

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT C41250 (“First Amendment”) is entered as of 14th of July 2022, by and between City of Palm Desert, a public body, corporate and politic (“Lessor”), and the ARTISTS COUNCIL, a California nonprofit public benefit corporation (“Lessee”). Lessor and Lessee are sometimes referred to herein individually as a “Party” or collectively as the “Parties.”

RECITALS

- A. Lessor and Lessee previously entered into that certain Lease dated April 1, 2021 (the “Lease”), for the lease of the premises more particularly described therein located at 72-567 Highway 111 in the City of Palm Desert, County of Riverside (the “Premises”).
- B. Lessor and Lessee desire to amend the Lease on the terms and conditions as provided in this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby mutually agree as follows:

- 1. Amendments to Lease. The Lease is hereby amended as follows:
 - a. Term. The first sentence of Section 1.4(a) of the Lease is hereby amended to read in its entirety as follows:

“The initial term of this lease shall be for a period of six (6) years and three (3) months, commencing on April 1, 2021 (“Commencement Date”) and ending on June 30, 2027 (“Expiration Date”).”
 - b. Default. Section 11.1 of the Lease is hereby amended to add a new subparagraph (f) to read as follows:

“(f) Except with the prior written consent of the Lessor, the occurrence of (i) any change in the present executive management personnel of Lessee, (ii) a change in, and/or the resignation of, the majority of the present members of the board of directors of the Lessee, or (iii) any merger or other similar change in the organizational structure of Lessee.”
 - c. Financial Reporting. A new Section 41 is hereby added to the Lease to read as follows:

“41. **Financial Statements.** Within one hundred twenty (120) days after the end of each fiscal year of the Lessee, Lessee shall furnish to Lessor a copy of the annual financial statements of Lessee for said fiscal year period. Any concerns

from Lessor regarding the financial condition of Lessee as reflected in the financial statements shall be addressed by the delivery of Notice of Concerns in accordance with Section 1.4.b. of the Agreement, and the provisions of Section 1.4.b shall be applicable to such notice.”

2. Effectiveness of Agreement. Except as explicitly modified by this First Amendment, all of the terms and provisions of the Agreement are and remain in full force and effect.

3. Entire Agreement. This First Amendment and the Agreement represent the final and entire agreement between Lessor and Lessee regarding the subject matter hereof and thereof, and may not be contradicted by evidence of prior, subsequent, or contemporaneous oral agreements of the Parties.

4. Modification. No amendment or modification hereto shall be valid and binding unless expressed in writing and executed by both Parties hereto.

5. Authority. Each individual executing this First Amendment on behalf of an entity represents and warrants that he or she is duly authorized to execute and deliver this First Amendment on its behalf.

6. Counterparts. This First Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this First Amendment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed by and through their respective authorized representatives, as of the date first above written.

Dated: Sep 27, 2022

LESSEE:

ARTISTS COUNCIL, a California nonprofit public benefit corporation

By: 
David R Hatcher (Sep 27, 2022 08:59 PDT)

Name: David Hatcher

Title: Chair, Board of Directors

Dated: July 14th, 2022

LESSOR:

CITY OF PALM DESERT, a California municipal corporation


By:


Todd Hileman (Oct 3, 2022 07:10 PDT)

L. Todd Hileman
City Manager

Attest

By:


Anthony Mejia (Oct 3, 2022 09:09 PDT)

Anthony J. Mejia
City Clerk

Approved as to Form:

CITY ATTORNEY

By: Robert Hargreaves
Robert Hargreaves (Oct 3, 2022 06:36 PDT)

Best Best & Krieger LLP