

FIRST AMENDMENT TO COMMERCIAL LEASE AGREEMENT

This First Amendment to Commercial Lease Agreement (“**First Amendment**”) is hereby entered into on this ___ day of April, 2016 by and between the CATHEDRAL CITY DOWNTOWN FOUNDATION, a California 501(c)(3) non-profit public benefit corporation (“**Landlord**”), and JESUS ALMARAZ, an individual, and OCTAVIO ALMARAZ, an individual, jointly doing business as “Taqueria Los Arcos,” (collectively, “**Tenant**”), as follows:

RECITALS

- A. Landlord and Tenant entered into a Commercial Lease Agreement on September 25, 2014, (“Agreement”) for the real property owned by Landlord located at 68510 East Palm Canyon Drive, Space 120, Cathedral City, CA 92234 (“Premises”).
- B. As an economic incentive for Tenant to market the Taqueria Los Arcos and to enhance dining opportunities for residents and visitors to the City of Cathedral City’s civic plaza, Landlord and Tenant desire to amend the terms of the Agreement to provide certain temporary rent abatements as stated herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises made and recited herein, the parties do hereby enter into this First Amendment which modifies and amends the Agreement as follows:

- 1. **EFFECTIVE DATE.** This First Amendment shall not become effective until the date it has been formally approved by the City Council and executed by the appropriate authorities of the Landlord and Tenant. Once fully executed, the parties intend for the terms of this First Amendment to be retroactive to April 1, 2016.
- 2. **BASE RENT.** The rent schedule attached to the Agreement and incorporated by reference into the Agreement in Section 3 (Base Rent) is amended as follows:
 - (a) The monthly Base Rent for April 2016 through March 2017 is reduced to \$820.50 (a fifty percent (50%) reduction).
 - (b) The monthly Base Rent for April 2017 through November 2017 is reduced to \$984.60 (a forty percent (40%) reduction).
 - (c) The monthly Base Rent for December 2017 through March 2018 is reduced to \$1,014.00 (a forty percent (40%) reduction).
- 3. **PROPERTY OPERATING EXPENSES.**
 - (a) Section 14 (Property Operating Expenses), paragraph A of the Agreement is amended to read as follows:

“A. Tenant agrees to pay its proportionate share of Landlord’s estimated monthly property operating expenses, including but not limited to common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property. Tenant shall be responsible for payment to Riverside County for Possessory Use Tax. Notwithstanding the foregoing, for the period of time commencing on April 1, 2016 and concluding on March 31, 2018, Tenant is required to pay monthly common area maintenance charges and HVAC charges in the amounts shown in the

”

monthly payment schedule attached hereto and incorporated herein by reference as Exhibit 1.”

(b) Section 14, paragraph A of Addendum A to the Agreement is amended to read as follows:

“A. The current common area maintenance charges, estimated to be \$0.25 per square foot, are to be paid monthly by the first of each month, except for the period of time commencing on April 1, 2016 and concluding on March 31, 2018 the common area maintenance charges shall be paid monthly on the dates shown on the monthly payment schedule attached hereto and incorporated herein by reference as Exhibit 1.”

4. RENT PAYMENT TIMING.

(a) Section 3 (Base Rent), paragraph B of the Agreement is amended to read as follows:

“B. Except as otherwise provided herein, Base Rent is payable in advance on the 1st day of each calendar month, and is delinquent on the next day. For the period of time commencing on April 1, 2016 and concluding on March 31, 2018, Base Rent is payable in advance in monthly installments, with each monthly payment due on the dates shown in the monthly payment schedule attached hereto and incorporated herein by reference as Exhibit 1.”

(b) Section 4 (Rent), paragraph C of the Agreement is amended to read as follows:

“C. Timing: Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord, except that for the period of time commencing on April 1, 2016 and concluding on March 31, 2018, Rent shall be paid in accordance with the monthly payment schedule attached hereto and incorporated herein by reference as Exhibit 1.”

5. TERM. This First Amendment shall remain in effect only through March 31, 2018, unless earlier terminated as provided in this First Amendment, at which time the First Amendment shall expire of its own terms without the need for any affirmative action or notice by either Party and shall be of no further force or effect. Upon expiration or earlier termination the terms and conditions of the Agreement shall again be in full force and effect as to the Parties.

6. RIGHTS NOT TRANSFERRABLE. Except as is allowed in Addendum A to the Agreement, if Tenant, with or without Landlord’s permission, sublets or encumbers all or any part of the Premises or assigns or transfers its interest in the Agreement pursuant to Section 22 (Subletting/Assignment) of the Agreement, or sells or otherwise transfers a majority ownership interest in the Taqueria Los Arcos or such business entity that may be operating the Taqueria Los Arcos, during the term of this First Amendment, the First Amendment shall be deemed to have been canceled and terminated from the moment the subletting, encumbrance, assignment, sale or transfer occurs, and the terms of the Agreement as originally approved by the parties on September 25, 2014 shall be in full force and effect.

7. GENERAL PROVISIONS.

(a) **Remainder Unchanged.** Except as specifically modified and amended in this First Amendment, the Agreement remains in full force and effect and binding upon the parties.

- (b) **Integration.** This First Amendment consists of pages 1 through 3 inclusive, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this First Amendment.
- (c) **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this First Amendment.
- (d) **References.** All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this First Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this First Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

[SIGNATURES ON THE FOLLOWING PAGE]

LANDLORD:

CATHEDRAL CITY DOWNTOWN FOUNDATION

By: _____
Charles P. McClendon, Executive Director

TENANT:

JESUS ALMARAZ

OCTAVIO ALMARAZ

NOTE: TENANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO TENANT'S BUSINESS TYPE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

On _____, 2016,
before me, _____,
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")
personally appeared _____,
Name of Signer(s)

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 of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alternation of the document or fraudulent reattachment of this form to an unintended document.

CAPACIT(IES) CLAIMED BY SIGNER(S)

DESCRIPTION OF ATTACHED DOCUMENT

Signer's Name: _____

- Individual
Corporate Officer

Title(s)

- Partner(s) Limited
General

- Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number Of Pages

Date Of Document

Signer(s) Other Than Named Above

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- Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number Of Pages

Date Of Document

Signer(s) Other Than Named Above

EXHIBIT "1"

MONTHLY PAYMENT SCHEDULE

APRIL 1, 2016 THROUGH MARCH 31, 2018

	<u>MONTH</u>	<u>BASE RENT</u>	<u>CAM</u>	<u>HVAC</u> <u>Maintenance</u>	<u>TOTAL</u>
1	April 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
2	May 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
3	June 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
4	July 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
5	August 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
6	September 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
7	October 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
8	November 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
9	December 1, 2016	\$820.50	\$164.13	\$65.66	\$1,050.29
10	January 1, 2017	\$820.50	\$164.13	\$65.66	\$1,050.29
11	February 1, 2017	\$820.50	\$164.13	\$65.66	\$1,050.29
12	March 1, 2017	\$820.50	\$164.13	\$65.66	\$1,050.29
13	April 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
14	May 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
15	June 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
16	July 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
17	August 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
18	September 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
19	October 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
20	November 1, 2017	\$984.60	\$196.95	\$65.66	\$1,247.21
21	December 1, 2017	\$1,014.00	\$196.95	\$65.66	\$1,276.61
22	January 1, 2018	\$1,014.00	\$196.95	\$65.66	\$1,276.61
23	February 1, 2018	\$1,014.00	\$196.95	\$65.66	\$1,276.61
24	March 1, 2018	\$1,014.00	\$196.95	\$65.66	\$1,276.61