

Exhibit A

Durable Encroachment Agreement

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Exempt from Recording Fee per
Government Code § 6103

(Space above for Recorder's Use)

DURABLE ENCROACHMENT AGREEMENT FOR INSTALLATION AND MAINTENANCE OF UNDERGROUND PIPELINE

This Encroachment Agreement (“AGREEMENT”) is issued by the CITY OF EL PASO DE ROBLES, a California municipal corporation and general law city (“CITY”), to RIVER WALK TERRACE, LP, a California limited partnership (“RIVER WALK”). CITY and RIVER WALK are sometimes hereinafter referred to individually as “Party” and collectively as the “Parties.”

RECITALS

A. RIVER WALK has applied for an encroachment permit from CITY in connection with RIVER WALK’s project located on certain real property in the County of San Luis Obispo, State of California, City of Paso Robles, California, and legally described in Exhibit A, attached hereto and incorporated herein by this reference (“REAL PROPERTY”).

B. CITY owns property known as the Larry Moore Public Park (“PUBLIC PARK”) adjacent to a certain portion of the REAL PROPERTY. The PUBLIC PARK is legally described in Exhibit B, attached hereto and incorporated herein by this reference.

C. RIVER WALK has requested CITY to enter into this Durable Encroachment Agreement, whereby RIVER WALK would be authorized to install and maintain certain improvements under, and across certain portions of the PUBLIC PARK. As used in this Agreement, PUBLIC PARK means the surface, the air space above the surface and the area below the surface of the PUBLIC PARK, as shown in Exhibit C.

D. CITY agrees to provide to RIVER WALK the right to encroach upon the PUBLIC PARK for the installation and maintenance of a domestic water line improvements on, under, and across certain portions of the PUBLIC PARK, subject to the terms and conditions contained herein.

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AGREEMENTS

1. Grant of Encroachment. CITY hereby grants to RIVER WALK a durable right of encroachment upon the PUBLIC PARK, for the purpose of constructing, installing, maintaining, and operating the IMPROVEMENTS (defined below), subject to the limitations set forth herein and RIVER WALK's fulfillment and ongoing compliance with the terms and conditions set forth herein. The installation and maintenance of, and any use of, the IMPROVEMENTS (defined below) shall be subordinate to any use and operations which CITY may conduct during the effective period of this AGREEMENT, and RIVER WALK shall not cause any unreasonable delay or interference with CITY'S access to the PUBLIC PARK. RIVER WALK shall not interfere with the operations of CITY in the PUBLIC PARK, whether or not such interference is considered material.

2. Authorized Improvements. The improvements authorized to be constructed, installed, and maintained pursuant to this AGREEMENT are an underground two-inch domestic water pipeline and related replacement and reconstruction work as described in Exhibit C (the "IMPROVEMENTS") on REAL PROPERTY owned by CITY for the transmission of potable water used by RIVER WALK. The rights of RIVER WALK to install, operate, maintain, and use the IMPROVEMENTS are subject to the following limitations, and conditioned upon RIVER WALK implementing the following protective measures and physical construction standards in connection with the IMPROVEMENTS:

a. Detailed design drawings prepared by a registered engineer depicting the IMPROVEMENTS within the PUBLIC PARK shall be provided to, reviewed by, and approved by CITY prior to construction. The design drawings shall include an accurate depiction of the horizontal and vertical position of the proposed improvements relative to the PUBLIC PARK and shall be generally consistent as depicted on Exhibit C of this Agreement. The IMPROVEMENTS shall be designed to ensure that the installation and use of the IMPROVEMENTS do not create any additional structural or geotechnical load on the PUBLIC PARK. The design of the IMPROVEMENTS must allow for immediate access to the PUBLIC PARK for purposes of inspecting, cleaning, maintaining, repairing, and replacing CITY's existing improvements located within the PUBLIC PARK and/or installing additional improvements and appurtenances.

b. CITY reserves the right, and RIVER WALK hereby acknowledges, that CITY may reject without liability the design drawings for any proposed IMPROVEMENTS and/or require any changes thereto if CITY determines, in its sole and absolute discretion, that such action is necessary to ensure CITY can adequately inspect, clean, maintain, repair, and replace CITY's existing improvements located within the PUBLIC PARK and/or installing additional improvements and appurtenances within the PUBLIC PARK.

