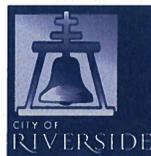


REQUEST FOR PURCHASE AND DEVELOPMENT PROPOSALS
FOR
VAN BUREN BOULEVARD AND HAYES STREET SURPLUS PROPERTY

Issued Date: September 18, 2012

Proposals Due Date: November 4, 2012



CITY OF RIVERSIDE
COMMUNITY DEVELOPMENT DEPARTMENT

Request for Purchase and Development Proposals

Table of Contents

Section	Page
1. Introduction.....	1
2. Invitation to Propose/Property Description.....	1
3. Arlington Neighborhood Description/Demographics.....	2
4. Contents of Purchase and Development Proposals.....	3
5. Proposer Conditions and Contingencies	5
6. Instruction and Schedule for Submitting of Purchase Proposals.....	5
7. Inquiries	6
8. Public Records.....	6
9. Selection Process.....	6
Attachment: EXHIBIT A – Aerial, Legal Description, and Plat Map	
EXHIBIT B – Reciprocal Parking Easement Agreement	

1. INTRODUCTION

As of 2011, the City of Riverside (City) had an estimated population of 306,779 and is currently ranked the 12th largest city in California and 6th largest in Southern California. Located in the Santa Ana River Valley approximately 60 miles east of Los Angeles and 100 miles north of San Diego, the City has historic roots, a progressive outlook, and a tradition of stable, elected civic leaders committed to maintaining a diversified economy, balanced land uses, quality developments and cultural amenities.

The City is home to four internationally recognized colleges and universities, including the prestigious University of California. Riverside has a large and diverse economy with the Inland Empire's largest number of businesses and total jobs. Incorporated in 1883, Riverside is a Charter City with a unique blend of historic charm and modern city features. The community is rich in history, art and culture, and its residents enjoy excellent ballet, symphony, art, museums, and theater.

The City is an important financial and professional center with numerous legal, accounting, brokerage, architectural, engineering, software firms and banking institutions. The downtown is anchored by the historic Mission Inn, which has earned a reputation as the "Downtown of the Inland Empire" and the Riverside Fox Theater where the first showing of the 1939 film *Gone with the Wind* took place. The downtown is also home to many state government offices, the Riverside County Administrative Center and a system of county, state and federal courts serving the Inland Empire.

Riverside's diverse manufacturing base includes such sectors as electrical instruments, plastics, wood and metal fabrication, food processing and recreational vehicles. Technological and manufacturing companies are supported by educational institutions offering specialized training and research partnerships. Riverside buzzes with an array of nationally recognized and regionally distinctive destinations delighting people of diverse interests, age groups and lifestyles by providing a mix of popular venues for dining, shopping, entertainment and socializing. Additionally, Businesses in Riverside benefit from excellent freeways, rail access, high-speed fiber optic telecommunications, reasonable land and building costs, city owned electrical and water systems and a large general aviation airport.

2. INVITATION TO PROPOSE/PROPERTY DESCRIPTION

The City is pleased to offer an exciting opportunity for the purchase and subsequent development of the property located at 3909 and 3915 Van Buren Boulevard aka Assessor Parcel Nos. 191-311-037 and 191-311-038 (Property), which are situated at the northeast corner of Van Buren Boulevard and Hayes Street. The original property was purchased by the City to accommodate the widening and improvement of Van Buren Boulevard from Andrew Street to Garfield Street. The remaining Property now consists of approximately 11,902 square feet of vacant land, as shown on the attached Aerial, Legal Description and Plat Map (Exhibit A).



There is an existing Reciprocal Parking Easement Agreement (Exhibit B) over a portion of the remaining Property. The remaining Property is no longer needed by the City and is zoned Office and situated at an excellent location that is within easy access to the 91 freeway. The Property is now proposed for disposition per City Council Action taken on April 17, 2012, Item No. 22.

The ideal proposer will have demonstrated development experience and will present a quality development which will enhance the surrounding neighborhood, provide job opportunities for local residents and ensure that the reestablishment of blight does not occur.

3. ARLINGTON NEIGHBORHOOD DESCRIPTION/DEMOGRAPHICS

Arlington, one of Riverside's oldest neighborhoods, retains a village character that harkens back to the community's founding in 1875. Arlington was "The city within a city" when it combined with the Riverside colony to form the 39.4-square-mile City of Riverside in 1883. The Arlington neighborhood grew with two annexations in 1961 and 1964. Magnolia Avenue forms the neighborhood's backbone, with Arlington Village at Van Buren Boulevard serving as the neighborhood's heart. Jackson Street borders the neighborhood to the east, the Riverside (91) Freeway to the south, the La Sierra neighborhood to the west and the Arlanza neighborhood to the north.

Great strides have been taken toward revitalizing this unique and historically significant neighborhood. These include the Arlington Village Beautification and Magnolia Avenue Irrigation projects improving the urban streetscape in the heart of the neighborhood. Working closely with Arlington's active neighborhood associations, the Arlington Community Plan was adopted in 2001. The goals and policies from this plan are now a part of the General Plan 2025 and pending Magnolia Avenue Specific Plan.

