

**LEASE AGREEMENT AMENDMENT NO. 1  
BETWEEN  
THE CITY OF SAN LUIS OBISPO AND  
THE SAN LUIS OBISPO MUSEUM OF ART**

This Lease Agreement Amendment No. 1 is entered into on \_\_\_\_\_, by and between the City of San Luis Obispo (the "City") and San Luis Obispo Museum of Art (formerly known as the San Luis Obispo Art Center and, previously, as the San Luis Obispo Art Association), a California non-profit corporation ("SLOMA").

**RECITALS**

A. The City owns certain real property within City limits, commonly known as Mission Plaza and identified as San Luis Obispo County Assessor Parcel No. 002-423-006.

B. The City Council of the City of San Luis Obispo adopted Resolution No. 367 (1967 Series) in order to allow for the lease of a portion of Mission Plaza to be used for the purposes of operating a museum structure addressed at 1010 Broad Street within a defined premises that is further identified in that 1967 Lease Agreement.

C. On February 18, 2010, the City entered into an updated Lease Agreement (the "2010 Lease") with SLOMA (formerly the San Luis Obispo Art Center and prior to that the San Luis Obispo Art Association) to include terms and provisions to extend the lease term until 2065, specify operational hours and procedures, and construct a new facility on the premises on or before 2025.

D. SLOMA is a non-profit corporation whose current mission statement is "To provide and promote diverse visual arts experiences for people of all ages and backgrounds through exhibition, education, creation and collaboration; and preserve the Museum's permanent collection as an artistic legacy of the California Central Coast."

E. In order for SLOMA to effectively plan for and implement its mission, and for CITY and SLOMA to effectively work together in furtherance of shared goals and objectives to promote the visual arts, and in particular public art, CITY and SLOMA desire to further amend the 2010 Lease, as set forth below.

**AGREEMENT**

1. The 2010 Lease is hereby incorporated by reference.
2. Paragraphs 11 and 12 of the 2010 Lease, and the fifth, sixth, seventh and eighth introductory recitals of the 2010 Lease related to the construction of a new facility on the premises, are null and void and shall no longer be in effect.
3. Paragraph 13 shown in the 2010 Lease shall be modified as follows:

**Termination of Lease by City.** The City reserves the right to terminate this Agreement by notifying SLOMA ~~the Art Center~~ in writing at least six months prior to termination should the

~~City need the property for official City business. Additionally, should the Art Center be unable to complete the proposed construction, the lease may be terminated, and, at the City's option, all improvements will become the property of the City or the site shall be delivered free and clear of all Improvements.~~

~~In the event of early termination of this Agreement by the City after completion of the construction, the City shall have the option to buy out improvements at the proportional rate of 90% of actual construction costs if cancellation is within the first ten (10) years, 70% between ten (10) and twenty (20) years, 50% between twenty (20) and forty (40) years and nothing thereafter. The above "buyout" provisions shall be in lieu of any other compensation including, but not limited to, relocation assistance.~~

4. Future Improvements. CITY understands and recognizes that SLOMA may desire to pursue and implement certain repairs, improvements, or modifications to the existing museum structure, provided that any such work shall be completed in accordance with approved planning and / or building entitlements from CITY and shall be at SLOMA's sole expense. CITY further understands that SLOMA may desire to begin planning and design of a new museum facility, which would give rise to consideration of a contemporaneous lease amendment prior to any future construction.

5. Community Partnership Agreement. CITY and SLOMA will enter into a Community Partnership Agreement, attached hereto and incorporated by reference, in order for SLOMA to provide certain services related to administration of CITY's public art program, as well as to set forth provisions for the shared use of adjacent premises owned by CITY, as further described therein. The Community Partnership Agreement may be amended or updated from time to time, as may be agreed to by CITY and SLOMA, without further amendments to the 2010 Lease.

6. Facility Rental. SLOMA shall have the right to rent the existing facility or portions thereof to third parties in accordance with its existing rental program and published Facility Rental Request Form, provided that such revenue shall be used in furtherance of SLOMA's non-profit mission and the purposes of the 2010 Lease and this Amendment No. 1.

7. Except as specifically modified by this Amendment No. 1, all other terms and conditions of the 2010 Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first written above.

CITY OF SAN LUIS OBISPO

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Mayor Heidi Harmon

ATTEST:

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Teresa Purrington, City Clerk

APPROVED:

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Derek Johnson, City Manager

Approved to as form:

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J. Christine Dietrick, City Attorney

SAN LUIS OBISPO MUSEUM OF ART, a California non-profit corporation

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Charles Feltman, Board President

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Todd Peterson, Treasurer