c. Upon CITY's approval of the final design drawings for the IMPROVEMENTS, such design drawings shall be attached hereto as Exhibit "C" and

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incorporated herein by this reference and considered a material part of this AGREEMENT. RIVER WALK shall design, construct, install, operate and maintain the IMPROVEMENTS in strict compliance with the approved final design drawings, and no changes or deviations therefrom shall be permitted without RIVER WALK first obtaining the prior written consent of CITY, which may be granted or denied in the CITY's sole reasonable discretion. The issuance of building and encroachment permits by the CITY for any changes and modifications shall be presumed to constitute consent of such changes and modifications under this AGREEMENT.

d. A schedule of construction activities within the PUBLIC PARK will be provided to and approved by CITY prior to the commencement of any construction work within the PUBLIC PARK. No heavy equipment shall be operated within or traverse the PUBLIC PARK, when there are less than 24 inches of soil over any existing public improvements. No vibratory compaction will be allowed within the PUBLIC PARK unless approved in writing by CITY. All IMPROVEMENTS shall be open and subject to inspection by CITY, and RIVER WALK shall give notice and allow CITY to inspect any underground improvements prior to backfilling. RIVER WALK shall provide CITY with "as-built" drawings of the IMPROVEMENTS within thirty (30) days of completion of the construction activities.

e. RIVER WALK shall reimburse CITY for any and all expenses incurred by CITY for work to support or protect the PUBLIC PARK within thirty (30) days after receiving written demand and a statement from CITY detailing such costs. In the event RIVER WALK fails to perform work to support or protect the PUBLIC PARK within thirty (30) days after receiving written notice from CITY of such failure, or if CITY must immediately perform such work in the event of an emergency or to perform legally mandated duties, CITY may proceed with such work at the expense of RIVER WALK. RIVER WALK shall reimburse City within thirty (30) days after receiving written demand and a statement from CITY detailing the costs incurred by CITY.

f. RIVER WALK shall be required to obtain all other necessary and required licenses, permits and authorizations from any governmental agency with jurisdiction over the IMPROVEMENTS and to pay all fees and charges associated therewith prior to commencing any work on the IMPROVEMENTS. This AGREEMENT does not constitute, nor grant, permission to use or occupy property not belonging to, or under the control of CITY, and permission to use or occupy such property must be obtained from the owner or controller of such property, separate from and in addition to this AGREEMENT.

g. RIVER WALK shall not alter, replace, or otherwise change the IMPROVEMENTS without complying with the terms of this Section 2.

3. No Grant of Property Interest. This AGREEMENT is not a grant by CITY of any property interest but is made subject and subordinate to the prior and continuing right of CITY to use all the PUBLIC PARK in any manner in its reasonable sole discretion.

4. Construction and Operation. RIVER WALK shall construct, operate, maintain and repair the IMPROVEMENTS so as to not endanger or interfere with any improvements

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CITY makes or otherwise interferes with the PUBLIC PARK or legal rights of any property owner or to unnecessarily hinder or obstruct pedestrian or vehicular traffic. RIVER WALK shall not place facilities, equipment or fixtures where they will interfere with any gas, electric, telephone, telecommunications, water, sewer or other utility facilities or obstruct or hinder in any manner such entity's use of any City property, including PUBLIC PARK.

5. Repair of Damage. Any damage caused directly or indirectly by RIVER WALK to the PUBLIC PARK or to CITY's improvements therein and other property shall be repaired by CITY, at RIVER WALK's sole cost and expense, or if authorized by CITY may be repaired by RIVER WALK at its sole cost and expense. If CITY elects to perform the repair work itself, RIVER WALK shall reimburse CITY for the full costs of the repair work within thirty (30) days after receiving written demand and a statement from CITY detailing such costs. In the event payment is not made within said thirty (30) day period, said payment shall accrue interest at a rate of ten percent (10%) per annum from the end of said thirty (30) day period until paid in full.

