

**SECOND AMENDMENT
TO SHOPPING CENTER LEASE
(City – Sugarbush Properties-1, L.P.)
(4033 Chicago Avenue, #C)**

25th June

THIS SECOND AMENDMENT TO SHOPPING CENTER LEASE (“Second Amendment”) is made and entered into this *25th* day of ~~May~~ *June*, 2010, by and between SUGARBUSH PROPERTIES-1, L.P., a California limited partnership, the successor-in-interest to SUGARBUSH-1 PROPERTIES, L.L.C., a California general partnership, c/o Reliable Properties, a California corporation, its agent (“Lessor”), as the fee owner of the Premises, and the CITY OF RIVERSIDE, a California charter city and municipal corporation (“City”).

RECITALS

A. On August 11, 2004, Lessor and City entered into the certain Shopping Center Lease (“Lease”), whereby Lessor leased to City that certain real property, consisting of approximately Ten Thousand Eight Hundred Sixteen (10,816) square feet of office space (“Premises”), located at 4033 Chicago Avenue, # C, Riverside, California.

B. On December 10, 2004, Lessor and City entered into that certain First Amendment to Shopping Center Lease (“First Amendment”), to provide for additional tenant improvements and reimbursement.

C. The parties desire to amend the Lease to provide for: (1) clarification on the annual anniversary date of the Lease, (2) clarification of the rent rate calculation, (3) resolution and payment of the outstanding rent and CAM charges; and (4) method to provide notice of monthly rent invoice and annual CAM budget.

AGREEMENT

For valuable consideration and incorporating the recitals set forth above, the parties mutually agree to the following amendment to the Lease:

1. Section 3, Rent, is hereby amended and restated as follows:

3. **RENT**: City shall pay to Lessor the monthly sum of \$12,500 as rent for the Premises during the first year of the term of this Lease. The monthly rental rate shall be adjusted on each annual anniversary of this Lease, beginning on **July 1, 2006**, by an amount equal to the percentage differential between the then current Consumer Price Index (Los Angeles-Anaheim-Riverside, All Urban Consumers, All Items published monthly by the U.S. Department of Labor) for the month in which such anniversary occurs and the Consumer Price Index for the same month in the preceding year. If the Consumer Price Index is discontinued or revised during the term hereof, such other government index or computation with which it is replaced shall be used



in order to obtain substantially the same result as would be obtained if the index had not been discontinued. Such rental and other charges are due on the first day of each month and shall be late if not paid by the sixth day of the month. If Tenant does not pay rent and other charges by then, there shall be a late fee equaling ten percent (10%) of the applicable monthly rent assessed each month. **Lessor agrees to provide monthly rent invoices to the City, to the individuals set forth in Section 36.**

City shall also pay to Lessor, as additional rent for the first month of the first year of this Lease the sum of \$17,420.00 for reimbursement of tenant improvements as set forth in Section 7 and in the attached Exhibit B-1, which is incorporated herein by this reference, for a total monthly rent for the first month of the first year of the Lease in the amount of \$29,920.00.

2. The parties agree to the annual rental rates in the Consumer Price Index, as reflected in the attached Exhibit "C".

3. Based upon Paragraph 2 herein, on or before May 7, 2010, the City agrees to pay the Lessor the sum of Fifty-Four Thousand Six Hundred Forty-Eight and 83/100 Dollars (\$54,648.83) which represents the following: (a) City's outstanding rent and CAM charges for the period of February 2005 through April 30, 2010 accounting for CPI rent adjustments and repair credit, thereby leaving an outstanding balance of \$40,880.29; (b) City's CAM share in the plumbing cost credited \$187.16; (c) CAM Reconciliation for 2009 in the amount of \$9,763.86; and (d) CAM adjustment for January 2010 through April 2010 in the amount of \$3,817.52. These amounts are reflected in the Tenant Account Ledger dated April 20, 2010 and mutually agreed-upon by the parties in the attached Exhibit "D."

