

**FIRST AMENDMENT
TO
LEASE AGREEMENT
BETWEEN
THE CITY OF HERMOSA BEACH
AND
HERMOSA BEACH MUSEUM**

This First Amendment to the Lease Agreement (“First Amendment”) is made and entered into as of this 17th day of November, 2025 (“Effective Date”), by and between the City of Hermosa Beach (a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 1315 Valley Drive, Hermosa Beach, California 90254) (“City”) and the Hermosa Beach Museum (a California nonprofit public benefit corporation with its principal place of business at 710 Pier Avenue, Hermosa Beach, California 90254) (“HBM”). City and HBM are hereinafter sometimes referred to individually as “Party” and collectively as the “Parties”.

RECITALS

A. The Parties entered an agreement dated February 8, 2024, for use of a portion of the lower level of the Hermosa Beach Community Center’s South Wing (“Space Lease”); and

B. The Parties entered a second agreement dated February 1, 2025 (“Agreement”), for the Space Lease; and

C. HBM requested to expand its existing use of the lower level of the Hermosa Beach Community Center’s South Wing to include Location B as depicted in Exhibit A-1 (attached hereto and incorporated herein by reference) for future use by HBM, subject to renovations funded by HBM; and

D. The Parties desire to amend the Agreement to extend its term for an additional ten (10) years and conditionally commit Location B to HBM for future use following the completion of requested health, safety, and infrastructure upgrades as further described in Exhibit B-1 (attached hereto and incorporated herein by reference).

NOW, THEREFORE, the Parties mutually agree as follows:

AGREEMENT

1. Incorporation of Recitals. The recitals listed above are true and correct, and are hereby incorporated herein by this reference.

2. Amendment. The Agreement is hereby amended as follows:

a. Term and Payment. Section I.a is revised in its entirety to read as follows: “The Term of this Agreement shall be for a period of 10 years commencing on the 1st day of February 2025 and ending on the 31st day of January 2036.”

b. Conditional Commitment of Additional Space (Location B). Exhibit A-1 (Depiction of Location B) and Exhibit B-1 (Conditional Commitment of Additional Space (Location B)) are added as exhibits.

c. Indemnity and Assumption of Risk. Section XII.c is revised by replacing the words “Exhibit A” with the words “Exhibit A, Exhibit A-1, and Exhibit B-1”.

3. Continuing Effect of Agreement. Except as amended by this First Amendment, all provisions of the Agreement shall remain in full force and effect; and shall govern the actions of the Parties under this First Amendment. Whenever the term “Agreement” appears in the original Agreement from and after the date of this First Amendment, it shall mean the Agreement as amended by this First Amendment.

4. Electronic Transmission. A manually signed copy of this First Amendment which is transmitted by facsimile, electronic mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this First Amendment for all purposes. This First Amendment may be signed using an electronic signature.

5. Counterparts. This First Amendment may be signed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment on the Effective Date.

CITY OF HERMOSA BEACH

HERMOSA BEACH MUSEUM

APPROVED BY:

Steve Napolitano
Interim City Manager

Greg McNally
President

Attested By:

Myra Maravilla
City Clerk

APPROVED AS TO FORM:

