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City Clerk
City of Riverside
City Hall, 3900 Main Street
Riverside, California 92552

Records in Official Records
of Riverside County, California

Recorder
Fees \$ 42-

DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS

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THIS DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS ("Declaration") is made and entered into this 22nd day of AUGUST, 1994, by Steve Charton as Trustee of The Steve Charton Trust dated July 29, 1991, James T. Rountree, Barbara R. Rountree, Darrell A. Butler (collectively, the "Declarants").

RECITALS

A. Declarants are the fee owners of that certain real property consisting of two parcels located in the City of Riverside,, County of Riverside, State of California, described as follows:

Parcels 1 and 2 of Parcel Map No. 24553 as shown by map on file in Book 185, at pages 33 and 35 of Parcel Maps, Records of Riverside County, California.

Parcels 1 and 2 of said Parcel Map are referred to herein as "Parcel 1" and "Parcel 2", respectively, and Parcels 1 and 2 are collectively referred to herein as the "Parcels" and individually as a "Parcel".

B. Parcel 1 consists of 4.058 acres of land and is improved with a building containing approximately 83,317 square feet. The street address of Parcel 1 is 1815 Rustin Avenue, Riverside, California.

C. Parcel 2 consists of 1.787 acres of land and is improved with a building containing approximately 30,404 square feet. The street address of Parcel 2 is 1799 Rustin Avenue, Riverside, California.

D. As a condition for the approval of Parcel Map No. 24553, the City of Riverside (the "City") is requiring that Declarants impose upon the Parcels the covenants, easements and restrictions contained herein for the benefit of the Parcels, their owners and occupants thereof.

DESCRIPTION APPROVAL 2/29/94 by J.M.S.B.
SURVEYOR, CITY OF RIVERSIDE

by request as an accommodation only and has not examined it for regularity and sufficiency or as to the effect upon the title to any real property that may be described therein.

NOW, THEREFORE, Declarants hereby declare that their present and future interests in the Parcels are and shall be held, transferred, sold, conveyed, leased, subleased and occupied subject to the covenants, easements and restrictions contained herein which are imposed upon the Parcels and will be binding upon all owners and occupants thereof, and Declarants hereby further declare and agree with the City as follows:

ARTICLE I. EASEMENTS

Declarants hereby create and reserve the following easements over the Parcels:

1.1 Easements for Ingress, Egress and Traffic Circulation. Declarants hereby create and reserve non-exclusive reciprocal easements for ingress, egress and traffic circulation over and upon the area depicted by crosshatching as the "Easement Area" on the Site Plan attached hereto as Exhibit "A" for the purposes of vehicular and pedestrian ingress and egress and traffic circulation to and throughout the Parcels.

The Easement Area shall be kept in a free and open condition at all times to permit unimpeded access to Parcels 1 and 2 and Rustin Avenue. No structure shall be placed or constructed in the Easement Area; provided, however, that nothing herein shall prohibit any Parcel owner from further using or granting easements over said owner's Parcel for any lawful purposes, including without limitation, the creation of utility easements and installations, provided such uses or easements do not interfere with the free flow of vehicular and pedestrian traffic throughout the Parcels or otherwise restrict the rights of ingress, egress and traffic circulation established herein and are in compliance with the requirements of the City. The Easement Area shall be maintained in accordance with the standards of the City for private driveways and access ways and in a good, usable and safe a condition at all times by the respective Parcel owners with respect to that portion of the Easement Area within each such owner's Parcel.

The reciprocal easements granted herein shall be appurtenant easements for the benefit of each of the respective Parcel owners and their respective tenants and the occupants, licensees, invitees and guests of each of them and such tenants, and shall constitute a non-exclusive right and easement for ingress and egress and traffic circulation over the Easement Area for the purpose of vehicular and pedestrian ingress and egress and traffic circulation to and throughout the designated areas within the Easement Area as shown on Exhibit "A".

