

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

**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 October 9, 2018 by and between the City of Lake Elsinore, a municipal corporation ("Lessee), and Genaro and Mabel A. Pratts ("Lessor").

**RECITALS**

A. The City 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 "Commercial Lease").

B. The term of the Commercial Lease was for five (5) years, commencing on December 18, 2006 and ending December 17, 2012.

C. The Commercial Lease 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.

D. Addendum No. 2 extended the term of the Commercial Lease for an additional five (5) year term, commencing January 1, 2013 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 Addendum No.2 replaced and superseded Addendum No. 1.

E. The parties now desire to extend the term of the Commercial Lease as amended by Addendum No. 2 for an additional five (5) year term, commencing November 1, 2018 and ending October 31, 2023. 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. 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. Pratts and the City of Lake Elsinore (the "Lease") shall be extended such that the new term of the Lease shall be five (5) years, commencing on November 1, 2018 and ending October 31, 2023, 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 Commercial Lease as a month to month lease agreement, based upon the written agreement of the parties.

2. Section 4, Rent, is hereby amended in its entirety as follows:

Lessee shall pay monthly rent to Lessor in the amount of Two Thousand One Hundred Twenty One and 12/100th Dollars and Twelve Cents (\$2,121.12). Commencing November 1, 2019 and each November 1<sup>st</sup>, thereafter during the Term, the monthly rent paid to Lessor shall be subject to an annual increase such annual increase to be based on the Consumer Price Index (CPI) percentage change as reported by Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County Area for the period of September to September each year.

3. 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.

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

“LESSEE”

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