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6. Relocation or Abandonment of Improvements

a. Temporary Relocation. RIVER WALK shall, upon reasonable notice from CITY and by a time specified by CITY, protect, support, temporarily disconnect, or relocate any of its property if required by CITY or any other governmental entity by reason of traffic conditions; public safety; PUBLIC PARK construction, maintenance or repair (including resurfacing or widening); change of PUBLIC PARK grade; construction, installation or repair of sewers, storm drains, water pipes, power lines, gas lines, signal lines, tracks or any other type of government-owned communication system, public work or improvement or any government-owned utility; PUBLIC PARK vacation; or for any other public purpose where the work involved would be materially aided by the relocation of the IMPROVEMENTS.

b. Emergency Relocation. In the event of an emergency, or where the IMPROVEMENTS create or are contributing to an imminent danger to health, safety or property, CITY may relay, relocate or temporarily remove any or all parts of that IMPROVEMENTS without prior notice; however, CITY shall make diligent reasonable efforts to provide prior notice to RIVER WALK. RIVER WALK shall be responsible for all costs reasonably incurred in connection with such emergency relocation unless the City were the cause of such emergency. The term “emergency” shall be defined in accordance with California law and in general, shall be considered as an unforeseen circumstance that calls for immediate action.

c. Permanent Relocation. RIVER WALK shall permanently relocate, without cost or expense to CITY, the IMPROVEMENTS or any portion thereof installed, used and maintained under this Agreement if and when made necessary by any lawful change of grade, alignment or width of the PUBLIC PARK, including the construction, maintenance or operation of any other CITY underground or aboveground facilities. In the event all or any portion of the PUBLIC PARK occupied by the IMPROVEMENTS shall be needed by City for governmental purposes or in the event the existence of the IMPROVEMENTS shall be considered detrimental to governmental activities, including but not limited to, interference with CITY construction projects, or is in conflict vertically and/or horizontally with any proposed CITY installation, RIVER WALK shall, following direction from the City Engineer, relocate the IMPROVEMENTS or applicable portion thereof to such other location or locations on said PUBLIC PARK as may be designated by CITY. Said relocation shall be completed within ninety (90) days of written notification by CITY; provided RIVER WALK can timely obtain any needed permits from CITY. In the event the IMPROVEMENTS or applicable portion thereof are not removed or relocated within ninety (90) days after said notification, CITY may cause the same to be done at the sole expense of RIVER WALK.

d. Repair to Public Right of Way. When removal or relocation is required under this Agreement, RIVER WALK shall, after the removal or relocation of the IMPROVEMENTS, at its own cost, repair and return the PUBLIC PARK or public utility or service easements on which the facilities were located to a safe and satisfactory condition in accordance with the construction-related conditions and specifications as established by CITY according to its standard practice. Should RIVER WALK remove the IMPROVEMENTS from the PUBLIC PARK, RIVER WALK shall, within ten (10) days after such removal, give notice

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thereof to CITY specifying the PUBLIC PARK affected and the location thereof as well as the date of removal. Before proceeding with removal or relocation work, RIVER WALK shall obtain and CITY shall issue a street excavation permit, if applicable, from the CITY.

e. Abandonment of IMPROVEMENTS. If any portions of the IMPROVEMENTS covered under this Agreement are no longer used by RIVER WALK, or are abandoned for a period in excess of one (1) year, RIVER WALK shall notify CITY and shall either promptly vacate and remove the facilities at its own expense or, at CITY's sole discretion, may abandon some or all of the IMPROVEMENTS in place.

7. Waiver and Release. RIVER WALK, in perpetuity, expressly waives, releases, and relinquishes any and all claims, causes of action, rights, and remedies RIVER WALK may now or hereafter have against CITY, and its officials, officers, employees, and agents, whether known or unknown, with respect to liability for any damage to or loss, upon, above, beneath, or across the PUBLIC PARK pursuant to this AGREEMENT unless such damage or loss is caused by the sole active negligence or willful misconduct of CITY. As a material part of CITY's decision to issue this AGREEMENT, RIVER WALK hereby assumes all risk of damage to the IMPROVEMENTS in, upon, or about the PUBLIC PARK arising, from any cause attributable to CITY's exercising its rights with respect to City's Property and PUBLIC PARK, and RIVER WALK hereby waives all claims in respect thereto against CITY, except if caused by the sole active negligence or willful misconduct of CITY.