Within the neighborhood, a wide variety of neighborhood oriented retail commercial uses are located along Magnolia Avenue and Van Buren Boulevard, including Lowe's home improvement warehouse, conveniently located at Magnolia Avenue and Harrison Street (site of the former County Hospital). Immediately adjacent to the southwest of the neighborhood is the Galleria at Tyler, a regional shopping mall offering a wide range of dining and shopping opportunities including Nordstrom, P.F. Chang's China Bistro, The Cheesecake Factory and Barnes & Noble books. Also within the neighborhood near Hole and Magnolia Avenues is County Circle, a County government complex within a campus-like setting and is the location of the Department of Social Services and the Department of Public Health.

The Arlington neighborhood is well served by public facilities, community parks and schools. Arlington Fire Station No. 2 located on Andrew Street near Van Buren Boulevard proudly serves the neighborhood. The Arlington Library, located at Magnolia Avenue and Roosevelt Street was recently restored and expanded to better serve the neighborhood while also preserving the original building architecture. The library, built in 1909, is a fine example of a Greek revival style building and an important historic landmark that is listed on the National Register of Historic Places. Residents enjoy outdoor recreation at Don Lorenzi Park and Arlington Park and Pool. Schools in the neighborhood include Liberty and Sunshine Elementary and St. Thomas the Apostle Roman Catholic School.



DEMOGRAPHIC INFORMATION

Radius	3 Mile	5 Mile
Population		
2016 Projected Population:	150,164	270,021
2011 Population:	139,170	250,860
2011 Median Age:	29.7	31.9
Housing		
2016 Projected Households:	41,989	79,288
2011 Census Households:	39,504	74,678
2011 Avg. Household Size:	3.46	3.31
2011 Owner Occupied Units:	20,011	45,162
2011 Renter Occupied Units:	19,493	29,516
Income		
2011 Avg. Household Income:	\$61,752	\$72,850
2011 Med. Household Income:	\$48,258	\$56,300
2011 Per Capita Income:	\$18,156	\$22,195

4. CONTENT OF PURCHASE PROPOSALS

Each Proposer is required to submit a proposal clearly addressing all of the requirements outlined in this Request for Purchase and Development Proposals (RFP). The detail of the Proposal shall be limited to twenty (20) pages and must include a minimum of five (5) references, which include the address, telephone number, and email address of each reference. Résumés and company qualification brochure data may be added to the 20-page Proposal, provided they are located in an Appendix at the back of the Proposal.

Should the proposer have concerns about meeting any of the requirements, the proposer shall include a clearly labeled subsection with individual statements specifically identifying the concerns and exceptions.

Though the proposer may submit a Proposal organized according to its preference, it must be clear and concise. The Proposal must contain information covering the following:

A. Purchase Price and Other Terms

- Purchase Price

The proposer shall submit a proposed purchase price for the Property and indicate whether there are any costs of sale such as broker commissions to be paid by the City,



which would reduce the overall net proceeds. Please note that the City does not have the Property listed with a broker.

- **Deposit Amount**

Should the proposal be accepted by the City, a deposit in the minimum amount of 2% of the proposed purchase price, or \$5,000, whichever is more, will be required. The selected proposer shall submit the required deposit amount in the form of a Cashier's Check upon execution of a Purchase and Sale Agreement. Please note that the deposit is non-refundable after the selected proposer has obtained development entitlements.

- **Due Diligence/Entitlements**

Development Timeline: it is required that the selected proposer will adhere to a mutually agreed upon schedule of performance, which will be negotiated before the opening of escrow.

Up to ninety (90) days after opening of escrow is proposed for the selected proposer to perform its review and satisfaction of the condition of the Property. A preliminary title report issued by Orange Coast Title Company will be provided. Furthermore, up to 15 months (if necessary) is proposed for the selected proposer to obtain development entitlements and close escrow.

The proposer shall indicate whether these requirements are acceptable or propose a different length of time for proposer to complete its due diligence and obtain entitlements for development of the Property.

- **Closing Costs**

The City shall be responsible for one-half of the cost of escrow charges and CLTA standard form policy of title insurance. The selected proposer shall be responsible for all recording fees, transfer taxes, and/or cost of documentary stamps and one-half of the cost of escrow charges.

The proposer shall indicate whether this requirement is acceptable or propose a different allocation for payment of these costs between City and the proposer.

B. Development Proposal Narrative

The proposer shall provide a preliminary development narrative, proposal and layout for the Property to include the type of uses or mix of uses for the development proposal and the community benefit of the proposed project. This section should ideally include a site plan, pro-forma, conceptual elevations, a site assessment, and project statistics with building square-footage, parking, phasing, anticipated investment, number of jobs to be



generated and preserved, a detailed list of intended users, long term investment strategy and anticipated duration of holding period. If no intended users have been identified, please identify the development as speculative.

C. Relevant Development Experience and Background

The proposer shall provide a summary of experience in developing projects that required interaction with a broad range of interested parties from both the public and private sectors.

The following information is required for each key member of the proposer's development team:

- Description of experience within the most recent ten-year period related to developments that are similar in nature to the proposed development.
- Provide photographs of completed developments that are similar in nature to the proposed development.
- Demonstration of experience in completing developments of the scale and complexity of the proposed development.
- Present the development team's previous relevant experience, including:
 - o The name and address of the contact, photographs and brief project descriptions. For each development reference, include the contact person's role in the completed development and the time period for involvement.
 - o Previous development descriptions including costs, construction and completion dates, locations, land uses, sizes, construction costs and roles of development entities.
 - o Any innovative aspects of previous development experience should be described in detail.
 - o Demonstration of property management experience.

