

AMENDMENT NO. 1 TO LEASE AGREEMENT

This Amendment (“Amendment”) to the Lease Agreement (“Lease”) is made and entered into this ___ day of December, 2009 by and between the CITY OF COSTA MESA, a municipal corporation (“CITY”) and CHILD-PACE INC., a non-profit corporation (“TENANT”).

Recitals

1. In April of 2005 the City Council approved the Lease with TENANT for lease of space within the real property known as the Downtown Recreation Center located at 1860 Anaheim Avenue, Costa Mesa, California (“DRC”);
2. TENANT provides State subsidized child care and education programs at the DRC and is currently licensed to serve thirty-five (35) students, ages 5 to 12 whom are currently enrolled in CITY schools;
3. TENANT desires to increase its enrollment by ten (10) students and in order to do so its license requires that it have additional space; and
4. CITY wishes to provide the additional space that TENANT desires by allowing TENANT to use, on a non-exclusive basis, one half to the Multi-Purpose Room (“MPR”) located at the DRC.

NOW, THEREFORE, the parties agree as follows:

1. **PREMISES.** Section 1 of the Lease is hereby amended to include within in the definition of “PREMISES” the right to use, on a non-exclusive basis, a partitioned one half of the MPR. TENANT shall have the right to use said portion of the MPR from September through June (School Term) Monday through Friday from 2 pm to 5 pm and 10 am to 5 pm during school holidays. (TENANT may reserve additional dates and times for the use of the MPR, at the aforementioned rental rate, subject to availability and the consent of the CITY.) An outline of the space encompassing the partitioned one half of the MPR is attached hereto as Exhibit 1.
2. **TERM.** Section 2 of the Lease is hereby amended to provide that the lease of the MPR portion of the PREMISES shall commence on January 4, 2010 and continue until the termination of the Lease.
3. **RENT.** Section 3 of the Lease is hereby amended to include additional rent in the amount of One Hundred and Ninety Six Dollars (\$196.00) per month, payable in advance commencing January 1, 2010, and on the first day of each month during the School Term. Said amount shall also be increased with the remainder of the rent by the CPIU as provided in the Lease.

ATTACHMENT 1

4. USE. TENANT shall use the MPR for homework completion and theatrical exercises. TENANT shall not bring or store any permanent furniture or play equipment in the MPR.

5. LEASE PROVISIONS. All other terms, conditions, and provisions of the Lease, to the extent not modified with this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by through their respective authorized officers, as of the date first above written.

“CITY”

“TENANT”

CITY OF COSTA MESA,

CHILD-PACE INC.

Mayor of the City of Costa Mesa

Name and Title

Taxpayer ID Number