RIVER WALK HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW: [changes from SB 1431]

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BY INITIALING BELOW, RIVER WALK HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES:

RIVER WALK's Initials

The waivers and releases by RIVER WALK contained herein shall survive the term of this AGREEMENT and shall be binding upon the assignees, transferees, and successors in interest of RIVER WALK.

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8. Recovery of Costs for Enforcement of Agreement. The terms of this AGREEMENT may be enforced by CITY or its successors or assigns. In the event of any controversy, claim or dispute relating to this AGREEMENT, or the breach thereof, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees and costs.

9. Hazardous Materials Use.

a. RIVER WALK covenants that it will not handle or transport Hazardous Materials on the IMPROVEMENTS or the PUBLIC PARK. As used in this AGREEMENT, the term "Hazardous Materials" means: (a) any substance, products, waste, or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 United States Code Section 9601 et seq.; the Resources Conservation and Recovery Act, 42 United States Code Section 6901 et seq.; the Hazardous Materials Transportation Conservation and Recovery Act, 42 United States Code Section 1801 et seq.; the Clean Water Act, 33 United States Code Section 1251 et seq.; the Toxic Substances Control Act, 15 United States Code Section 2601 et seq.; the California Hazardous Waste Control Act, Health and Safety Code Section 25100 et seq.; the Hazardous Substance Account Act, Health and Safety Code Section 25330 et seq.; the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Section 25249.5 et seq.; California Health and Safety Code Section 25280 et seq. (Underground Storage of Hazardous Substances); the California Hazardous Waste Management Act, Health and Safety Code Section 25170.1 et seq.; California Health and Safety Code Section 25501 et seq. (Hazardous Materials Release Response Plans and Inventory); or the California Porter-Cologne Water Quality Control Act, Water Code Section 13000 et seq., all as amended (the above cited California state statutes are hereinafter collectively referred to as "the State Toxic Substances Law"); or any other federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, now or at any time hereinafter in effect; (b) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (c) petroleum or crude oil, other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and (d) asbestos.

In the event the IMPROVEMENTS are now or in the future used in the handling or transporting of Hazardous Materials, RIVER WALK agrees fully to comply with all applicable federal, state, and local laws, rules, regulations, orders, decisions and ordinances (hereinafter referred to as "Hazardous Materials Standards") concerning Hazardous Materials. RIVER WALK further agrees that at CITY's request it will furnish CITY with proof, satisfactory to CITY, that RIVER WALK is in compliance with all such laws, rules, regulations, orders, decisions and ordinances.

b. Notwithstanding anything else contained in this AGREEMENT and to the fullest extent permitted by law, in case of a breach of the obligations contained in this Section, RIVER WALK agrees to assume liability for and to save, indemnify, defend and hold harmless

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CITY from and against any and all injuries to any person, including wrongful death, and damage to property, including without limitation, property of CITY and RIVER WALK, and all related expenses, including without limitation reasonable attorneys' fees, investigators' fees, litigation expenses, and mitigation costs resulting in whole or in part from RIVER WALK's failure to comply with any Hazardous Materials Standards issued by any governmental authority concerning Hazardous Materials. RIVER WALK, at its cost, shall assume the defense of all claims, in accordance with Section 15 hereof. RIVER WALK agrees to reimburse CITY for all reasonable costs of any kind incurred as a result of the RIVER WALK's failure to comply with this Section, including, but not limited to, judicial or administrative fines, penalties, clean-up and disposal costs, and reasonable legal costs incurred as a result of RIVER WALK's handling, transporting, or disposing of Hazardous Materials on, over, or across the IMPROVEMENTS and PUBLIC PARK.