4. Section 36 is hereby amended to include the following provision:

"All Notices, including the monthly rent invoice and annual CAM budget notice (to be sent in March), shall be sent via electronic mail to the Library Director, now currently Leonard Hernandez (lhernandez@riversideca.gov) and the Library Administrative Services Manager, now currently George Guzman (gguzman@riversideca.gov) in addition to the paper/hard copy that should be sent to:

Kenneth Trettin
General Services Department
8905 Lincoln Avenue
Riverside, CA 92504

5. Except as specifically modified by this Second Amendment, all of the terms and provisions of the Lease are and remain in full force and effect.

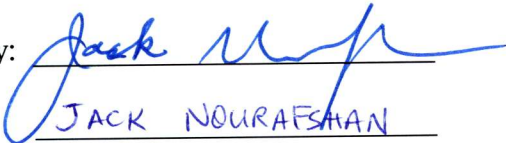


IN WITNESS WHEREOF, Lessor and City have caused this Second Amendment to Shopping Center Lease to be executed on the day and year first above written.

LESSOR

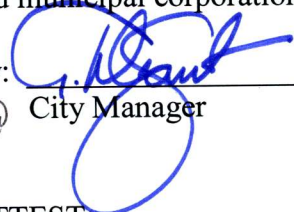
SUGARBUSH PROPERTIES-1, L.P.,
California limited partnership

Address: c/o Reliable Properties
6399 Wilshire Blvd., Ste. 604
Los Angeles, CA 900148-5709

By: 
JACK NOURAFSHAN
Printed Name
PRESIDENT
Title

CITY

CITY OF RIVERSIDE, a California charter city
and municipal corporation

By: 
 City Manager

ATTEST:

By: 
City Clerk

Approved as to Funds Availability:

By: 
Asst. City Manager/ C.F.O.

Approved as to Form:

By: 
Deputy City Attorney

Exhibit "C"

<u>Anniversary Date</u>	<u>CPI % Difference</u>	<u>Adjusted Rent Charge</u>
July 2006	5%	\$13,125.00
July 2007	2.9%	\$13,505.63
July 2008	5.7%	\$14,275.45
July 2009	-2.6%	\$13,904.29



EXHIBIT D

4/20/2010

Reliable Properties

TENANT LEDGER
CITY OF RIVERSIDE LIBRARY
UNIVERSITY & CHICAGO CENTER - UNIT # 4033-C

Date	Description	Charges
05/31/06	CAM Reconciliation Credit - 2005	(4,157.83)
06/01/06	Common Area Maintenance (06/2006)	2,163.20
06/01/06	Base Rent (06/2006)	12,500.00
07/01/06	Common Area Maintenance (07/2006)	2,163.20
07/01/06	Base Rent (07/2006)	13,233.00
08/01/06	Common Area Maintenance (08/2006)	2,163.20
08/01/06	Base Rent (08/2006)	13,233.00
09/01/06	Common Area Maintenance (09/2006)	2,163.20
09/01/06	Base Rent (09/2006)	13,233.00
10/01/06	Common Area Maintenance (10/2006)	2,163.20
10/01/06	Base Rent (10/2006)	13,233.00
11/01/06	Common Area Maintenance (11/2006)	2,163.20
11/01/06	Base Rent (11/2006)	13,233.00
12/01/06	Common Area Maintenance (12/2006)	2,163.20
12/01/06	Base Rent (12/2006)	13,233.00
01/01/07	Common Area Maintenance (01/2007)	2,163.20
01/01/07	Base Rent (01/2007)	13,233.00
02/01/07	Common Area Maintenance (02/2007)	2,163.20
02/01/07	Base Rent (02/2007)	13,233.00
03/01/07	Common Area Maintenance (03/2007)	2,163.20
03/01/07	Base Rent (03/2007)	13,233.00
04/01/07	Common Area Maintenance (04/2007)	2,163.20
04/01/07	Base Rent (04/2007)	13,233.00
05/01/07	Common Area Maintenance (05/2007)	2,163.20
05/01/07	Base Rent (05/2007)	13,233.00
05/18/07	CAM Reconciliation - 2006	12,703.39
06/01/07	Common Area Maintenance (06/2007)	2,163.20
06/01/07	Base Rent (06/2007)	13,233.00
07/01/07	Common Area Maintenance (07/2007)	2,163.20
07/01/07	Base Rent (07/2007)	14,002.81
08/01/07	Common Area Maintenance (08/2007)	2,163.20
08/01/07	Base Rent (08/2007)	14,002.81
09/01/07	Common Area Maintenance (09/2007)	2,163.20
09/01/07	Base Rent (09/2007)	14,002.81
10/01/07	Common Area Maintenance (10/2007)	2,163.20
10/01/07	Base Rent (10/2007)	14,002.81
11/01/07	Common Area Maintenance (11/2007)	2,163.20
11/01/07	Base Rent (11/2007)	14,002.81
12/01/07	Common Area Maintenance (12/2007)	2,163.20
12/01/07	Base Rent (12/2007)	14,002.81
01/01/08	Common Area Maintenance (01/2008)	3,329.97
01/01/08	Base Rent (01/2008)	14,002.81
02/01/08	Common Area Maintenance (02/2008)	3,329.97
02/01/08	Base Rent (02/2008)	14,002.81
02/01/08	Tenant's share in building expense	1,824.00
03/01/08	Common Area Maintenance (03/2008)	3,329.97
03/01/08	Base Rent (03/2008)	14,002.81
04/01/08	Common Area Maintenance (04/2008)	3,329.97

