

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

423



**SUBMITTAL DATE:**  
October 25, 2012

**FROM:** Successor Agency to the Redevelopment Agency

**SUBJECT:** Mission Plaza - Memorandum of Ground Lease

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the Memorandum of Ground Lease between the County of Riverside and Cardenas Markets, Inc.
2. Authorize the Chairman of the Board to sign the Memorandum of Ground Lease; and
3. Authorize the Assistant County Executive Officer/EDA, or his designee, to execute any additional documents required by the Memorandum of Ground Lease.

FORM APPROVED COUNTY COUNSEL  
 BY: ANITA C. WILLIS  
 DATE: 10/27/12  
 Department of Concurrence

**BACKGROUND:** (Commences on Page 2)

**REVIEWED BY CIP**  
  
 Christopher Hans

Robert Field  
 Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

**COMPANION ITEM ON BOARD AGENDA:** No

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE  
  
 BY: Jennifer L. Sargent  
**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS OF THE SUCCESSOR AGENCY TO  
THE REDEVELOPMENT AGENCY**

On motion of Supervisor Tavaglione, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
 Nays: None  
 Absent: None  
 Date: November 6, 2012  
 xc: RDA, EDA, CIP

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

Prev. Agn. Ref.: 4.6 of 6/14/11      District: 2/2      Agenda Number: **4.5**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**BACKGROUND:**

On June 14, 2011 the Board of Supervisors approved the County of Riverside as Successor Agency to the Redevelopment Agency for the County of Riverside, as Lessor of a Ground Lease with Cardenas Markets, Inc. a California corporation as Lessee. For a portion of Assessor Parcel Numbers 181-020-028 and 181-020-029, also known as 5714 Mission Boulevard, Riverside, California which consists of approximately 4.19 acres.

Lessor leases to Lessee the premises for a term of twenty years commencing on June 14, 2011 and ending June 13, 2036, with six, five year options to extend the lease through 2066.

The proposed action is in conformance with the County Lease Agreement.

County Counsel has reviewed and approved the attached documents as to legal form.

Attachment:  
Memorandum of Ground Lease

**RECORDING REQUESTED BY:**

Cardenas Markets, Inc.

**AND WHEN RECORDED, MAIL TO:**

LAW OFFICES OF DARREN P. TRONE  
3838 ORANGE STREET  
RIVERSIDE, CA 92501

THIS SPACE FOR RECORDER'S USE ONLY

**MEMORANDUM OF GROUND LEASE**

**TABLE OF CONTENTS**

- Recitals
- Section 1. Term and Options
- Section 2. Lease Terms
- Section 3. Leasehold Deed of Trust
- Section 4. Assignment
- Section 5. Successors and Assigns
- Section 6. Governing Law

THIS MEMORANDUM OF GROUND LEASE ("Memorandum") dated as of November 6, 2012 is entered into between the County of Riverside, as successor agency to the Redevelopment Agency for the County of Riverside ("Lessor") and Cardenas Markets, Inc., a California corporation ("Lessee").

Recitals

- A. **Whereas**, on or about June 14, 2011, the Redevelopment Agency for the County of Riverside and Lessee entered into a ground lease for a portion of Assessor's Parcel Numbers 181-020-028 and 181-020-029, also known as 5714 Mission Boulevard, Riverside, California ("Lease"), pursuant to which the Redevelopment Agency for the County of Riverside leased to Lessee and Lessee leased from the Redevelopment Agency for the County of Riverside real property located within the Mission Plaza Shopping Center consisting of approximately 4.19 acres, within the total Shopping Center acreage of approximately 15.8 acres, together with all roads, rights of way and easements and appurtenances, whether public or private, reasonably required for the use contemplated by the parties and as more particularly described in the Site Plan Summary attached hereto as Exhibit "A" and by this reference made a part of this Memorandum;

- B. **Whereas**, the State Legislature passed AB 1X 26 and AB 1X 27 in the 2011-2012 Legislative Session which authorized either a total dissolution of the Redevelopment Agencies in the State of California or would authorize the Redevelopment Agencies to operate on the condition they agree to compensate the state on an annual basis;
- C. **Whereas**, on July 18, 2011, the California Redevelopment Association and the California League of Cities filed a petition with the State Supreme Court to overturn this legislation;
- D. **Whereas**, the matter was heard by the California Supreme Court which on December 29, 2011, upheld AB 1X 26 allowing the State to dissolve the agencies effective February 1, 2012, and ruled against AB 1X 27 disallowing the agencies the option to continue to operate provided they compensate the State;
- E. **Whereas**, AB 1X 26 provides that Redevelopment Agencies cannot enter into new agreements or amend existing agreements, and assets under RDA ownership will be transferred by operation of law to a Successor Agency;
- F. **Whereas**, the County of Riverside is the Successor Agency for the former Redevelopment Agency of the County of Riverside;
- G. **Whereas**, Lessor granted to Lessee a right to notification from Lessor in the event Lessor markets the Premises for sale or if Lessor receives an unsolicited offer to purchase the Premises, as more particularly set forth in the Lease, and
- H. **Whereas**, Lessor and Lessee desire to execute this Memorandum to provide constructive notice to all third parties of the Lessee's rights under the Lease and in particular Lessee's rights under the Right of First Refusal to purchase the Premises.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **Section 1. Term and Options**