10. Standards. RIVER WALK shall comply with all statutes, ordinances, rules, regulations, orders and decisions (hereinafter referred to as "Standards"); issued by any federal, state or local governmental body or agency established thereby relating to RIVER WALK's use of the IMPROVEMENTS and PUBLIC PARK hereunder. In its use of the IMPROVEMENTS and PUBLIC PARK, RIVER WALK shall at all times be in full compliance with all Standards, present or future, including, but not limited to, Standards concerning air quality, water quality, noise, and Hazardous Materials. In the event RIVER WALK fails to be in full compliance with Standards, CITY may, but shall not be obligated to, after giving notice of the failure to RIVER WALK, and if RIVER WALK, within fifteen (15) days of such notice, fails to correct such non-compliance, take whatever action it determines in its sole discretion to be necessary to protect the PUBLIC IMPROVEMENTS, PUBLIC PARK, and other adjacent property. RIVER WALK shall reimburse CITY for all reasonable costs (including but not limited to, consulting, engineering, clean-up and disposal, and reasonable legal costs) incurred by CITY as a result of RIVER WALK's failure to comply with such Standards, and also such reasonable costs incurred by CITY in abating a violation of such Standards, protecting against a threatened violation of such Standards, defending any claim of violation of such Standards in any proceeding before any agency or court, and paying any fines or penalties imposed for such violations. RIVER WALK shall, to the extent permitted by law, assume liability for and shall save and hold harmless CITY from any claim of a violation of the Standards regardless of the nature thereof or the agency or person asserting such claim, which results from RIVER WALK's use of the IMPROVEMENTS and PUBLIC PARK; provided, however, that the foregoing shall not apply to the extent of CITY's sole active negligence or willful misconduct. RIVER WALK, at its cost, shall assume the defense of all such claims.

11. Tests and Inspections. CITY shall have the right at any time to inspect the IMPROVEMENTS, PUBLIC PARK, and PUBLIC IMPROVEMENTS so as to monitor compliance with this AGREEMENT. If, in CITY's sole judgment, any installation, use, or condition of the IMPROVEMENTS may have an adverse effect on the PUBLIC IMPROVEMENTS, PUBLIC PARK, or CITY's operations, CITY shall be permitted to, at its sole cost and expense, conduct any tests or assessments, including but not limited to environmental assessments, of, on or about the PUBLIC PARK and PUBLIC IMPROVEMENTS, as it determines to be necessary or useful to evaluate the condition of the

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PUBLIC PARK and PUBLIC IMPROVEMENTS. RIVER WALK shall cooperate with CITY in any tests or inspections deemed necessary by CITY. RIVER WALK shall pay or reimburse CITY, as appropriate, for all reasonable costs and expenses incurred due to any necessary corrective work and inspections thereafter within thirty (30) days of a request for payment and a statement detailing such costs and expenses.

12. Insurance.

a. Types; Amounts. RIVER WALK shall obtain, and shall require any subcontractor to obtain, insurance in the amounts described below unless specifically altered or waived by CITY (“Required Insurance”). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this License or be no less than two times the specified occurrence limit.

- (i) *General Liability Insurance.* RIVER WALK shall maintain occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence. The general liability insurance policy must include coverage for the following:
 - (1) Bodily Injury and Property Damage
 - (2) Personal Injury/Advertising Injury
 - (3) Premises/Operations Liability
 - (4) Products/Completed Operations Liability
 - (5) Explosion, Collapse and Underground (UCX) exclusion deleted
 - (6) Contractual Liability with respect to this AGREEMENT
 - (7) Broad Form Property Damage
 - (8) Independent Contractor Coverage
- (ii) *Business Automobile Liability Insurance.* RIVER WALK shall maintain business automobile liability insurance with an each accident limit of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage, which shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).
- (iii) *“All Risk” Property Insurance.* RIVER WALK shall maintain a policy of property insurance for perils usual to a standard “all risk” insurance policy

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on all its improvements or alterations in, on, or about the PUBLIC PARK, with limits equal to the value of all such improvements or alterations.

b. General Provisions. The general liability insurance policy and the business automobile liability insurance policy shall (1) name CITY, its officials, officers, employees and agents as additional insureds; (2) be endorsed to waive subrogation against CITY, its officials, officers, employees and agents as additional insureds; and (3) be primary and non-contributory. All Required Insurance herein shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of protection provided to CITY, its officials, officers, employees and agents.