Reliable Properties

TENANT LEDGER
CITY OF RIVERSIDE LIBRARY
UNIVERSITY & CHICAGO CENTER - UNIT # 4033-C

Date	Description	Charges
		14,002.81
04/01/08	Base Rent (04/2008)	3,329.97
05/01/08	Common Area Maintenance (05/2008)	14,002.81
05/01/08	Base Rent (05/2008)	12,914.92
05/20/08	CAM Reconciliation - 2007	3,329.97
06/01/08	Common Area Maintenance (06/2008)	14,002.81
06/01/08	Base Rent (06/2008)	3,329.97
07/01/08	Common Area Maintenance (07/2008)	14,002.81
07/01/08	Base Rent (07/2008)	1,325.99
07/01/08	Rent adjustment (07/2008)	3,329.97
08/01/08	Common Area Maintenance (08/2008)	15,328.80
08/01/08	Base Rent (08/2008)	3,329.97
09/01/08	Common Area Maintenance (09/2008)	15,328.80
09/01/08	Base Rent (09/2008)	3,329.97
10/01/08	Common Area Maintenance (10/2008)	15,328.80
10/01/08	Base Rent (10/2008)	3,329.97
11/01/08	Common Area Maintenance (11/2008)	15,328.80
11/01/08	Base Rent (11/2008)	3,329.97
12/01/08	Common Area Maintenance (12/2008)	15,328.80
12/01/08	Base Rent (12/2008)	11,019.57
12/31/08	CAM Reconciliation - 2008	3,329.97
01/01/09	Common Area Maintenance (01/2009)	15,328.80
01/01/09	Base Rent (01/2009)	3,329.97
02/01/09	Common Area Maintenance (02/2009)	15,328.80
02/01/09	Base Rent (02/2009)	3,329.97
03/01/09	Common Area Maintenance (03/2009)	15,328.80
03/01/09	Base Rent (03/2009)	3,329.97
04/01/09	Common Area Maintenance (04/2009)	15,328.80
04/01/09	Base Rent (04/2009)	3,329.97
05/01/09	Common Area Maintenance (05/2009)	15,328.80
05/01/09	Base Rent (05/2009)	3,329.97
06/01/09	Common Area Maintenance (06/2009)	15,328.80
06/01/09	Base Rent (06/2009)	3,329.97
07/01/09	Common Area Maintenance (07/2009)	15,788.66
07/01/09	Base Rent (07/2009)	3,329.97
08/01/09	Common Area Maintenance (08/2009)	15,788.66
08/01/09	Base Rent (08/2009)	3,329.97
09/01/09	Common Area Maintenance (09/2009)	15,788.66
09/01/09	Base Rent (09/2009)	3,329.97
10/01/09	Common Area Maintenance (10/2009)	15,788.66
10/01/09	Base Rent (10/2009)	3,329.97
11/01/09	Common Area Maintenance (11/2009)	15,788.66
11/01/09	Base Rent (11/2009)	3,329.97
12/01/09	Common Area Maintenance (12/2009)	15,788.66
12/01/09	Base Rent (12/2009)	3,329.97
01/01/10	Common Area Maintenance (01/2010)	15,788.66
01/01/10	Base Rent (01/2010)	3,329.97
02/01/10	Common Area Maintenance (02/2010)	15,788.66
02/01/10	Base Rent (02/2010)	3,329.97
03/01/10	Common Area Maintenance (03/2010)	

