

**LICENSE AGREEMENT BETWEEN CITY OF TEMECULA AND
BLUMENTHAL TEMECULA, LLC, FOR THE USE OF
PROPERTY FOR PARKING PURPOSES (APN 916-400-013)**

This License Agreement Between the City of Temecula and Blumenthal Temecula, LLC, for the use of Property for Parking Purposes (APN 916-400-013) (“Agreement”) is entered into between the City of Temecula, a municipal corporation (“City”) and Blumenthal Temecula, LLC (Grantee) as of October 14, 2025 (“Effective Date”). The City and Grantee are referred collectively as the “Parties”. In consideration of the mutual promises contained herein, the Parties agree as follows:

1. **Recitals.** This Agreement is made with respect to the following facts and for the following purposes, which each of the Parties hereto acknowledge as true and correct:

A. The City of Temecula is the record owner of a vacant parcel of approximately 5.01 acres generally located southwesterly of the intersection of Date Street and Temecula Center Drive in the City of Temecula, Assessor’s Parcel Number 916-400-013 (“Subject Property”). The Subject Property roughly depicted on Exhibit “A” attached hereto and incorporated herein by this reference.

B. City represents and warrants that the City is the record fee owner of the Subject Property and no other person or entity has the right to possession or use of the Subject Property.

C. Grantee is the owner of Mercedes Benz of Temecula that is located adjacent to the Subject Property. Use of the Subject property for parking will enable Grantee to provide parking for its vehicles and enhance its capacity to sell additional vehicles

D. The City Council finds and determines that development of parking for the Grantee pursuant to this Agreement will promote the public health, safety, and welfare of the citizens of the City and will be of substantial economic benefit to the City as the Agreement will: (1) generate new short term and long term quality employment opportunities within the City in conjunction with Grantee adjacent business; (2) generate new tax revenues that will assist the City in funding public services for the residents and businesses within the City; (3) preserve and enhance the job/housing balance described in the City’s General Plan and various regional plans; (4) develop new and expanded commercial and business facilities; (5) expand and enhance the City’s tax base through increased property values and consumer purchasing; and (6) promote the stability and diversification of the City’s economy.

E. The City and Grantee desire to enter into this Agreement to provide the terms and conditions upon which the Grantee will use of the Subject Properties for parking purposes.

2. **Right to Use Subject Properties for Parking Purposes.** City hereby grants to Grantee a license to possess and use the Subject Property for parking purposes in accordance with and subject to the terms and conditions of this Agreement. Grantee agrees and acknowledges that Grantee will abide by the draft concept plan for the public parking proposed for the Subject Property attached hereto as Exhibit “B” and incorporated herein by this reference.

3. **Rent.** Grantee shall pay to the City the total sum of \$1.00 in consideration for City's grant to Blumenthal Temecula, LLC of the non-exclusive right to enter and access the Subject Property in accordance with the terms of this Agreement.

4. **Term of this License.**

A. **Duration.** The term of this Agreement will commence on the Effective Date and end on December 31, 2026 ("Termination Date"), subject to the early termination provisions set forth in Sections 4.C and D. hereto.

B. **Extension of term of License.** The original term of the Agreement set forth in Section 4.A. can be extended by mutual written agreement of the City Manager and Grantee for a total term of not more than three (3) years.

C. **Right to Terminate Agreement.** Either party may terminate this Agreement for any reason, with or without cause, by providing sixty (60) days prior written notice of termination to the other party ("Early Termination Date").

5. **Responsibilities of Grantee.**

A. Grantee is authorized to use the Subject Property for parking purposes ("Permitted Uses") consistent with the draft concept plan attached as Exhibit "B" hereto.

B. Grantee shall be responsible for the costs of utilities, if any, in connection with the Grantee's use of the Subject Property for the Permitted Uses during the term of this Agreement.

C. Grantee shall maintain the Subject Properties in a clean and neat condition, clean and clear of refuse and obstructions, and will dispose of all garbage, trash, and rubbish.

D. Grantee shall not dump, place or store hazardous materials or toxic waste on the Subject Property.

E. If Grantee damages the Subject Property, Grantee shall be responsible for restoring the Subject Property to as close to the condition of said Subject Property on the Effective Date of this Agreement.

F. Within thirty (30) days of the Termination Date or Early Termination Date, the Grantee shall return the Subject Property to as close to the condition of said Subject Property on the Effective Date of this Agreement, subject to reasonable wear and tear unless City informs Grantee in writing that it wishes to maintain any surface improvements constructed by Grantee on the Subject Property. In said case, the Subject Property will be left in the condition in which they existed on the Termination Date or Early Termination Date.

6. **Indemnification.** Grantee agrees to defend, indemnify, protect and hold harmless City from and against any and all claims, demands, losses, defense costs or expenses, including reasonable attorney fees, or liability of any kind or nature which Grantee may sustain or incur or which may be imposed upon Grantee for injury to or death of persons, or damage to the Subject Property arising out of Grantee's negligent or wrongful acts or omissions arising out of or in any

way related to Grantee's use or occupancy of the Subject Property for the Permitted Uses in accordance with this Agreement.

7. Insurance

A. Grantee shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons and/or damages to property, which may arise from or in connection with the Grantee's use of the Subject Property by the Grantee, its agents, representatives, employees, contractors, or subcontractors.

1) Minimum Scope of Insurance. Coverage shall be at least as broad as: Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operation, property damage, bodily injury, and personal & advertising with limits no less than One Million (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 05 09 or 25 04 05 09) or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Concessionaire has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limits no less than One Million (\$1,000,000) per accident for bodily injury, including death, of one or more persons, property damage and personal injury.

