properly executed original Certificate(s) of Insurance and certified original copies  
28 of Endorsements effecting coverage as required herein; or 2) if requested to do so in writing

1 by the County Risk Manager, provide original Certified copies of policies including all  
2 Endorsements and all attachments thereto, showing such insurance is in full force and  
3 effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the  
4 insurance carrier(s) that ten (10) days written notice shall be given to the Agency prior to  
5 any material modification of coverage or cancellation of such insurance. In the event of a  
6 material modification of coverage or cancellation of such insurance, this Lease shall  
7 terminate forthwith, unless the County of Riverside receives, prior to such effective date,  
8 another properly executed original Certificate of Insurance and original copies of  
9 endorsements or, if requested, certified original policies, including all endorsements and  
10 attachments thereto evidencing coverages set forth herein and the insurance required  
11 herein is in full force and effect.

12 Lessee shall not commence operations until the Agency has been furnished original  
13 Certificate(s) of Insurance and certified original copies of endorsements or, if requested,  
14 policies of insurance including all endorsements and any and all other attachments as  
15 required in this Section. An individual authorized by the insurance carrier to do so on its  
16 behalf shall sign the endorsements for each policy and the Certificate of Insurance.

17 (iv) It is understood and agreed to by the parties hereto and the  
18 insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant  
19 and shall be construed as primary insurance, and the Agency's insurance and/or  
20 deductibles and/or self-insured retentions or self-insured programs shall not be construed as  
21 contributory.

22 (f) Cause its insurance carrier(s) to furnish Agency by direct mail  
23 Certificate(s) of Insurance showing that such insurance is in full force and effect, and  
24 Agency is named as an additional insured with respect to this Lease and the obligations of  
25 Lessee hereunder. Further, said Certificate(s) shall contain the covenant of the insurance  
26 carrier(s) that ten (10) days written notice shall be given to Agency prior to modification,  
27 cancellation or reduction in coverage of such insurance. In the event of any cancellation in  
28 coverage or any reduction or modification in coverage such that such insurance coverage

1 fails to comply in all material respects with this Paragraph 22, then Lessee shall be deemed  
2 in default under this Lease, unless the Agency receives prior to the effective date of such  
3 cancellation, modification or reduction in coverage another certificate from another  
4 insurance carrier of Lessee's choice evidencing that the insurance required herein is in full  
5 force and effect. Lessee shall not take possession or otherwise use the Property until  
6 Agency has been furnished Certificate(s) of Insurance as otherwise required in this  
7 Paragraph 22.

8 (g) Lessee shall notify Agency of any claim made by a third party or any  
9 incident or event that may give rise to a claim arising from this Lease.

10 **23. Insurance for Sublessees and Contractors.** Lessee shall require each of its  
11 Sublessees and Contractors to meet all insurance requirements imposed by this Lease.  
12 These requirements, with the approval of the County's Risk Manager, may be modified to  
13 reflect the activities associated with the Sublessee or Contractor. On every sublease or  
14 contract the Lessee shall have the Sublessee or Contractor name the Lessee and the  
15 County by endorsement as an additional insured and/or have the Sublessee or Contractor  
16 provide an endorsement waiving subrogation in favor of the Lessee and the County on  
17 every Sublessee's or Contractor's insurance policy, as applicable. Certificates and  
18 endorsements evidencing compliance with this section will be provided to the County prior to  
19 the Sublessee taking occupancy.

20 **24. Agency's Reserved Rights – Insurance.** Agency reserves the right to  
21 require that Lessee adjust the monetary limits of insurance coverage as required in  
22 Paragraph 22 herein every fifth (5th) year during the term of this Lease or any extension  
23 thereof, subject to ninety (90) days written notice to Lessee of such adjustment, in the event  
24 that Agency reasonably determines that the then existing monetary limits of insurance  
25 coverage are no longer consistent with those monetary limits of insurance coverage  
26 generally prevailing in the western Riverside County area for facilities comparable to the  
27 Property; provided, however, that any adjustment shall not increase the monetary limits of  
28 insurance coverage for the preceding five (5) years in excess of fifty percent (50%) thereof.

1           **25.    Hold Harmless/Indemnification.**

2           (a)    Except as otherwise provided herein, as to the use of the Property,  
3 Agency shall not be liable to Lessee, its agents, employees, subcontractors or independent  
4 contractors for any personal injury or property damage suffered by them which may result  
5 from hidden, latent or other dangerous conditions in, on, upon or within the Property  
6 unknown to the Agency, its officers, agents or employees.

7           (b)    Lessee shall indemnify and hold harmless the County of Riverside, its  
8 Agencies, Districts, Special Districts and Departments, their respective Directors, officers,  
9 Board of Supervisors, elected and appointed officials, employees, agents and  
10 representatives (the "Indemnified Agency Parties") from any liability whatsoever, including  
11 but not limited to, property damage, bodily injury, or death, based or asserted upon any  
12 services of Lessee, its officers, employees, subcontractors, agents or representatives  
13 arising out of or in any way relating to the Property, other than Agency's intentional or  
14 negligent acts or omissions, and Lessee shall defend at its sole expense and pay all costs  
15 and fees, including but not limited to, attorney fees, cost of investigation, defense and  
16 settlements or awards, on behalf of the Indemnified Agency Parties in any claim or action  
17 based upon such liability. With respect to any action or claim subject to indemnification  
18 herein by Lessee, Lessee shall, at Lessee's sole cost, have the right to use counsel of their  
19 choice and shall have the right to adjust, settle, or compromise any such action or claim  
20 without the prior consent of Agency; provided, however, that any such adjustment,  
21 settlement or compromise in no manner whatsoever limits or circumscribes Lessee's  
22 indemnification to the Indemnified Agency Parties as set forth herein. Lessee's obligation  
23 hereunder shall be satisfied when Lessee has provided Agency the appropriate form of  
24 dismissal relieving Agency from any liability for the action or claim involved. The specified  
25 insurance limits required in this Lease shall in no way limit or circumscribe Lessee's  
26 obligations to indemnify and hold harmless the Indemnified Agency Parties herein from third  
27 party claims.

28    ///

1           (c) Except as set forth above, Agency shall indemnify and hold harmless  
2 Lessee, its officers, directors, employees, subcontractors and agents (the "Indemnified  
3 Lessee Parties") from and against any and all claims, liability, loss, or damage whatsoever  
4 on account of any such loss, injury, death or damage occasioned by the ownership, use or  
5 operation of the Shopping Center by Agency, its officers, elected officials, employees,  
6 subcontractors, agents or representatives arising out of or in any way relating to the  
7 Shopping Center, other than the Property Leased by Lessee, or other than Lessee's  
8 intentional or negligent acts or omissions, and Agency shall defend at its sole expense and  
9 pay all costs and fees, including but not limited to, attorney fees, cost of investigation,  
10 defense and settlements or awards, on behalf of the Indemnified Lessee Parties in any  
11 claim or action based upon such liability. With respect to any action or claim subject to  
12 indemnification herein by Agency, Agency shall, at Agency's sole cost, have the right to use  
13 counsel of its choice and shall have the right to adjust, settle, or compromise any such  
14 action or claim without the prior consent of Lessee; provided, however, that any such  
15 adjustment, settlement or compromise in no manner whatsoever limits or circumscribes  
16 Agency's indemnification to the Indemnified Lessee Parties as set forth herein. Agency's  
17 obligation hereunder shall be satisfied when Agency has provided Lessee the appropriate  
18 form of dismissal relieving Lessee from any liability for the action or claim involved. The  
19 specified insurance limits required in this Lease shall in no way limit or circumscribe  
20 Agency's obligations to indemnify and hold harmless the Indemnified Lessee Parties herein  
21 from third party claims.

22           **26. Assignment.**

23           (a) Tenant may voluntarily assign its interest in this Lease upon first obtaining  
24 Agency's prior consent. Any prior consent shall be by Agency as granted by its Board of  
25 Directors, which consent shall be in its sole discretion. Any assignment without Agency's  
26 prior consent shall be voidable, at Agency's election, and shall constitute a default. No  
27 consent to an assignment shall constitute a further waiver of the provisions of this section 26

28           (b) Lessee shall advise Agency by notice of (i) Lessee's intent to assign

1 this Lease, (ii) the name of the proposed assignee, and evidence reasonably satisfactory to  
2 Agency that such proposed assignee is comparable in reputation, stature and financial  
3 condition to Lessee as of the date Lessee executed this lease, (iii) the terms of the proposed  
4 assignment, and Agency shall, within thirty (30) days of receipt of such notice, and any  
5 additional information requested by Agency concerning the proposed assignee's financial  
6 responsibility, elect one of the following: (a) Consent to such proposed assignment; (b)  
7 Refuse such consent, which refusal shall be on reasonable grounds; or (c ) elect to  
8 terminate the lease in the event of an assignment. The consent by Agency to an assignment  
9 will not be construed to relieve Lessee or any subsequent lessee, assignee or successor  
10 party from obtaining Agency's prior written consent in writing to any further assignment.  
11 Upon such assignment, Lessee shall be relieved of any liability hereunder in connection with  
12 any assignment, except for interfamily transfers among or between Lessee's shareholders  
13 of record as of the Effective Date, if Lessee is a corporation, conveyance of more than fifty  
14 percent (50%) of the stock of Lessee shall be deemed to be a transfer of this Lease,  
15 requiring Agency's approval as provided in this Paragraph 26. Except for interfamily  
16 transfers among or between partners or members of record as of the Effective Date, if  
17 Lessee is a partnership or limited liability company, transfer of more than fifty percent (50%)  
18 of the equity interest in such entity shall be deemed to be a transfer of this Lease, requiring  
19 approval of Agency pursuant to this Paragraph 26.

20 (c) Notwithstanding any provision of this Lease to the contrary, Lessee shall  
21 have the right, with Agency's consent, said consent to not be unreasonably withheld to  
22 sublease spaces within the Building for uses consistent with other subleased spaces in  
23 other markets operated by Lessee within the trade area of the Shopping Center, provided  
24 that the aggregate square footage of the floor area subleased by Lessee in the Building  
25 under such subleases shall not exceed four thousand (4,000) square feet. Lessee shall  
26 have the right to issue Licenses without the consent of Lessor.

27 **27. Right to Encumber.**

28 (a) Lessee's Right to Encumber: Notwithstanding provisions of Paragraph

1 26 or any other provision contained herein, Agency does hereby consent to and agree that  
2 Lessee may encumber or assign, or both, for the benefit of an Encumbrancer (defined  
3 below), this Lease, the leasehold estate of Lessee and the Project, the building and related  
4 improvements constructed by Lessee by a deed of trust, mortgage or other security-type  
5 instrument, herein called trust deed, but only to the extent necessary to assure the  
6 repayment of the financing of the construction and operation of the Project by Lessee  
7 (including any conversion of the construction loan to permanent financing), and in  
8 connection with such encumbrance the prior written consent of Agency shall not be  
9 required:

10 (i) To a transfer of this Lease at foreclosure under the trust deed,  
11 judicial foreclosure, or an assignment in lieu of foreclosure or in connection with the  
12 Encumbrancer's exercise of any remedy provided in the deed of trust; or

13 (ii) To any subsequent transfer by the Encumbrancer if the  
14 Encumbrancer is the purchaser at such foreclosure sale or is the assignee under an  
15 assignment in lieu of foreclosure; provided, however, that in either such event the  
16 Encumbrancer promptly gives notice to Agency in writing of any such transfer, setting forth  
17 the name and address of the transferee, the effective date of such transfer, and a copy of  
18 the express agreement of the transferee assuming and agreeing to perform all of the  
19 obligations under this Lease, together with a copy of the document by which such transfer  
20 was made.

21 For purposes of this Lease, an "Encumbrancer" shall mean an established bank,  
22 savings and loan association, insurance company or other entity which provides tax exempt  
23 bond financing or other institutional financing.

24 Any Encumbrancer or other transferee who succeeds to Lessee's interest under this  
25 Lease shall be liable to perform the obligations and duties of Lessee under this Lease. Any  
26 subsequent transfer of this leasehold hereunder, except as provided for in Sub-Paragraph  
27 27(a) (ii) above, shall be subject to Paragraph 17 herein.

28 Lessee shall give Agency prior notice of any such trust deed, and shall accompany

1 such notice with a true copy of the trust deed and a note secured thereby. Except as  
2 described in this Paragraph 27, Lessee shall not permit any other liens or encumbrances on  
3 the Property or its interest therein without the Agency's prior written consent.

4 **28. Right of Encumbrancer to Cure.** Notwithstanding anything to the contrary  
5 contained in this Lease, Agency agrees that it will not terminate this Lease because of any  
6 default or breach hereunder on the part of Lessee if the Encumbrancer under the trust deed,  
7 within thirty (30) days after service of written notice on the Encumbrancer by Agency of its  
8 intention to terminate this Lease for such default or breach shall:

9 (a) Cure such default or breach if the same can be cured by the payment or  
10 expenditure of money provided to be paid under the terms of this Lease;

11 (b) If such default or breach is not so curable, Encumbrancer shall either:

12 (i) commence the cure of such breach or default within such thirty  
13 (30) day period and diligently pursue the cure to completion; or

14 (ii) commence, or cause the trustee under the trust deed to  
15 commence, and thereafter diligently pursue to completion steps and proceedings for judicial  
16 foreclosure, the exercise of the power of sale under and pursuant to the trust deed in the  
17 manner provided by law, or accept from Lessee an assignment in lieu of foreclosure, and  
18 keep and perform all of the covenants and conditions of this Lease requiring the payment or  
19 expenditure of money by Lessee until such time as said leasehold shall be sold upon  
20 foreclosure pursuant to the trust deed, be released or reconveyed thereunder, be sold upon  
21 judicial foreclosure or be transferred by deed in lieu of foreclosure.