4/20/2010

Reliable Properties

TENANT LEDGER
CITY OF RIVERSIDE LIBRARY
UNIVERSITY & CHICAGO CENTER - UNIT # 4033-C

Date	Description	Charges
03/01/10	Base Rent (03/2010)	15,788.66
04/01/10	Common Area Maintenance (04/2010)	3,329.97
04/01/10	Base Rent (04/2010)	15,788.66
04/16/10	Rent credit 07/01/06-06/30/07 * 1	(1,296.00)
04/16/10	Rent credit 07/01/07-06/30/08 * 1	(5,966.16)
04/16/10	Rent credit 07/01/08-06/30/09 * 1	(12,640.20)
04/16/10	Rent credit 07/01/09-06/30/10 * 1	(18,843.80)
04/16/10	Plumbing credit	(2,543.00)
04/16/10	CAM share in the plumbing cost credited	187.16
04/16/10	CAM Reconciliation - 2009	9,763.86
04/16/10	CAM Adjust: Jan - Apr 2010 * 2	3,817.52

822,285.31**TOTAL CHARGES****Less: Payments:**

Date	Check #	Amount
05/30/06	chk# 00684749	14,663.20
08/07/06	chk# 00689679	29,326.40
09/05/06	chk# 00691874	14,663.20
10/03/06	chk# 00693701	14,155.67
10/30/06	chk# 00695638	14,663.20
12/04/06	chk# 00697515	14,663.20
01/08/07	chk# 00700213	14,663.20
02/06/07	chk# 00702095	14,663.20
03/05/07	chk# 00703962	14,663.20
04/02/07	chk# 00706017	14,663.20
05/07/07	chk# 00708718	14,663.20
06/04/07	chk# 00710959	16,166.01
07/09/07	chk# 00713973	16,166.01
08/06/07	chk# 00716294	16,166.01
09/05/07	chk# 00718383	16,166.01
10/09/07	chk# 00721008	16,166.01
11/06/07	chk# 00723100	16,166.01
12/03/07	chk# 00725118	16,166.01
01/07/08	chk# 00727669	16,166.01
02/04/08	chk# 00729686	16,166.01
02/04/08	chk# 00729614	1,824.00
03/31/08	chk# 00733710	15,491.01
05/05/08	chk# 00736169	16,166.01
06/02/08	chk# 00738007	16,166.01
06/30/08	chk# 00739843	17,492.00
08/04/08	chk# 00742076	17,492.00
09/08/08	chk# 00744095	17,492.00
10/06/08	chk# 00745715	17,492.00
11/03/08	chk# 00747260	17,492.00
01/05/09	chk# 00750346	17,492.00
01/26/09	chk# 00751271	17,492.00
02/03/09	chk# 00751692	17,492.00
03/02/09	chk# 00753158	17,492.00
04/06/09	chk# 00755016	17,492.00

4/20/2010

Reliable Properties

TENANT LEDGER
CITY OF RIVERSIDE LIBRARY
UNIVERSITY & CHICAGO CENTER - UNIT # 4033-C

Date	Description	Charges	
05/05/09	chk# 00756410	17,492.00	
06/15/09	chk# 00758462	14,949.00	
07/20/09	chk# 00760151	19,118.63	
08/06/09	chk# 00760837	19,118.63	
08/31/09	chk# 22762425	19,118.63	
09/28/09	chk# 00763686	19,118.63	
11/02/09	chk# 00765489	19,118.63	
11/27/09	chk# 00766909	19,118.63	
01/11/10	chk# 00769130	19,118.63	
02/01/10	chk# 00770162	19,118.63	
03/01/10	chk# 00771744	19,118.63	
04/05/10	chk# 00773694	19,118.63	767,636.48

\$ 54,648.83

Balance due

NOTE: *1 Rent credit is due to the rent recalculation using CPI %.

