

**FIRST AMENDMENT TO
RIVERSIDE MUNICIPAL AIRPORT TERMINAL BUILDING LEASE**

D & D AIRPORT CAFÉ

THIS FIRST AMENDMENT TO RIVERSIDE MUNICIPAL AIRPORT TERMINAL BUILDING LEASE ("First Amendment") is entered into this _____ day of _____, 2016, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City") and DAVID PENNINGTON and DELMY PENNINGTON doing business as D & D Airport Café ("Lessee").

RECITALS

- A. On August 3, 2011, the City and Lessee entered into the Riverside Municipal Airport Terminal Building Lease ("Lease") for space, to use solely for a restaurant, on the westerly end of the first floor of the Terminal Building of the Riverside Municipal Airport and the adjacent patio area.
- B. The Lease is set to expire on July 31, 2016.
- C. The Lease includes an Option to Extend for 2 additional five (5) year periods. Lessee has provided City with notice that it would like to extend the Lease for an additional five (5) years.
- D. The parties have agreed to additional revisions to the Lease including: (1) changing the reference of "Airport Director" to "Airport Manager"; and (2) update Paragraph 9. RENTAL/PAYMENT.
- E. The parties desire to enter into this First Amendment and agree to the following revisions to the Lease.

NOW, THEREFORE, in consideration of the foregoing recitals, City and Lessee agree as follows:

- 1. All references in the Lease to "Airport Director" shall be changed to "Airport Manager."
- 2. Paragraph 9. RENTAL/PAYMENT shall be changed, in its entirety, to read as follows:
 - (a) Minimum Monthly Rental: Beginning August 1, 2016, Lessee shall pay to City as rental for the Premises the sum of Two Thousand Dollars (\$2,000) per month, as adjusted each year commencing with the payment due on August 2, 2017, to reflect the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Anaheim-Riverside Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor for most recent 12-month published index, based upon the corresponding increase, if any, in the Index as it stands on April of that year over the Index as it stood on April of the prior year including utilities therefor, but excluding telephone and janitorial services.

- (b) Percentage Monthly Rent. During the first option period, the percentage rental payment shall be increased to six and three-fourths percent (6 3/4%) of the sum total of gross receipts as hereinafter defined from the sale of all food, beverages, gifts and miscellaneous items which occurred during the calendar month or any portion thereof two months prior to the date for payment less the monthly minimum rental already paid for that calendar month.
- (c) Ability to Negotiate. During the first option period, in the event profit sharing revenue declines for 6-consecutive months below the average of the previous 6-month period, Lessee may request a renegotiation of rent terms.
- (d) Second Option Period: If Lessee chooses to exercise the second five year option, the minimum monthly rent shall be renegotiated by the parties.
- (e) Percentage Monthly Rent. During the second option period, the percentage rental payment shall be increased to seven percent (7%) of the sum total of gross receipts as hereinafter defined from the sale of all food, beverages, gifts and miscellaneous items which occurred during the calendar month or any portion thereof two months prior to the date for payment less the monthly minimum rental already paid for that calendar month.
3. All other terms and conditions of the Lease, which are not inconsistent with the terms of this First Amendment, shall remain in full force and effect as if fully set forth herein.

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

CITY OF RIVERSIDE, a California
charter city and municipal corporation

DAVID PENNINGTON AND
DELMY PENNINGTON DOING
BUSINESS AS D & D AIRPORT CAFÉ

By: _____
City Manager

By: David Pennington
David Pennington

Attest: _____
City Clerk

By: Delmy Pennington
Delmy Pennington

Approved as to Form:

By: R. M. Gile
Deputy City Attorney