c. Certificates; Insurer Rating; Cancellation Notice. Prior to conducting any work in PUBLIC PARK, RIVER WALK shall furnish to CITY properly executed certificates of insurance which evidence all Required Insurance. RIVER WALK shall maintain the Required Insurance at all times while this AGREEMENT is in effect, and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days prior written notice to CITY. Unless approved in writing by CITY, RIVER WALK shall place the Required Insurance with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least A-VII.

d. Waiver of Subrogation. RIVER WALK releases CITY, its officials, officers, employees and agents from any claims for damage or harm to any person, the REAL PROPERTY, the PUBLIC PARK, or the IMPROVEMENTS, caused by, or which result from, risks insured under any insurance policy carried by RIVER WALK at the time of such damage or harm. RIVER WALK shall cause each insurance policy required herein to provide a waiver of subrogation in favor of CITY, its officials, officers, employees and agents.

13. Indemnity. RIVER WALK hereby agrees to defend, indemnify and hold CITY and its officials, officers, agents and employees free and harmless from and against any and all claims, demands, causes of action, costs, liabilities, expenses, losses, damages or injuries of any kind in law or equity, to persons or property, including wrongful death, in any manner arising out of or incident to any acts, omissions or willful misconduct of RIVER WALK, its partners, affiliates, agents, officers, or employees in performance of this AGREEMENT, use of the REAL PROPERTY or PUBLIC PARK, or the construction, use, or operation of the IMPROVEMENTS. RIVER WALK shall further defend, indemnify and hold harmless the CITY and its officials, officers, agents and employees from all claims, demands, lawsuits, writs of mandamus, and other actions or proceedings (brought against the CITY or its departments, commissions, agents, officers, officials, or employees to challenge, attack seek to modify, set aside, void or annul any City decision made in connection with this AGREEMENT or RIVER WALK's use of the PUBLIC PARK. RIVER WALK shall defend, with counsel of CITY's choosing and at RIVER WALK's sole expense, any and all aforesaid suits, actions or proceedings, legal or affirmative, that may be brought or instituted against CITY, its officials, officers, agents or employees. RIVER WALK shall pay and satisfy any judgment, award or decree that may be rendered against CITY, its officials, officers, agents or employees. RIVER

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WALK shall reimburse such parties for any and all legal expenses and costs incurred by one or all of them in connection with this AGREEMENT or the indemnity herein provided. RIVER WALK's obligation shall survive termination or expiration of this AGREEMENT, and shall not be restricted to insurance proceeds, if any, received by CITY or its officials, officers, agents or employees.

14. Covenant Running With Land. This AGREEMENT shall be deemed a covenant running with the REAL PROPERTY. All of the covenants, obligations, and provisions of this AGREEMENT shall be binding upon and inure to the benefit of successors, legal representatives and assigns of the Parties. Every person who now or hereafter owns or acquires any right, title, or interest in and to any portion of the REAL PROPERTY shall be conclusively deemed to have notice of this AGREEMENT, whether or not reference to this AGREEMENT is contained in the instrument by which such person acquires an interest in the REAL PROPERTY. Therefore, each and every contract, deed or other instrument hereinafter executed, covering or conveying the REAL PROPERTY shall conclusively be deemed to have been executed, delivered and accepted subject to this AGREEMENT.

15. Miscellaneous.

a. Amendments. The provisions of this AGREEMENT may be amended by mutual written consent of both parties.

b. Notices. All notices permitted or required under this AGREEMENT shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

RIVER WALK: River Walk Terrace, LP
3128 Willow, Suite 101
Clovis, California 93612
Attn: Laurie Doyle

With a copy to: River Walk Terrace, LLC
3128 Willow, Suite 101
Clovis, California 93612
Attn: Austin Herzog

With a copy to: Affordable Housing Paso Robles
901 30th Street
Paso Robles, California 93446
Attn: President

CITY: City of El Paso de Robles

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1000 Spring Street
Paso Robles, California 93446
Attn: Director of Public Works

Such notice shall be deemed made when personally delivered or forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

c. Entire Understanding. This AGREEMENT constitutes the entire understanding between the Parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein.