22 **29. Free From Liens.** Lessee shall pay, when due, all sums of money that may  
23 become due for any labor, services, material, supplies, or equipment, alleged to have been  
24 furnished or to be furnished to Lessee, in, upon, or about the Property, and which may be  
25 secured by a mechanics', materialmen's or other lien against the Property of Agency's  
26 interest therein, and will cause each such lien to be fully discharged and released at the time  
27 the performance of any obligation secured by such lien matures or becomes due; provided,  
28 however, that if Lessee desires to contest any such lien, it may do so, but notwithstanding



1 any such contest, if such lien shall be reduced to final judgment, and such judgment or such  
2 process as may be issued for the enforcement thereof is not promptly stayed, or if so  
3 stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith pay  
4 and discharge said judgment.

5 **30. Estoppel Certificates.**

6 (a) Lessee and Agency, at any time and from time to time during the term  
7 of this Lease, and any extension thereof, and within thirty (30) days after request, in writing,  
8 have been given by the other party, shall execute, acknowledge and deliver to the  
9 requesting party a statement in writing certifying that this Lease is unmodified and in full  
10 force and effect (or if there have been any modifications, that the same is in full force and  
11 effect as modified and stating the modifications). The statement shall also include the dates  
12 to which the rent and any other charges have been paid in advance, that there are no  
13 defaults existing or that defaults exist and the nature of such defaults. It is intended that  
14 such statement as provided in this Paragraph 30 may be relied upon by any prospective  
15 encumbrancer as assignee of the Property or improvements thereon or both or all or any  
16 portion or portions of Lessee's interest under this Paragraph 30.

17 (b) A party's failure to execute, acknowledge and deliver on request of such  
18 statement described in Sub-Paragraph 30(a) above within the required time shall constitute  
19 acknowledgment by such party to all persons entitled to rely on such statement that this  
20 Lease is unmodified and in full force and effect and that the rent and other charges have  
21 been duly and fully paid to and including the respective due dates immediately preceding  
22 the date of the notice or request and shall constitute a waiver, with respect to all persons  
23 entitled to rely on such statement of any defaults that may exist before the date of such  
24 notice.

25 **31. Binding on Successors.** The parties hereto, their assigns and successors in  
26 interest, shall be bound by all the terms and conditions contained in this Lease, and all of  
27 the parties hereto shall be jointly and severally liable hereunder.

28 **32. Waiver of Performance.** No waiver by Agency at any time of any of the terms

1 and conditions of this Lease shall be deemed or construed as a waiver at any time  
2 thereafter of the same or of any other terms or conditions contained herein or of the strict  
3 and timely performance of such terms and conditions.

4       **33. Severability.** The invalidity of any provision in this Lease as determined by a  
5 court of competent jurisdiction shall in no way affect the validity of any other provision  
6 hereof.

7       **34. Venue.** Any action at law or in equity brought by either of the parties hereto  
8 for the purpose of enforcing a right or rights provided for by this Lease shall be tried in the  
9 Superior Court in the County of Riverside, State of California, and the parties hereby waive  
10 all provisions of law providing for a change of venue in such proceedings to any other  
11 county.

12       **35. Mediation.** Except as provided herein, no civil action with respect to any  
13 dispute, claim or controversy arising out of or relating to this Lease may be commenced until  
14 the matter has been submitted for Mediation. Either party may commence mediation by  
15 providing to the other party a written request for mediation, setting forth the subject of the  
16 dispute and the relief requested. The parties will cooperate with one another in selecting a  
17 Mediator from the JAMS panel of neutrals, and in scheduling the mediation proceedings.  
18 The parties covenant that they will participate in the mediation in good faith, and that they  
19 will share equally in its costs. All offers, promises, conduct and statements, whether oral or  
20 written, made in the course of the mediation by any of the parties, their agents, employees,  
21 experts and attorneys, and by the mediator and any JAMS employees, are confidential,  
22 privileged and inadmissible for any purpose, including impeachment, in any litigation or  
23 other proceeding involving the parties, provided that evidence that is otherwise admissible  
24 or discoverable shall not be rendered inadmissible or non-discoverable shall not be  
25 rendered inadmissible or non-discoverable as a result of its use in the mediation. Either  
26 party may seek equitable relief prior to, or during the mediation to preserve the status quo  
27 pending the completion of that process. Except for such an action to obtain equitable relief,  
28 neither party may commence a civil action with respect to the matters submitted to

1 mediation until after the completion of the initial mediation session, or 45 days after the date  
2 of filing the written request for mediation, whichever occurs first. Mediation may continue  
3 after the commencement of a civil action, if the parties so desire. The provisions of this  
4 Clause may be enforced by any Court of competent jurisdiction, and the party seeking  
5 enforcement shall be entitled to an award of all costs, fees and expenses, including  
6 attorney's fees, to be paid by the party against whom enforcement is ordered.

7       **36. Attorneys' Fees.** In the event of any litigation between Lessee and Agency,  
8 including, without limitation, such an action brought pursuant to Lessee's bankruptcy, to  
9 enforce any of the provisions of this Lease or any right of either party hereto, the  
10 unsuccessful party to such litigation as determined by the presiding judicial officer shall pay  
11 to the successful party all costs and expenses, including reasonable attorneys' fees,  
12 incurred therein by the prevailing party, all of which shall be included in and as a part of the  
13 judgment or ruling rendered in such litigation.

14       **37. Notices.** Any notices required or desired to be served by either party upon the  
15 other shall be addressed to the respective parties as set forth below:

16       COUNTY

17       Redevelopment Agency for the  
18       County of Riverside  
19       3403 Tenth Street, Suite 500  
20       Riverside, CA 92501  
21       ATTN: Principal Real Property Agent

22       LESSEE

23       Cardenas Markets, Inc.  
24       1040 S. Vintage Avenue, Suite A  
25       Ontario, CA 91761  
26       ATTN: Jose Cardenas

27 or to such other addresses as from time to time shall be designated by the respective  
28 parties. Notices must be in writing and will be deemed to have been given when personally  
delivered, sent by facsimile with receipt acknowledged, deposited with any nationally  
recognized overnight carrier that routinely issues receipts, or deposited in any depository  
regularly maintained by the United States Postal Service, postage prepaid, certified mail,  
return receipt requested, addressed to the party for whom it is intended at its address set  
forth above.

29       **38. Permits, Licenses and Taxes.** Lessee shall secure, at its expense, the  
30 Permits, and Lessee shall pay prior to delinquency all fees, taxes and penalties levied

1 against the Property or required by any authorized public entity. Failure to pay such sums in  
2 a timely manner shall be a material default hereunder.

3       **39. Paragraph Headings.** The Paragraph headings herein are for the  
4 convenience of the parties only, and shall not be deemed to govern, limit, modify or in any  
5 manner affect the scope, meaning or intent of the provisions or language of this Lease.

6       **40. Agency's Representative.** Agency hereby appoints the Assistant County  
7 Executive Officer/EDA as its authorized representative to administer this Lease.

8       **41. Agent for Service of Process.** It is expressly understood and agreed that in  
9 the event Lessee is not a resident of the State of California or it is an association or  
10 partnership without a member or partner resident of the State of California, or it is a foreign  
11 corporation, then in any such event, Lessee shall file with Assistant County Executive  
12 Officer/EDA, upon its execution hereof, a designation of a natural person residing in the  
13 State of California, giving his or her name, residence and business addresses, as its agent  
14 for the purpose of service of process in any court action arising out of or based upon this  
15 Lease, and the delivery to such agent of a copy of any process in any such action shall  
16 constitute valid service upon Lessee. It is further expressly understood and agreed that if  
17 for any reason service of such process upon such agent is not feasible, then in such event  
18 Lessee may be personally served with such process out of this County and that such  
19 service shall constitute valid service upon Lessee. It is further expressly understood and  
20 agreed that Lessee is amenable to the process so served, submits to the jurisdiction of the  
21 Court so obtained and waives any and all objections and protests thereto.

22       **42. Notification of Taxability of Possessory Interest.** The Property herein  
23 leased by Agency to Lessee shall be subject to property taxation. In the event Lessee's  
24 interest in the Property, including the Project and related improvements, become subject to  
25 the payment of property taxes levied on such interest, Lessee (and not Agency) shall be  
26 solely responsible for the payment of such property taxes from and after the Rent  
27 Commencement date. Lessee shall pay all such property taxes on the property and the  
28 improvements thereon, including any reassessments resulting from the construction of the

1 building or any other improvements on the Premises.

2 **43. Toxic Materials.**

3 (a) The Agency warrants that to the best of its knowledge there are no  
4 hazardous substances located on or within the Property.

5 (b) Restrictions on Lessee; Hazardous Substances: Lessee shall not  
6 cause or permit any Hazardous Substance to be used, stored, generated, or disposed of on  
7 or in the Property by Lessee, Lessee's agents, employees, contractors or invitees, without  
8 first obtaining Agency's written consent, which consent may not be unreasonably withheld.  
9 Materials considered hazardous that are used, stored or sold in the ordinary course of  
10 business may be used, stored or sold as regulated by Federal, State and local law. If  
11 Hazardous Substances are used, stored, generated, or disposed of on or in the Property,  
12 not in the ordinary course of business or as regulated by Federal, State and local law, or if  
13 the Property becomes contaminated in any manner during the Term hereof, Lessee shall  
14 indemnify, defend, and hold harmless the Agency from any and all claims, damages, fines,  
15 judgments, penalties, costs, liabilities, or losses (including, without limitation, a decrease in  
16 value of the Property or the Project, and any and all sums paid for settlement of claims,  
17 attorneys', consultants', and experts' fees) arising during or after the Term of this Lease  
18 and arising as a result of such contamination by Lessee. This indemnification includes,  
19 without limitation, any and all costs incurred because of any investigation of the site or any  
20 cleanup, removal, or restoration mandated by a federal, state, or local agency or political  
21 subdivision. In addition, if Lessee causes or knowingly permits the presence of any  
22 Hazardous Substance on the Property and this results in contamination, Lessee shall  
23 promptly, at its sole expense, take any and all necessary actions to return the Property to  
24 the condition existing before the presence of any such Hazardous Substance on the  
25 Property, provided, however, that Lessee shall first obtain Agency's approval for any such  
26 remedial action.

27 (c) Indemnification by Agency. If Hazardous Substances are used, stored,  
28 generated, or disposed of on or in the Property, or if the Property is contaminated or

1 became contaminated in any manner prior to the Effective Date, Agency shall indemnify,  
2 defend, and hold harmless the Lessee from any and all claims, damages, fines, judgments,  
3 penalties, costs, liabilities, or losses, and any and all sums paid for settlement of claims,  
4 attorneys', consultants', and experts' fees arising prior to the Effective Date of this Lease  
5 and not arising as a result of such contamination by Lessee. This indemnification includes,  
6 without limitation, any and all costs incurred because of any investigation of the site or any  
7 cleanup, removal, or restoration mandated by a federal, state, or local agency or political  
8 subdivision. In addition, if Agency causes or permits the presence of any Hazardous  
9 Substance on the Property, and the presence results in contamination, Agency shall  
10 promptly, at its sole expense, take any and all necessary actions to return the Property to  
11 the condition existing before the presence of any such Hazardous Substance on the  
12 Property.

13 (c) As used herein, "Hazardous Substance" shall include, but not be limited  
14 to, substances defined as "hazardous substances," "hazardous materials," or "toxic  
15 substances" in the Comprehensive Environmental Response, Compensation and Liability  
16 Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials  
17 Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and  
18 Recovery Act, 42 U.S.C. Section 6901, et seq.; and those substances defined as  
19 "hazardous wastes" in Section 25117 of the California Health and Safety Code or as  
20 "hazardous substances" in Section 25316 of the California Health and Safety Code; and in  
21 the regulations adopted in publications promulgated pursuant to said laws.

22 **44. No Partnership.** It is expressly understood and agreed that Agency does not,  
23 in any way or for any purpose by executing this Lease, become a partner of Lessee in the  
24 conduct of Lessee's business, or otherwise, or a joint venturer or a member of a joint  
25 enterprise with Lessee. Lessee is an independent contractor and no agency relationship  
26 exists between the parties.

27 **45. Covenants Run With Land.**

28 (a) The agreements, covenants and conditions in this Lease contained are and

1 shall be deemed to be covenants running with the land and the reversion and shall be  
2 binding upon and shall inure to the benefit of Agency and Lessee and their respective  
3 successors and assigns and all subsequent Lessors and Lessees respectively hereunder.

4 (b) All references in this Lease to "Lessee" or "Agency" shall be deemed to refer to and  
5 include successors and assigns of Lessee or Agency, respectively, without specific mention  
6 of such successors or assigns.

7 **46. Consents.** Whenever in this Lease the consent or approval of either Agency  
8 or Lessee is required or permitted, the party requested to give such consent or approval  
9 shall act promptly and will not unreasonably withhold or delay its consent or approval.

10 **47. Joint Preparation.** This Lease shall be construed without regard to any  
11 presumption or other rule requiring construction against the party causing this Lease to be  
12 drafted. In the event of any action, suit, mediation, arbitration, dispute or proceeding  
13 affecting the terms of this Lease, no weight shall be given to any deletions or striking out of  
14 any of the terms of this Lease contained in any drafts of this Lease and no such deletion,  
15 strike-out or drafts shall be entered into evidence in any such action, suit, arbitration, dispute  
16 or proceeding nor given any weight therein.

17 **48. Exhibits Incorporated By Reference.** All Exhibits attached hereto are  
18 incorporated into and made a part of this Lease by reference to them herein.