D. Statement and Support of Sale Financing

The proposer shall include financial statements, such as a lender pre-qualification letter, or other proof of ability to purchase that can assist the City in determining whether the proposer has secured the necessary financing or has cash on hand to facilitate the purchase of the Property at the close of escrow and the subsequent development of the Property.

The proposer should also provide a list of assets/collateral it is willing to pledge (as necessary) for borrowing purposes.



5. PROPOSER CONDITIONS AND CONTINGENCIES

The Property is sold "as is".

6. INSTRUCTION AND SCHEDULE FOR SUBMITTING OF PURCHASE PROPOSALS

The City shall not be liable for any expenses incurred by any proposer in relation to the preparation or submittal of purchase proposals. Expenses include, but are not limited to, expenses by proposer in: preparing the purchase proposal or related information in response to the Proposals; negotiations with City on any matter related to the Proposals; and costs associated with interviews, meetings, travel or presentations. Additionally, City shall not be liable for expenses incurred as a result of City's rejection of any proposals made in response to the Proposals.

Proposals are due before 4:00 PM on November 4, 2012. This time and date is fixed and extensions will not be granted. The City does not recognize the U. S. Postal Service, its postmarks or any other organization as its agent for purposes of dating the Proposal. All Proposals received after the deadline shown will be rejected, returned to sender and will not receive further consideration. Furthermore, the City reserves the right to reject any and all Proposals and to waive information and minor irregularities in any proposal received.

Mail by (or hand-deliver) Proposal to:

Attn: Lisa Andresen
City of Riverside – Community Development Department
3900 Main Street, 5th Floor
Riverside, CA 92522

7. INQUIRIES

For questions or clarifications pertaining to the Proposals, please contact Lisa Andresen at (951) 826-5115 or landresen@riversideca.gov.

8. PUBLIC RECORDS

All Proposals submitted in response to the Proposals become the property of the City and under the Public Records Act (Government Code § 6250 et. seq.) are public records, and as such may be subject to public review at least ten (10) days before selection and award.

If a proposer claims a privilege against public disclosure for trade secret or other proprietary information, such information must be clearly identified in the Proposal. Personal information should be labeled as confidential and will remain so. Note that under California law, price proposal to a public City is not a trade secret.

9. SELECTION PROCESS



A. Evaluation

The City will conduct the evaluation process. During the evaluation process, the City reserves the right to request clarification or additional information from individual proposers and to request some or all proposers to make presentations to City staff or others.

B. Selection Criteria

Qualified bids will be ranked based on the following criteria:

- Purchase price and other terms (40%)
- Development proposal (25%)
- Development experience (20%)
- Financial strength of the proposer (15%)

C. City Approval

City staff is required to present the selected proposer and purchase offer to the City Council for approval. If approval is received from the City Council, staff will have a sale agreement prepared for review and execution by the selected proposer.

10. DEVELOPER CONDITIONS

Upon City approval, the following developer conditions will be imposed on the selected proposer in the form of a Condition, Covenants, and Restrictions agreement which will be recorded on the Property:

- Use: The proposed use(s) for the Property must be compliant with all local, state, and federal zoning codes and regulations.
- Restricted Uses: The following uses are restricted for the Property:
 - Adult-oriented business or adult entertainment establishment;
 - Off-sale alcohol sales, except as allowed by the City after review and approval and permitted by the appropriate governmental City; and
- Site Maintenance: the selected proposer will, at its sole cost and expense, maintain the appearance and safety of the Property; remove all graffiti from the Property within 72 hours of its appearance; maintain in good order all landscape irrigation systems; remove and promptly replace all dead and diseased landscaping material on the Property.



- **Transfer to Government City:** the selected proposer shall not sell, lease, convey, assign, or otherwise transfer fee interest in the Property to any governmental or non-governmental tax exempt entity that would result in the site becoming exempt from the payment of real property taxes.

EXHIBIT "A"

AERIAL, LEGAL DESCRIPTION, AND PLAT MAP

EXHIBIT A



EXHIBIT "A"

APN: 191-311-037 & 038
VAN BUREN BOULEVARD SURPLUS

That certain real property in the City of Riverside, County of Riverside, State of California described as follows:

Parcel "A"

The Southeasterly 70.00 feet of the Southwesterly 120.00 feet of Lot 41 in Block 12 of the Village of Arlington, as shown by map on file in Book 1, Page 62 of Maps, Records of San Bernardino County, California;

TOGETHER WITH the Northwesterly 68.50 feet of the Southeasterly 138.50 feet of the Southwesterly 120.00 feet of Lot 41 in Block 12 of said Village of Arlington;

EXCEPTING THEREFROM that portion described as follows:

Beginning at the most Southerly corner of said Lot 41;

Thence N.33°38'46"W. along the Southwesterly line of said Lot 41, a distance of 70.00 feet to the Northwesterly line of the Southeasterly 70.00 feet of said Lot 41;

Thence N.56°23'44"E. along said Northwesterly line, a distance of 33.17 feet;

Thence S.35°38'19"E., a distance of 54.31 feet;

Thence S.78°44'39"E., a distance of 22.20 feet to the Southeasterly line of said Lot 41;

