

**ADDENDUM NO. 3 TO COMMERCIAL LEASE  
Genaro and Mabel A. Prats**

**114 South Main Street, Lake Elsinore, CA 92530**

This Addendum No. 3 to Commercial Lease ("Addendum No. 3") is made and entered into as of April 1, 2019 by and between the City of Lake Elsinore, a municipal corporation ("Lessee), and Genaro and Mabel A. Prats ("Lessor").

**RECITALS**

- A. The Lessee and Lessor entered into that certain Commercial Lease and Addendum No. 1 thereto dated December 18, 2006 for the lease of 114 South Main Street (APN 373-151-021) (the "Original Agreement").
- B. The term of the Original Agreement was for five (5) years, commencing on December 18, 2006 and ending December 17, 2012. The Original Agreement provided for monthly rent of \$1,780 calculated at the rate of \$1.25 per rentable square foot for the first two (2) years of the Lease Term subject to specified adjustments thereafter.
- C. Addendum No. 2 extended the term of the Original Agreement, for an additional five (5) year term, commencing January 1, 2013 and ending December 31, 2017 with monthly rent commencing at \$2,000 subject to annual adjustments based on Consumer Price Index (CPI) percentage change as reported by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County Area. Addendum No.2 replaced and superseded Addendum No. 1.
- D. The lease has been on a month to month arrangement since December 31, 2017.
- E. The parties now desire to extend the term of the Commercial Lease an additional three (3) year term, commencing April 1, 2019 and ending March 31, 2022. Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the Commercial Lease as amended by Addendum No. 2.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, Lessee and Lessor agree as follows:

- 1. Addendum to Section 3, Term, is hereby amended in its entirety as follows:

The Term of that certain Commercial Lease dated as of December 18, 2006 by and between Genaro and Mabel A. Prats and the City of Lake Elsinore (the "Lease") shall be extended such that the new term of the Lease shall be three (3) years, commencing on April 1, 2019 and ending December 31, 2022, unless terminated earlier as hereinafter provided. At the conclusion of the Lease (as extended as provided herein), the Lessor and the Lessee, at their option, can continue this agreement as a month to month Lease agreement, based upon the written agreement of the parties.

Lessor Initials: \_\_\_\_\_

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Lessee Initials: \_\_\_\_\_

In the event that Lessor, in their sole discretion, elects to sell the Premises any time during the Term or any extension thereof, Lessor grants to Lessee the first right of refusal to purchase the Premises at the agreed upon purchase price and terms set forth in a bona fide offer to purchase. Lessee shall have thirty (30) days following written notice from Lessee of such bona fide offer to notify Lessor of its election to purchase the Premises pursuant to such first right of refusal.

2. Addendum to Section 4, Rent, is hereby amended and restated in its entirety as follows:

Lessee shall pay monthly rent to Lessor in the amount of Two Thousand Two Hundred Fifty Dollars and No Cents (\$2,250.00) commencing April 1, 2019. Each April 1, thereafter during the Term, the monthly rent paid to Lessor shall increase \$100.00 bringing the monthly rent commencing April 1, 2020 to Two Thousand Three Hundred Fifty Dollars and No Cents (\$2,350.00) and to Two Thousand Four Hundred Fifty Dollars and No Cents (\$2,450.00) per month commencing April 1, 2021.

Each rent payment shall be due in advance on the first day of each calendar month during the Term and shall be delinquent on the tenth of the month. If any installment of rent due from Lessee is not received by Lessor within ten days of due date, Lessee shall pay Lessor a One Hundred Dollars (\$100.00) late fee. Rent payments shall be made to Lessor at such place designated by written notice from Lessor.

3. Addendum to Section 10, Repairs and Maintenance, the first sentence of the second paragraph is hereby amended and restated in its entirety as follows:

Lessee shall be responsible, at Lessee expense, for non-major repairs (less than \$2,500) necessary to maintain and repair non-major systems and interior improvements.

4. Except for the changes specifically set forth herein, all other terms and conditions of the Commercial Lease as amended by Addendum No. 2 shall remain in full force and effect.

Lessor Initials: \_\_\_\_\_

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Lessee Initials: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this Addendum No. 3 to be executed on the respective dates set forth below.

“LESSOR”

CITY OF LAKE ELSINORE, a municipal corporation

“LESSOR”

Genaro and Mabel A. Pratts

\_\_\_\_\_  
Grant Yates, City Manager

\_\_\_\_\_  
Genaro Pratts – Owner

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mabel A. Pratts – Co Owner

APPROVED AS TO FORM:

Date: \_\_\_\_\_

\_\_\_\_\_  
City Attorney

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_