Best Best & Krieger LLP
Interim City Attorney

EXHIBIT A-1

Diagram Including Location B

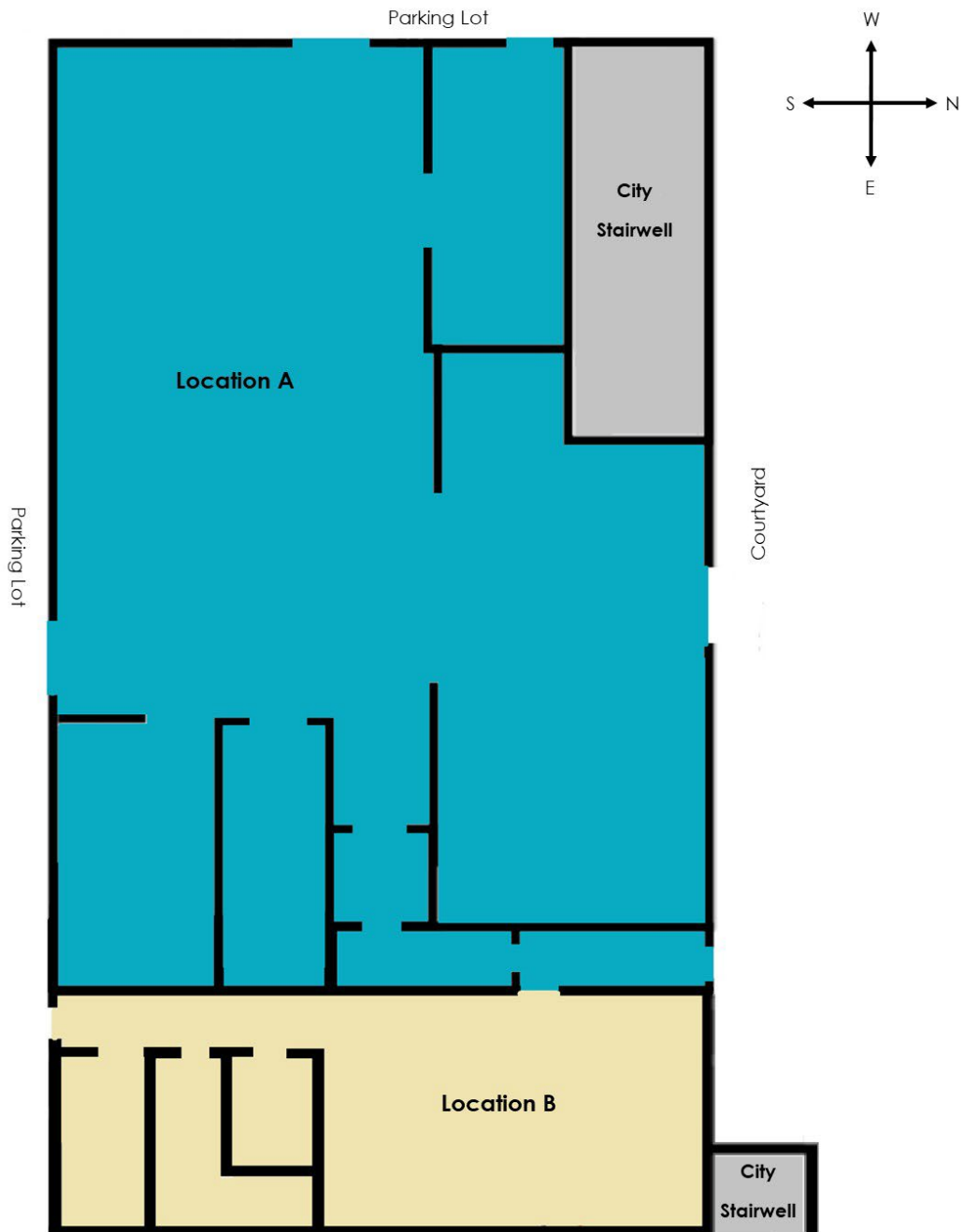


EXHIBIT B-1

Conditional Commitment of Additional Space (Location B)

1. The City agrees to expand HBM's existing use of the Hermosa Beach Community Center to include Location B, as depicted in Exhibit A-1, contingent upon the successful completion of the following steps and subject to City review and approval at each stage ("Pre-Occupancy Milestones"):
 - a. Conduct and complete a Hazard Abatement Report to assess asbestos, mold, lead, and other safety risks, a copy of which shall be provided to the City.
 - b. Develop a Conceptual Floor Plan and Proposed Use of the Space.
 - i. Submit a preliminary cost estimate and timeline, with a clear understanding that HBM shall be solely responsible for all renovation costs, including any overages, for City review and approval.
 - c. Upon City approval of the conceptual plan, prepare architectural plans by licensed professionals.
 - d. Upon City approval of architectural plans, secure all necessary Building and Safety Permits.
 - e. Complete all construction and renovations, subject to City approval.
 - i. All improvements made to the premises shall become the property of the City upon completion.
 - ii. Construction and renovations include any and all hazard abatement and building improvements identified by the Hazard Abatement Report, and as may be further required by the City's Building Official to address significant health and safety concerns.
 - f. Upon completion of all construction and renovations to the satisfaction of the City, obtain a Certificate of Occupancy.

2. Fundraising and Construction Timeline Review for Location B

The Parties acknowledge that the timing of renovations will be contingent upon successful fundraising by HBM. To ensure timely performance under the AGREEMENT:

- a. A formal progress review of the Pre-Occupancy Milestones, as defined in Section 2 of this First Amendment, shall occur at the completion of year three of the AGREEMENT (January 31, 2029).
 - a. At that time, if HBM has not successfully completed all of the Pre-Occupancy Milestones subject to City approval,

the City may, at its sole discretion, 1.) require annual reviews of fundraising and project status to ensure timely performance under the AGREEMENT, or 2.) terminate the expansion of use of Location B under this First Amendment for HBM's failure to timely perform. Any delay by the City in exercising either of these rights under the AGREEMENT, whether intentional or unintentional, shall not be deemed a waiver of these rights.