***2 CAM Adjust is due to the new CAM Budget for 2010.**
Jan to April 2010 CAM were paid using the CAM for 2009.

CAM 2010....	4,284.35
CAM 2009....	<u>3,329.97</u>

Increase in CAM for 2010	954.38
Jan to Apr 2010	<u>4 months</u>

CAM Adjust: Jan - Apr 2010 \$ 3,817.52



CITY OF RIVERSIDE CITY COUNCIL

COUNCILMEMBERS

August 10, 2004

WARDS

B E T R O	M O O R E	G A G E	S C H I A V O N E	A D K I S O N	H A R T	A D A M S
1	2	3	4	5	6	7

\$169,681; (2) authorized the City Manager or his designee to execute the necessary contract documents; and (3) authorized the General Services Director or his designee to amend the agreement by an amount not-to-exceed ten percent of the agreement in the event that additional services beyond the scope of the contract are needed.

OVERHANG EASEMENT - PROPOSED JURUPA AVENUE EXTENSION PROJECT - JURUPA AND VAN BUREN - RESOLUTION

The City Council adopted a resolution granting a 99-square-foot overhang easement over City-owned property to Southern California Edison Company to facilitate construction of the proposed Jurupa Avenue extension project located at the northeasterly corner of Jurupa Avenue and Van Buren Boulevard; whereupon, Resolution No. 20755 of the City Council of the City of Riverside, California, Granting an Overhang Easement to Southern California Edison Company at Jurupa Avenue and Van Buren Boulevard, All Located Within the City of Riverside, State of California, was presented and adopted.

CONSOLIDATE EQUAL EMPLOYMENT OPPORTUNITY ADVISORY COMMITTEE WITH HUMAN RESOURCES BOARD - ORD. ADOPTED

Ordinance No. 6750 entitled, "An Ordinance of the City of Riverside, California, Amending Chapter 2.10, Section 2.10.010 and Chapter 2.36, Section 2.36.030, of the Riverside Municipal Code Regarding Boards and Commissions and the Human Resources Board", relative to the consolidation of the Equal Employment Opportunity Advisory Committee (EEOAC) with the Human Relations Board, was presented and adopted.

MEMORANDUM OF UNDERSTANDING - SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 1997

The City Council (1) approved and ratified the various provisions contained in the written staff report for members of the General Unit (Service Employees International Union Local 1997); (2) appropriated \$1.6 million to the appropriate salary and fringe benefit accounts from the reserve fund to cover the cost of the salary and fringe benefit increases for Fiscal Year 2004-05 per the Memorandum of Understanding (MOU); and (3) directed the Human Resources Director to present the formal MOU and necessary resolutions to amend the Salary and Fringe Benefit Resolution at a subsequent meeting, no later than September 7, 2004.

LEASE AGREEMENT - EASTSIDE BRANCH LIBRARY - SUPPL. APPROP.

The City Council (1) approved the agreement with Sugarbush-1 Properties, L.L.C., for \$131,968.80 for the lease of a 10,816-square-foot space at the



CITY OF RIVERSIDE CITY COUNCIL

COUNCILMEMBERS

August 10, 2004

WARDS

B E T R O	M O O R E	G A G E	S C H I A V O N E	A D K I S O N	H A R T	A D A M S
1	2	3	4	5	6	7

Town Square Shopping Center for use as a branch of the Riverside Public Library Eastside Cybrary Connection from October 1, 2004, through October 1, 2019, at 4033 Chicago Avenue, No. C; (2) authorized a supplemental appropriation of \$131,968.80 from Library Measure C Revenue Account 210-3115500 to Land and Building Rental Account 5105000-423200; and (3) authorized the City Manager or his designee to execute the lease agreement as attached to the written staff report.