d. Invalidity. If any provision of this AGREEMENT is invalid or unenforceable with respect to any Party, the remainder of this AGREEMENT or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this AGREEMENT shall be valid and enforceable to the fullest extent permitted by law.

e. Successors and Assigns. This AGREEMENT shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

f. No Third Party Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the parties, and their permitted successors, transferees, and assignees, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any of its terms.

g. Consent to Jurisdiction and Venue. This AGREEMENT shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this AGREEMENT, or which in any way arises out of the Parties' activities undertaken pursuant to this AGREEMENT, shall be filed and prosecuted in the appropriate California State Court in the County of San Luis Obispo, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, RIVER WALK expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

h. Exhibits. All exhibits attached hereto form material parts of this AGREEMENT.

16. Permit Fee. RIVER WALK agrees to compensate CITY in the amount of ONE THOUSAND DOLLARS (\$1,000), in addition to regular Encroachment Permit Fees, to offset legal and related expenses in return for granting an Encroachment Permit pursuant to this

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AGREEMENT, which shall be due and payable to CITY within thirty (30) days of the execution date of this AGREEMENT.

17. Possessory Interest. In accordance with Revenue and Taxation Code Section 107.6, this AGREEMENT may create a possessory interest subject to personal property taxation for which RIVER WALK shall be responsible.

18. Effective Date. The Parties hereby agree that the effective date of this AGREEMENT, and the effective date for all obligations of the Parties hereunder, shall be the date on which this AGREEMENT has been fully executed by both Parties.

[SIGNATURES ON FOLLOWING PAGE]

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**SIGNATURE PAGE TO
DURABLE ENCROACHMENT AGREEMENT
BETWEEN
CITY OF EL PASO DE ROBLES
AND RIVER WALK TERRACE, LP.**

IN WITNESS WHEREOF, this AGREEMENT and the Encroachment Permit granted hereby has been duly issued by CITY on the date of execution by CITY below.

**CITY OF EL PASO DE ROBLES,
A California municipal corporation and general
law city**

By: _____
Ty Lewis
City Manager

Date: _____

[Signatures continue on the following page]

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ACCEPTANCE OF TERMS AND CONDITIONS OF AGREEMENT:

**RIVER WALK
RIVER WALK TERRACE, LP.,
a California limited partnership**

**By: River Walk Terrace, LLC,
a California limited liability company
its: Administrative General Partner**

**By: Central California Housing Corporation,
a California corporation
its: Member/Manager**

**By: _____
Austin Herzog
President**

**By: Affordable Housing Paso Robles,
a California nonprofit public benefit corporation
its: Managing General Partner**

**By: _____
David A. Cooke
President**

Date: _____

EXHIBIT "A"