Nothing contained herein shall be deemed to create or establish any common parking area easements or other rights of any kind whatsoever related to the parking areas located in Parcels 1 and 2 which parking areas shall be for the exclusive use and

enjoyment of the respective fee owners of each such Parcel and their employees, lessees and invitees. Each Parcel shall contain the number of parking spaces required by the City for all of the uses on such Parcel.

1.2 Utility Easements. Reciprocal, appurtenant easements over the Parcels are hereby created and reserved and declared to exist on the Parcels for the following purposes and facilities, whether now in existence or hereafter necessary to service the Parcels as follows: For the installation and maintenance of electric, telephone, water, common fire protection water service and connection, common landscape water service and connection, gas, private or public communications, cable television, sanitary sewer lines and facilities and for any drainage facilities. There is further created and reserved for the benefit of the Parcels served by such utility lines, connections and facilities and appurtenant easement to the full extent necessary for the use and enjoyment of that portion of the lines, connections and facilities that service the Parcels, which easement shall include the right to have utility companies or other authorized contractors enter upon the Parcels to repair, replace and generally maintain said lines, connections and facilities as necessary.

1.3 Drainage Easements. Easements are hereby created and reserved over the Parcels for surface runoff and drainage according to the intended patterns of drainage created by the grading plans approved by the City for the Parcels, as well as according to the actual existing patterns for drainage. Each owner of a Parcel covenants and agrees that said owner will accept surface runoff and drainage from the adjacent Parcel and that said owner will not obstruct or otherwise interfere with the flow of surface runoff and drainage from the adjacent Parcel, except as temporarily necessary in emergency situations to avoid damage to life or property. Each Owner of the Parcels will properly and adequately maintain all drainage facilities located upon said owner's Parcel.

ARTICLE II. COMMON UTILITIES

2.1 Fire Protection Water Service. Parcels 1 and 2 will each be served water for fire protection service by the City through a common fire protection water service connection installed on Parcel 1. The billing from the City for the fire protection water service through this connection shall be sent to and be the responsibility of the owner of Parcel 1 and shall be promptly paid by said owner; provided, however, that the owner of Parcel 1 shall be entitled to reimbursement from the owner of Parcel 2 in an amount equal to thirty-one percent (31%) of the amount billed by the City. The owner of Parcel 2 shall reimburse the owner of Parcel 1 within fifteen (15) days following receipt of a statement evidencing payment of such charges to City by the owner of Parcel 1. Any such reimbursement amount which is not repaid within such fifteen (15) day period will thereafter bear interest at the highest rate

allowed under California law, and if not satisfied within thirty (30) days following such written request, the owner of Parcel 1 may (a) initiate appropriate legal action in any court having jurisdiction for collection of such delinquent amount; (b) record a lien for the amount owed pursuant to Section 5.3 below; and (c) take such other action as permitted by law.

2.2 Landscape Water Service. Parcels 1 and 2 each will be served water for landscape watering and irrigation through a common landscape water meter service connection installed on Parcel 2. The billing from the City for the landscape water service through this connection shall be sent to and be the responsibility of the owner of Parcel 2 and shall be promptly paid by said owner; provided, however, that the owner of Parcel 2 shall be entitled to reimbursement from the owner of Parcel 1 in an amount equal to sixty-nine percent (69%) of the amount billed by the City. The owner of Parcel 1 shall reimburse the owner of Parcel 2 within fifteen (15) days following receipt of a statement evidencing payment of such charges to City by the owner of Parcel 2. Any such reimbursement amount which is not repaid within such fifteen (15) day period will thereafter bear interest at the highest rate allowed under California law, and if not satisfied within thirty (30) days following such written request, the owner of Parcel 2 may (a) initiate appropriate legal action in any court having jurisdiction for collection of such delinquent amount; (b) record a lien for the amount owed pursuant to Section 5.3 below; and (c) take such other action as permitted by law.