Thence S.56°23'44"W. along said Southeasterly line, a distance of 50.85 feet to the point of beginning;

ALSO EXCEPTING THEREFROM that portion described as follows:

Commencing at the most Southerly corner of said Lot 41;

Thence N.33°38'46"W. along the Southwesterly line of said Lot 41, a distance of 70.00 feet to the Northwesterly line of the Southeasterly 70.00 feet of said Lot 41, and the Point of Beginning of the parcel of land being described;

Thence N.56°23'44"E. along said Northwesterly line, a distance of 33.17 feet;

Thence N.35°38'19"W., a distance of 68.54 feet to the Northwesterly line of the Northwesterly 68.50 feet of the Southeasterly 138.50 feet of said Lot 41;

Thence S.56°23'44"W. along said last mentioned Northwesterly line, a distance of 30.79 feet to said Southwesterly line of Lot 41;

Thence S.33°38'46"E. along said Southwesterly line, a distance of 68.50 feet to the point of beginning.

The above described parcel of land contains 11,902 square feet, more or less.

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


Mark S. Brown, L.S. 5655
License Expires 9/30/09

9/8/09 Date
Prep. E.V.



VILLAGE OF ARLINGTON
M.B. 1/62 S.B.

BLOCK 12

41

PARCEL "A"
11,902 SQ./FT.

APN 191-311-038

APN 191-311-037

Final Order of Condemnation
Recorded 2/6/09 as Doc.
No. 58246, O.R. Riv. Co., Ca.



VAN BUREN BOULEVARD

HAYES STREET

• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=40'

DRAWN BY: EV

DATE: 8/31/09

SUBJECT: VAN BUREN SURPLUS

EXHIBIT "B"

RECIPROCAL PARKING EASEMENT AGREEMENT

7)

RECORDS REQUESTED BY:

STEWART TITLE OF CALIFORNIA, INC.,
Inland Empire Division-Commercial Dept.
ORD ORDER NO: 5-11-148914
REF: 2353-003

MAIL DOCUMENT AND TAX STATEMENTS TO:

STEVEN L. FRANCIS, D.D.S.
3909 Van Buren Blvd., Ste. 1
Riverside, Ca. 92503

DOC # 1999-35268

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Page 1 of 14

Recorded in Official Records
County of Riverside

Gary L. Oras

Assessor, County Clerk & Recorder



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**RECIPROCAL GRANTS OF NON-EXCLUSIVE EASEMENTS
FOR INGRESS, EGRESS AND PARKING
AND MAINTENANCE AGREEMENT RE EASEMENTS**

T
JB

Title of Document

THIS AREA FOR RECORDER'S USE ONLY

(RIVERSIDE COUNTY)

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

South To Business, CA 92509

RECORDING REQUESTED BY:

Steven L. Francis, D.D.S.
3909 Van Buren Blvd., Suite 1
Riverside, CA 92503

AND WHEN RECORDED MAIL TO:

Steven L. Francis, D.D.S.
3909 Van Buren Blvd., Suite 1
Riverside, CA 92503

The undersigned declare that the documentary transfer tax is \$0.00 since this is a conveyance of an Easement and the consideration is less than \$100.

**RECIPROCAL GRANTS OF NON-EXCLUSIVE EASEMENTS
FOR INGRESS, EGRESS AND PARKING
and
MAINTENANCE AGREEMENT RE EASEMENTS**

This Agreement ("Agreement") is made this 9th of July, 1999, by and between FARA D. FRANCIS, SOLE TRUSTEE OF THE FRANCIS TRUST DATED FEBRUARY 24, 1986 ("Trust"), FARA D. FRANCIS ("F. Francis"), STEVEN L. FRANCIS and ELIZABETH FRANCIS, husband and wife (collectively "S. Francis"), and W. EUGENE RATHBUN and ANNIE L. RATHBUN, husband and wife (collectively "Rathbun").

Recitals

A. Trust and S. Francis collectively own the three parcels of real property commonly known as 3909, 3915 and 3925 Van Buren Boulevard, Riverside, California, the ownership and legal descriptions of which are more particularly set forth in the attached *Exhibit "A"* which is by this reference made a part hereof. Such is herein referred to as the "Van Buren Property." F. Francis, S. Francis and Rathbun each own an undivided 1/3 interest as a tenant in common in and to that certain real property commonly referred to as 9463 Hayes Street, Riverside, California 92503, more particularly described in the attached *Exhibit "B"* which is by this reference made a part hereof. Such is herein referred as the "Jointly Owned Property." Rathbun owns that certain real property commonly referred to as 9473 Hayes Street, Riverside, California 92503, more particularly described in the attached *Exhibit "C"* which is by this reference made a part hereof. Such is herein referred to as the "Rathbun Property."

