

**SECOND AMENDMENT TO
COMMERCIAL MULTI-TENANT LEASE – TRIPLE NET**

Mission Square

This Second Amendment to Commercial Multi-Tenant Lease – Triple Net (“Second Amendment”), is made and entered into this 28 day of October, 2022, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation (“Landlord”), and THE IG GROUP, LLC, a California limited liability company, operating as a Slater’s 50/50 location (“Tenant”), with respect to the following facts:

RECITALS

A. On July 2, 2018, Landlord and Tenant entered into a Commercial Multi-Tenant Lease – Triple Net (“Lease”) for certain space within the building located at 3750 University Avenue, Suite 125, Riverside, California, known as Mission Square.

B. On July 7, 2020, the Parties executed a First Amendment to Commercial Multi-Tenant Lease – Triple Net, whereby they adjusted the square footage, Rent Commencement Date, Due Diligence Period, and Tenant Improvement Allowance.

C. Parties now desire to amend the Lease to modify the Term and Rent Schedule, to allow for the payment of certain past due rent.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, Landlord and Tenant agree as follows:

1. “Basic Lease Information,” Section 11, is hereby amended in its entirety as follows:

11. Tenant's Proportionate Share of Building:	4.78%
Tenant's Proportionate Share of Retail Area Common Area:	28.78%

2. Section 2.1, **Original Term**, is hereby amended to change the Original Term to fifteen (15) years, change the Commencement Date to January 1, 2021, and change the Expiration Date to December 31, 2036.

3. Section 2.1.1, **Rent Commencement Date**, is hereby amended in its entirety to read as follows:

“2.1.1 **Rent Commencement Date.** The Rent Commencement Date is hereby agreed to be as January 1, 2021.”

4. A new section 3.8 is added as follows:

“3.8 Amortization of Past Due Rent. The Parties agree to amortize unpaid rent from January 1, 2021 – May 31, 2021, into the new fifteen (15) year term as follows:

$$(\$14,955.00 \text{ Rent} + \$2,392.80 \text{ CAM}) = \$17,347.80 \times 5 \text{ months} = \$86,739.00$$

The Parties acknowledge that, as of the date of this Second Amendment to the Lease, Tenant owes unpaid (deferred) rent under the Lease in the total amount of \$86,739.00 which will be amortized into the Lease over the fifteen (15) year term with a four percent (4%) interest rate at Six Hundred Forty-One Dollars and Sixty Cents (\$641.60) per month (“Deferred Rent Amortization”) as further described in Section 8 below. Any Rent or CAM payments made by Tenant prior to January 1, 2021, will be credited to Tenant’s account. Landlord and Tenant acknowledge that a total of One Hundred Thirty Thousand Five Hundred Thirty Dollars (\$130,530.00) was paid by Tenant prior to January 1, 2021, which amount shall be credited to Tenant as stated above (“Tenant Initial Payment Credit”) and shall be used to offset the Deferred Rent Amortization, the TI Amortization and any Rent and CAM payments owed as of December 31, 2022.”

5. A new section 3.7.1 is added as follows:

“3.7.1 Amortization of Tenant Improvements. The Parties agree to amortize the entire balance of the Two Hundred Fifty Thousand Dollars (\$250,000.00) in additional Tenant Improvements provided by Landlord to Tenant under Section 3.7, into the new fifteen (15) year term of the Lease with a four percent (4%) interest rate at One Thousand Eight Hundred Forty-Nine Dollars and Twenty-Two Cents (\$1,849.22) per month (“TI Amortization”) added to Base Rent as further described in Section 8 below. After application of Tenant Initial Payment Credit against new rents commencing June 1, 2022, including Deferred Rent Amortization and TI Amortization (from January 1, 2021, through October 31, 2022), the final credit owed to Tenant is Fifteen Thousand Seventy Dollars and One Cent (\$15,070.01) (“Final Credit”), which will be credited to Tenant as follows (see below):

Application of Credit Balance	Running Credit Balance	Tenant Payments
Beginning Balance	(15,070.01)	
\$15,070.01 – November, 2022	(\$0.00)	\$5,067.71 – RENT, CAM and TI Amortization”

6. Section 3.4, **Tenant's Share of Common Area Maintenance Costs**, is hereby amended in its entirety as follows:

“3.4. Tenant's Share of Common Area Maintenance Costs. Tenant shall pay to Landlord its proportionate share of all Building Area and Retail Area Common Area Maintenance Costs, insurance and taxes (excluding Possessory Interest Tax, which Tenant shall pay directly in accordance with Section 9.6 of the Lease) associated with the Ground Floor Retail Space (“CAM” or “CAM Charges”), on a monthly basis effective on the Rent Commencement Date of the Lease. CAM charges are currently estimated at Forty

Cents (\$0.40) per square foot for the calendar year 2022. Tenant is responsible for the actual CAM charges incurred. The above figures are just an estimate and are subject to change.

