

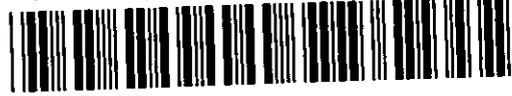
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OFFICIAL BUSINESS.
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Recording Requested by and
When Recorded Mail to:

THE REDEVELOPMENT
AGENCY OF THE
CITY OF RIVERSIDE
3900 Main Street
Riverside, CA 92522

DOC # 2002-314387
05/10/2002 08:00A Fee:NC
Page 1 of 12
Recorded in Official Records
County of Riverside
Gary L. Orso
Assessor, County Clerk & Recorder



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SPACE ABOVE THIS LINE
FOR RECORDING USE

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

This Declaration of Covenants, Conditions and Restrictions (the "Declaration"), is dated for referenced purposes as of June 4, 2002.

RECITALS

A. Havadjia Holdings Inc. is the owner of fee title to that parcel of real property and the improvements thereon commonly known as 3452 University Avenue, Riverside California, also known as the Stewart Building, and more particularly described in Exhibit "A" attached hereto (the "Site"). The Site is a contributing historic property within the Mission Inn Historic District in Riverside, California. This Declaration is intended to preserve and protect the historic significance and appearance of the Site.

B. The Redevelopment Agency of the City of Riverside, a public corporate body existing under provisions of the California Community Redevelopment Law (Health and Safety Code §33000 *et seq.*), hereinafter known as the "Agency," has entered into that Facade Easement Agreement dated June 4, 2002 ("Agreement"), with Havadija Holdings, Inc. The Agreement and related documents are public records on file in the offices of the City Clerk of the

City of Riverside located at 3900 Main Street, Riverside, California 92522. The Agreement and related documents are incorporated herein by reference. Unless otherwise specified herein, all terms used in this Declaration shall have the meaning ascribed to them in the Agreement.

C. The Agreement was entered into in accordance with, and subject to, the Redevelopment Plan for the Downtown/Airport Merged Project Area as adopted by Ordinance Numbers 6373 and 6374 on May 6, 1997. The Redevelopment Plan and related documents are public records on file in the offices of the City Clerk of the City of Riverside located at 3900 Main Street, Riverside, California 92522. The Redevelopment Plan and related documents are incorporated herein by reference.

D. This Declaration of Covenants, Conditions, and Restrictions ("Declaration") was expressly required by the Agreement and is in furtherance of the goals and objectives of both the Redevelopment Plan and the Agreement. Havadjia Holdings Inc. for itself and its successors, assigns, lessees, tenants, contractors, agents, and all persons claiming an interest in the Site by and through any of the foregoing, covenants and agrees herein to own, use, maintain and transfer the Site, and any interest therein, subject to the covenants, conditions, and restrictions ("Covenants") set forth in this Declaration.

E. The term "Owner" as used in this Declaration, includes Havadjia Holdings Inc. and its successors, assigns, lessees, tenants, contractors, agents, and all persons claiming an interest in the Site by and through any of the foregoing.

**COVENANTS, CONDITIONS, AND RESTRICTIONS ON THE USE,
MAINTENANCE, AND TRANSFER OF THE SITE**

NOW, THEREFORE, Owner, in consideration of the Agency's entering into the Agreement, hereby agrees, covenants and declares that the Site shall be owned, used, maintained, and any transfer of an interest in the Site, shall be subject to the following Covenants of this Declaration:

1. **Covenants Run With the Land.** The Covenants set forth herein shall run with title to the Site and shall be binding upon the Owner. The Covenants may be enforced by the Agency or any successor or assign of the Agency. The Owner shall not challenge the Covenants as set forth in this Declaration or any right of the Agency created under this Declaration or the Agreement. Owner expressly acknowledges and agrees that the Covenants are reasonable restraints on the Owner's right to own, use, maintain, and transfer any interest in the Site and are not and shall not be construed to be an unreasonable restraint on alienation.

2. **Use and Maintenance.** The Site shall only be used in accordance with the following:

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2.1. **Use of the Premises.** That portion of the Site defined as the Premises in the Agreement shall only be used as administrative offices and related purposes. Owner further covenants and agrees that the Site shall not be used as an adult business, adult theater, or other sexually oriented business (as defined in the Riverside Municipal Code), and shall not be used for the sale, lease, display, distribution, exhibition, or advertisement of any sexually oriented materials (as defined in the Riverside Municipal Code) or obscene materials.

