



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Approving Six-Month Extension of Lease of Maple Square, 2 East Lodi Avenue (for the Period of January 1, 2007 to June 30, 2007)

MEETING DATE: January 3, 2007

PREPARED BY: Public Works Director

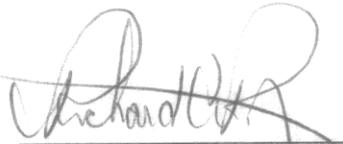
RECOMMENDED ACTION: Adopt a resolution approving a six-month extension of the lease of Maple Square, 2 East Lodi Avenue, for the period of January 1, 2007 to June 30, 2007.

BACKGROUND INFORMATION: The existing two-year lease with Alcoholics Anonymous for the use of the Maple Square Firehouse originally concluded on December 31, 2005. The lease, however, reads that the "Lease may be extended by mutual agreement, and with City Council approval, for an additional term as specified". Therefore, the lease was extended for a period of six months to June 30, 2006, by Council at their regular meeting on December 7, 2005, and for an additional six months to December 31, 2006, at the regular meeting on June 7, 2006.

Staff is now requesting the lease term be extended for an additional six (6) months, to June 30, 2007, and that all other terms and conditions of the lease remain the same. Consideration will be given as to the long-term plan for this property, among others, during this extension as part of "Project Opportunity".

FISCAL IMPACT: No Change. Minimal rent is received from Alcoholics Anonymous for the facility, at \$100 per month.

FUNDING AVAILABLE: Not Applicable.


Richard C. Prima, Jr.
Public Works Director

Prepared by Dennis J. Callahan, Fleet and Facilities Manager

RCP/DJC/pmf

cc: Steve Schwabauer, City Attorney
Dino Radotic, Alcoholics Anonymous

APPROVED: 
Blair King, City Manager

RESOLUTION NO. 2007-02

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING EXTENSION OF LEASE OF
MAPLE SQUARE, 2 EAST LODI AVENUE

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve extension of lease for Maple Square located at 2 East Lodi Avenue, with Alcoholics Anonymous, in care of Dino Radotic; and

BE IT FURTHER RESOLVED that the extension will be for a period of six (6) months, January 1, 2007 through June 30, 2007, and all other terms and conditions of the lease shall remain the same.

Dated: January 3, 2007

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I hereby certify that Resolution No. 2007-02 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 3, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Katakian, Mounce, and
Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hitchcock

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

LEASE EXTENSION AGREEMENT

FOR USE OF CITY BUILDING
KNOWN AS MAPLE SQUARE FIREHOUSE
LOCATED AT 2 EAST LODI AVENUE, LODI, CALIFORNIA

THIS LEASE EXTENSION AGREEMENT, made and entered into this _____ day of _____, 2007, by and between the CITY OF LODI, a municipal corporation, hereinafter called "Owner", and Dino Radotic, hereinafter called "Lessee."

WITNESSETH:

1. LEASE: Lessee and Owner, entered into a lease of the City-owned Building located at 2 East Lodi Avenue, Lodi, California for the operation of the Alcoholics Anonymous program, on January 30, 2003 providing that the lease could be extended by mutual agreement.
2. TERM AND TERMS: The term of this Lease Extension Agreement shall be for a period of six (6) months, commencing January 1, 2007 and terminating June 30, 2007. The Lease may be extended by mutual agreement, and with City Council approval, for an additional term as specified. All other terms will remain as set forth in the Lease Agreement attached hereto as Exhibit A.

IN WITNESS WHEREOF, Owner and Lessee have executed this Lease Extension Agreement on the date and year first above written.

CITY OF LODI, a municipal corporation
"Lessee"
hereinabove called "Owner"

DINO RADOTIC, hereinabove called

BLAIR KING, City Manager

DINO RADOTIC

Attest:

RANDI JOHL, City Clerk

Approved as to Form:

JANICE D. MAGDICH, Deputy City Attorney

LEASE AGREEMENT

**FOR USE OF CITY BUILDING
KNOWN AS MAPLE SQUARE FIREHOUSE
LOCATED AT 2 EAST LODI AVENUE, LODI, CALIFORNIA**

THIS AGREEMENT, made and entered into this 30th day of January, 2003, by and between the CITY OF LODI, a municipal corporation, hereinafter called "Owner", and Dino Radotic, hereinafter called "Lessee."