3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One million (\$1,000,000) per accident for bodily injury or disease. In accordance with the provisions of Labor Code Section 3700, every contractor will be required to secure the payment of compensation to its employees. Pursuant to Labor Code Section 1861, Vendor must submit to City the following certification before beginning any work on the Improvements:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

By executing this Agreement, Vendor is submitting the certification required above.

The policy must contain a waiver of subrogation in favor of the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees or volunteers.

B. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared and approved by the Risk Manager.

C. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

1) The City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Grantee's products and completed operations of the Grantee; premises owned, occupied or used by the Contractor. General liability coverage can be provided in the form of an endorsement to the Grantee Insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used). The coverage shall contain no special limitations on the scope of protection afforded to the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees or volunteers.

2) For any claims related to this project, the Grantee insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the City, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, officials, employees or volunteers shall be excess of the Grantee's insurance and shall not contribute with it. This also applies to any Excess or Umbrella liability policies.

3) The Grantee may use Umbrella or Excess Policies to provide the limits as required in this agreement. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability Insurance.

4) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect the indemnification provided to the City of Temecula, the Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, or volunteers.

5) The Grantee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6) If the Grantee's maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Grantee.

7) If insurance coverage is canceled or, reduced in coverage or in limits the Grantee shall within two (2) business days of notice from insurer phone, fax, and/or notify the City via certified mail, return receipt requested of the changes to or cancellation of the policy.

8) Unless otherwise approved by City, if any part of the Services and Tasks is subcontracted, the Minimum Insurance Requirements must be provided by, or on behalf of, all

subcontractors even if city has approved lesser insurance requirements for Grantee, and all subcontractors must agree in writing to be bound by the provisions of this section.

D. Acceptability of Insurers. Insurance required above, except for workers' compensation insurance, must be placed with insurers with a current A.M. Best rating of A-:VII or better, unless otherwise acceptable to the City. Self-insurance shall not be considered to comply with these insurance requirements.

E. Verification of Coverage. Grantee shall furnish the City with original certificates and amendatory endorsements, or copies of the applicable policy language affecting coverage required by this clause. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Grantee obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

F. Special Risks or Circumstances. The City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

8. **City's Reservation of Right of Entry.** City shall have the right to enter the Subject Property at all times during the period covered by this Agreement to ensure compliance with the terms of this Agreement.

9. **Acknowledgements; Disclaimer of Warranties.**

A. Grantee acknowledges that Grantee has had the opportunity to inspect the Subject Properties and is accepting the use and possession of the Subject Properties "AS-IS" under the terms of this Agreement for the Permitted Uses.

B. In executing and delivering this Agreement, except for City's representation to Grantee that the City is the record owner of the Subject Property and no other person or entity has the right to possession or use of the Subject Property, Grantee has not relied on any representation or warranty of City with respect to the condition or fitness of the Subject Property for the Grantee's Permitted Uses under the terms of this Agreement.

10. **Liens.** Grantee shall not directly or indirectly create or permit to be created or to remain on the Subject Property any mortgage, lien, or encumbrance in connection with the Grantee's use of the Subject Property for the Permitted Uses. Grantee shall defend, indemnify and hold City harmless, pursuant to Section 6 (Indemnification) from any liens that may attach to the Subject Property from the Grantee's use of the Subject Property for the Permitted Uses under the terms of this Agreement.

11. **Notice of Transfer or Sale.** If City determines to sell or transfer its interest in any portion of the Subject Property during the term of this License Agreement, City agrees to provide written notice to any potential purchaser of the existence of this Agreement and to provide written notice to Grantee of the sale or transfer of any portion of the Subject Properties.

12. **Notice.** Any notices that either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, FedEx, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, addressed to the address of the party as set forth below or at any other address as that party may later designate by written notice to the other party. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

City: CITY OF TEMECULA
41000 Main Street
Temecula, California 92590
Attention: City Manager

With a copy to: Richards, Watson & Gershon
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Peter M. Thorson, City Attorney

Owner: Blumenthal Temecual, LLC.

13. **Interpretation.** Each of the Parties had the full opportunity to participate in the drafting of this Agreement and, therefore, the Agreement shall not be interpreted against any party on the ground that the party drafted the Agreement or caused it to be prepared.

14. **Governing Law.** The Parties understand and agree that the laws of the State of California will govern the rights, obligations, duties, and liabilities of the Parties to this Agreement and the interpretation of this Agreement. Any litigation concerning this Agreement shall be filed in the Riverside County Superior Court.

15. **Entire Agreement.** This Agreement is the entire agreement and understanding between the Parties with respect to the subject matter of this Agreement and this Agreement supersedes any representations, or previous agreements, either oral or in writing, between the Parties hereto with respect to the subject matter of this Agreement. Any modifications of or amendments to this Agreement will be effective only if said modification or amendment is in writing and signed by the Parties hereto.

16. **Authority to Execute Agreement.** The person executing this Agreement on behalf of Owner warrants and represents to the City that this Agreement has been duly approved by Owner and that all applicable notices and procedures were complied with and that the party signing on behalf of Owner is duly authorized by the Owner to execute this Agreement on behalf of the Owner and has been duly authorized to do so and that the consent of any other party is not required.

In witness whereof, the Parties hereto have caused this Agreement to be executed the day and year first above written.

OWNER


CITY OF TEMECULA, a municipal corporation

GRANTEE

**Blumenthal Temecula LLC.
DBA MERCEDES-BENZ OF
TEMECULA**

Aaron Adams, City Manager

Attest:

By: 
Name: **Garth Blumenthal**
Title **Member / Dealer Principal**

Randi Johl, City Clerk

Approved as to form:

By: _____
Name: _____
Title _____

Peter M. Thorson, City Attorney

Exhibit "A"
Depiction of Subject Property



Exhibit "B"
Draft Concept Plan of Proposed Parking Improvement