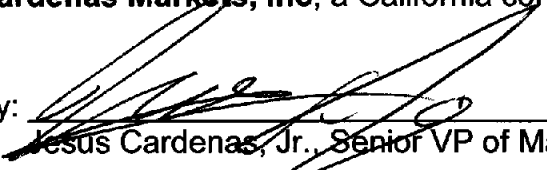
19 **49. Entire Lease.** This Lease is intended by the parties hereto as a final  
20 expression of their understanding with respect to the subject matter hereof and as a  
21 complete and exclusive statement of the terms and conditions thereof and supersedes any  
22 and all prior and contemporaneous leases, offers, negotiations, agreements and  
23 understandings, oral or written, in connection therewith. This Lease may not be changed or  
24 modified in any respect whatsoever except upon the written consent of the parties hereto,  
25 signed by both Agency and Lessee. Except for the rights and obligations created herein,  
26 both parties represent that this Lease excludes all payments, prior construction, asset  
27 transfers, reductions, waivers, forbearances, loans, credits, or other subsidies or incentives  
28 from Agency to Lessee.

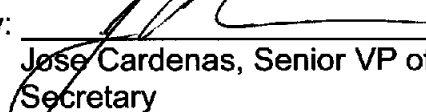
1       **50.    Execution by Lessee.** Prior to execution of this Lease by Lessee, Lessee  
2 shall provide to Agency a Certificate of Good Standing issued by the Secretary of the State  
3 of California, a certified copy of Lessee's Articles of Incorporation and a certified resolution  
4 authorizing Lessee to enter into this Lease and designating the individuals authorized to  
5 sign on behalf of Lessee.

6       **51.    Execution by Agency.** This Lease shall not be binding or consummated until  
7 its approval and execution by the County's Redevelopment Agency

8  
9 Dated: \_\_\_\_\_

**Cardenas Markets, Inc,** a California corporation

10  
11 By:   
Jesus Cardenas, Jr., Senior VP of Marketing

12  
13 By:   
Jose Cardenas, Senior VP of Operations;  
14 Secretary


15  
16 **REDEVELOPMENT AGENCY FOR THE  
COUNTY OF RIVERSIDE**

17  
18 By: \_\_\_\_\_  
Bob Buster, Chairman  
Board of Directors

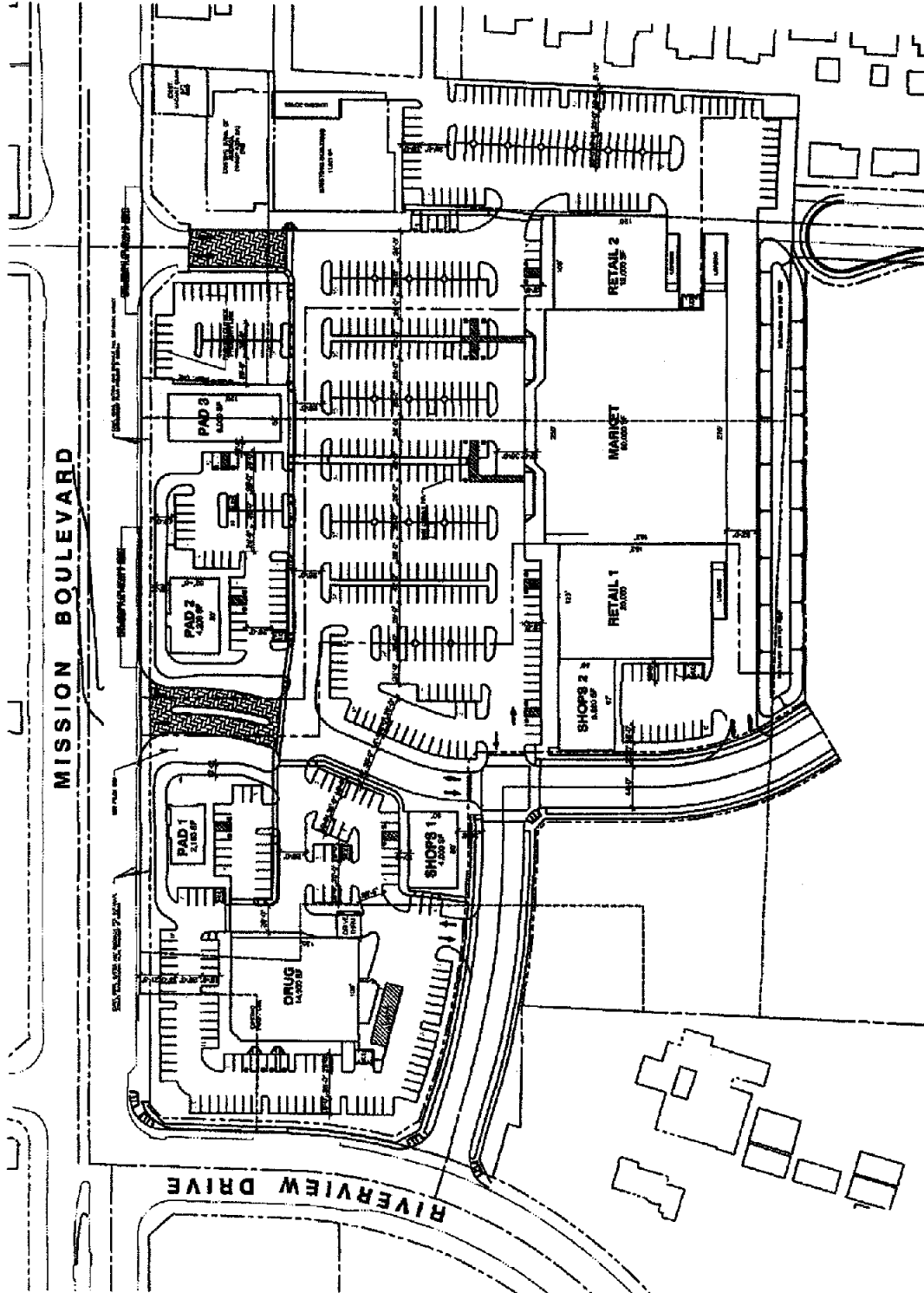
19 Attest:  
20 Kecia Harper-Ihem  
Clerk of the Board

21  
22 By: \_\_\_\_\_  
23 Deputy

24 Approved as to Form:  
25 Pamela J. Walls  
Agency Counsel

26  
27 By:   
28 Anita Willis  
Deputy





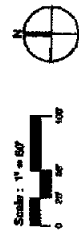
MISSION BOULEVARD

RIVERVIEW DRIVE

CONCEPTUAL SITE PLAN - SKETCH #1 REVISED 3/22/11"

MISSION PLAZA

MISSION BOULEVARD & RIVERVIEW DRIVE  
RUBIDOUX, CALIFORNIA



SITE SUMMARY

LAND AREA: 13.8 AC / 802,687 SF  
BUILDING AREA: 130,304 SF  
LAND TO BUILDING RATIO: 3.6/1  
BUILDING COVERAGE: 21.6%  
PARKING PROVIDED: 587 STALLS  
PARKING RATIO: 4.59/1000 SF



18201 Van Korman Avenue, Suite 250  
Irvine, California 92612  
949.553.1188  
mcgarchitecture.com

EXHIBIT "A"

|       |          |
|-------|----------|
| DATE: | 03/22/11 |
| BY:   | 10.13.10 |
| DATE: | 03/22/11 |
| BY:   | 10.13.10 |
| DATE: | 03/22/11 |
| BY:   | 10.13.10 |
| DATE: | 03/22/11 |
| BY:   | 10.13.10 |
| DATE: | 03/22/11 |
| BY:   | 10.13.10 |

## EXHIBIT B

**To Be Provided**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Peter Schultz, President  
Mission Plaza Properties, Inc.  
3625 Del Amo Boulevard - Suite 130  
Torrance, California 90503

COPY of Document Recorded  
on 8-20-08 as No. 437666  
has not been compared with  
original.  
RIVERSIDE COUNTY CALIFORNIA

DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS, AND RECIPROCAL EASEMENTS

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND  
RECIPROCAL EASEMENTS ("Declaration") is executed as of this 6th day of  
August, 2008, by MISSION PLAZA PROPERTIES, LTD., a California limited  
partnership ("Original Declarant"), for the benefit of the "Property" as defined below.

**WITNESSETH:**

WHEREAS, Original Declarant is the owner in fee simple of those certain tracts or  
parcels of real property (the "Shopping Center") as described on Exhibit A attached hereto,  
and by reference made a part hereof; and

WHEREAS, the Shopping Center and all of the improvements, appurtenances, and  
facilities including, but not limited to, buildings, common areas, sidewalks, parking areas, and  
landscape located therein as reflected in Exhibit B are hereinafter collectively referred to as  
the "Property"; and

WHEREAS, Original Declarant desires that the Shopping Center and Property be  
developed and maintained pursuant to a general and common plan of covenants, conditions,  
and restrictions related to the overall benefit of the Shopping Center and the Property, which  
are intended to create equitable servitudes on, and run with the land, and thereby to be  
binding on successive owners and lessees of the Shopping Center and the Property, who would  
be expressly subject to certain uniform covenants, restrictions, and restrictions, reservations,  
easements, right-of-ways, and other protective and beneficial provisions set forth in order to  
implement a uniform general and common plan designed to preserve, protect and enhance the  
value, desirability, and attractiveness of the Shopping Center and the Property for the mutual  
benefit and protection of the Shopping Center and the Property and the individual parcels  
located thereon as more fully set forth in Exhibit A, and

WHEREAS, Original Declarant expressly intends to bind successive owners and their lessees of the Shopping Center and Property and the specific parcels thereon, to the covenants, conditions, restrictions, and easements provided for herein.

NOW, THEREFORE, for and in consideration of the premises, easements, covenants, conditions, restrictions, and encumbrances contained herein, the sufficiency of which is hereby acknowledged, Original Declarant does hereby establish and declare that the Shopping Center, Property, and parcels or lots thereon shall be owned, held, conveyed, transferred, divided, sold, leased, rented, encumbered, developed, improved, graded, landscaped, maintained, repaired, occupied and used subject to the uniform covenants, conditions, restrictions, easements, rights, rights-of-way, liens, charges and other protective and beneficial provisions set forth in this Declaration, each and all of which (i) are hereby expressly and exclusively imposed upon and against the Shopping Center, Property, and parcels or lots therein as mutual, beneficial and equitable servitudes in favor of and for the mutual use and benefit of the Shopping Center, Property, and parcels or lots therein, the Original Declarant, its successors and assigns, and all subsequent owners and lessees of the Shopping Center, Property, and the parcels or lots therein, and their respective heirs, successors, representatives and assigns in order to implement the uniform, general and common plan described above, and (ii) are hereby expressly declared to be binding upon the Shopping Center, Property, and the parcels or lots therein; and upon the owners and lessees of the Shopping Center, Property, and parcels or lots located therein and shall run with the land and each and every party thereof, inure to the benefit of and be a burden upon the Shopping Center, Property, and each parcel or lot located therein and shall bind the respective heirs, successors and assigns of the owners of the Shopping Center, Property, and parcels or lots located therein. Upon recordation of this Declaration, any conveyance, transfer, sale, hypothecation, assignment, lease or sublease made by Original Declarant, its successors and assigns, or by any owner of a lot or parcel within the Shopping Center or Property, shall be and hereby is deemed to incorporate by reference the provisions of this Declaration, as the same may from time to time be amended, and the provisions of this Declaration shall be enforceable by the specific parties identified in Section 14 below, their successors or assigns, or by any person, firm, corporation or trust duly authorized by such persons identified in that section to enforce all or any one or more of the provisions of this Declaration.

The covenants, conditions, restrictions, rights, liens, charges and other protective and beneficial provisions set forth herein are, to the extent expressly provided herein, covenants to refrain from particular uses of contiguous property, as defined and described in Sections 1460 through 1471 of the California Civil Code ("Restrictive Covenant" herein).

IN CONSIDERATION OF THE FOREGOING, Original Declarant, for itself and its successors and assigns, hereby covenants and agrees as follows:

1. Building/Common Areas.

a. "Building Areas" as used herein shall mean those portions of the Shopping Center and Property and those specific parcels and lots as shown on Exhibit

B as "Building Area". Canopies may encroach from the Building Areas over the Common Areas provided the canopies do not interfere with the use of the Common Areas.

h. "Common Areas" shall be all of the Shopping Center and Property except the Building Areas.

c. "Conversion of Common Areas": Those portions of the Building Areas on the Shopping Center and Property which are not from time to time used or cannot, under the terms of this Declaration, be used for buildings shall (until built upon) become part of the Common Area for the uses permitted hereunder and shall be improved, kept and maintained as provided herein.

d. The term "Declarant" shall mean the Owner of the Primary Parcel, or if the parcels that comprise the Primary Parcel are owned by more than one Owner, the Owner that owns the most building square footage within the Primary Parcel.

e. "Declarant's Reservation Of Rights." Notwithstanding the foregoing, Declarant may with respect to the Primary Parcel add additional Building Areas or change, delete, enlarge, reduce or otherwise modify existing Building Areas, provided (i) such changes do not impair access to the other portions of the Property, or parcels or lots therein; and, (ii) the parking requirements for such modifications can be met entirely within the Primary Parcel; and (iii) no buildings shall be located in the No Build Zone as shown on Exhibit B. Notwithstanding the foregoing, the Owner of the MPP Parcel may reconfigure and relocate the Building Areas on the MPP Parcel and change the use of the buildings on the MPP Parcel from general retail use, provided that the Owner of the MPP Parcel satisfies all of the following conditions: (i) the parking requirements for such modifications can be met entirely within the MPP Parcel; (ii) in the event that any buildings on the MPP Parcel (whether in existence as of the date of this Declaration or constructed hereafter) will be utilized after the date of this Declaration for a use other than general retail use, then if the number of Parking Spaces required for such new use under applicable parking codes in effect at the time of the change in use exceeds the number of Parking Spaces that would be required under such applicable parking codes for general retail use, such excess Parking Spaces must be provided entirely on the MPP Parcel; (iii) such changes do not impair access to the other portions of the Property, or parcels or lots therein; and (iv) no buildings shall be located in the No Build Zone as shown on Exhibit B. The Owners of any parcels within the Property may only fulfill their parking requirements on parcels other than their own parcel if they obtain written authorization to do so from any affected parcel Owner. Notwithstanding the foregoing, in the event parking requirements for existing or redeveloped buildings on the MPP Parcel for (x) an aggregate square footage not to exceed the gross leasable square footage on the MPP Parcel as of the date of this Declaration (the "Aggregate Existing Footage") and (y) a general retail use, cannot be satisfied with available on-site parking on the MPP Parcel solely by reason of governmental changes to the available on-site parking on the MPP Parcel shown on

Exhibit B or changes in parking requirements under applicable parking codes, the Owner of the MPP Parcel shall be entitled to use Parking Spaces on the Primary Parcel to satisfy the shortfall, but only to the extent that such Parking Spaces remain available on the Primary Parcel after satisfying all parking requirements for then existing improvements on the Primary Parcel and improvements for which the Owner of the Primary Parcel has filed applications for approvals or permits with the County of Riverside. For purposes of this Section 1.e., the term "general retail use" shall not include restaurants and other eating establishments.

f. "MPP Parcel" shall mean the parcel identified on Exhibit A as Assessor's Parcel No. 181-020-026, located at the northeast corner of the Shopping Center and designated as the MPP Parcel on Exhibit B.

g. "Parking Space" or "Parking Spaces" shall mean parking spaces, measured and configured in the manner required by the local ordinance or regulation which is applicable from time to time.

h. The term "Owner" shall include a ground lessee of a parcel or lot, where such ground lessee is responsible for maintenance and operation of the parcel or lot in question.

i. "Primary Parcel" shall mean all of the Property other than the MPP Parcel.

j. The phrase "the parties hereto" shall mean Original Declarant and its designated successor pursuant to Section 14 below.