CAM Charges shall mean all direct costs and expenses of every kind and nature paid or incurred by Landlord in operating, managing, insuring, repairing, and maintaining the Retail Area and Building Area, including all security, parking and common areas thereof in a manner deemed reasonable and appropriate by Landlord and in the best interests of the Property. CAM Charges shall be determined by standard accounting practices, and shall include, but not be limited to: all real property taxes and assessments levied on the Property and all improvements thereon, rent or gross receipts taxes, costs and expenses of cleaning, painting, striping, policing, managing (including costs of management and engineering personnel and management fees, uniforms, equipment and all employment taxes), security, regulating traffic, providing security, furnishing water, lights, music, heat, ventilation and air-conditioning to the common areas, depreciation for machinery and equipment used in operating and maintaining common facilities; costs and expenses of repairing the lobby and all exterior walkways and patios, repairing exterior walls, foundations and structural portions of buildings, painting or staining exterior walls, trim and accessories, maintaining underground and overhead utility and service lines, repairing, resurfacing or replacing parking areas in part or in whole, driveways, curbs, walkways, sprinklers, drainage facilities and light standards; costs and expenses of gardening, relandscaping and replacing flowers, shrubbery and planters; legal and accounting fees; premiums for liability, business interruption, property damage, fire and extended coverage, malicious mischief, vandalism, workers' compensation, employees' liability, earthquake, sprinkler leakage and other casualty and/or risk insurance procured by Landlord in connection with the Property.

Notwithstanding anything hereinabove to the contrary: (i) CAM Charges shall not include expenses reimbursed by insurance or other tenants, depreciation of improvements, loan payments, executive salaries or real estate broker's commissions; and (ii) any CAM Charges which, under generally accepted accounting principles should be capitalized, shall be amortized in equal monthly installments over the useful life of the improvements, not to exceed twelve (12) years, based on an interest rate of eight percent (8%) per annum, and Tenant shall not be required to pay more than Tenant's pro rata share of such monthly amortized amount in any given month.

Tenant's pro rata share of CAM Charges may be estimated by Landlord, which estimate may include a reasonable reserve for maintenance, or the replacement of asphalt or other structural items. The amount so estimated by Landlord shall then be paid by Tenant monthly in advance, subject to adjustment in future billing to Tenant, or if deemed necessary, Landlord may make a special assessment for monies needed, and any such special assessment shall be paid by Tenant to Landlord within fifteen (15) days after receipt of the notice to pay. CAM Charges, including amounts to be set aside in reserve for replacements shall be computed on a cash basis according to standard accounting practices. On or before April 1 of each year, or within a reasonable time thereafter, Landlord shall determine (and furnish to Tenant a statement showing in reasonable detail) the CAM Charges for the preceding calendar year.

To the extent that Tenant's pro rata share of such CAM Charges is greater or less than the sum actually billed to and paid by Tenant for such year, the difference shall be billed to and paid by Tenant or credited to Tenant against its next successive CAM Charge payment(s), as the case may be. Any such annual statement from Landlord, which is not objected to by Tenant (stating the reason for objection and the specific items being questioned) within sixty (60) days after Tenant's receipt thereof from Landlord, shall be deemed binding and conclusive. As soon as possible after termination of the Lease, Landlord shall reconcile CAM Charges in order to determine Tenant's pro rata share of CAM Charges to the date of Lease Termination. When such reconciliation is completed, any excess monies paid will be refunded to Tenant and any additional monies payable by Tenant will be billed to Tenant. Payment in full is due within fifteen (15) days from the date of the billing."

7. Exhibit "B," "Rules and Regulations," is amended and replaced in its entirety by the attached Exhibit "B-1," which is incorporated herein by this reference.

