

**FIRST AMENDMENT TO OFFICE LEASE BETWEEN THE CITY OF TEMECULA
AND TEMECULA VALLEY CONVENTION & VISITORS BUREAU DBA VISIT
TEMECULA VALLEY**

This First Amendment to Office Lease ("First Amendment") Between the City of Temecula and Temecula Valley Convention & Visitors Bureau dba Visit Temecula Valley is made by and between the City of Temecula, a municipal corporation ("City" or "Landlord") and Temecula Valley Convention & Visitors Bureau, a California non-profit corporation, dba Visit Temecula Valley ("Tenant") and is effective on the date it is fully executed. The City and Tenant may be referred to below collectively as the "Parties".

1. RECITALS. This First Amendment is made with respect to the following facts and for the following purposes, which the Parties hereto acknowledge as true and correct:

A. On February 13, 2018, the Parties entered into that certain Office Lease between the City of Temecula and Temecula Valley Convention & Visitors Bureau dba Visit Temecula Valley ("Office Lease") regarding the extension of the lease by Tenant of the Premises described in Exhibit "A" to the 2009 Office Lease and authorizing Tenant to lease the Expansion Premises described in Exhibit "A" to the Office Lease pursuant to the terms and conditions of the Office Lease.

B. Section 4.B. of the Office Lease provided for up to \$200,000 in reimbursement for Tenant Improvements. The Monthly Rent set forth at Section 5.A.1) of the Office Lease considered the reimbursement for Tenant Improvements provided by the Office Lease. The Parties wish to enter into this First Amendment to amend Section 4.B. of the Office Lease to provide for up to \$250,000.00 in reimbursement for the Tenant Improvements. The Parties also wish to modify the Monthly Rent set forth at Section 5.A.1) of the Office Lease and the Security Deposit set forth in Section 5.C. of the Office Lease in consideration of the \$50,000.00 increase in reimbursement for the Tenant Improvements.

NOW THEREFORE, in consideration of the terms and conditions of this First Amendment, the City and Tenant agree to amend Section 4.B. and Sections 5.A.1) and 5.C. of the Office Lease, subject to the terms and conditions set forth below.

2. AMENDMENT TO SECTION 4.B OF OFFICE LEASE. Pursuant to this First Amendment, the City and Tenant agree to amend and replace Section 4.B. of the Office Lease titled "Tenant Improvements" to change the reimbursement amount from \$200,000.00 to \$250,000.00. The City and Tenant agree to amend and replace Section 4.B. of the Office Agreement titled "Tenant Improvements" to read as follows:

4. TERM; TENANT IMPROVEMENTS; RENEGOTIATION OPTION.

B. Tenant Improvements. As used herein, the term "Tenant Improvements" will mean the improvements described on Exhibit "C", which is attached hereto and incorporated herein by this reference. Tenant will have the right to enter the approximate 3,787 square foot portion of the 2019 Expansion Premises located on the second floor of the Building 31 days after the date this Lease is fully executed by the Parties to construct the Tenant Improvements. City agrees to remove any property or equipment stored by the City in the approximate 3,787 square foot portion of the 2019 Expansion Premises within 30 days of the date this Lease is fully executed by the Parties to allow Tenant to complete said

Tenant Improvements. City agrees to reimburse Tenant up to \$250,000.00 towards the costs of the Tenant Improvements ("City reimbursement"). City will issue a warrant(s) payable to Tenant at the address identified in Paragraph 26.O below for the costs of the Tenant Improvements within 20 calendar days of receiving from Tenant an invoice from Visit Temecula Valley with copies of the contractor invoices and/or receipts identifying the specific Tenant Improvements completed, up to the \$250,000.00 City reimbursement. Tenant agrees that it may submit said invoices to City for reimbursement up to twice a month. As described in the Recitals herein, the Parties recognize the value of Lessee's operations to the City of Temecula and its residents and the value of the offices of Tenant being located in the Building, adjacent to City Hall. Pursuant to Government Code Section 37110, the legislative body of the City is authorized to spend City funds on promotion of the City. The \$250,000.00 City reimbursement is the Parties' estimate of Tenant's cost to complete the Tenant Improvements. The up to \$250,000.00 City reimbursement will be used by Tenant to construct the 2019 Tenant Improvements in the order of priority identified on Exhibit "C" hereto. Tenant is solely responsible for any costs in excess of said \$250,000.00 City reimbursement for the Tenant Improvements. The Tenant Improvements include, but are not limited to, the reconfiguration by Tenant of the first floor walls, HVAC, and potential removal of a closet for a door at the portion of the 2019 Expansion Premises located in the Building and reconfiguration of the portion of the 2019 Expansion Premises located on the second floor of the Building, including signs. Tenant will cause the construction of the Tenant Improvements in compliance with applicable federal, state, and local regulations and in substantial conformance with the description and in the order of priority identified on Exhibit "C" hereto. Any changes to the Tenant Improvements that are not in substantial conformance with the description attached at Exhibit "C" hereto require the approval of the Assistant City Manager. Tenant is solely responsible for tasks relating to the construction of the Tenant Improvements, including, but not limited to bidding, hiring, managing and overseeing all contractors, and obtaining all applicable building permits and inspections. Tenant must comply with California's prevailing wage laws, Government Code Section 1720 *et seq.* and applicable regulations (Title 8, California Code of Regulations, Section 16001 *et seq.*) in connection with the Tenant Improvements.