2. Use. Buildings in the Shopping Center and Property shall be used for commercial purposes of the type normally found in a retail shopping center, including, without limitation, banks and financial institutions, service shops, offices, and retail stores. No cafeteria, food purveyor offering meats, poultry, fish and bakery items that is primarily oriented for sale to the Hispanic community, food convenience stores (i.e. - 7-Eleven), pharmacy, theatre, bowling alley, billiard parlor, nightclub or other place of recreation, cemetery, mortuary, establishment engaged in the business of selling, exhibiting or delivering pornographic or obscene materials with the exception of any store selling pornographic materials as an incidental part of its business (e.g., a bookstore such as Barnes & Noble, Borders, Brown or Brentano's shall be permitted in the Shopping Center so long as its operations are substantially similar to the operations of substantially all of its stores), a so-called "head shop", video arcade (excluding (i) retailers whose primary business is the sale of video games and video game systems, such as GameStop, and (ii) the video gaming machines that are incidental to the primary business of a retailer), computer center (excluding retailers whose primary business is the sale of computer hardware and software), massage parlor, off-track betting parlor, junkyard, recycling facility or stockyard, motor vehicle or boat dealership, body and fender shop, or motor vehicle or boat storage facility, house of

worship, discotheque, dance hall, skating rink, or industrial or manufacturing uses, or any business which derives 50% or more of its gross sales volume serving or selling alcoholic beverages, shall occupy space within the Shopping Center without the written consent of Declarant, provided that a wine merchant engaged primarily in selling wine for off-site consumption only and devoting no more than 15% of its gross square feet to the sale of distilled spirits may occupy any parcel or lot on the Property of the Shopping Center. The covenants and restrictions established pursuant to this Section 2 are deemed by Declarant to create an equitable servitude on and covenants running with the land pursuant to Sections 1460 through 1471 of the California Civil Code.

### 3. Buildings.

a. **Design and Construction.** New buildings and buildings being renovated on the Property shall be designed so that the exterior elevation, including building facades, of each shall be architecturally and aesthetically compatible, and so that building wall footings shall not encroach from separately owned parcels onto parcels owned by others. Such new or renovated buildings shall be compatible with the other new buildings and renovated buildings on the Primary Parcel. Declarant shall have the right to approve plans for any new buildings or any major alterations/renovations to existing buildings, which approval shall not be unreasonably withheld or delayed. The design and construction of buildings shall be of first quality. The covenant and restriction established pursuant to this Section 3.a. is a Restrictive Covenant pursuant to Sections 1460 through 1471 of the California Civil Code.

b. **Location.** Except as permitted under Section 1.e., without the prior written consent of Declarant: (a) no building shall be constructed on the Property of the Shopping Center except within the Building Areas shown on Exhibit B. The covenant and restriction established pursuant to this Section 3.b. are intended to create an equitable servitude on and covenants running with the land pursuant to Sections 1460 through 1471 of the California Civil Code.

### 4. Common Areas.

a. **Grant of Easements.** There are hereby reserved and established to and for the benefit of Declarant, its successors in interest, grantees, lessees, and assigns, and the respective owners of the Shopping Center, Property, and parcels or lots therein from time to time, non-exclusive and perpetual easements appurtenant to the Common Areas of the Property and parcels or lots therein for ingress, egress, parking, driveway use, loading and unloading of commercial and other vehicles, trash storage areas (located solely on an Owner's respective parcels) and otherwise for the enjoyment, comfort and convenience of customers, invitees, licensees, tenants and employees of all businesses and occupants of the buildings constructed on the Building Areas, to pass over, through and around and use the Common Areas and the parties' respective parcels or lots on the Property, including but not limited to the right to use driveways, roadways, walkways, parking areas and other facilities constituting Common Areas.

except and provided that all of the foregoing easements are subject and subordinate to the rights of the parties hereto as specified herein, including the right to redesign, construct and reduce the Common Areas.

b. **Protected Access Drives.** Subject to any express conditions, limitations or reservations contained in this Declaration, Declarant hereby declares, establishes and grants for the benefit of and as an appurtenance to the Property and the respective parcels and lots on the Property, for the use and benefit of the owners of such parcels and their customers, invitees, licensees, tenants and employees, a non-exclusive and perpetual easement for reasonable access, ingress and egress over those portions of the Property identified as the "Protected Access Drives" on Exhibit B for the passage of motor vehicles and pedestrians. Declarant shall have the right to modify the Protected Access Drives shown on Exhibit B, provided that: (a) access drives shall be provided to and from the Shopping Center and both Mission Boulevard and Riverview Drive; (b) Declarant obtains all required government approvals for any such modifications; and (c) the Access Drive on the MPP Parcel may not be altered or relocated without the consent of the owner of the MPP Parcel.

c. **Limitations on Use.**

(i) **Customers.** Each owner, lessee and tenant of the Property shall use reasonable efforts to ensure that customers and invitees shall not be permitted to park on the Common Areas except while shopping or transacting business on the Property including the parcels or lots therein.

(ii) **General.** All of the activity permitted within the Common Areas shall be conducted with reason and judgment so as not to interfere with the primary purpose of the Common Areas which is to provide for parking for the customers, invitees and employees of those businesses conducted within the Building Areas and for the servicing and supplying of such businesses; provided, however, that subject to approval of Declarant portions of Common Areas located immediately in front of tenants' respective stores may be used for seasonal or sidewalk sales. Declarant shall have the right to establish rules and regulations governing parking, and Persons using the Common Areas in accordance with this Agreement shall not be charged any fee for such use (including parking use).

d. **Utility and Service Easements.**

(i) There are hereby reserved and established to and for the benefit of Declarant, its successors in interest, grantees, lessees and the respective owners of the Shopping Center and/or the Property and the parcels or lots therein from time to time, the non-exclusive and perpetual right and easement to install, maintain, repair, and replace Common Utility Facilities within and upon the Common Areas of the Shopping Center at such places as may be necessary



for the orderly development and operation of the Shopping Center. Any party hereto upon whose parcel any such Common Utility Facilities shall have been installed shall have the right, upon sixty (60) days prior notice to the other party hereto serviced by said Common Utility Facilities, at any time or from time to time, to move and relocate such Facilities to such place on its parcel as it shall designate; provided, however, that such relocation shall be made at the sole cost and expense of the party requesting such relocation and shall not interfere with, nor increase the cost of, any other user's utility service or unreasonably interfere with the conduct or operation of its business or cause any damage to the Property and the parcels or lots therein. The term "Common Utility Facilities" as used in this Section 4.d. shall mean utility facilities for drainage and sewage, gas, water, electricity and other forms of energy, signals or services, including, but not limited to, sanitary and storm sewers, drainage, detention/retention facilities, pumping facilities, gas and water mains, fire hydrants or other fire protection installations and electric power and telephone lines, which are available for use by the parties hereto for the Property and the parcels or lots therein, and/or the Common Areas thereof (including those between the Shopping Center and the lines or facilities of the governmental body or public utility providing the utility service in question); excluding, however, laterals within five (5) feet of any building servicing only such building and located entirely on the tract on which said building is located.

(ii) Any party having an ownership or leasehold interest in the Property shall repair any damage or blockage caused to any of the Common Utility Facilities, as defined above, serving the Shopping Center and the Property caused by such owner, lessee, tenant or user of the parcel or lot. The owner of each parcel or lots or its lessee shall pay to Declarant its pro rata share of the cost of constructing, maintaining and operating the Common Utility Facilities serving the Shopping Center and Property except as otherwise agreed by the parties hereto; provided, however, that the existing improved lot at the intersection of Riverview Drive and Mission Boulevard (the "Improved Pad") which has existing utility services shall maintain its own on-site utility facilities (and have the right to utilize any Common Utility Facilities) and shall not be required to contribute to costs for future expansion or changes to Common Utility Facilities. These obligations of the owner and lessee of any parcel or lot (other than the Improved Pad) are joint and several. Declarant shall have the rights specified in Section 9 below, to enforce the financial obligations of the said owner or lessee described in this Section 4.d.(ii).

e. **Drainage/Water Flow.** Any alteration in the natural water drainage flow which may occur as a natural consequence of normal construction activities and the existence of Declarant's improvements substantially as shown in Exhibit A (including, without limitation, buildings and building expansions, curbs, drives and paving) shall be permitted. There are hereby reserved to Declarant easements in, over,

under, across and through the Common Area and parcels or lots set forth in Exhibit A (other than the Improved Lot) to grade, establish and maintain patterns and facilities for the benefit of the Property as a whole and for the Common Area. Upon establishment and completion of such drainage patterns and facilities, all of the Property and parcels or lots therein and the Common Areas shall be and remain subject thereto.

5. Development, Maintenance, and Taxes.

a. Development.

(i) Arrangement. The arrangement of the Common Areas shall not be changed in a manner materially inconsistent with the provisions of this Declaration and as reflected on the site plan attached as Exhibit B, provided, however, that Declarant may agree to any such change, so long as (x) the change does not materially adversely affect the access or visibility of the MPP Parcel, and (y) the parking areas on the MPP Parcel (as reflected on Exhibit B) shall not be changed unless the owner of the MPP Parcel consents in writing to such change.

(ii) Renovation. The owner of the Primary Parcel may elect to perform renovations to the Shopping Center, which may include the construction of new buildings, the remodel of existing buildings, the re-alignment of the Protected Access Drives (including the access drive located on the MPP Parcel), replacement, re-surfacing and/or re-striping of parking areas (including those located on the MPP Parcel), parking lot lighting and landscaping.

b. Maintenance.

(i) Standards. The Maintenance Director designated pursuant to Section 5.b.(iii) below shall maintain the Common Areas in good condition and repair. The maintenance is to include without limitation the following:

(A) Maintaining the surfaces in a level, smooth and evenly covered condition with the type of surfacing material originally installed or such substitute as shall in all respects be equal in quality, use, and durability;

(B) Removing all papers, ice and snow, mud and sand, debris, filth and refuse and thoroughly sweeping the area to the extent reasonably necessary to keep the area in a clean and orderly condition;

(C) Placing, keeping in repair and replacing any necessary appropriate directional signs, markers and lines;

(D) Operating, keeping in repair and replacing, where necessary, such artificial lighting facilities as shall be reasonably required;

(E) Maintaining all perimeter and exterior building walls including but not limited to all retaining walls in a good condition and state of repair; and

(F) Maintaining, mowing, weeding, trimming and watering all landscaped areas and making such replacements of shrubs and other landscaping as is necessary.

(ii) Expenses. Except as set forth below, the respective Owners of parcels or lots on the Property within the Shopping Center shall maintain and pay the maintenance expense of their respective buildings.

(iii) Maintenance Director.

(A) Declarant shall act as the "Maintenance Director" of the Shopping Center. The Maintenance Director shall maintain all of the Common Areas in the manner set forth above. An easement is hereby established for the Maintenance Director appointed pursuant to this Section 5.b.(iii) to enter any parcel or lot in the Shopping Center for purposes of performing maintenance of the Common Areas as provided herein. Without limiting any provision hereof, the Maintenance Director may contract with a third party to perform its obligations hereunder. In such case, the third party management fee shall be considered part of the maintenance expense and may be included in the Common Area maintenance costs charged to all owners of the Property. Without limiting the effect of the foregoing, the Maintenance Director may but shall have no obligation to provide security services for the Shopping Center.

(B) Maintenance Director may elect to provide for long term maintenance of the Common Areas by establishing a monthly fee to be charged to all property owners and such fee shall be placed in a reserve fund. If the Maintenance Director elects to establish such a fee, the aggregate monthly fee amount shall be calculated as the sum which will fund and maintain a reserve not in excess of \$45,000 over a period of five (5) years, and shall be recalculated each time amounts are charged to and paid from the reserve fund. Amounts charged to Owners of parcels or lots shall be determined in the same manner as provided in Section 5.b.(iii)(C) for other Common Area expenses. Funds held in the reserve fund shall be used to fund the excess of single item maintenance and repair expenditures that exceed the single item threshold ("Single Item Threshold") of \$15,000, which threshold amount shall be increased annually by 2% or the Consumer Price Index, whichever is higher.