8. Section 3.3, Base Rent, is hereby amended as follows:

"3.3 **Base Rent.** Base Rent is as follows:

Base Rent Schedule: Months	Regular Monthly Base Rent	Deferred Rent Amortization	Total Regular and Deferred Rent	Tenant Improvement Amortization	Monthly Total Rents and All Amortization
1-12	\$14,955.00	\$641.60	\$15,596.60	\$1,849.22	\$17,445.82
12-24	\$15,254.10	\$641.60	\$15,895.70	\$1,849.22	\$17,744.92
25-36	\$15,559.18	\$641.60	\$16,200.78	\$1,849.22	\$18,050.00
37-48	\$15,870.36	\$641.60	\$16,511.96	\$1,849.22	\$18,361.18
49-60	\$16,187.77	\$641.60	\$16,829.37	\$1,849.22	\$18,678.59
61-72	\$16,511.53	\$641.60	\$17,153.13	\$1,849.22	\$19,002.35
73-84	\$16,841.76	\$641.60	\$17,483.36	\$1,849.22	\$19,332.58
85-96	\$17,178.60	\$641.60	\$17,820.20	\$1,849.22	\$19,669.42
97-108	\$17,522.17	\$641.60	\$18,163.77	\$1,849.22	\$20,012.99
109-120	\$17,872.61	\$641.60	\$18,514.21	\$1,849.22	\$20,363.43
121-132	\$18,230.06	\$641.60	\$18,871.66	\$1,849.22	\$20,720.88
133-144	\$18,594.66	\$641.60	\$19,236.26	\$1,849.22	\$21,085.48
145-156	\$18,966.55	\$641.60	\$19,608.15	\$1,849.22	\$21,457.37
157-168	\$19,345.88	\$641.60	\$19,987.48	\$1,849.22	\$21,836.70
169-180	\$19,732.80	\$641.60	\$20,374.40	\$1,849.22	\$22,223.62

The monthly base rent for the two (2) five (5) year options, if exercised by Tenant, shall be one hundred five percent (105%) of the previous year's rent. Each subsequent year shall be increased by two percent (2%) on each yearly anniversary of the Rent Commencement Date."

9. All terms and conditions of the Lease that are not inconsistent with this Second Amendment shall remain in full force and effect and are incorporated herein by this reference as if set forth in full.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be duly executed on the day and year first above written.

CITY OF RIVERSIDE, a California
charter city and municipal corporation

THE IG GROUP, LLC,
a California limited liability company,
operating as a Slater's 50/50 location

By: _____
Interim City Manager

By: Ivan Garcia
Name: Ivan Garcia
Title: owner/partner

ATTEST:

By: Alberto Garcia
Name: Alberto Garcia
Title: owner/partner

By: _____
City Clerk

APPROVED AS TO FORM:

By: Juan Wilson
Assistant City Attorney

EXHIBIT B-1

RULES AND REGULATIONS

EXHIBIT "B-1"

RULES AND REGULATIONS

This exhibit, entitled "Rules and Regulations," is and shall constitute *Exhibit B* to the Lease Agreement, dated as of the Lease Date, by and between Landlord and Tenant for the Premises. The terms and conditions of this *Exhibit B* are hereby incorporated into and are made a part of the Lease. Capitalized terms used, but not otherwise defined, in this *Exhibit B* have the meanings ascribed to such terms in the Lease.

1. Tenant shall use that method of heating or air conditioning as agreed to by Landlord.
2. All window coverings installed by Tenant and visible from the outside of the Building require the prior written approval of Landlord.
3. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance or any flammable or combustible materials on or around the Premises, except to the extent that Tenant is permitted to use the same under the terms of Paragraph 5.6 of the Lease.
4. Tenant shall not alter any lock or install any new locks or bolts on any door at the Premises without the prior consent of Landlord.
5. Tenant shall not make any duplicate keys without the prior consent of Landlord.
6. Tenant shall park motor vehicles in parking areas designated by Landlord except for loading and unloading. During those periods of loading and unloading, Tenant shall not unreasonably interfere with traffic flow around the Building or the Property and loading and unloading areas of other tenants. Tenant shall not park motor vehicles in designated parking areas after the conclusion of normal daily business activity.
7. Tenant shall not disturb, solicit or canvass any tenant or other occupant of the Building or Property and shall cooperate to prevent same.
8. No person shall go on the roof without Landlord's permission.
9. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Building, to such a degree as to be objectionable to Landlord or other tenants, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or in noise-dampening housing or other devices sufficient to eliminate noise or vibration.
10. All goods, including material used to store goods, delivered to the Premises of Tenant shall be immediately moved into the Premises and shall not be left in parking or receiving areas overnight.
11. Tractor trailers which must be unhooked or parked with dolly wheels beyond the concrete loading areas must use steel plates or wood blocks under the dolly wheels to prevent

damage to the asphalt paving surfaces. No parking or storing of such trailers will be permitted in the auto parking areas of the Property or on streets adjacent thereto.