WITNESSETH:

1. **PROPERTIES:** That for and in consideration of the rents to be paid, and the covenants to be faithfully kept and performed by said Lessee, said Lessee does hereby lease from said Owner, the City-owned Building located at 2 East Lodi Avenue, Lodi, California for the operation of the Alcoholics Anonymous program, supervised by Lessee.
2. **TERM:** The term of this Agreement shall be for a period of two (2) years, commencing January 1, 2003 and terminating December 31, 2005. Lease may be extended by mutual agreement, and with City Council approval, for an additional term as specified.
3. **RENT:** In consideration of said Agreement, Lessee agrees to pay to Owner as rent for the demised premises \$100.00 per month, due and payable by the 1st day of each month. Lease payments shall be directed to the City of Lodi, Attn: Fleet and Facilities Manager, P. O. Box 3006, Lodi, California, 95241-1910, for processing and shall be paid without prior notice or demand.
4. **USE:** The property shall be used solely for the purpose of carrying on the Alcoholics Anonymous program, supervised by the Lessee. Use of the facilities for any other program, or sublease of any portion of the facilities, must be preceded by the Owner's written permission.

It is further understood and agreed by Lessee that Lessee must comply with all present and future laws, ordinances, rules, and regulations promulgated by any governmental authority of competent jurisdiction regulating this type of activity during the tenancy and any extension thereof. Lessee shall not allow smoking in the building at any time. Lessee shall use and occupy said premises in a quiet, lawful, and orderly manner.

5. **SIGNS:** It is agreed that Lessee may post "Hours of Operation" signs on the doors of the building. The Fleet and Facilities Manager and the Community Development Department must approve all signs and locations of signs. All costs associated with the purchase and installation of signs shall be the responsibility of Lessee.
6. **REMEDIES ON DEFAULT:** Should Lessee fail to pay any part of the rents herein specified at the times or in the manner herein provided, or fail to comply with or perform any other of the terms and provisions of this Agreement on the part of Lessee to be performed or complied with, then, and in that event, Owner may exercise any and all remedies provided by law or equity by reason of such default, including the right, at

Owner's option, of terminating this Agreement. In any of such events, Owner shall be entitled to the immediate possession of said premises, and, at its option, may enter into and upon said premises without notice to Lessee and exclude Lessee and all persons and all property therefrom, and by process of law or otherwise take and resume possession of said premises. Each and all of Owner's remedies shall be construed as cumulative and no one of them as exclusive of the other or as exclusive of any remedy provided by law or equity.

7. RELATIONSHIP OF PARTIES: It is understood and agreed that the relationship between the parties is that of landlord and tenant and not as a party or agent of Owner. Lessee, shall carry Worker's Compensation Insurance and observe all laws and regulations applicable to employers.
8. BUILDING MAINTENANCE: The Lessee is fully responsible for all repairs and maintenance costs associated with operating this program. The Owner is responsible to see that all building systems are kept in good working condition and properly maintained. Owner shall be responsible for the exterior of the building and any major repairs to adjacent sidewalks and on-site parking lot. Lessee shall be responsible for the maintenance of all landscaped areas. Costs associated with unplugging sewer lines, found to be plugged through the fault of the Lessee, its Sub-lessee, or their program participants, will be paid for by the Lessee; reasonable costs associated with this work, incurred by the Owner, will be invoiced to the Lessee.
9. TENANT IMPROVEMENTS: All tenant improvements must be approved by the City of Lodi prior to those improvements being made, and must pass all governing agency permitting and licensing requirements. All such improvements, less any unattached furniture and fixtures, shall become the property of Owner at the conclusion of this Lease Agreement.
10. FUTURE WELL SITE: The Owner reserves the right to consider, and use, any portion of the property for a future well site. Lessee acknowledges that acceptance of this Lease Agreement constitutes agreement that the City may conduct activities associated with well site exploration, digging, construction, and operation, and that Lessee will yield portions of the property needed for such activity.
11. ASSIGNMENT AND SUBLETTING: Lessee shall not assign, encumber, convey, or otherwise hypothecate this Agreement, in whole or any part without first obtaining the written consent of Owner. Lessee shall be permitted to sublet the properties to a responsible person, firm, or corporation, but any such subletting or use by another person, firm, or corporation shall in no way release Lessee from the obligation, conditions, and terms of this Agreement. Lessee shall furnish in writing to Owner the name of any sublessee, and any sublease entered into by Lessee shall incorporate the terms, provisions, and conditions of this Lease. At all times Lessee shall occupy and use at least sixty percent (60%) of the demised premises.
12. ENTRY BY OWNER/INSPECTION OF PREMISES: Owner shall have the right at all reasonable times during the term of this Agreement to enter said premises for the purpose of examining or inspecting the same
13. TERMINATION OF AGREEMENT: This agreement may be terminated at any time with or without cause by either party upon thirty (30) days written notice. Upon termination of this

agreement, Lessee agrees to quit and surrender the premises in a peaceable manner and Owner shall have the right to remove Lessee and all others occupying through or under this agreement.