(C) Each Owner of a parcel or lot reflected in Exhibit A shall pay a proportionate share of the costs and expenses incurred by the Maintenance Director, determined by multiplying the total costs and expenses incurred by, a fraction the numerator of which is the square footage of the land area of a specific property owner and the denominator of which is the total square footage of the land area of the Shopping Center.

(D) If the owner of the Primary Parcel elects to renovate the Property as provided for in Section 5.a.(ii), the initial replacement of the parking areas of the Shopping Center by the owner of the Primary Parcel (including the parking areas located on the MPP Parcel) shall not constitute maintenance costs of the Common Areas to be billed to the owner of the MPP Parcel pursuant to Section 5.b.(iii)(C) or otherwise. Furthermore, the reserve for long term maintenance to be established pursuant to Section 5.b.(iii)(B) shall not be utilized to fund or reimburse for the initial replacement of the parking areas by the owner of the Primary Parcel that may occur as part of the Renovation.

(E) The Maintenance Director shall continuously maintain or cause to be maintained commercial general liability insurance (including contractual liability coverage insuring the indemnity set forth below) endorsed to cover personal injury (including false arrest), death and property damage, covering the Common Area, together with such workers compensation insurance as is required by law. Such commercial general liability insurance shall afford protection to the limit of not less than Two Million Dollars (\$2,000,000.00) for death of, or bodily injury to, or personal injury to, one or more persons, and property damage to the limit of not less than Two Million Dollars (\$2,000,000.00) for each occurrence. Each policy of insurance required under this subsection shall name as additional insured each owner of the Common Area. Further, each policy shall provide, and each certificate evidencing the existence of such policy shall certify, that unless Declarant shall be given thirty (30) days advance written notice of any cancellation, or failure to renew or material change to the policy, as the case may be, (A) the insurance shall not be cancelled and shall continue in full force and effect, (B) the insurance carrier shall not fail to renew the policy for any reason, and (C) no material change shall be made in the policy. The insurance shall be obtained from a financially responsible company or companies licensed to do business as an insurance company in the State of California with Best's insurance rating of "A-VII" or better. All policies shall contain provisions stating that any additional insured shall be entitled to recover under such policies for any loss occasioned to such additional insured by reason of the negligence of another additional insured. All such policies required to be carried by the Maintenance Director shall be written as primary policies and not as "contributory" to any other policy which is maintained by any owner. The limits of coverage for the commercial general liability insurance are subject to increase from time to time upon the sole

determination of the Declarant. The Maintenance Director shall provide each additional insured with certificates evidencing the fact that the insurance required under this subsection has been obtained. Each policy of insurance required under this subsection shall contain a waiver of subrogation against each owner.

(F) The Maintenance Director is hereby authorized to contract for and pay for, on behalf of the owners, all of the maintenance expenses reasonably necessary to maintain the Common Areas as provided in this Declaration. The Maintenance Director shall provide copies of all paid bills with each billing made to owners, and shall allow any owner or lessee of any parcel or lot subject to assessment for maintenance to audit, at no expense to the Maintenance Director, all Common Area records upon reasonable notice during usual business hours. In the event an audit discloses an overbilling against the auditing party in excess of five percent (5%) of the amount billed, the Maintenance Director shall immediately reimburse the auditing party for the reasonable cost of such audit. The Maintenance Director also agrees to hold expenses to a reasonable level consistent with the operation and maintenance of a first-class shopping center.

(G) The owners (or their tenants or agents) shall be billed monthly by the Maintenance Director for their pro rata share of insurance premiums and repairs and maintenance costs of the Common Area, a monthly fee to be placed in a reserve for long term maintenance and for the excess of single item repairs over the Single Item Threshold plus a reasonable administration charge ("Administration Charge") but excluding from said Administration Charge the cost of any third party management fee, the cost of insurance, taxes and utilities and the amount of the excess over the Single Item Threshold of any repair that exceeds the Single Item Threshold, hereinafter collectively referred to as "maintenance expenses." The Administration Charge shall not exceed ten percent (10%) [or five percent (5%) in the event the Maintenance Director has retained a third party manager] of the maintenance expenses, less taxes, insurance premiums, single occasion expenditures in excess of the Single Item Threshold, and third party management fees. The first billing date shall be the last day of the first full calendar month following the date as of which the Maintenance Director begins to maintain the Common Areas. The Maintenance Director shall reasonably estimate such expenses in advance for a given calendar year and bill the owners (or their tenants or agents) for such maintenance expenses in equal monthly amounts. The owners shall pay such bills within thirty (30) days of receipt. An annual adjustment based on actual expenses in such calendar year shall be made by the Maintenance Director within ninety (90) days following the close of each calendar year and either a refund or payment, as applicable, shall be made within thirty (30) days after such annual adjustment.

(H) If any owner fails or refuses at any time to pay its share of any of the maintenance expenses when due, then the Maintenance Director may enforce payment pursuant to Section 9.

(I) The Maintenance Director shall indemnify and save each owner harmless from any and all liability, damage, expense, causes of action, suits, claims or judgments arising from bodily injury, death or property damage as shall occur on the Common Area due to the negligence or willful misconduct of the Maintenance Director, except to the extent caused by the negligence of the owner indemnified hereby, or its occupants. Notwithstanding the foregoing, the Maintenance Director's liability under this subsection shall not exceed the amount of insurance proceeds that are recoverable under the commercial general liability insurance policy maintained by the Maintenance Director under subsection (E) above, provided, however, in the event the Maintenance Director fails to maintain the commercial general liability insurance as required under subsection (E) above, then the Maintenance Director's liability under this subsection shall not exceed the amount of insurance proceeds that would have been recoverable had the Maintenance Director maintained such insurance as required under subsection (E) above.

(J) The Maintenance Director shall keep or cause to be kept the Common Area free and clear of and from any and all mechanic's, materialmen and other similar liens arising out of or in connection with the performance of the Maintenance Director's obligations hereunder, and shall pay when due (or cause to be bonded) and discharge of record any and all lawful claims upon which any such lien may or could be based, and shall save and hold each owner and its parcel or lot, as the case may be, and improvements thereof, free and harmless of and from any and all liens and any and all claims of liens and suits or other proceedings pertaining thereto, except to the extent that such lien has arisen because of an owner's failure to reimburse the Maintenance Director as required hereby.

Notwithstanding anything to the contrary contained herein, Declarant may not assign its rights and duties as Maintenance Director except to an entity affiliated with Declarant, or to a party who owns a parcel or lot on the Property.

c. Taxes. Each of the parties subject to this Declaration hereby agrees to pay or cause to be paid, prior to delinquency, directly to the appropriate taxing authorities, all real property taxes and assessments which are levied against that part of the Property owned by it; provided, however, should said owner fail to pay or cause to be paid its proportionate share of the taxes as provide for in this subsection, Declarant or other parties designated in Section 14 hereof shall have the right to cure such delinquency, and shall have the right to levy on the delinquent parcel a lien enforceable as provided for in Section 9.

6. **Signs.** No sign shall be located on the Common Areas illustrated on Exhibit B except signs advertising businesses conducted on the Property. Furthermore, no signs shall obstruct the ingress and egress shown on Exhibit B.

7. **Indemnification/Insurance.**

a. **Indemnification.** Each owner of a parcel or lot (an "Indemnifying Owner") shall assume for and in behalf of the other owners (the "Indemnified Owners") shall defend, in the event of litigation, indemnify, and save the Indemnified Owners and their respective successors in interest, heirs, grantees, devisees and assignees, tenants, licensees, invitees and agents harmless from any and all claims for injury or death to persons or damage to or loss of property arising out of or alleged to have arisen out of or occasioned by the construction, use, operation and maintenance by the Indemnifying Owner of the buildings, improvements, structures, parking areas, utilities, driveways, sidewalks and landscaped areas on the Indemnifying Owner's Tract, except to the extent that such damage or injury shall have been due to the act or negligence of an Indemnified Owner, or its respective successors, devisees, assignees, agents, tenants, licensees or invitees. In the event that an Indemnified Owner is given notice of or served with a complaint subject to the indemnification provide for in this subsection shall give the Indemnifying Party written notice of such claim or complaint, and Indemnifying Party shall immediately assume all cost and expenses, including, but not limited to, actual attorneys' fees incurred in connection of the defense of said controversy. Indemnified Party shall have the right to engage its own attorney for purposes of defending its interest, which reasonably attorneys' fee shall be the obligation of the Indemnifying Party. It is the intention of the parties subject to this Declaration, that the obligation of indemnification imposed by this Section 7.a. shall arise immediately upon the receipt by Indemnified Party of any claim or complaint governed hereunder, and not conditioned upon the ultimate determination of the Indemnifying Party's liability.

b. **Insurance.**

- (i) Each Party subjected to this Declaration shall procure and maintain, or cause to be maintained, in full force and effect throughout the term of this Declaration general public liability insurance and property damage insurance against claims for personal injury, death or property damage occurring upon, in or about its property, each Party's insurance to afford protection to the limit of not less than Two Million Dollars (\$2,000,000.00) for injury or death of a single person, and to the limit of not less than Two Million Dollars (\$2,000,000.00) for any one occurrence, and to the limit of not less than Two Million Dollars (\$2,000,000.00) for property damage. Such insurance may be written by additional Property endorsement on any master policy of insurance carried by the Party which may cover other property in addition to the property covered by this Declaration. Such insurance shall provide that

the same may not be canceled without thirty (30) days prior written notice to the other co-insured Parties.

- (ii) At all times during the term of this Declaration, each Party shall keep improvements on its parcel or lot insured against loss or damage by fire and other perils and events as may be insured against under the broad form of Uniform Extended Coverage Clause in effect from time to time in California, with such insurance to be for the full replacement cost of the insured improvements
- (iii) Policies of insurance provided for in this Section 7.b. and maintained by Parties subject to this Declaration and their successors with respect to their parcels or lots shall name Declarants as additional insureds as their respective interests may appear, and each of them shall provide upon written request, certificates evidencing the fact that such insurance has been obtained.
- (iv) Each Party subject to this Declaration, for itself and its property insurer, hereby releases the other Parties and their property insurers from and against any and all liabilities, claims, causes of action, obligations, demands, damages, losses, costs, or expenses, including attorneys' fees and costs, for damage to each other Party's property or loss of rents or profits of any Party resulting from or in any way connected with any fire or other casualty whether or not such fire or other casualty shall have been caused by the intentional action, negligence or the contributory negligence of the Party being released or by any officer, agent, employee or associate of the Party being released, this release being to the extent that such damage or loss is covered by the property insurance which the releasing Party is obligated hereunder to carry, or, if the releasing Party is not carrying that insurance, then to the extent such damage or loss would be covered if the releasing Party were carrying that insurance. This release extends to all liabilities, claims, causes of action, obligations, demands, damages, losses, costs or expenses, whether known or unknown, suspected or unsuspected, matured or inchoate contingent or fixed, and liquidated or unliquidated, arising directly or indirectly out of the subject matter of the release. The parties hereto acknowledge that all of their rights under the appropriate sections of California Civil Code, are hereby expressly waived, and acknowledge that they have been advised that the section reads as follows:

*"Certain Claims Not Affected by General Release.  
A General Release does not extend to claims which  
the creditor does not know or suspect to exist in its  
favor at the time of executing the release, which if*



*known by him must have materially affected his settlement with the debtor."*

*Each Owner, lessee, mortgage or trustee, beneficiary, in accepting a conveyance of an interest in the Property shall be deemed to have acknowledged that it is a party to the foregoing release, and to a waiver of its potential claims under the appropriate sections of California Civil Code.*

- (v) Each policy of insurance described herein shall contain a waiver by said insurer of any and all rights of subrogation against each other Party, and their officers, employees, agents, associates and representatives, and said insurance policy shall provide that any "non-control" provision in said policy is excluded or superseded by an endorsement providing that the insurance obtained pursuant to this Section 7.b. shall not be prejudiced by any act or neglect of any of the insureds when such act or neglect is not within the knowledge and control of all of the insureds collectively and shall likewise not be prejudiced by any failure of the insureds, individually or collectively, to comply with any warranty or condition with regard to any portion of the Project over which each insured individually, or the insureds collectively, have no control. Said insurance policy shall provide that it may not be canceled, suspended or avoided in whole or in part by any reason of any act, omission or breach of any covenant, condition or restriction contained herein.

**8. Eminent Domain.**

a. **Owner's Right To Award.** Nothing herein shall be construed to give any party hereto any interest in any award or payment made to the other party hereto in connection with any exercise of eminent domain or transfer in lieu thereof affecting said other party's parcel or lot or giving the public or any government any rights in said parcel or lot. In the event of any exercise of eminent domain or transfer in lieu thereof of any part of the Common Areas located on the Property, the award attributable to the land and improvements of such portion of the Common Areas shall be payable only to the owner thereof, and no claim thereon shall be made by the owners of any other portion of the Common Areas.

b. **Collateral Claims.** All other Owners of the Common Areas may file collateral claims with the condemning authority for their losses which are separate and apart from the value of the land area and improvements taken from another owner.

c. **Tenant's Claim.** Nothing in this Section 8 shall prevent a tenant from making a claim against an owner pursuant to the provisions of any lease between tenant and owner for all or a portion of any such award or payment.

d. **Restoration of Common Areas.** The owner of any portion of the Common Areas or other improvements to a tract so condemned shall promptly repair and restore the remaining portion of the Common Areas and the improvements to its parcel or lot as nearly as practicable to the condition of the same immediately prior to such condemnation or transfer, to the extent that the proceeds of such award are sufficient to pay the cost of such restoration and repair and without contribution from any other Owner.