2.3 Exterior Lighting Fixtures. Parcels 1 and 2 each receive exterior lighting from two exterior light fixtures currently installed on Parcel 1 as designated on Exhibit "B" ("Light Fixtures"). There is currently no separate meter which measures the electricity consumed to operate the Light Fixtures and the cost of such electricity is included as part of the electric utility bill sent to the owner of Parcel 2. The owner of Parcel 2 shall remain responsible for the payment of the electricity cost to operate the Light Fixtures; provided, however, that the owner of Parcel 1 shall be responsible for purchasing and replacing the electric bulbs required to operate the Light Fixtures. Any other costs of maintaining and operating the Light Fixtures shall be shared between the owners of the Parcels, with the owner of Parcel 1 responsible for sixty-nine percent (69%) of such costs and the owner of Parcel 2 responsible for thirty-one percent (31%) of such costs. Any such costs incurred by a Parcel owner which are not reimbursed by the other Parcel owner to the extent of said owner's share within fifteen (15) days following written request therefore will thereafter bear interest at the highest rate allowed under California law, and if not satisfied within thirty (30) days following such written request, the non-defaulting owner may (a) initiate appropriate legal action in any court having jurisdiction for collection of such delinquent amount; (b) record a lien for the amount owed pursuant to Section 5.3 below; and (c) take such other

action as permitted by law.

ARTICLE III. MAINTENANCE OF FACILITIES
AND RELOCATION OF EASEMENTS

3.1 Maintenance of Facilities. Subject to the provisions of Section 3.2 below, all lines, connections and facilities referred to in Section 1.2 above which serve one Parcel exclusively shall be installed, maintained and repaired by the owner of such Parcel without cost or expense to the owner of the other Parcel; provided, however, that if the owner of the other Parcel is connected into or utilizes such lines, connections or facilities in common pursuant to any easement granted under Section 1.2, or Article II, then such other owner shall be responsible for installation, maintenance and repair in connection with said owner's utilization of such lines, connections or facilities. Without limiting the generality of the foregoing, the owner of each Parcel shall be responsible for the routine maintenance and timely repair of the fire protection water service line and landscape water service line serving such owner's Parcel. As a part of any maintenance, repair or replacement of any line, connection or facility which requires the disturbance of any of the surface areas of the Parcels, the Parcel owner performing such work shall cause the surface to be restored to substantially the same condition as existed prior to such work being done.

3.2 Relocation of Easements. A Parcel owner burdened by any of the easements created under Section 1.2 above shall have the right to relocate on said owner's Parcel any such easements, provided that such relocation is performed only after thirty (30) days' written notice of such Parcel owner's intention to so relocate is given to the owner of the benefitted Parcel, and such relocation: (i) will not unreasonably interfere with or diminish the enjoyment of the easement by the owner of the benefitted Parcel; (ii) will not reduce or unreasonably impair the usefulness or function of any of such easements; and (iii) is performed without cost or expense to the owner of the benefitted Parcel.

ARTICLE IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification: Each Parcel owner shall protect, indemnify, defend and hold free and harmless the other Parcel owner, and said owner's agents, servants, employees, officers, directors and occupants, from and against any and all loss damage, liability, costs or expense, including, without limitation, attorneys' fees, reasonable investigative and discovery costs, court costs and all other sums which such other Parcel owner or the agents, servants, employees, officers, directors and occupants of such other Parcel owner may incur, pay or become obligated to pay on account of any, all and every demand or claim or assertion of liability, and any claim or action founded thereon, arising or alleged to have arisen out of the use of the indemnifying Parcel owner of the easements granted hereunder or any other act or

omission of the indemnifying Parcel owner, and the agents, servants, employees, officers and directors, whether such claim or claims, action or actions, be for damages of said Parcel owner, injury to person or property, including the property of the indemnified Parcel owner, or death of any person, made by any person, group or organization.