12. Forklifts which operate on asphalt paving areas shall not have solid rubber tires and shall only use tires that do not damage the asphalt.

13. Tenant is responsible for the storage and removal of all trash and refuse. All such trash and refuse shall be contained in suitable receptacles stored behind screened enclosures at locations approved by Landlord.

14. Tenant shall not store or permit the storage or placement of goods or merchandise in or around the common areas surrounding the Premises. No displays or sales of merchandise shall be allowed in the parking lots or other common areas.

15. Tenant shall not permit any animals, including but not limited to, any household pets, to be brought or kept in or about the Premises, the Building, the Property or any of the common areas unless the animal is a service animal, as defined by Title II and Title III of the ADA, or is otherwise permitted pursuant to state or federal disability laws.

16. Tenant shall not without Landlord's consent, which may be given or withheld in Landlord's sole and absolute discretion, receive, store, discharge, or transport firearms, ammunition, or weapons or explosives of any kind or nature at, on or from the Premises, the Building or the Property.

17. Tenant will refer all contractors, their representatives and installation technicians rendering any service to Tenant, to Landlord's approval before performance of any service. This provision shall apply to all work performed in the Building, including, without limitation, the installation of telephones, data cabling, electrical devices and attachments, and all installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building.

18. Movement in or out of the Building of furniture or office equipment or the dispatch or receipt by Tenant of any merchandise or materials that require the use of elevators or stairways or the movement through Building entrances or lobbies shall be restricted to hours designated by Landlord. All such movement shall be under the supervision of Landlord and shall be performed in the manner agreed upon in writing between Tenant and Landlord before performance. Such agreement initialed by Tenant will include the determination by Landlord, and such movement shall be subject to Landlord's sole decision and control, in regard to time, method, and routing of movement, limitations imposed by safety or other concerns that may prohibit any article, equipment or any other item from being brought into the Building. Tenant shall assume all risk as to damage to articles moved and injury to persons or public property and personnel of Landlord if damaged or injured as a result of acts in connection with such services performed for Tenant or at Tenant's request.

19. Landlord shall not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or public rooms regardless of whether such loss occurs when such area is locked against entry or not.

20. None of the entries, passages, doors, elevators, elevator doors, hallways or stairways shall be blocked or obstructed, nor shall any rubbish, litter, trash or material of any nature be placed, emptied or thrown into these areas, nor shall such areas be used at any time except for ingress and egress by Tenant, Tenant's agents, employees or invitees.

21. Landlord specifically reserves the right to refuse admittance to the Building from 7:00 p.m. to 7:00 a.m. daily, or on Sundays or legal holidays, to any person who cannot furnish satisfactory identification, or to any person who, for any other reason, in Landlord's judgment, should be denied access to the Premises. Landlord, for the protection of the tenants and their effects, may prescribe hours and intervals during the night, on Sundays and holidays, when all persons entering and departing the Building shall be required to enter their names, the offices to which they are going or from which they are leaving, and the time of entrance or departure in a register provided for that purpose by Landlord.

22. All lettering and signage appearing or visible from the exterior of the Premises shall be subject to the prior written approval of Landlord. No banners, advertisements or displays shall be allowed to be displayed from the interior or exterior of the Premises which would be visible from the exterior of the Premises without the prior written permission of Landlord.

23. Normal business hours for the Building are 7:00 a.m. to 6:00 p.m. on Mondays through Fridays, exclusive of holidays. However, Tenant shall have access to the Premises 24 hours a day, seven days a week. The term "holiday" shall include all days on which national banks in the municipality in which the Building is located are closed to the general public. This shall include, but not be limited to, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

24. Tenant shall keep all garbage, trash and refuse generated at the Premises or by the activities conducted therein in rodent-proof containers until removed, and cause the same to be removed in an appropriate manner on a daily basis.