MUNICIPAL MUSEUM BOARD

The City Council approved the recommendation of the Mayor's Nominating and Screening Committee to appoint Rodolfo Ruibal to fill the vacancy on the Municipal Museum Board with a term expiring March 1, 2005.

DOWNTOWN PARKING COMMITTEE

The City Council appointed Brian Percy as the representative of the Downtown Division of The Greater Riverside Chambers of Commerce to the Downtown Parking Committee with a term expiring March 1, 2008.

2004 SUMMER FOOD PROGRAM CHANGE ORDER - SUPPL. APPROP.

The City Council (1) authorized the issuance of Change Order No. 1 to the Riverside Unified School District (RUSD) in the amount of \$10,458 for additional meals served during the 2004 Summer Food Nutrition Program providing free lunches to economically disadvantaged children; and (2) accepted and appropriated funds in the amount of \$10,458 from the California Department of Education into Account 9120857591 for revenues and expenditures.

AGREEMENT AMENDMENT - YOUTH SPORTS AND ADULT VOLLEYBALL OFFICIATING SERVICES

The City Council authorized the City Manager or his designee to execute an agreement with Danny Fuller dba Sports Innovators for an estimated amount of \$35,600 to secure, train, and schedule sports officials to conduct year-round officiating services for youth basketball, flag football, and adult volleyball programs.

LANDSCAPE MAINTENANCE SERVICES - VICTORIA - RESOLUTION

The City Council (1) adopted the appropriate resolution waiving the formal bidding requirements of Resolution No. 20557 for the purpose of procuring landscaping maintenance services from Azteca Landscape and Excel Landscape for Victoria Avenue and Sections 1, 2, and 3, for the period of August 1, 2004, through December 31, 2004; (2) authorized the City Manager or his designee to execute the Agreement for Landscape Maintenance

DATE: May 18, 2010

CONTRACTOR: Sugarbush Properties-1 L.P.

DESCRIPTION: Second Amendment to Shopping Center Lease (Sugarbush Properties-1,
4033 Chicago Avenue)

DEPARTMENT: Library

BUDGET ACCOUNT (GL Key and Object):

DEPT. HEAD APPROVAL: _____

RETURN TO IESHA SHABAZZ, EXT. 4276, CITY CLERK'S OFFICE

DOCUMENT TRANSMITTAL FORM

TO: CITY CLERK'S OFFICE
FROM: CITY ATTORNEY'S OFFICE
DATE: May 17, 2010



CONTRACTOR/LESSOR: SUGARBUSH PROPERTIES-1 L.P.

PROJECT DESCRIPTION/BID NO.: Second Amendment to Shopping Center Lease (City - Sugarbush Properties-1, 4033 Chicago Avenue)

- X Approved by [City Council] [Agency] on 8/10/2004
Anticipated [City Council] [Agency] future agenda of
No [City Council] [Agency] action required

90-57/58

Insurance required:

- X No
Yes, as attached
Yes, withhold execution until received

Bonds required:

- X No
Yes, as attached
Yes, withhold execution until received

Type of Insurance required (unless waived by the Risk Manager):

Commercial General Liability
Auto
Professional Liability
Workers' Compensation
Additional Insured Endorsement
Other:

Dept. Head Approval:

☒ Attached ☐ Sig. Pg

☐ Req'std _____

Business Tax Certificate Required: NA

Yes, current through
Yes, withhold execution until provided
No, exempted by RMC § 5.04.090

Agreement date(s):

- [City Council] [Agency] Approval Date:
X Date City/Agency Executes 6-25-10
Other:
X Agreement Expiration Date: 2019

Comments: City Manager to sign. City Clerk to attest. After execution, return two originals to George Guzman/Library.

Department: Library

Contact person: George Guzman

Approved as to form by: Rina M. Gonzales, Deputy City Attorney

Date Approved: 05/17/10

CA #: 04-0894.4

c: Originating Department: Library