Lessor leases to Lessee the Premises for a term of twenty (20) years commencing on June 14, 2011 and ending on June 13, 2036, with extension options to extend through 2066.

### **Section 2. Lease Terms**

This lease of the Premises to Lessee is on all of the terms and conditions of the Lease, which is incorporated in this Memorandum by reference. The Lease includes, among other

terms, Lessee's right to notice from Lessor in the event Lessor markets the Premises for sale or if Lessor receives an unsolicited offer to purchase the Premises.

### **Section 3. Leasehold Deed of Trust**

Lessor has agreed to allow Lessee to obtain a loan secured by a leasehold deed of trust to finance the construction of tenant improvements at the Premises. Lessor has agreed to give the beneficiary under this leasehold deed of trust notice of any default by Lessee under the Lease and the right to cure this default within thirty (30) days of written notice to this beneficiary. Lessor has also agreed to recognize the purchaser of the leasehold interest at the foreclosure sale, whether this purchaser is the beneficiary under the leasehold deed of trust or a third party, as the Lessee under the Lease.

### **Section 4. Assignment**

Lessee's rights and obligations under the Lease shall not be assigned without Lessor's prior written consent as set forth in the Lease, and any assignment without this consent shall be void.

### **Section 5. Successors and Assigns**

This Memorandum and the Ground Lease shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.

***[Intentionally left blank. Signatures appear on following page.]***

**Section 6. Governing Law**

This Memorandum and the Lease are governed by California law.

Executed as of the date first written above.

Dated: September 25, 2012

**LESSEE:**  
**Cardenas Markets, Inc.,**  
a California corporation

By:   
Jesus Cardenas, Jr., Senior VP of Marketing


By:   
Jose Cardenas, Senior V.P. of Operations;  
Secretary

Dated: NOV 06 2012

**LESSOR:**

COUNTY OF RIVERSIDE ACTING IN ITS  
CAPACITY AS SUCCESSOR AGENCY TO  
THE REDEVELOPMENT AGENCY FOR  
THE COUNTY OF RIVERSIDE, a public  
body, corporate and politic, organized and  
existing under, and by virtue of the State of  
California.

By:   
John Favaglione, Chairman  
Board of Directors

ATTEST:  
KECIA HARPER-JHEM, Clerk  
By:   
DEPUTY

FORM APPROVED COUNTY COUNSEL

BY:  10-9-12  
ANITA C. WILLIS DATE

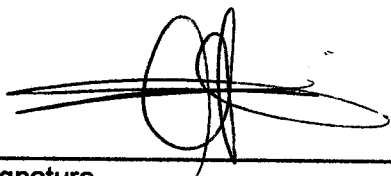
**ACKNOWLEDGMENT**

State of California  
County of San Bernardino } ss.

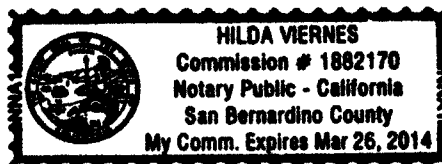
On September 25, 2012 before me, Hilda Vienes, a Notary Public, personally appeared Jose Cardenas and Jesus Cardenas Jr., who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature



(seal)

**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** REBECCA LUDWIG

**Address:** \_\_\_\_\_  
(only if follow-up mail response requested)

**City:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Phone #:** 951-784-0112

**Date:** 11-6-12 **Agenda #** 4.5

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

\_\_\_\_\_ **Support**      \_\_\_\_\_ **Oppose**      \_\_\_\_\_ **Neutral**

**Note:** If you are here for an agenda item that is filed  
for "Appeal", please state separately your position on  
the appeal below:

\_\_\_\_\_ **Support**      \_\_\_\_\_ **Oppose**      \_\_\_\_\_ **Neutral**

**I give my 3 minutes to:** \_\_\_\_\_