DESCRIPTION OF REAL PROPERTY AND MAP

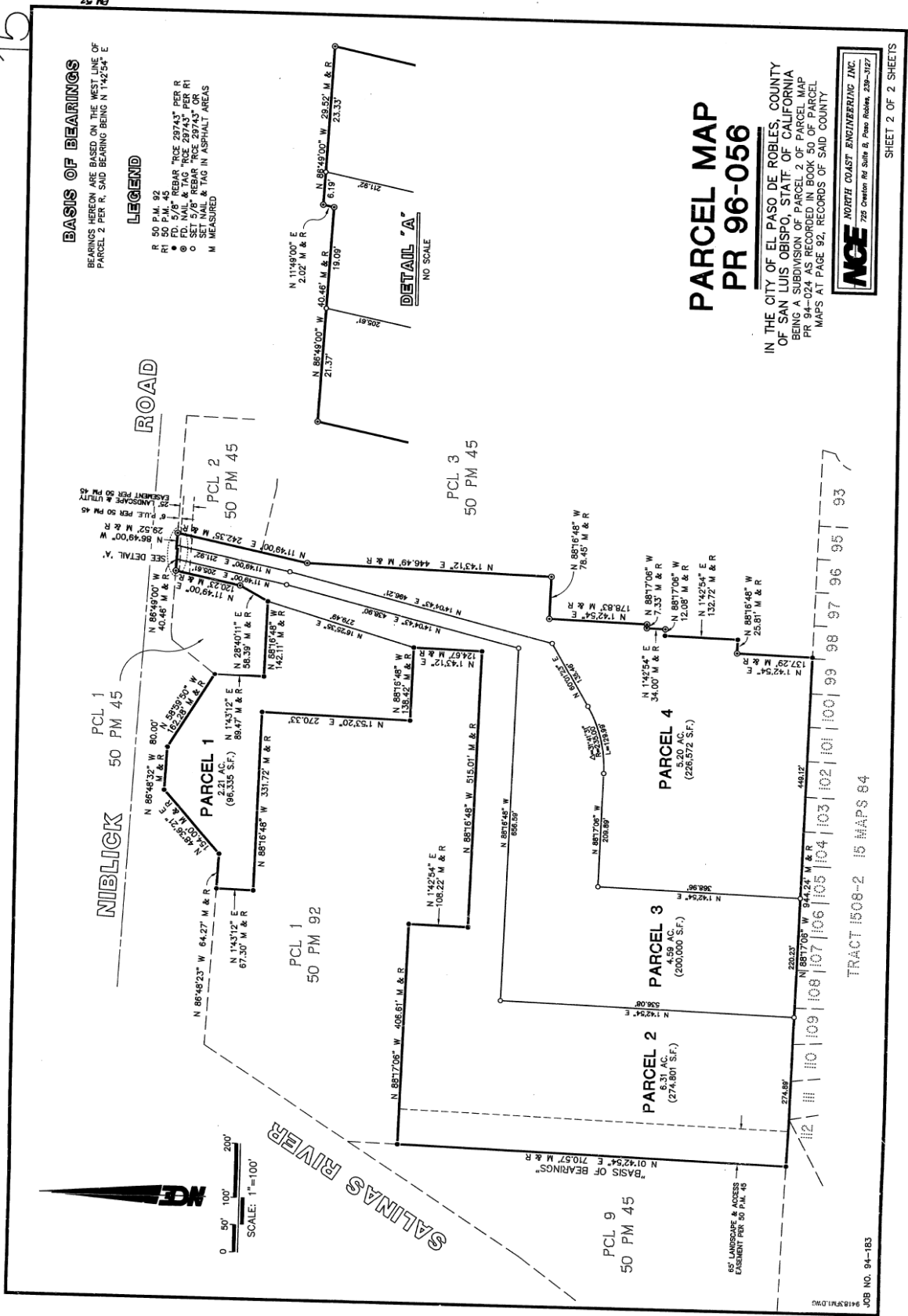
Parcel 2 of Parcel Map PR96-056, being a subdivision of Parcel 2, of Parcel Map PR94-024 as recorded in Book 50 of parcel maps at Page 92, San Luis Obispo County, CA.

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BASIS OF BEARINGS
 BEARINGS HEREON ARE BASED ON THE WEST LINE OF
 ALLEN ROAD BEARING N 142°54' E
 PARCEL 2 PER R. SAID BEARING BEING N 142°54' E

LEGEND

- R 50 P.M. 92
- FD 5/8" REBAR "ACE 29743" PER R
- FD 5/8" REBAR "ACE 29743" PER R1
- SET 5/8" REBAR "ACE 29743" OR
- SET 5/8" REBAR "ACE 29743" OR
- M MEASURED



**PARCEL MAP
PR 96-056**

IN THE CITY OF EL PASO DE ROBLES, COUNTY
 OF SAN LUIS OBISPO, STATE OF CALIFORNIA
 BEING A SUBDIVISION OF PARCEL 2 OF PARCEL MAP
 PR 94-024 AS RECORDED IN BOOK 50 OF PARCEL
 MAPS AT PAGE 92, RECORDS OF SAID COUNTY



SHEET 2 OF 2 SHEETS

TRACT 1508-2 15 MAPS 84

JOB NO. 94-183

EXHIBIT “B”

PUBLIC PARK DESCRIPTION AND MAP

Open Space Area lot shown on the Subdivision of a Portion of the “Remainder Parcel” as shown on the Map of Tract 1508-2, According to the Map filed June 27, 1990, in book 15, Page 84 of Maps.

Exhibit "C"

PUBLIC PARK MAP AND IMPROVEMENT DRAWINGS