2.2. **Maintenance.** Owner shall regularly maintain the Site during any construction on the Site and at all times thereafter during the term of this Declaration as follows:

2.2.1. **Historic Character.** Owner shall enhance and maintain the historic fabric, fixtures, improvements and character-defining architectural elements of the Site in keeping with the overall character of the Mission Inn Historic District and consistent with The Secretary of the Interior's Standards for Rehabilitation Projects.

2.2.2. **Trash and Debris.** Owner shall keep the Site free from any accumulation of trash, debris or waste materials, and remove or paint over any graffiti placed on the structures of the Site within seventy-two (72) hours of its appearance.

2.2.3. **General Maintenance.** Owner shall develop and regularly maintain the Site appropriate to the permitted use and acceptable to the Agency in its sole discretion.

2.2.4. **Landscaping.** The following conditions shall be deemed unsightly and subject to abatement provisions of the City's Property Maintenance Program:

(a) Overgrown vegetation, including trees, shrubbery, ground covers and decorative plantings which, based on an overall appearance, result in a diminution of the appearance of the Site.

(b) Storage or accumulation in areas visible to the street of any materials, equipment, automobiles, debris, refuse or waste, including but not limited to, equipment or appliances, for a period of time exceeding forty-eight (48) hours, except during bona fide renovation or repair of the Site or landscaping.

(c) Dead, decayed or diseased trees, shrubs or other vegetation, or vegetation that is otherwise in need of landscape maintenance attention.



(d) Lawn areas that are not watered or irrigated, mowed, seeded or fertilized to maintain a healthy and attractive appearance.

(e) Cracked or damaged hardscape, such as concrete and asphalt, which is otherwise in need of repair.

2.2.5. **Main Buildings and Accessory Structures.** The following conditions shall be deemed unsightly and subject to abatement provisions of the City's Property Maintenance Program:

(a) Peeling and blistering paint or unpainted surfaces, such that the condition is plainly visible from the centerline of the street. This section shall be in force for accessory structures, and entrance features as well.

(b) Broken windows, damaged woodwork, damaged stucco or other wall coverings, including but not limited to, damaged tile, brick or stonework, such that the damage is plainly visible from the centerline of the street.

(c) Damaged doors, windows, screens, roofs, rooftop appurtenances or architectural treatments.

(d) Additions, alterations or modifications to the Site which are of poor quality, are constructed of materials not consistent with the existing structure, or design elements not consistent with the existing construction, or which do not otherwise meet The Secretary of the Interior's Standards for Rehabilitation Projects.

(e) Modifications of, or lack of maintenance of roofing, such that the failure to repair could cause damage to other portions and material in the structure and/or such that the appearance results in a noticeable diminution in appearance of the Site.

2.2.6. **Supplemental Elements.** The following conditions shall be deemed unsightly and subject to abatement provisions of the City's Property Maintenance Program:

(a) Cracked sidewalks and driveways.

(b) Those fences that are not structurally intact, aesthetically and architecturally compatible with the overall character of the neighborhood, or in conformance with any applicable law or regulation of the City of Riverside.

(c) Irrigation systems or equipment in poor repair or in disrepair, when such disrepair is visible from the centerline of the street.



(d) Individual ornamentation elements deemed by Agency in its sole discretion to be excessive, outrageous or not in keeping with the overall character of the Mission Inn Historic District, or contrary to The Secretary of the Interior's Standards for Rehabilitation Projects.

(e) Refuse containers that are visible from the street.

(f) Signage that in the Agency's sole discretion is stylistically incompatible with the historic appearance of the structure and does not meet the Secretary of the Interior's Standards for Rehabilitation Projects and the City Sign Ordinance of the city.

2.2.7. **Vehicles.** The following conditions shall be deemed unsightly and subject to abatement provisions of the City's Property Maintenance Program:

(a) The accumulation and storage of abandoned, wrecked, dismantled or inoperative vehicles or parts thereof, visible to the street.

(b) Maintain fire and extended coverage insurance covering all improvements against loss or damage in an amount equal to not less than 100% of replacement cost.