4.2 Liability Insurance. Each of the Parcel owners shall at such owner's own expense, maintain, or cause to be maintained, in force during the term of this Declaration a policy of comprehensive liability insurance on an occurrence basis providing combined single limit coverage of not less than \$1,000,000 per occurrence written by one (1) or more responsible insurance carriers licensed to do business in the State of California, which shall insure against liability for bodily injury to and/or death of and/or damage to property of any person or persons in any one occurrence. Such policy shall provide, among other things, that it specifically recognizes and insures the indemnity provisions of Section 4.1. The insurance required to be provided by the Parcel owners pursuant to this Section shall be with companies holding a "General Policyholders Rating" of at least B+X, or equivalent rating, as set forth in the most current issue of "Best Insurance Guide", or companies of equivalent reputation and quality.

Each of the Parcel owners shall deliver to the other Parcel owner a certificate of insurance evidencing the existence in force of the policy of insurance hereinabove provided for. Each of such certificates shall provide that such insurance shall not be canceled or materially amended unless ten (10) days prior written notice for such cancellation or amendment is given to the Parcel owner designated on such certificate as holder thereof. If a Parcel owner shall fail to deliver to the other Parcel owner evidence of the existence of the insurance required to be carried by such Parcel owner under this Section within thirty (30) days following written notice thereof by the non-defaulting owner to the defaulting owner, the non-defaulting owner may, but shall not be required to, procure and maintain said insurance at the defaulting owner's expense, and shall be entitled to record a lien pursuant to Section 5.3 for the cost of the insurance, plus interest at the highest rate allowed under California law.

Each Parcel owner shall name the other Parcel owner (and, if requested, any mortgagees with respect to mortgages on either of the Parcels) as an additional insured, and such policies shall contain cross-liability endorsements. All such insurance may be carried under a blanket policy covering other locations, provided that the coverage afforded by such blanket policy shall not be reduced or diminished by reason of the use of such blanket policy of insurance, and provided further that the requirements of this Section are otherwise satisfied.

ARTICLE V. GENERAL PROVISIONS

5.1 Subsequent Conveyances. All conveyances of any Parcel subsequent to the date hereof shall recite that they are subject and subordinate to the terms of this Declaration; provided, the failure of any such deed to contain such a recital shall not affect the applicability of this Declaration as to the Parcel being conveyed. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Parcels is and shall be conclusively deemed to have consented and agreed to all of the provisions of this Declaration, whether or not any reference to this Declaration is contained in the instrument by which such person or entity acquired an interest in or to any such portion. The easements created hereby are appurtenant and shall be transferred and conveyed by operation of law with the Parcel benefitted thereby.

5.2 Enforcement. The provisions of this Declaration may be enforced by Declarants, each successive owner of any Parcel, and the City, through any appropriate proceeding at law or in equity against any person or other entity violating or attempting to violate this Declaration, either to restrain such violation, to enforce liability or to recover damages. Declarants, any Parcel owner and the City shall not be liable for enforcement of or for failure to enforce said provisions, and failure of Declarants, any Parcel owner or the City to enforce any of the provisions of this Declaration shall be deemed a waiver of the right to do so thereafter.

5.3 Lien. The failure by any Parcel owner to reimburse the other Parcel owner for sums due hereunder or to make any other payments required hereunder, where such failure continues for a period of thirty (30) days following written notice thereof by the non-defaulting owner to the defaulting owner, shall be deemed a default hereunder and shall entitle the non-defaulting owner to record a lien on the defaulting owner's Parcel for the amount of the sum owed. The lien shall attach and take effect only upon recordation of a claim of lien in the office of the Recorder of Riverside County by the non-defaulting owner. The claim of lien shall include the following:

- (a) A statement of the unpaid amount under this Declaration;
- (b) A description sufficient for identification of the defaulting owner's Parcel which is the subject of the lien;
- (c) The last known address of the owner or reputed owner of the Parcel which is the subject of the lien; and
- (d) The name and address of the claimant.