9. **Enforcement Remedy/Lien Right.**

a. **Agreement to Pay.** Declarant covenants and agrees for the Shopping Center and Property owned by it, that such ownership, and the ownership thereof by successors in interest, grantees, lessees and assigns of Declarant, are expressly made subject to assessments as set forth in this Declaration, and each owner of a parcel or lot by acceptance of a conveyance thereof covenants and agrees for the parcel or lot owned by him, to pay to the party entitled thereto any assessments levied in accordance with the provisions of this Declaration, and to allow the party entitled thereto to enforce any assessment lien established in accordance with the provisions of this Declaration by judicial or non-judicial proceedings under a power of sale or by other means authorized by California law.

b. **Assessments/Lien and Personal Obligation of Owner.** Each assessment or installment, together with all collection costs, and reasonable attorneys' fees relating to collection and enforcement hereof shall, at the time such assessment or installment becomes due and payable, be a lien upon the parcel or lot of each Owner. In the event such an assessment or installment becomes due and payable, and is thereafter unpaid at the time the Owner of any parcel or lot conveys any interest, including but not limited to, a fee interest, a leasehold estate, or a mortgage or deed of trust, in its tract to a third party, the assessment or installment shall be a lien upon the parcel or lot, senior and superior to the interest of the new owner, tenant, mortgagee or beneficiary. In the case of a new owner, whether through voluntary or involuntary conveyance of title to a parcel or lot, such new owner shall be liable for payment of said installment. No owner, tenant, lessee, mortgagee or beneficiary may be relieved from the obligation to pay any such assessment or installments by waiving the use or enjoyment of all or any portion of the Common Area, or by abandoning its parcel or lot.

c. **Levying of Assessment.** In the event Declarant or its successors in interest, grantees, lessees, and assigns, determine that any assessment shall be levied for one of the purposes elsewhere specified in this Declaration or their successors-in-interest, grantees, lessees, and assigns shall provide written notice to the Owner of the

parcel or lot upon which such an assessment is to be levied, describing the amount of the assessment, the reason therefor, and the date upon which payment is due. In the event said assessment is not paid by the date specified for payment, interest shall accrue upon such assessment at the judgment rate as specified, from time to time, by the California Legislature. Upon delivery of said notice of assessment, said assessment shall become a lien against the owner's parcel or lot and such lien shall be enforceable by a power of sale under California Civil Code. In addition to the enforcement powers described above, Declarant and its successors in interest, grantees, lessees, and assigns may enforce delinquent assessments, including delinquent installments, by suing a parcel or lot Owner directly on the debt established by the assessment, or by enforcing their lien against the Owner's parcel or lot as provided above and foreclosing the lien through judicial or non-judicial proceedings. Declarant shall not be limited to one form of action in enforcing and collecting said assessment and may commence and maintain a lawsuit directly on the debt without waiving their right to enforce their lien against the Owner's parcel or lot for the delinquent assessments. In any action instituted by Declarant to collect delinquent assessments, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees.

d. **Recording of Assessment Lien.** A delinquent assessment or installment, together with accompanying interest in collection cost and enforcement costs including reasonable attorneys' fees, may be recorded in the Official Records of the County of Riverside. The party claiming the assessment shall prepare a written notice which describes the amount of the delinquent assessment or installment, the related charges authorized by this Declaration, a description of the parcel or lot, and the name of the purported owner. Such assessment notice shall be acknowledged by an officer, partner, agent, or in the case of sole proprietors, by the individual in interest recording the notice. If the delinquent assessment or installment and related charges are paid or otherwise satisfied, the party recording such notice shall record a notice of satisfaction and release of lien.

e. **Foreclosure Under Assessment Lien.** The party recording such notice may enforce any assessment lien established hereunder by filing an action for judicial foreclosure or by recording a notice of default in the form described in the California Civil Code to commence a non-judicial foreclosure under power of sale. Any non-judicial foreclosure under power of sale shall be conducted in accordance with the requirements of California Civil Code that are applicable to non-judicial foreclosures of mortgages or deeds of trust, under power of sale, provided that the party recording the notice of assessment may appoint its attorney, any officer or director, or any title insurance company authorized to do business in California to conduct the sale in the role of trustee. If the Owner's default is cured before the last date for redemption as described in the California Civil Code, or before the completion of a judicial foreclosure, including payment of all costs and expenses incurred by the party recording the notice of assessment, the party recording such notice shall record a notice of satisfaction and release of lien, and upon receipt of written request by the owner of

the tract, a notice of rescission rescinding the declaration of default and demand for sale.

f. **Injunctive Relief.** The parties hereto acknowledge and agree that they have bargained for specific performance of the covenants, conditions, restrictions, rights, easements, and rights-of-way contained in this Declaration, and all other provisions hereof; and that each party entitled to enforcement of the terms hereof pursuant to Section 13 below, shall be entitled to injunctive relief, including but not limited to temporary restraining orders, preliminary injunctions and permanent injunctions, either mandatory and prohibitory. Each party subject to this Declaration hereby irrevocably acknowledges, and confirms that the breach of the equitable servitudes and covenants running with the land created herein, cannot be adequately remedied at law, and further confirm that any such breach would result in irreparable harm. Subject to the limitations contained in this Declaration, the parties hereto shall have all remedies, at law or in equity, in order to enforce the terms of this Declaration.

10. **Rights And Obligations Of Lenders.** If by virtue of any right or obligation set forth herein a lien shall be placed upon any tract in the Project, except as provided in Sections 7 and 8, such lien shall expressly be subordinate and inferior to the lien of any first lienholder now or hereafter placed on such parcel or lot provided, however that upon foreclosure by such first lienholder, any assessment recorded (pursuant to Section 9) prior to such foreclosure, and any post foreclosure assessment, shall be and become the obligation of the party coming into title to such parcel or lot. Except as set forth in the preceding sentence, any holder of a first lien on any parcel or lot within the Property of the Shopping Center and any assignee or successor in interest of such first lienholder, shall be subject to the terms and conditions of this Declaration.

11. **Expansion of Shopping Center.** The parties hereto agree that in the event the Shopping Center is expanded by an entity in the ownership or control of the parties or by agreement with a third Party, all of the provisions of this Agreement shall apply to the expanded area and the parking to the building ratio in the expanded area shall not be less than that provided in Section 5.a.(ii). A memorandum of such expansion shall be recorded in the land records as an amendment hereto.

12. **Release From Liability.** Any person acquiring fee or leasehold title to any parcel or lot in the Property or any expansion of the Shopping Center pursuant to Section 11 or any portion thereof, shall be bound by this Declaration. In addition, subject to Section 9, such person shall be bound by this Declaration only during the period such person is the fee or leasehold owner of such parcel or lot except as to obligations, liabilities or responsibilities that accrue during said period. Although persons may be released from liability under this Section, the easements, covenants and restrictions in this Agreement shall continue to be benefits to and servitudes upon and covenants running with the land.

13. Limitations on Enforcement Proceedings.

a. In the event of breach or threatened breach of this Declaration, only all record owners of parcels or lots in the Property or the Shopping Center, or Declarant so long as it or any affiliate has an interest as owner or lessee of the Property and Shopping Center, shall be entitled to institute proceedings, at law or in equity, for full and adequate relief from the consequences of said breach or threatened breach; provided, however, this Section 13 is not a limitation on the assessment powers of the parties hereto, as provided for in Section 9 and in other subsections hereof referring to Section 9.

b. In the event of a breach of the provisions of Section 4.a. (the creation of Common Area easements), or an unreasonable abridgment of the privileges herein granted to the owner of any parcel or lot subject hereto, pursuant to Section 4.c., the owner of each parcel or lot shall be entitled to institute proceedings for full and adequate relief from the consequences thereof.

14. Rights of Successors. The easements, covenants, restrictions, benefits and obligations hereunder shall create mutual benefits and equitable servitudes and covenants running with the land, all as provided for in California Civil Code Sections 1460 through 1471. This Declaration shall bind and inure to the benefit of the parties hereto, their respective heirs, representatives, lessees, successors and assigns; provided, however no successor in interest to Declarant hereunder shall succeed to the rights or obligations specifically reserved or granted to Declarant unless either (a) Declarant fully and completely assigns those rights to one (1) third party of record, which third party shall be an owner of one or more of parcels or lots designated in Exhibit A, or (b) Declarant is no longer an Owner of any parcel or lot set forth in Exhibit A, in which case those rights shall be deemed assigned to the Owner of any such parcels or lots.

15. Document Execution, Modification and Cancellation. This Declaration (including exhibits) may be amended or cancelled only by the mutual agreement of Declarant and a majority in interest of the owners of parcels or lots, determined based upon the acreage of the parcel(s) or lot(s) owned.

16. Duration. Unless otherwise cancelled or terminated, all the easements granted in this Declaration shall continue in perpetuity and all other rights and obligations hereof shall automatically terminate and be of no further force and effect after the ninety-nine (99) years from the date hereof.

17. No Implied Covenant to Operate. It is expressly agreed by the parties hereto, for their own benefit and that of their successors in interest, that nothing contained in this Declaration shall be construed to contain a covenant, either express or implied, to either commence the operation of a business or enterprise, or thereafter to continuously operate any business or enterprise.

18. **Headings.** The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this document nor in any way affect the terms and provisions hereof.

19. **Entire Agreement.** This Declaration constitutes the entire agreement between the parties hereto regarding the subject matter of this Declaration. The parties hereto do not rely upon any statement, promise or representation not herein expressed, and this Declaration once executed and delivered shall not be modified or altered in any respect except by a writing executed and delivered in the same manner as required by this document.

20. **Covenants Running with the Land.** The covenants, conditions, restrictions and easements contained herein shall run with the land, and shall constitute equitable servitudes upon all parcels and lots designated in Exhibit A in favor of the other parcels and lots and shall be binding upon and inure to the benefit of the respective successors in interest, grantees, lessees, lienholders and assigns of the parties subject to this Declaration.

21. **Notice.** Any notice, request, demand, instruction or other communication required by the Declaration to be given, including, but not limited to, a notice of assessment, shall be in writing and shall be either (a) personally delivered to the parties named below, or the party otherwise entitled thereto, by a commercial messenger service regularly retaining receipts for such delivery, (b) sent by registered or certified mail, return receipt requested, or (c) delivered by the air courier services known as Federal Express, Express Mail, Airborne, or Emery Air, and such notice shall be effective upon delivery thereof to the party being given notice, and shall be addressed to the parties as listed below:

To Mission Plaza Properties, Ltd.:

Mission Plaza Properties, Inc.  
3625 Del Amo Blvd., Suite 130  
Torrance, CA 90503  
Attn: Peter Schmitz, President.

With a copy to:

James R. Pickett, Esq.  
36875 Pauba Road  
Temecula, CA 92592

If Declarant desires to change its address for the purpose of receipt of notice, such notice of change of address shall be given in the manner specified herein. However, unless and until such written notice of change is actually received, the last address and addressee as stated

by written notice, or provided herein if no written notice or change has been received, shall be deemed to continue in effect for all purposes hereunder. This notice provision shall be inapplicable to any judicial or non-judicial proceeding where California law governs the manner and timing of notice, commencing and prosecuting an action, commencing and prosecuting a foreclosure, or seeking the appointment of a receiver.

22. **Election of Remedies.** In addition to the rights, powers and remedies given in this Declaration to Declarant or its successors in interest, grantees, lessees, or assigns as designated in Section 14, each of them may, in their own absolute discretion, at any time, and from time to time, exercise any and all rights and powers, and pursue any and all remedies now or hereafter given at law or in equity, including but not limited to any rights or remedies granted herein or by California or Federal case, statutory or regulatory law. Their failure to exercise any such right or remedy shall not be deemed a waiver of that right or remedy unless the party entitled to that right or remedy has so agreed, expressly and in writing, and the failure to so exercise any right or remedy shall not preclude the party entitled thereto from later exercising any such right or remedy. Any written waiver of default shall not constitute a continuing waiver or waiver of any other same, similar or different events of default on any future occasion, unless such a waiver of such future defaults is expressed, in writing, with precision. No course of dealing between any party hereto, or any owner, tenant, lessee, or user of the parcels or lots of the Property as reflected in Exhibit A or any encumbrancer thereof, in exercising any rights under this Declaration shall operate as a waiver of such rights, nor shall any such delay, unless agreed to in writing by the parties entitled to enforce this Declaration, constitute a waiver of any obligation or default. No waiver of default shall extend to or impair any other obligation not expressly waived, nor impair any right otherwise consequent on such covenant, provision or obligation. Any waiver may be given subject to satisfaction of conditions stated therein. No power or remedy herein conferred is exclusive of or shall prejudice any other power or remedy given by law or by the terms of this Declaration, nor shall any party hereto be forced to make any election of remedies.

23. **Time of the Essence.** Time is of the essence with regard to performance under the terms and provisions of this Declaration, and any amendment, modification or revision thereof, with respect to the actions and obligations of each person bound by the terms hereof. No extension of time for payment of any sum due hereunder shall operate to release, discharge, modify, change, or affect the original liability as established hereunder, either in whole or in part. In accepting an interest in any parcel or lot of the Property as reflected in Exhibit A each owner, tenant, lessee, user, and mortgagee, and trust deed beneficiary shall be deemed to take its interest knowingly and willingly subject to this time is of the essence clause.

24. **Severability.** Invalidation of any of the provisions contained in this Declaration, or of the application thereof to any person by judgment or court order shall in no way affect any of the other provisions hereof or the application thereof to any other person and the same shall remain in full force and effect.

25. **Negation of Partnership.** None of the terms or provisions of this Declaration shall be deemed to create a partnership between or among the Parties subject hereto in their

respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each Party shall be considered a separate owner, and no Party shall have the right to act as an agent for another Party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged.