3. **Rights of Holder.** The provisions of this Declaration do not limit the right of any mortgagee, or beneficiary under a deed of trust which secures construction or permanent financing, to foreclose or otherwise enforce any mortgage, deed of trust or other encumbrance upon the Site or any portion thereof, or the right of any mortgagee, or beneficiary under a deed of trust, to exercise any of its remedies for the enforcement of any pledge or lien upon the Site; provided, however that in the event of any foreclosure under any such mortgage, deed of trust or other lien or encumbrance, or a sale pursuant to any power of sale included in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns and the Site shall be and shall continue to be subject to all of the provisions and conditions contained herein.

4. **Notice of Transfer.** Prior to selling, conveying or otherwise transferring any interest in the Site, the Owner shall deliver a written notice to the Agency setting forth the name, address and phone number of the transferee, and the type of transfer (*i.e.*, sale, lease, mortgage, deed of trust, foreclosure). The notice shall be sent by certified mail, return receipt requested to the Agency at the address set forth below:

REDEVELOPMENT AGENCY
City of Riverside
3900 Main Street



Riverside, California 92522

5. **Nondiscrimination and Nonsegregation**. The following covenants relating to nondiscrimination and nonsegregation shall be applicable:

5.1. **Nondiscrimination in Employment**. Owner shall take such reasonably necessary actions to ensure that all persons employed by or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth, or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. §200, *et seq.*, the Federal Equal Pay Act of 1963, 29 U.S.C. §206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. §621, *et seq.*, the Immigration Discrimination in Employment Act of 1967, 29 U.S.C. §621, *et seq.*, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324b, *et seq.*, 42 U.S.C. §1981, the California Fair Employment and Housing Act, California Government Code §12900, *et seq.*, the California Equal Pay Law, California Labor Code §1197.5, California Government Code §11135, the Americans with Disabilities Act, 42 U.S.C. §12101, *et seq.*, and all other anti-discrimination laws and regulations for the United States and the State of California as they now exist or may hereafter be amended.

5.2. **Obligation to Refrain from Discrimination**. Owner shall refrain from restricting the rental, sale, lease, sublease, transfer, use development, occupancy, tenure, or enjoyment of the Site (or any part thereof) on the basis of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Human Immune Deficiency Virus (HIV), or condition related thereto), of any person or group of persons, and shall comply with the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. §12101, *et seq.*) And the California Fair Employment and Housing Act (Cal. Government Code §12900, *et seq.*) As they exist on the date of this Declaration or as they may thereafter be amended, repealed and reenacted, or otherwise modified. Owner further covenants and agrees not to establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed.

5.3. **Nondiscrimination and Nonsegregation Clauses**. Owner agrees that in any deeds, leases, or contracts which are proposed to be, or which are, entered into with respect to the rental, sale, lease, sublease, transfer, use, development, occupancy, tenure, or enjoyment of the Site (including improvements and fixtures) (or party thereof), shall be subject to, and shall expressly contain, nondiscrimination or nonsegregation clauses in substantially the following form:

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5.3.1 **In Deeds**: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that it shall comply with the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U. S. C. §12101, *et seq.*) and the California Fair Employment and Housing Act (Cal. Government Code §12900, *et seq.*), as they currently exist or as they may thereafter be amended, repealed and reenacted, or otherwise modified, and that there shall be no discrimination against or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Humane Immune Deficiency Virus (HIV), or condition related thereto) in the rental, sale, lease, sublease, transfer, use, occupancy, tenure of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number, use or occupancy or tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

5.3.2. **In Leases**: "The lessee covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that it shall comply with the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. §12101, *et seq.*) and the California Fair Employment and Housing Act (Cal. Government Code §12900, *et seq.*), as they currently exist or as they may thereafter be amended, repealed and reenacted, or otherwise modified, and that there shall be no discrimination against or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Humane Immune Deficiency Virus (HIV), or condition related thereto) in the rental, sale, lease, sublease, transfer, use, occupancy, tenure of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number, use or occupancy or tenants, lessees, subtenants, sublessees, or vendees in the premises herein leased."