3. AMENDMENT TO SECTIONS 5.A.1) AND 5.C. OF OFFICE LEASE. Pursuant to this First Amendment and in consideration of the amendment to the reimbursement amount for Tenant Improvements, the City and Tenant agree to amend and replace Section 5.A.1) of the Office Lease titled "Monthly Rent" to modify the monthly rent and Section 5.C. of the Office Lease titled "Security Deposit" to modify the Security Deposit. The City and Tenant agree to amend and replace Section 5.A.1) of the Office Agreement titled "Monthly Rent" and Section 5.C. titled "Security Deposit" to read as follows:

5. RENT; ADJUSTMENTS; SECURITY DEPOSIT.

A. Monthly Rent.

1) Commencing on July 1, 2019 or on the date that Tenant completes the Tenant Improvements described in Paragraph 4.B. and receives a certificate of occupancy from City for the approximate 3,787 square foot portion of the 2019 Expansion Premises located on the second floor of the Building,

whichever is sooner, Tenant will pay to City for Tenant's lease of the 2019 Expansion Premises, as monthly rent, without deduction, setoff, notice or demand, in advance, on or before the first business day of each calendar month the sum of \$7,601.52 per month (5001 square feet @ \$1.52 per square foot), which will be adjusted in accordance with Paragraph 5.B. of the Lease. All rental payments hereunder will be paid by Tenant to City of Temecula, Attention: Finance Department, 41000 Main Street, Temecula, California, or at such other address or to such other persons as the City may from time to time designate in writing. If Tenant has not received a certificate of occupancy for the 2019 Expansion Premises by July 1, 2019, the Assistant City Manager or City Manager's designee has sole discretion to extend the above date for commencement of the monthly rent for the 2019 Expansion Premises if necessary to allow additional time for completion of the Tenant Improvements, for delays in construction due to the City's processing of building permits, or if the Assistant City Manager or City Manager's designee finds other good cause exists for such extension.

C. Security Deposit. Pursuant to the terms of the 2009 Office Lease, Tenant deposited with City a security deposit in the amount of \$2,832.00 as security for Tenant's faithful performance of its obligations under the 2009 Office Lease. Within 30 days of the date this Lease is fully executed by the Parties, Tenant agrees to deposit with the City an additional security deposit of \$4,769.00 for a total security deposit of \$7,601.00 ("Security Deposit") as security for Tenant's faithful performance of its obligations under this Lease. If Tenant fails to pay rent, or otherwise defaults under this Lease, City may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due City for rent which will be due in the future, and/or to reimburse or compensate City for any liability, expense, loss or damage which City may suffer or incur by reason thereof. If City uses or applies all or any portion of the Security Deposit, Tenant will within ten days after written request thereof, deposit monies with City sufficient to restore said Security Deposit to the full amount required by this Lease. When the rent increases during the term of this Lease, Tenant will, upon written request from City, deposit additional monies with City so that the total amount of the Security Deposit will at all times bear the same proportion to the increased rent as the initial Security Deposit bore to the initial rent. City will not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease (or such earlier date as required by law), City will return that portion of the Security Deposit not used or applied. No part of the Security Deposit will be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Tenant under this Lease.

4. NO OTHER CHANGES. Except for the changes specifically set forth in this First Amendment, all other terms and conditions of the Office Lease will remain in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the date set forth below:

City/Landlord:

CITY OF TEMECULA, a municipal corporation

Dated: _____, 2019

By: _____
Greg Butler, Assistant City Manager

ATTEST:

Randi Johl, City Clerk

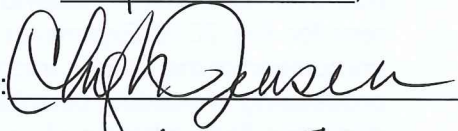
Approved as to form:

Peter M. Thorson, City Attorney

Lessee:

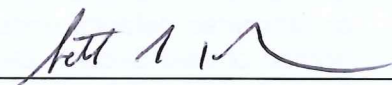
TEMECULA VALLEY CONVENTION & VISITORS BUREAU, a California nonprofit corporation, dba Visit Temecula Valley

Dated: 1/16, 2019

By: 
Print Name: Leigh Jensen

Title: Dir of Ops & Finance

Dated: 1/16, 2019

By: 

Print Name: Seth A Wilson

Title: Chairman of the Board