B. The Van Buren Property is improved with a medical office building as well as a driveway ("Driveway") which has historically been used for ingress and egress to vehicular parking areas on both the Rathbun Property and the Jointly Owned Property. The Rathbun Property is improved with a medical office building plus parking spaces in areas which are accessible from the Driveway. The Jointly Owned Property is improved with (i) a single family residence which the owners thereof generally rent to third parties ("Rental House"), and (ii) a parking lot area. The vehicular parking located on the Rathbun Property and the Jointly Owned Property as well as any driving areas located thereon, are herein referred to as the "Parking Lot

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2 of 14



Areas." For many years, the Driveway and Parking Lot Areas have been used by the owners of, and business patrons to, the medical office buildings located on the Van Buren Property and the Rathbun Property. At the rear of the Rathbun Property and the Jointly Owned Property, sixteen (16) contiguous carports ("Carports") have been constructed. In addition, by mutual agreement, a steel truck trailer type storage container utilized by the owners of the Van Buren Property has been placed in the Parking Area and it is contemplated that the owner of the Rathbun Property will place a similar storage container thereon. The Van Buren Property, Rathbun Property, Jointly Owned Property, Driveway, Parking Lot Areas, Carports, and Rental House are depicted on the Plat attached hereto as *Exhibit "D"* which is by this reference made a part hereof.

C. The parties desire to memorialize what, in the past, has been an informal arrangement and understanding relative to the use of the Driveway and the Parking Lot Areas for the mutual benefit of the businesses which are conducted from the medical office buildings located on the Van Buren property and the Rathbun property. In addition, the parties desire to specify herein the responsibilities for maintenance of the Driveway, Parking Lot Areas, Carports and the Rental House and the application of the rental income from the Rental House.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Agreement

1. GRANT OF ACCESS, INGRESS AND EGRESS EASEMENTS: Trust, F. Francis, and S. Francis do hereby grant for the benefit of the medical office building portion of the Van Buren Property, the Rathbun Property and the Jointly Owned Property, nonexclusive easements over, through and across the Driveway for access, ingress, egress, vehicular and pedestrian passage over, through, and across the Driveway to and from the Van Buren Property, the Rathbun Property and the Jointly Owned Property. The easement described in this Section 1 are collectively referred to as the "Access Easements" and they are appurtenant to the medical office building portion of the Van Buren Property, the Rathbun Property and Jointly Owned Property and will enure to the benefit of the present and future owners of each of such properties. The following identifies the present number of Carports used or controlled by the persons indicated: (i) Trust - 3; (ii) S. Francis - 3; (iii) Rathbun - 5. The remaining 5 Carport spaces were paid for by tenants of either the Rathbun Property of the Van Buren Property and such tenants have the right to continue the use thereof as long as they are tenants. Upon termination of any such tenancy, the number of Carports associated therewith will remain associated with the building space associated therewith or revert to the owner thereof for allocation as such owner deems fit.

2. RATHBUN GRANT OF ACCESS, INGRESS, EGRESS AND PARKING EASEMENTS: Rathbun hereby grants for the benefit of the medical office building portion of the Rathbun Property, the Van Buren Property, and the Jointly Owned Property, nonexclusive easements over, through and across the portion of the Parking Lot Areas located on the Rathbun Property for access, ingress, egress, vehicular and pedestrian passage over, through and across, and vehicular parking in designated areas within the Parking Lot Areas associated with the Rathbun Property. The easements described in this Section 2 are appurtenant to the medical

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3 of 10



office building portion of the Rathbun Property, the Van Buren Property and the Jointly Owned Property, and will enure to the benefit of the present and future owners of each of such properties.

3. **JOINT OWNERS GRANT OF ACCESS, INGRESS, EGRESS AND PARKING EASEMENTS:** Rathbun, F. Francis and S. Francis hereby grant for the benefit of the Rathbun Property and the Van Buren Property, nonexclusive easements over, through and across the portion of the Parking Lot Areas located on the Jointly Owned Property for access, ingress, egress, vehicular and pedestrian passage over, through and across, and vehicular parking in designated areas within the Parking Lot Areas associated with Jointly Owned Property. The easements described in this Section 3 are appurtenant to the Rathbun Property and the Van Buren Property and will enure to the benefit of the present and future owners of each of such properties.

4. **LOCATION OF EASEMENTS:** The easements described in Sections 2 and 3 relative to the Parking Lot Areas are herein referred to as the "Parking Easements" which, together with the Access Easements are collectively referred to as the "Easements" and are located as depicted on the Van Buren Property, Rathbun Property and Jointly Owned Property as depicted in the attached *Exhibit "D"*.

5. **EASEMENTS TO RUN WITH LAND:** The burdens and benefits associated with the Easements created hereby, and the associated covenants and Agreement set forth herein, are intended, to the maximum extent permitted, to attach and run with the land, and shall be binding upon, and inure to the benefit of, the respective grantor's and corresponding grantee's heirs, executors, administrators, assigns and successors in interest.

6. **MAINTENANCE OF IMPROVEMENTS WITHIN THE EASEMENTS:** The physical improvements presently located within the Easements will continue as they presently exist consisting of paved driveway, parking areas and the parkway and sidewalk associated with the Jointly Owned Property, as well as any landscaping which may exist within the Easements. The costs associated with the maintenance and repair of the Easements so that they are kept in good and usable condition at all times during the term of the Easements shall be borne and allocated as follows: (i) 1/3 to the owners of the Van Buren Property; (ii) 1/3 to the owners of the Rathbun Property, and (iii) 1/3 to the owners of the Jointly Owned Property. The term "Owners" shall refer collectively to the owners of the Van Buren Property, Rathbun Property and the Jointly Owned Property from time-to-time.