5.3.3. **In Contracts**: "There shall be no discrimination against or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Humane Immune Deficiency Virus (HIV), or condition related thereto) in the rental, sale, lease, sublease, transfer, use, occupancy, tenure of the land or premises affected by this instrument, nor shall the contracting or subcontracting party or parties, or other transferees under this instrument or any person claiming under or through it, violated the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. §12101, *et seq.*), and the California Fair Employment and Housing Act (Cal. Government Code §12900, *et seq.*) as they currently exist or as they may thereafter be amended, repealed and reenacted, or otherwise



modified, nor establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land. This provision shall obligate the contracting and subcontracting party or parties, and other transferees under this instrument or any person claiming under or through it.”

6. **Taxes and Encumbrances.** Owner shall pay, when due, all *ad valorem* property taxes levied against the Site under Article XIII A of the California Constitution, as well as any special assessments or special taxes levied against the Site (collectively “Property Taxes”), all taxes payable under the California Bradley-Burns Uniform Local Sales & Use Tax Law (Revenue and Taxation Code §7200, *et seq.*), and all other taxes, any portion of which is allocated to, or received by, the City or the City’s Redevelopment Agency. Upon failure to so pay, Owner shall remove any lien, levy, or attachment made on the Site, or shall provide the Agency with assurance of the satisfaction thereof within a reasonable time, but in any event prior to a tax sale thereunder.

7. **Compliance with Laws.** The Owner shall operate and maintain the Site in conformity with the Redevelopment Plan, Local Regulations, this Declaration, and all applicable state and federal laws including all applicable labor standards, disabled and handicapped access requirements, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §12101, *et seq.* and the Unruh Civil Rights Act, California Civil Code §51, *et seq.*

8. **Speculation in Land Prohibited.** The Owner shall use, maintain, and transfer the Site in such a manner as to prevent speculation and/or excess profittaking in the Site within the meaning of California Health and Safety Code §33437.5 as that section exists on the Effective Date of the Agreement or as it may thereafter be amended, repealed and reenacted, or otherwise modified.

9. **Effect and Duration of Covenants.** The Covenants established in this Declaration shall, without regard to technical classification and designation, be binding on the Owner for the benefit and in favor of the Agency, its successors, and its assigns, and these Covenants shall remain in effect until ten (10) years from and after the recording of this Declaration.

10. **Remedies for Breach of Covenants.** The Agency and its successor and assigns, may utilize any or all of the following provisions in the event of a default or breach of this Declaration:

10.1. **Specific Performance.** The use and maintenance of the Site in accordance with this Declaration are of a special and unique kind and character and the rights granted to the Agency, its successors, and its assigns, hereunder are of a similar special and unique kind and character so that if there is a breach by the Owner of any material provision of the Covenants, the Agency, its successors, and its assigns, would not have an adequate remedy at law. Therefore, the Agency’s rights, and those of its successors, and its assigns hereunder may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California. In any action seeking enforcement or interpretation of any of the terms or provisions of the Covenants, the prevailing party shall be awarded, in addition to damages, injunctive relief, or



other relief, its reasonable costs and expenses, including, but not limited to, court costs, reasonable attorneys' fees, and reasonable fees of expert witnesses.

10.2. **Legal Actions.** In addition to any other rights and remedies any party may institute a legal action to require the cure of any breach or default and to recover damages for any breach or default, or to obtain any other remedy consistent with the purpose of this Declaration. The following provisions shall apply to any such legal action:

10.2.1. **Jurisdiction and Venue.** Legal actions must be instituted and maintained in the Superior Court of the County of Riverside, State of California, or in the United States District Court for the Central District of California. Owner specifically waives any rights provided to it pursuant to California Code of Civil Procedure §394 or federal or state statutes or judicial decisions of like effect.

10.2.2. **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Declaration.

10.2.3 **Attorney's Fees.** In the event either party commences an Action (as defined herein) against the other party which arises out of a default of, breach of, failure to perform this Declaration, or otherwise related to this Declaration, then the prevailing party in the Action shall be entitled to recover its Litigation Expenses (as defined herein) from the other party in addition to whatever relief to which the prevailing party may be entitled. For the purposes of this Section, the term "Action" means any law suit, court or administrative proceeding (whether of a legal or equitable nature), arbitration or mediation (whether binding or non-binding), or any other alternative dispute resolution procedure, and the filing, recording, or service of any process, notice, claim, lien, or other instrument which is a prerequisite to commencement of the Action. For the purposes of this Section, the term "Litigation Expenses" means all costs and expenses, to the extent such are reasonable in amount, that are actually and necessarily incurred in good faith by the prevailing party directly related to the Action, including, but not limited to, court costs, filing, recording, and service fees, copying costs, exhibit production costs, special media rental costs, attorneys' fees, consultant fees, fees for investigators, witness fees (both lay and expert), travel expenses, deposition and transcript costs, and any other cost or expense reasonably and necessarily incurred by the prevailing party in good faith and directly related to the Action.