26. **Not a Public Dedication.** Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center or of any parcel or lot or portion thereof to the general public, or for any public use or purpose whatsoever. Except as herein specifically provided, no right, privileges or immunities of any party hereto shall inure to the benefit of any third-party person, nor shall any third-party person be deemed to be a beneficiary of any of the provisions contained herein.

27. **Restoppel Certificates.** Any party shall, from time to time upon not less than thirty (30) days notice from any other party, execute and deliver to such other party a certificate in recordable form stating that this Declaration is unmodified and in full force and effect or, if modified, that this Declaration is in full force and effect, as modified, and stating the modifications and stating whether or not, to the best of its knowledge, any other party is in default in any respect under this Declaration, and if in default, specifying such default.

28. **Governing Law, Jurisdiction, and Venue.** This Declaration shall be governed by the Laws of the State of California controlling contracts solely entered into, and to be entirely performed in, the State of California. The Parties hereto expressly stipulate that any claim or controversy arising under this Declaration shall be exclusively brought in the Superior Court of the State of California, seating in Riverside County.



IN WITNESS WHEREOF, we have hereunto set our hands on the date and year first above written.

DECLARANT:

MISSION PLAZA PROPERTIES, LTD.,  
a California limited partnership.

By: MISSION PLAZA PROPERTIES, INC.,  
a California corporation  
Its General Partner.

By: *Peter Schultz*  
Peter Schultz, President

ATTEST:

*Phyllis Garbena*  
Assistant Secretary *PHYLLIS GARBENA*

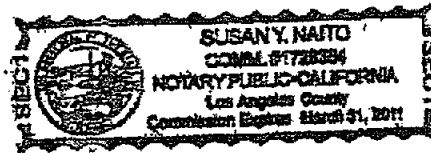
STATE OF CALIFORNIA )  
COUNTY OF ~~GRANDE~~ <sup>LOS ANGELES</sup> )

On AUGUST 6, 2008, before me SUSAN Y. NAITO, NOTARY PUBLIC  
personally appeared PETER SCHULTZ who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to 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 Susan Y. Naito



(This area for official notarial seal)

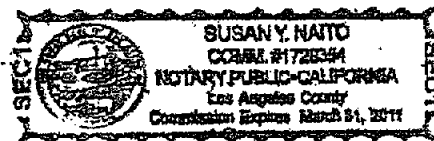
STATE OF CALIFORNIA )  
COUNTY OF ~~GRANDE~~ <sup>LOS ANGELES</sup> )

On AUGUST 6, 2008, before me SUSAN Y. NAITO, NOTARY PUBLIC  
personally appeared PHILLS BARBUENA who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to 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 Susan Y. Naito



(This area for official notarial seal)

8/6/08

EXHIBIT "C"

## EXHIBIT A

## PROPERTY

The following described property located in the County of Riverside, State of California:

**Parcel 1: (APN 181-020-022-4)**

That portion of Lots 4, and 5 of T.M. Parson's Survey of a portion of the Jurupa Rancho as shown by Map on file in book 1, page(s) 68 of Record of Survey, San Bernardino County Records, described as follows:

Beginning at a point on the Northwestly line of said Lot 4, which bears South  $33^{\circ} 46' 20''$  West, 134.89 feet from a point on the Southwestly line of Mission Boulevard, as conveyed to the County of Riverside, by Deed recorded June 4, 1914, in book 594, page(s) 345 of Deeds, Riverside County Records; thence South  $58^{\circ} 50'$  East, 151.86 feet; thence South  $33^{\circ} 47'$  West, 5.11 feet; thence South  $58^{\circ} 50'$  East, 135 feet; thence South  $33^{\circ} 47'$  West, 20 feet to the Northeast corner of the parcel conveyed to Ralph T. Moore, et ux, by Deed recorded March 29, 1960 in book 2564, page(s) 182 of Official Records, Riverside County Records; thence North  $58^{\circ} 50'$  West 132.02 feet; thence South  $33^{\circ} 47'$  West 136 feet to the Southwest corner of the parcel conveyed to Ralph T. Moore, et ux, recorded March 29, 1960; thence South  $39^{\circ} 50'$  East 132.02 feet to the Southeast corner of said Ralph T. Moore parcel; thence South  $38^{\circ} 50'$  West 14 feet to the Northeast corner of the parcel conveyed to Robert O. Hunter, et ux, by deed recorded February 18, 1949 as Instrument No. 2105; thence North  $58^{\circ} 50'$  West 132.02 feet to the Northwest corner of said parcel so conveyed to Robert O. Hunter, et ux; thence South  $33^{\circ} 47'$  West 282.74 feet, along the Westly line of said parcel and the Westly line of Lots 13, 12, 11, 10 and 9 as shown on the Map of Hunter Subdivision No. 2, on file in book 23, page(s) 71 of Maps, Riverside County Records, to the Northeast line of Lot 14 as shown on said Map; thence North  $56^{\circ} 27' 20''$  West 134.62 feet to the North corner of Lot "A" (Briggs Street) as shown on said Map; thence North  $33^{\circ} 46' 20''$  East 413.20 feet; thence North  $58^{\circ} 50'$  West, leaving the Northwest line of Lot 4 of T.M. Parson's Survey, a distance of 9.01 feet to the East line of a parcel conveyed to Sidney M. Barton, et al, by deed recorded October 27, 1954 in book 2354, page(s) 68 of Official Records, Riverside County Records; thence North  $33^{\circ} 46' 20''$  East, along said Barton Parcel 144.95 feet to a point North  $58^{\circ} 50'$  West of the point of beginning; thence South  $58^{\circ} 50'$  East, 15.61 feet to the point of beginning.

**Parcel 2: (APN 181-020-023-5 & 181-020-027-9)**

That portion of Lots 7 and 8 of T.M. Parson's Survey of a portion of the Jurupa Rancho, as shown by Map on file in book 1, page(s) 68 of Maps, San Bernardino County, and also a portion of Lot 11 of Miller and Newman's Survey Rubidoux Rancho, as shown by map on file in book 7, page(s) 36 of maps, San Bernardino County Records, described as follows:

EXHIBIT "C"

Beginning at a point on the Northwestery line of Lot 7 which is a point of intersection of the Northwestery line of said Lot 7 with the Southwestery line of Mission Boulevard as conveyed to the County of Riverside by Deed recorded June 4, 1914 in book 398, page(s) 345 of Deeds, Riverside County Records; thence South  $33^{\circ} 46' 20''$  West, 171.18 feet; thence South  $58^{\circ} 50'$  East, parallel with the Southwestery line of Mission Boulevard, 59.21 feet; thence South  $31^{\circ} 10'$  West, 362.75 feet; thence North  $58^{\circ} 50'$  West, 111.62 feet to the Southeastery line of that certain parcel conveyed to the Governing Board of West Riverside School District by Deed filed for record May 16, 1948 as Instrument No. 1899; thence North  $33^{\circ} 46' 20''$  East on the Southeastery line of said Parcel, 129.67 feet to the most Easterly corner of said Parcel; thence North  $57^{\circ} 38' 30''$  West, 128.3 feet to the most Northerly corner of said Parcel on the Northwestery line of said Lot 8; thence Northeastery on the Northwestery line of said Lot 8, a distance of 19.7 feet to the most Easterly corner of that certain parcel conveyed to the West Riverside School District by Deed recorded June 30, 1934 in book 180, page(s) 399 of Official Records; thence Northwestery on the Northeastery line of the last mentioned certain parcel and along the Southwestery line of the land described in the Quitclaim Deed from the County of Riverside to Wilvine Investments, Inc., recorded March 14, 1962 as Instrument No. 23577, Riverside County Records, to that certain curve concave Northwestery having a radius of 544 feet in the Southeastery line of Riverview Drive as established in said Quitclaim Deed; thence Northeastery along the last mentioned Southeastery line and along the Southeastery line of Riverview Drive (formerly Libanite Avenue) as described in the Deed to the County of Riverside, recorded August 19, 1960 as Instrument No. 73109, to the Southwestery line of that certain parcel conveyed to the Douglas Oil Company of California by Deed filed for record December 13, 1957 as Instrument No. 92030; thence South  $58^{\circ} 50'$  East, on the Southwestery line of said parcel, 138.29 feet to the most Southerly corner thereof; thence North  $31^{\circ} 10'$  East on the Southeastery line of said Parcel, 125 feet to the Southwestery line of Mission Boulevard above referred to; thence South  $58^{\circ} 50'$  East on the Southwestery line of Mission Boulevard, 44.41 feet to the point of beginning.

A portion of said land being a portion of the land as shown on a Record of Survey Map on file in book 10, page(s) 81 of Record of Surveys, Riverside County Records.

Parcel 3: (APN 181-020-026-8)

That portion of Lots 4 and 5 of T.M. Parson's Survey of a portion of Lot 11 of Rubidoux Rancho, in the County of Riverside, State of California, as shown by map on file in book 1, page(s) 68 of Record of Surveys, Records of San Bernardino County, described as follows:

Beginning at the intersection of the Northwestery line of said Lot 4 with the Southwestery line of Mission Boulevard as conveyed to the County of Riverside by deed recorded June 4, 1914 in book 398, page(s) 345, of Deeds, Records of Riverside County, California;

South  $58^{\circ} 50'$  East on the Southwestery line of Mission Boulevard, 131.89 feet; thence South  $33^{\circ} 47'$  West on the Northwestery line of that certain parcel conveyed to Ralph T. Moore and wife, by deed recorded January 2, 1948 in book 888, page(s) 43, Official Records, 134.89 feet;

Thence North  $58^{\circ} 50'$  West, parallel with the Southwestery line of said Mission Boulevard, 131.86 feet on the Northwestery line of said Lot 4 which bears South  $33^{\circ} 46' 20''$  West, 134.89 feet from the Southwestery line of said Mission Boulevard; thence continuing North  $58^{\circ} 50'$  West and parallel with the Southwestery line of said Mission Boulevard, 200 feet;

Thence North  $33^{\circ} 45' 26''$  East, parallel with the Southeastery line of said Lot 5, 134.89 feet to a point on the Southwestery line of said Mission Boulevard;

Thence South  $58^{\circ} 50'$  East on the Southwestery line of said Mission Boulevard 200 feet to the point of beginning.

Parcel 4: (APN 181-020-028-0)

That portion of Lots 5, 6, 7 and 8 T.M. Parson's Survey of a portion of Lot 11 of Rubidoux Rancho, as shown by map on file in book 1, page(s) 68 of Record of Survey, San Bernardino County Records, described as follows:

EXHIBIT "C"

Beginning at a point on the Southwesterly line of Mission Boulevard, as conveyed to the County of Riverside by deed recorded June 4, 1914 in book 398, page(s) 345 of Deeds, Riverside County Records, which bears North 58° 50' West 242.13 feet from its intersection with the Southeastery line of Lot 5 of said T.M. Parson's Survey; thence South 31° 10' West 683.75 feet to the intersection of the Northwesterly prolongation of the Northerly line of Briggs Street, as shown by Map on Hunter's Subdivision Unit No. 2, on file in book 23, page(s) 71 of Maps, Riverside County Records; thence North 58° 50' 30" West 623.90 feet to the Southwesterly line of that certain parcel conveyed to the Governing Board of the West Riverside School District by deed recorded May 14, 1948 as Instrument No. 1839; thence North 33° 46' 20" East on said line, 150.16 feet to the Southerly line of that certain parcel conveyed to Eugeniaevae Corporation by Deed recorded October 9, 1961 as Instrument No. 86095; thence South 58° 50' East 111.62 feet; thence North 31° 10' East 362.75 feet; thence North 58° 50' West 59.28 feet to the Northwesterly line of Lot 7, thence North 33° 46' 20" East on said line, 171.18 feet to the Southwesterly line of Mission Boulevard above referred to; thence South 58° 50' East on the Southwesterly line of Mission Boulevard, 567.05 feet to the point of beginning.

Parcel 5: (APN 181-020-029-1)

That portion of Lot 5 of T.M. Parson's Survey of a portion of the Jurupa Rancho, as shown by Map on file in book 1, page(s) 68 of Records of San Bernardino County, California, described as follows:

Beginning at a point on the Southwesterly line of Mission Boulevard, as conveyed to the County of Riverside by deed recorded June 4, 1914 in book 398, page(s) 345 of Deeds, Records of Riverside County, California, which bears North 58° 50' 00" West, a distance of 200.00 feet from the point of intersection of the Southeastery line of Lot 5 of said T.M. Parson's Survey with the Southwesterly line of said Mission Boulevard;

Thence South 33° 46' 20" West, parallel with the Southeastery line of said Lot 5, a distance of 134.89 feet;

Thence South 58° 50' 00" East, a distance of 184.39 feet;

Thence South 31° 10' 00" West, a distance of 144.95 feet to a point on the Westerly prolongation of the Northerly line of Molino Way, as shown on a Map of Hunter Subdivision on file in book 20, page(s) 100 of Maps, Records of Riverside County, California.

Thence South 58° 50' 00" East along said Westerly prolongation of the Northerly line of Molino Way, a distance of 9.05 feet to its intersection with the Southeastery line of Lot 5 of said T.M. Parson's Survey;

Thence South 33° 46' 20" West, along Southeastery line of Lot 5 of said T.M. Parson's Survey, a distance of 413.20 feet to the City of, County of, State of California Northerly corner of Briggs Street, as shown on a Map of Hunter Subdivision, Unit No. 2 on file in book 23, page(s) 71 of Maps, Records of Riverside County, California;

Thence North 36° 27' 20" West, a distance of 210.80 feet;

Thence North 31° 10' 00" East, a distance of 683.75 feet to the Southwesterly line of said Mission Boulevard;

Thence South 58° 50' 00" East, along the Southwesterly line of Mission Boulevard, a distance of 42.13 feet to the point of beginning.