6.1 **Maintenance and Repairs Defined:** Repairs, maintenance, preventive maintenance, and upkeep to be undertaken and performed pursuant to the within Agreement shall include (i) the periodic filling of chuckholes, (ii) chip coating, (iii) removal and replacement, resurfacing, restriping of parking and driveway areas, directional lines and signs relative to the asphalt on the Easements, (iv) renovation, repairs and periodic maintenance to any lighting and payment of the electrical utilities associated with the Easements, and (v) gardening, upkeep and maintenance of any landscaping on the Easements including the costs of water associated therewith. Any additional repairs or maintenance to the Easements which may be deemed necessary or advisable, but which may not be included within the maintenance and repair items specified above, shall not be undertaken pursuant

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to this Agreement except with the prior express written consent of all the then Owners, and an assumption by each of them, in writing, of the same allocation of the financial liability for the costs of such additional repairs or maintenance as for required repairs.

6.1.1 **Replacement:** In the event that the present asphalt driveway on the Access Easement is replaced, then the replacement asphalt driveway shall be required to be at least five inches of asphalt over an eight inch compacted base aggregate, and thereafter, repairs, maintenance and replacement of the asphalt driveway shall be continued to maintain at least this standard.

6.2 **Responsibility for Obtaining Repairs:** During the term of the within Easements, the owners of the Van Buren Property shall be responsible for contracting (on behalf of the Owners) with third parties to perform necessary maintenance and repairs to the Easements.

6.2.1 Prior to contracting with any third party for an item of maintenance or repair to the Easements, the owner of the Van Buren Property shall give a written notice ("Notice of Proposed Expenditure") to the other Owners, indicating the identity of the vendor, the contract terms, and the cost(s) associated with the proposed expenditure.

6.2.2 The other Owners shall have thirty (30) days after receipt of the Notice of Proposed Expenditure to object thereto by advising the owner of the Van Buren Property, in writing, of any objection. If any such written objection is not made or is not received by the owner of the Van Buren Property within such thirty (30) day period, then the other Owners shall be deemed to have conclusively waived any rights to object to the contract or expenditure described in the Notice of Proposed Expenditure, and shall be liable to pay their portion of the cost(s) as set forth herein.

6.2.3 If objection is timely made, or deemed to have been made, by the other Owners in conformance with the terms and provisions hereof, then the dispute shall be resolved as follows: (i) if there are three Owners each holding identical interests in the Jointly Owned Property, then the dispute shall be resolved as any two of the three equal Owners may agree between themselves; or (ii) if the Owners of the Jointly Owned Property do not own equal interests therein, then the dispute shall be submitted forthwith to a panel of arbitrators (each arbitrator of which will be a person experienced relative to the issues to be decided), one chosen by each of the Owners by the giving of written notice to the other Owners identifying the arbitrators within five (5) days after the objection has been made, or the objection is deemed to have been made. If arbitration is the required method of resolving a dispute, and any Owner fails to timely notify the other Owners of the identity of an arbitrator, then the arbitrators chosen by the Owners shall determine the matter in dispute. If any Owner fails to timely notify the other Owners of the identity of an arbitrator, then the arbitrators chosen by the other Owners shall determine the matter in dispute. If the arbitrators chosen by the Owners are

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unable to reach agreement (through a majority thereof) on the arbitration issues within fifteen (15) days after the objection has been made or is deemed to have been made, then the arbitrators shall, in turn, appoint another arbitrator whose decision on the arbitration issues shall be made within five (5) days of such arbitrator's appointment.

The arbitration decision rendered in accordance with the terms hereof shall be final and binding upon all of the Owners and no suit at law or in equity based upon such dispute or controversy shall be instituted by any of the Owners, except to enforce the award of the arbitrators. All costs associated with the arbitration, including, but not limited to, the fees charged by the arbitrators, shall be an arbitration issue and the arbitrator(s) shall determine the proportion of such costs to be borne by each of the Owners.

- 6.3 **Payment for Expenditures:** Within five (5) days after an approved expenditure or an expenditure that is deemed approved pursuant to the terms hereof (e.g. the payment of a third party contractor who performs maintenance and repair on the Easements) is required to be made, the Owners shall pay their respective portions of such expenditure (determined in accordance with the terms hereof) directly to the appropriate vendor, or if the Owners mutually agree, one of their number can collect the amounts from the other Owners and make single payment(s) to the vendor(s).

7. **CARPORTS - ALLOCATION OF MAINTENANCE:** The following identifies the present number of Carports used or controlled by the persons indicated: (i) Trust - 3; (ii) S. Francis - 3; (iii) Rathbun - 5. The remaining 5 Carports are under the control and for the use of tenants of the owners of the Van Buren Property and the use and control thereof shall revert to the owners of the Van Buren Property upon termination of any such tenancy(ies) for allocation or use as such owners see fit. Maintenance of the Carports shall be chargeable to each party who has the right to the use or control thereof (or successor in interest) in proportion to the number of Carports controlled thereby as compared with the total number of Carports. For purposes of such allocation, the owners of the Van Buren Property shall be considered to control the 5 Carports which are presently utilized by tenants of the Van Buren Property.