The lien, when so established against the real property described in the lien, shall be prior and superior to any right, title, interest, lien or claim which may be or has been acquired or attached to such real property after the time of filing of the lien. The lien may be enforced by any remedies afforded lien claimants under applicable law or otherwise, including, without limitation, suit in the nature of a suit to foreclose a mortgage or mechanic's lien under applicable law. Any such sale shall be held as promptly as possible. Declarants and/or the non-defaulting owner shall have the power to bid on the Parcel of the defaulting owner at such foreclosure sale. Upon payment in full (prior to foreclosure) of the delinquent amount together with all costs and applicable interest due thereon, Declarants and/or the non-defaulting owner shall promptly cause to be recorded a further notice stating the satisfaction and release of the lien against the defaulting owner's Parcel.

5.4 Mortgage Protection. A breach of any or all of the provisions of this Declaration shall not defeat or render invalid the lien of any mortgage or deed of trust on any of the Parcels, but such provisions of this Declaration shall be binding upon and effective against any parties whose title to such properties, or any portion thereof, is acquired by foreclosure, trustee's sale or otherwise. A mortgagee, or the immediate transferee of such mortgagee, who acquires title by judicial foreclosure, a deed in lieu of foreclosure or trustee's sale under a mortgage made in good faith and for value, shall acquire title free of any default, lien or claim hereunder against such Parcel that accrued prior to the time such mortgagee or transferee takes title to such Parcel.

5.5 Severability. Invalidation of any one or more of the provisions of this Declaration by judgment or court order shall in no way affect any of the remaining provisions, which shall remain in full force and effect.

5.6 Construction. The provisions of this Declaration will be liberally construed to effectuate the purposes set forth in the recitals. Declarants and City make no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with applicable laws, ordinances and regulations.

5.7 Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by a nationally recognized overnight carrier company (such as Federal Express) and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, four (4) business days after the date it was deposited with the United States Postal Service, or (iii) if sent

via a nationally recognized overnight carrier company (such as Federal Express), one (1) business day after the date it was sent. Any notice, request, demand, direction or other communication to a Parcel owner shall be sent to the street address of such owner's Parcel, or to the most recent address furnished by such owner in writing to the other Parcel owner for the purpose of giving notice.

5.8 Estoppel Statements. At any time, and from time to time, within thirty (30) days after notice or request by a Parcel owner or its designee ("Requesting Owner"), the then other Parcel owner shall execute and deliver to the Requesting Owner a written statement certifying that: (i) this Declaration is unmodified and in full force and effect (or if there have been modifications, that it is in full force and effect as modified); (ii) to the knowledge of such Parcel owner there exists no default under this Declaration or circumstances which with the passage of time would result in the existence of such a default, other than as specified therein, and (iii) whether or not the Requesting Owner is obligated to reimburse the responding Parcel owner for any costs or expenses due pursuant to this Declaration.

5.9 Attorneys' Fees. In the event of any controversy, claim or dispute arising out of or relating to this Declaration or the interpretation or breach thereof, the prevailing party in such dispute will be entitled to recover from the other party or parties reasonable expenses, attorneys' fees and costs.

5.10 Covenant Running with Land. This Declaration shall run with the land and shall be binding upon and inure to the benefit of the Declarants and their heirs, successors and assigns and shall continue in effect until such time as released by the City and canceled by a written instrument executed by both Parcel owners.

5.11 Modification. This Declaration may be modified or amended only by written instrument executed by both Parcel owners and consented to by the City.

IN WITNESS WHEREOF, Declarants have caused this Declaration of Covenants, Easements and Restrictions to be executed the day and year first written above.

