

SECOND ADDENDUM TO STANDARD
INDUSTRIAL/COMMERCIAL
SINGLE-TENANT LEASE - NET

(the Old Spaghetti Factory of Fullerton)

THIS SECOND ADDENDUM TO STANDARD INDUSTRIAL/COMMERCIAL SINGLE TENANT LEASE - NET ("Addendum") by and between the CITY OF FULLERTON, a California municipal corporation ("Lessor"), and FULLERTON SPAGHETTI RESTAURANT, INC., a California corporation ("Lessee"), is dated June 1, 2026 and amends that certain Standard Industrial/Commercial Single-Tenant Lease - Net between Lessor and Lessee (the "Underlying Lease"), to which this Addendum is attached and incorporated by this reference. The terms and conditions set forth in this Addendum are intended to and shall have the same force and effect as if set forth at length in the body of the Underlying Lease. The Underlying Lease, the first addendum and this Addendum are periodically hereinafter referred to collectively as "the Lease" or "this Lease."

1. Section 52.2 is amended to revise the definition of Gross Receipts to read: "Gross Receipts" means the total amount received or earned by Tenant from all business conducted on or from the Premises, including on-premises dining, takeout, digital orders, third-party delivery orders, merchandise sales, catering, events, surcharges, and service fees, whether paid in cash, credit, electronic transfer, or otherwise. Gross Receipts exclude only sales taxes collected and remitted, voluntary gratuities passed to employees, bona fide refunds, and insurance proceeds (other than business interruption covering lost sales), credit card processing fees, third party delivery fees, and discounted sales
2. Section 52.1 is amended as follows:

52.1 Base Rent and Percentage Rent Notwithstanding any other reference in the lease as to square footage of leasable area the parties agree the correct amount of lease area and the basis for the Base Rent is 14,436 square feet. For the first five years of the lease term beginning June 1, 2026, Base Rent and Percentage Rent shall be modified as follows:

- (a) Base Rent: The Base Rent amount shall be divided into twelve (12) equal monthly installment payments for each lease year in the new term. Base Rent shall be in the following amounts:

Rental Period	Annual Base Rent Amount
June 1, 2026 through May 31, 2027	\$260,000
June 1, 2027 through May 29, 2031	\$275,000
June 1, 2031 through May 31, 2036	\$352,000
June 1, 2036 through May 31, 2041	\$387,200

In no event shall the total annual rent be less than the annual base rent applicable for that lease year, regardless of Gross Receipts.

- (b) Escalation of Base Rent. For each June through May annual rental period beginning June 1, 2036 and during the remaining Term, Base Rent shall be adjusted on June 1st of each remaining year of this Lease (the "Adjustment Dates") by 2.5%.

- (c) Percentage Rent: The annual Percentage Rent due for the rental period of June 1, 2026 through May 31, 2027 shall be six and one quarter percent (6.25%) over the base rent natural breakpoint of Gross Receipts as defined in Paragraph 52.2 of the Underlying Lease and shall remain at that level through the initial lease period and both option periods.
- (d) Payment Obligations: Lessee shall pay Base Rent on the first day of each month commencing on June 1, 2026. Percentage Rent shall continue to be paid in accordance with Paragraphs 52.4 and 52.5 of the Lease.
- (e) City Right to Audit Gross Receipts. With prior written notice to Lessee of not less than ten (10) business days, the City has the right to audit Lessee's revenue that only relate to this Agreement, at Lessee's Corporate office, on any normal workday between 9:00 a.m. and 4:00 p.m. once a year. Upon the request of Lessee, prior to the audit, the Lessor shall sign a confidentiality agreement regarding the financial information to be audited. If the statement of total Gross Receipts previously provided to the City shall be found to be inaccurate for prior calendar years of the Term, then and in that event, there shall be an adjustment and one party shall pay to the other on demand such sums as may be necessary to settle in full the accurate amount of the Gross Receipts, if any, that should have been paid to Lessor for the period or periods covered by such inaccurate statement or statements. If said audit discloses an underpayment of greater than three percent (3%) with respect to the amount of total Gross Receipts reported by Lessee for the period or periods of said report, then Lessee shall immediately pay to Lessor the cost of such audit, plus ten percent (10%) interest per annum on the amount underpaid, but the application of the said interest is limited to the previous year before the time any underpayment should have been paid to Lessor; if the audit does not disclose an underpayment of greater than three percent (3%) with respect to the amount of total Gross Receipts reported by Lessee for the period or periods of said report, the cost of such audit shall be paid by Lessor.

3. Section 51.2 is revised to read as follows:

51.2 Use of Public Parking Lot;

- (a) Cost-Sharing Requirement: Commencing on June 1, 2026, and continuing thereafter during each portion of the full calendar year during the entire Term of this Lease, Lessee shall pay to Lessor the sum of Fifteen Thousand Dollars (\$ 15,000.00) per year for common area maintenance and repair.
 - (c) Continued Public Use: The parties acknowledge that the City has deferred maintenance on the public parking lot referenced in Section 51.2 of the first Addendum. The City intends to complete a capital improvement project to resurface this parking lot within the first two years of the lease year beginning June 1, 2026. The City shall ensure that the parking lot remains accessible during the capital improvement project and that disruptions to Lessee's business operations are minimized. Alternative parking accommodations will be made for tenant customers during the construction.
4. The Term of the lease shall be through May 31, 2031. Lessee shall have the option to extend the Term for two additional extension periods of 5 years each.
5. All other terms and provisions of the Lease, including prior addenda, shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor and Lessee have caused their duly authorized representatives to execute this Second Addendum to the Lease as of the date first above written.

City of Fullerton,
A municipal corporation

By: _____
Name: _____
Title: _____
Date: _____

Lessee:

By: Chris Dussin
Name: Chris Dussin
Title: President
Date: 7-24-2026

EXHIBIT ⁴ A DESCRIPTION OF THE PREMISES

All that portion of the Atchison, Topeka and Santa Fe Railway Company right-of-way, 100 feet wide, and a portion of Block 33 in the City of Fullerton, County of Orange, State of California, both as shown on a map of the Townsite of Fullerton, Recorded in Book 22, Page 3, 4, and 5 of Miscellaneous Records of Los Angeles County, State of California, and that portion of Santa Fe Avenue in the City of Fullerton, County of Orange, State of California, as described in the abandonment recorded in Book 14231, page 1833 of Official Records of said County, more particularly described as follows:

Parcel 1 as shown on Parcel Map 81.458 recorded in Book 166, pages 4 and 5 of Parcel Maps filed in the office of said recorder of Orange County,

Exhibit "A"

EXHIBIT "B"

THE PUBLIC PARKING LOT

Non-Exclusive use for parking in and to that portion of the Atchison, Topeka and Santa Fe Railway Company right-of-way, 100 feet wide, and a portion of Block 33 in the City of Fullerton, County of Orange, State of California, both as shown on a map of the Townsite of Fullerton, Recorded in Book 22, Pages 3, 4, and 5 of Miscellaneous Records of Los Angeles County, State of California and that portion of Santa Fe Avenue in the City of Fullerton, County of Orange, State of California, as described in the abandonment recorded in Book 14231, Page 1833 of Official Records of said County, more particularly described as follows:

Parcel 2 as shown on Parcel Map 81-458 recorded in Book 166, Pages 4 and 5 of Parcel Maps filed in the office of said recorder of Orange County.

Exhibit "B"

EXHIBIT "C"

MEMORANDUM OF LEASE

(Attached)

Exhibit "C"