8. **RENTAL HOUSE - INCOME AND MAINTENANCE:** The Rental House shall be rented out for the benefit of the owners of the Jointly Owned Property. Expenses associated with the Rental House (e.g. real property taxes, insurance, etc.) and the yard area associated therewith (including any landscape or parkway related items) ("Rental House Area") shall be borne by the owners of the Jointly Owned Property in the same proportion that the Rental House Area bears to the total area of the Jointly Owned Property. Such expenses and the general maintenance associated with the Rental House shall be allocated among the owners of the Jointly Owned Property in the same proportion that their ownership interests therein exist. Rental income from renting the Rental House shall first be applied to expenses and maintenance as well as the creation and maintenance of reasonable reserves and any balance shall be distributed to the owners of the Jointly Owned Property in the same proportion that they share the burden of the expenses and maintenance thereof.

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7 of 14

9. **LIABILITY INSURANCE:** At all times during the term of the Easements, the Owners shall maintain a general coverage liability insurance policy, with terms and limits commercially reasonable considering the circumstances in effect on a year-by-year basis, naming all Owners as insureds thereunder, and which policy of insurance shall provide coverage for claims and demands against any of the Owners which arise as the consequence of third parties utilizing the Easements for access, ingress, egress, and parking as contemplated hereby. All premiums and costs associated with obtaining and maintaining any such insurance policy shall be borne by the Owners in the same proportion as they are required to pay for required maintenance and repairs. The owner of the Van Buren Property shall be responsible for arranging for and obtaining the required policy of liability insurance and the procedure set forth in Section 6.2 shall be followed by the owner of the Van Buren Property.

10. **NO OBSTRUCTIONS OF EASEMENTS:** No party hereto or any successor in interest thereto will block, obstruct, or in any way interfere with the Easements described herein, it being understood that the Easements exist in order to provide for access, ingress, egress and parking for the benefit of the Owners of the Van Buren Property and Rathbun Property and patrons thereto. No fences, walls or other barriers will be constructed in such a manner so as to interfere with the smooth and unobstructed flow of pedestrian and vehicular traffic, and the parking of vehicular traffic, over, through, across and on the Easements. The Owners and their respective successors in interest will take all steps reasonably necessary in order to ensure that their respective licensees, agents, employees and invitees will comply with the provisions of this Agreement.

11. **BINDING ON SUCCESSORS:** This Agreement and the rights and obligations hereunder will be binding upon and will enure to the benefit of the assigns and successors in interest of each of the parties. The Easements created hereby are for the benefit of the Van Buren Property and the Rathbun Property and may not be separately assigned or conveyed separately therefrom.

12. **CANCELLATION OF PREVIOUS LICENSE AGREEMENT:** A License Agreement was entered into on June 4, 1980, and which is referenced in a Grant Deed recorded in the Official Records of Riverside County, California on December 31, 1986 as Instrument 337987. All parties hereto, being either parties to the License Agreement or successors in interest thereof, do hereby agree that such License Agreement shall be of no further force or effect whatsoever.

13. **ENTIRE AGREEMENT:** This Agreement sets forth the entire understanding between the parties regarding the matters described herein. This Agreement may not be modified except by a document in writing, signed and acknowledged by all parties hereto or the respective successors in interest with such document thereafter being recorded in the Official Records of Riverside County, California.

14. **ATTORNEY FEES:** In the event of any controversy, claim or dispute relating to this Agreement, the breach or interpretation thereof, the prevailing party will be entitled to recover from the other party reasonable expenses, attorneys fees and costs.

15. **RECORDING:** The parties intend that this Agreement shall become effective

upon its recordation in the Official Records of Riverside County, California.

16. **MORTGAGEE PROTECTION:** No breach of this Agreement will defeat, render invalid, diminish or impair the lien of any mortgage or Deed of Trust made in good faith and for fair value. However, the covenants and conditions contained herein will be binding upon and in effect against the owners of the *Exhibit "A", "B", and "C"* properties whose title may be acquired by foreclosure, Trust Deed Sale, or otherwise. No subsequent owner of any portion of any of such properties will have any liability for breach of this Agreement occurring prior to the date upon which such party becomes an owner thereof.

Execution by Trust

Dated: July 14, 1999

THE FRANCIS TRUST DATED
FEBRUARY 24, 1986

By: Fara D. Francis
FARA D. FRANCIS, Trustee

Execution by F. Francis

Dated: July 14, 1999

Fara D. Francis
FARA D. FRANCIS

Execution by S. Francis

Dated: July 12, 1999

Steven L. Francis
STEVEN L. FRANCIS

Dated: July 12, 1999

Elizabeth R. Francis
ELIZABETH FRANCIS
R.

Execution by Rathbun

Dated: July 9, 1999

Eugene Rathbun
w. EUGENE RATHBUN

Dated: July 9, 1999

Annie L. Rathbun
ANNIE RATHBUN
L.