DECLARANTS:

Steve Charton

Steve Charton, Trustee of the Steve Charton Trust, dated July 29, 1991

James T. Rountree

James T. Rountree

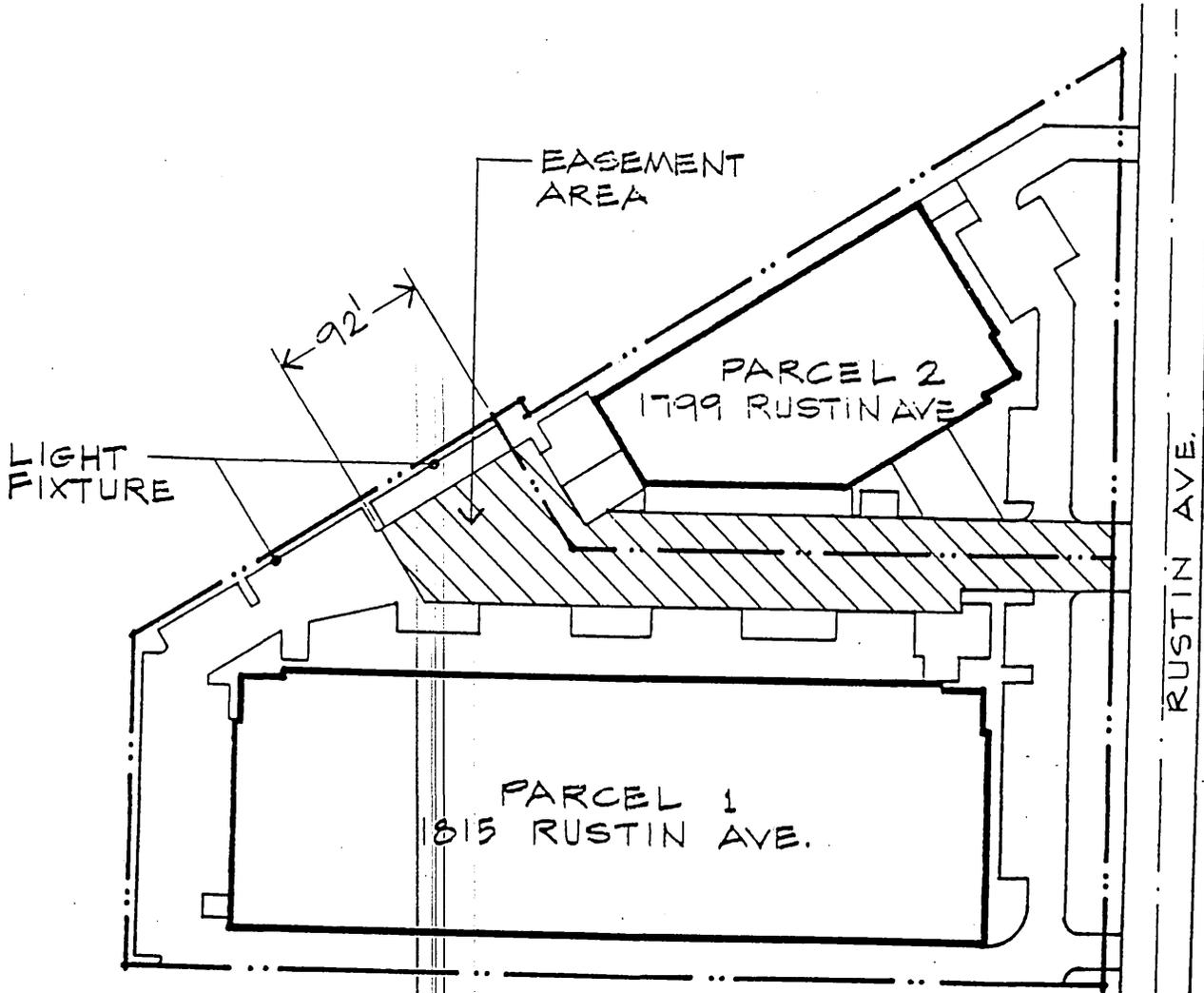
Barbara R. Rountree

Barbara R. Rountree

D. A. Butler

Darrell A. Butler

APPROVED AS TO FORM
Barbara Rountree
ASST. CITY ATTORNEY



SITE PLAN



EXHIBIT "A"