EXHIBIT "C"

APPROVED TO BE ATTACHED TO NEW CC & R'S

BY: \_\_\_\_\_

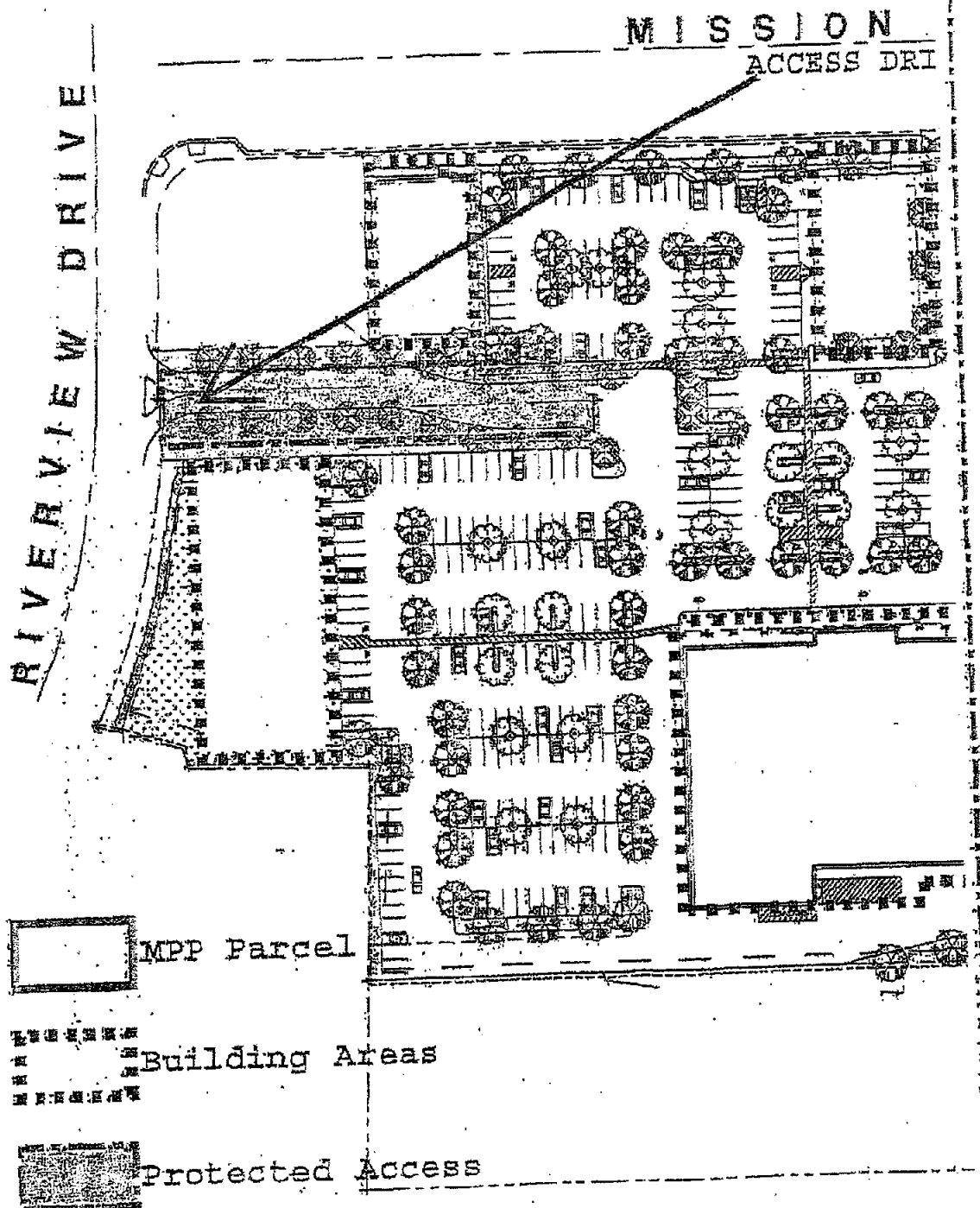


Exhibit B to the C, C & R's  
Sheet 1 of 2

EXHIBIT "C"

APPROVED TO BE ATTACHED TO NE JC & R'S

BY: \_\_\_\_\_

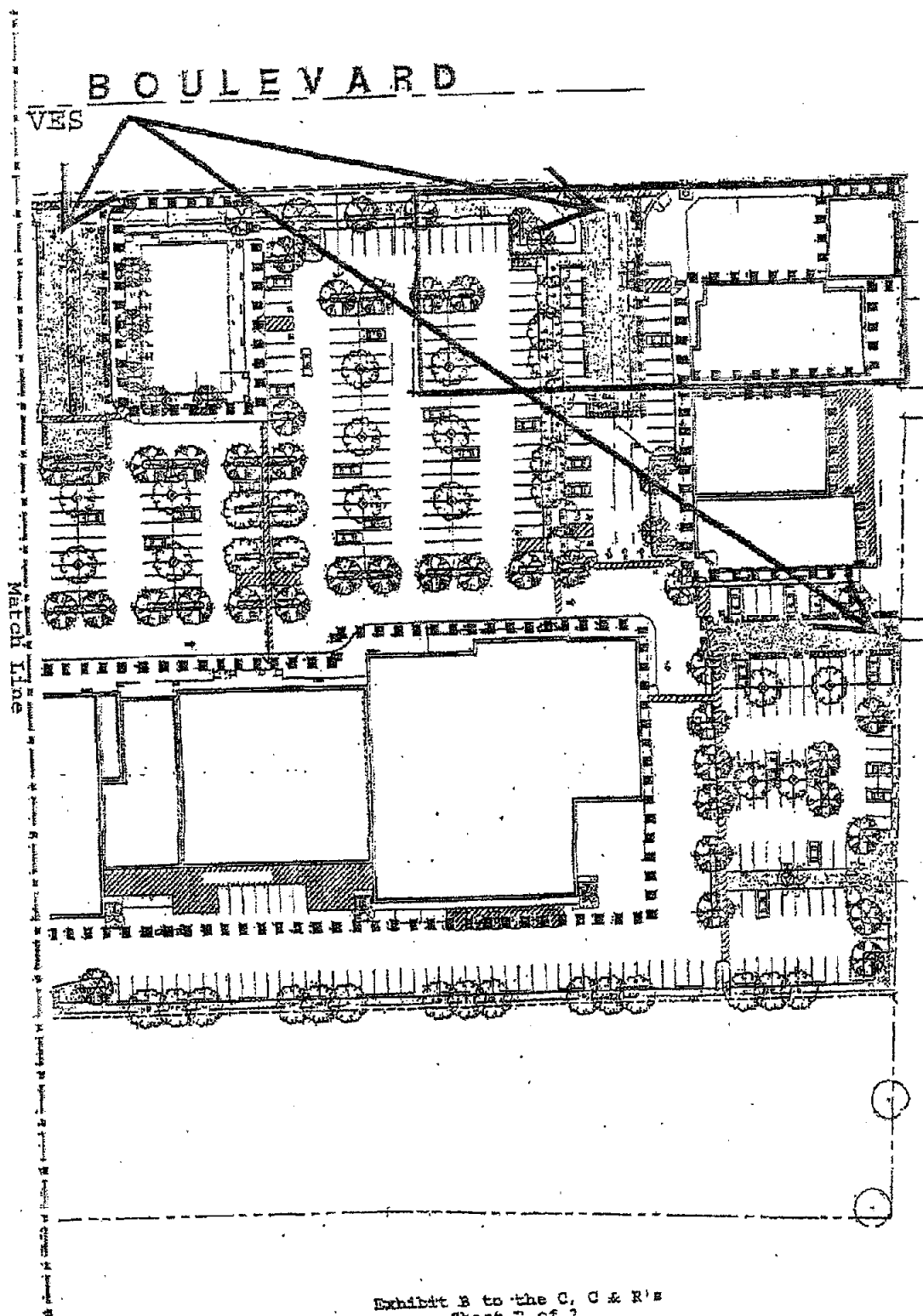


Exhibit B to the C, C & R's  
Sheet 2 of 2

EXHIBIT "C"

## EXHIBIT "C"

APN: 181-020-022, 181-020-023, 181-020-026, 181-020-027  
181-020-028, 181-020-029

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Redevelopment Agency for the  
County of Riverside  
3403 Tenth Street, Suite 500  
Riverside, CA 92501  
Attention: Deputy Director of Real Estate

14.084/050211/143ED/CEra

(Space above this line for Recorder's use.)

### **FIRST AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS AND RECIPROCAL EASEMENTS**

**THIS FIRST AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS AND RECIPROCAL EASEMENTS AFFECTING LAND** (this "Amendment") is made as of \_\_\_\_\_, 2011, by the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE ("RDA") a public body, corporate and politic, and successor-in-interest to Mission Plaza Properties, LLC (the "Declarant").

#### **RECITALS**

**WHEREAS**, Declarant executed that Declaration of Covenants, Conditions, Restrictions and Reciprocal Easements Affecting Land dated August 6, 2008 (the "Declaration") and recorded on August 8, 2008 as Document No. 2008-437666 of the Official Records of the County of Riverside, California and referred to therein as the Shopping Center; and

**WHEREAS**, the Declarant as the Redevelopment Agency for the County of Riverside, desires to redevelop the Shopping Center consistent with the Jurupa Valley Project Area to eliminate blight in the area; and

**WHEREAS**, Declarant desires to amend certain sections of the CC&R's to facilitate the leasing of retail space in the Shopping Center and services provided by occupants of the Shopping Center;

**WHEREAS**, the Declarant desires to modify the Declaration as set forth herein.

#### **AGREEMENT**

**NOW, THEREFORE**, Declarant hereby covenants, agrees and declares that all of its interests, as the same may from time to time appear in and to the land comprising the Shopping Center will be held, transferred, sold, leased, occupied and conveyed subject to the following covenants, conditions, easements and restrictions which are hereby declared to be for the benefit of said interest in the Shopping Center, and the Owner of said interest and their Occupants, heirs, successors and assigns, in perpetuity. These covenants, conditions, easements and restrictions will run with the Shopping Center on every part thereof or interest therein and will be binding upon all parties having or acquiring any right or title in said interests or any part thereof and are and will be imposed upon the Shopping Center now or hereafter subject to this Declaration, and every part thereof or interest therein, as a servitude in favor of each and every portion thereof as the dominant tenement or tenements.

1. **Defined Terms**. All of the capitalized terms have the meaning ascribed to them in the Declaration, unless otherwise defined herein.

2. **Shopping Center**. The defined term 'Shopping Center' in the Declaration shall be deleted and replaced with the following in lieu thereof:

The term 'Shopping Center' shall mean that certain real property commonly known as the Mission Plaza Shopping Center, located in Rubidoux, in the



unincorporated area of the County of Riverside, State of California, as set forth in the legal description set forth as Exhibit "A," to the CC&R's dated August 8, 2008.

3. Section 2, Use. Section 2, entitled "Use," of the CC&R's shall be deleted in its entirety and replaced with the following language:

2. Use. Buildings in the Shopping Center and Property shall be used for commercial purposes of the type normally found in a retail shopping center, including, without limitation, banks and financial institutions, service shops, offices, and retail stores. No cafeteria, food convenience stores (i.e. 7-11) theatre, bowling alley, billiard parlor, nightclub or other place of recreation, cemetery, mortuary, establishment engaged in the business of selling, exhibiting or delivering pornographic materials as an incidental part of its business (e.g., a bookstore such as Barnes and Noble, Borders, Brown or Brentano's shall be permitted in the Shopping Center so long as its operations are substantially similar to the operations of substantially all of its stores), a so-called "head shop," video arcade (excluding (i) retailers whose primary business is the sale of video games and video game systems, such as GameStop, and (ii) the video gaming machines that are incidental to the primary business of a retailer), computer center (excluding retailers whose primary business is the sale of computer hardware and software), massage parlor, off-track betting parlor, junkyard, recycling facility or stockyard, motor vehicle or boat dealership, body and fender shop, or motor vehicle or boat storage facility, house of worship, discotheque, dance hall, skating rink, or industrial or manufacturing uses or any business which derives 50% or more of its gross sales volume serving or selling alcoholic beverages, shall occupy space within the Shopping Center without the written consent of Declarant, provided that a wine merchant engaged primarily in selling wine for off-site consumption only and devoting no more than 15% of its gross square feet to the sale of distilled spirits may occupy any parcel or lot on the Property of the Shopping Center. The covenants and restrictions established pursuant to this Section 2 are deemed by Declarant to create an equitable servitude on and covenants running with land pursuant to Sections 1460 through 1471 of the California Civil Code.

4. This Amendment may be executed in one or more counterparts, or by the parties executing separate counterpart signature pages, including facsimiles transmitted by telecopier, all of which shall be deemed to be original counterparts of this Amendment.

5. This Amendment and the easements, covenants, benefits and obligations created hereby will inure to the benefit and be binding upon each Owner and its successors and assigns, provided, (i) if any Owner conveys all of its interest in any Parcel owned by it, such Owner will thereupon be released and discharged from any and all further obligations under this Amendment or the Declaration as fee owner of the property conveyed by it if the buyer assumes in writing all of such obligations, and (ii) no such sale will release such Owner from any liabilities, actual or contingent, existing as of the time of such conveyance.

6. This Amendment and the covenants herein contained are intended to run with and bind all lands affected thereby.

7. The captions and headings in this Amendment are for convenience only and do not constitute a part of the provisions hereof.

8. This Amendment will be construed and enforced in accordance with and governed by the Laws of the State of California.

[Signature Page Follows; Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed Amendment as of the date first above written.

**DECLARANT:**

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

By: \_\_\_\_\_  
Robert Field  
Executive Director

FORM APPROVED COUNTY COUNSEL

BY: Anita C. Willis 5-11-11  
ANITA C. WILLIS DATE

STATE OF \_\_\_\_\_ )  
 )ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, the undersigned notary public, personally appeared \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public:

My commission expires: \_\_\_\_\_