State of California)
)
County of Riverside)

On July 14, 1999, before me, a Notary Public in and for said County and State, personally appeared FARA D. FRANCIS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

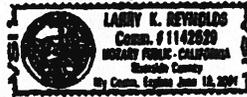


Larry K. Reynolds

State of California)
)
County of Riverside)

On July 12, 1999, before me, a Notary Public in and for said County and State, personally appeared STEVEN L. FRANCIS and ELIZABETH FRANCIS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

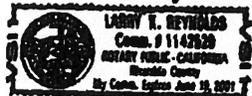


Larry K. Reynolds

State of California)
)
County of Riverside)

On July 9, 1999, before me, a Notary Public in and for said County and State, personally appeared W. EUGENE RATHBUN, D.D.S. and ANNIE L. RATHBUN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Larry K. Reynolds

Reciprocal Grant of Non-Exclusive Easements for Ingress, Egress and Parking
and Maintenance Agreement Re Easements - Page 8

1999-03085
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EXHIBIT "A"

Legal Descriptions and Ownership

**3909, 3915 and 3925 Van Buren Blvd.
Riverside, California 92503**

The certain real properties located in the City of Riverside, County of Riverside, State of California more particularly described as follows:

**3909 Van Buren Blvd.
Riverside, California 92503**

Record Owner:

**Warren M. Francis (deceased) and Fara Dee Francis,
Husband and Wife as Joint Tenants**

THE SOUTHEASTERLY 70 FEET OF THE SOUTHWESTERLY 120 FEET OF LOT(S) 41 IN BLOCK 12 OF THE VILLAGE OF ARLINGTON, AS SHOWN BY MAP ON FILE IN BOOK 1 PAGE(S) 62 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA

**3915 Van Buren Blvd.
Riverside, California 92503**

Record Owner:

**Steven Leroy Francis and Elizabeth Rose Francis
Husband and Wife as Joint Tenants**

THE NORTHWESTERLY 68.5 FEET OF THE SOUTHEASTERLY 138.5 FEET OF THE SOUTHWESTERLY 120 FEET OF LOT 41 IN BLOCK 12 OF THE VILLAGE OF ARLINGTON AS SHOWN BY MAP ON FILE IN BOOK 1 PAGE(S) 62, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.



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18 of 14

3925 Van Buren Blvd.
Riverside, California 92503

Record Owner:

Warren M. Francis (deceased) and Fara D. Francis,
As Trustees of the Francis Trust Dated February 24, 1986

THE SOUTHWESTERLY 120 FEET OF THE SOUTHEASTERLY HALF OF
LOT 41 IN BLOCK 12 OF THE VILLAGE OF ARLINGTON, AS SHOWN BY
MAP ON FILE IN BOOK 1 PAGE(S) 62, OF MAPS, RECORDS OF SAN
BERNARDINO COUNTY, CALIFORNIA;

EXCEPTING THEREFROM THE NORTHWESTERLY 110 FEET THEREOF;

ALSO EXCEPTING THEREFROM THE SOUTHEASTERLY 138.5 FEET
THEREOF.



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11 of 14

EXHIBIT "B"

Legal Description and Ownership - Property

**9463 Hayes Street
Riverside, California 92503**

Record Owner:

**Warren M. Francis (deceased) and Fara D. Francis,
Husband and Wife as Joint Tenants,
As to an Undivided One-Half (1/2) Interest**

and

**James W. Coleman and Edith L. Coleman
Husband and Wife as Joint Tenants,
As to an Undivided One-Half (1/2) Interest**

The certain real property located in the City of Riverside, County of Riverside, State of California more particularly described as follows:

**THE SOUTHWESTERLY RECTANGULAR 71 FEET OF THE
NORTHEASTERLY RECTANGULAR 142 FEET OF THE SOUTHEASTERLY
HALF OF LOT(S) 41, BLOCK 12 OF VILLAGE OF ARLINGTON, AS
SHOWN BY MAP ON FILE IN BOOK 1 PAGE(S) 62 OF MAPS, RECORDS
OF SAN BERNARDINO COUNTY, CALIFORNIA.**

EXCEPTING THEREFROM THE NORTHWESTERLY 110 FEET THEREOF.



EXHIBIT "C"

Legal Description and Ownership

**9473 Hayes Street (aka 3909 Van Buren Blvd.)
Riverside, California 92503**

Record Owner:

**W. Eugene Rathbun, D.D.S., and Annie L. Rathbun
Husband and Wife as Joint Tenants,**

The certain real property located in the City of Riverside, County of Riverside, State of California more particularly described as follows:

THAT PORTION OF LOT(S) 41 IN BLOCK 12 OF VILLAGE OF ARLINGTON AS SHOWN BY MAP ON FILE IN BOOK 1 PAGE(S) 62, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF HAYES STREET, 120 FEET NORTHEASTERLY FROM THE SOUTHWEST CORNER OF SAID LOT, THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 200 FEET TO THE SOUTHEASTERLY LINE OF THE PARCEL OF LAND CONVEYED TO FLORENCE H. GODFREY BY DEED RECORDED NOVEMBER 13, 1941 AS INSTRUMENT NO. 782 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTHEASTERLY ON SAID SOUTHEASTERLY LINE, 68 FEET TO THE MOST WESTERLY CORNER OF THE PARCEL OF LAND CONVEYED TO SEVERINO FABBO AND WIFE RECORDED MARCH 11, 1952 AS INSTRUMENT NO. 10214 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE SOUTHEASTERLY ON THE SOUTHWESTERLY LINE OF SAID PARCEL SO CONVEYED TO SEVERINO FABBO AND WIFE, 200 FEET TO THE NORTHWESTERLY LINE OF HAYES STREET; THENCE SOUTHWESTERLY ON THE NORTHWESTERLY LINE OF HAYES STREET, 68 FEET TO THE POINT OF BEGINNING.



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13 of 14

EXHIBIT "D"