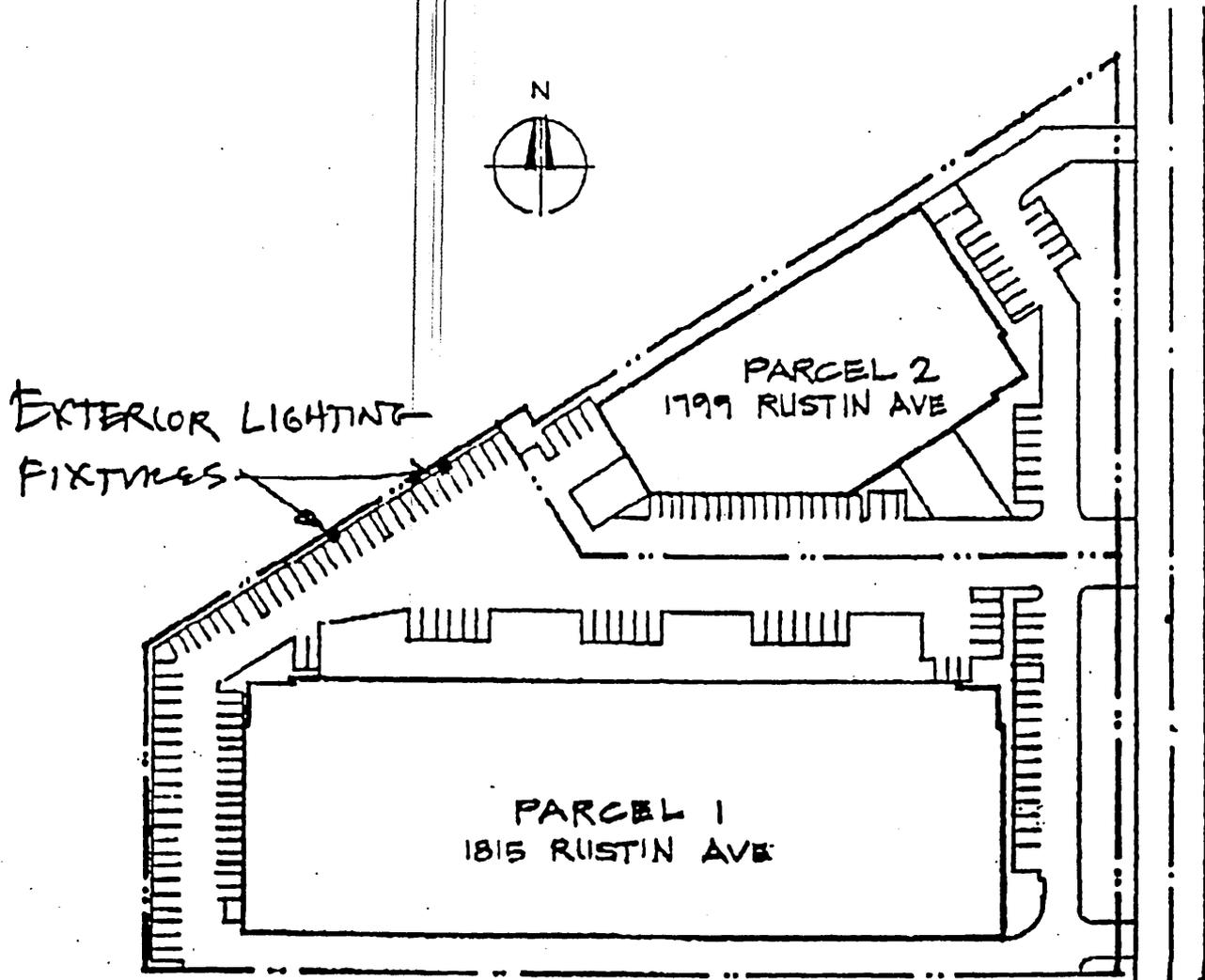


EXHIBIT "B"