10.3. **No Liability for Non-Enforcement of Covenants.** The Agency, its successors, or its assigns has the right, but not the duty, to enforce the provisions of these Covenants. However, the Agency, its successors, or its assigns shall have no obligation to enforce these Covenants and shall have no liability for not enforcing the same.

10.4. **Rights and Remedies are Cumulative.** The rights and remedies of the Agency regarding enforcement of the Covenants are cumulative, and the exercise by the Agency of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same default or any other default by the Owner.



11. **Recitals.** The Recitals set forth at the beginning of this Declaration are a substantive and integral part of this Declaration and are incorporated by reference.

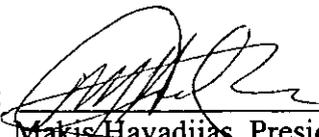
12. **Interpretation.** Owner acknowledges that this Declaration is the product of mutual arms-length negotiation and drafting and each represents and warrants to the other that it has been represented by legal counsel in the negotiation and drafting of this Declaration. Accordingly, the rule of construction which provides the ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this Declaration. In any action or proceeding to interpret or enforce this Declaration, the finder of fact may refer to such extrinsic evidence not in direct conflict with any specific provision of this Declaration to determine and give effect to the intention of the parties hereto.

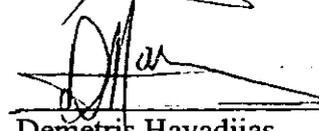
13. **Severability.** Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this Declaration shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this Declaration is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Declaration and shall not affect any other provision, term, condition, covenant, and/or restriction, of this Declaration and the remainder of the Declaration shall continue in full force and effect.

14. **Amendments to Declaration.** Any modification, change, or amendment to this Declaration must be in writing and signed by the appropriate authorities of the Agency and Owner and thereafter appropriately recorded in the Official Records of the County of Riverside, State of California.

IN WITNESS WHEREOF, the Owner has executed this Declaration which shall be effective as of the date of recordation hereof in the Official Records of the County of Riverside, State of California.

HAVADJIA HOLDINGS INC.

By:  Date: May 15 2002
Makis Havadjias, President

By:  Date: May 15 2002
Demetris Havadjias
Chief Financial Officer



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

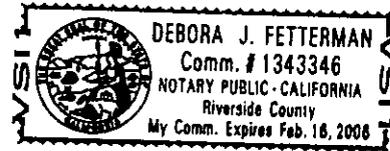
COUNTY OF Riverside

On May 15, 2002 before me, Deborah J Fetterman personally appeared

Makis Havarajias
Demetris Havarajias

" personally known to me - OR - " proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Deborah J Fetterman
(SIGNATURE OF NOTARY)



EXHIBIT A

LOCATION
HAVADJIA HOLDINGS, INC.
FARMER BOYS FOOD, INC.

ASSESSOR'S PARCEL NUMBER 213-311-003

The structure and site referred to in this report is situated in the State of California, County of Riverside, City of Riverside and is described as follows:

THAT PORTION OF BLOCK 8, RANGE 4, OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHERLY LINE OF UNIVERSITY AVENUE (FORMERLY 8TH STREET), 132 FEET WESTERLY FROM THE NORTHEASTERLY CORNER OF SAID BLOCK 8, RANGE 4;
THENCE WESTERLY ALONG THE SOUTHERLY LINE OF UNIVERSITY AVENUE, 54 FEET AND 8 INCHES;
THENCE AT A RIGHT ANGLE SOUTHERLY 160 FEET;
THENCE AT A RIGHT ANGLE EASTERLY 54 FEET AND 8 INCHES;
THENCE AT A RIGHT ANGLE NORTHERLY 160 FEET TO THE POINT OF BEGINNING.

DESCRIPTION APPROVAL 4/16/02
K. Straw
for SURVEYOR, CITY OF RIVERSIDE by —



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