14. **REPAIRS, ALTERATIONS OR ADDITIONS:** No alterations or additions to the building shall be performed by Lessee without approval of the Fleet and Facilities Manager. Any concerns shall be submitted in writing to the City of Lodi, Attn: Fleet and Facilities Manager, P. O. Box 3006, Lodi, CA, 95241-1910.
15. **SURRENDER OF PREMISES:** Lessee shall, at the termination of the Agreement hereby created, or upon the earlier termination hereof for any reason, or upon the extension of the term herein set forth, quit and surrender said premises in good order, condition, and repair, reasonable wear and tear and acts of God or fire excepted.
16. **FEES:** Lessee shall pay all license fees, or other fees or taxes, levied by any governmental agency which may be imposed upon the activities of Lessee conducted upon the premises.

If any of the above charges are assessed against the real property, and because of said assessment, the Owner pays the same, which Owner will have the right to do regardless of the validity of any such levy, the Lessee, upon demand, will repay to Owner all taxes and other assessments so levied against Owner which are due by the Lessee.

17. **UTILITIES/MISCELLANEOUS COSTS:** Lessee shall be responsible during the term of this agreement for all utility costs, including water, sewer, refuse, gas and electricity. Lessee shall also be responsible for the interior maintenance of the rented space, and all janitorial and cleaning expenses associated with the maintenance thereof.
18. **MECHANIC'S LIEN:** Lessee agrees to keep said premises free from all liens and claims of mechanics, laborers, material suppliers, and others for work done, and material furnished, and Lessor shall not create, or suffer to be created, any lien or encumbrance on said premises.
19. **PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE:** Lessee agrees to indemnify and save harmless Owner, its officers, agents, and employees from and against all claims of whatever nature arising from any act, omission, or negligence of Lessee or Lessee's contractors, licensees, agents, servants, or employees, or arising from any accident, injury, or damage whatsoever caused any person, or to the property of any person, occurring during the term thereof, in or about the demised premises where such accident, damage, or injury, including death, results, or is claimed to have resulted, from any act or omission on the part of Lessee or Lessee's agents or employees. This indemnity and hold harmless agreement shall include indemnity against all costs and expenses, including attorney's fees incurred in or in connection with any such claim or proceeding brought thereon and the defense thereof.

Lessee agrees to maintain in full force during the term hereof a policy of public liability insurance under which Lessee is named as insured, and containing an additional named insured endorsement naming Owner, its officers, agents, and employees as an additional insured, and under which the insurer agrees to indemnify and hold Lessor and Owner, its officers, agents, and employees harmless from and against all costs, expenses, and liability arising out of, or based upon, any and all property damage, or damages for

personal injuries, including death, sustained in accidents occurring in or about the premises, where such accident, damage, or injury, including death, results, or is claimed to have resulted, from any act or omission on the part of Lessee, or Lessee's agents or employees. The minimum limits of such insurance shall be \$1,000,000.00 (One Million Dollars). In addition to the additional named insured endorsement on Owner's policy of insurance, said insurance policy shall be endorsed to include the following language:

"Insurance as is afforded by the endorsement for additional insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers, agents, and employees shall be excess only and not contributing with the coinsurance afforded by this endorsement."

A duplicate or certificate of said public liability and property damage insurance policy containing the above-stated required endorsements shall be delivered to Owner within ten (10) days after the issuance and each renewal of said policy. This paragraph, and all other provisions of this Agreement, shall apply and be construed as applying to any sub-Lessee of Lessee.

Any cancellation of insurance, or notice of intent thereof, must be forwarded immediately to the City of Lodi, Attn: Risk Manager, P. O. Box 3006, Lodi, CA, 95241-1910.

20. **BANKRUPTCY, RECEIVERSHIP, AND INSOLVENCY:** If Lessee should make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or be adjudicated bankrupt or insolvent, or permit a receiver to be appointed to take possession of a substantial portion of its assets or of the premises, and such bankruptcy, insolvency, or receivership proceeding shall not be dismissed within ninety (90) days, then Owner may, without notice or demand, terminate this Agreement and forthwith reenter and repossess the properties, and remove all persons therefrom, and under no circumstances shall this Agreement be assignable or transferable by operation of law.
21. **ATTORNEY'S FEES:** In each suit brought for the recovery of any rent due hereunder, or for the recovery of the possession of said demised premises, or for the breach, or to restrain the breach, of any of the terms, conditions, or covenants of this Agreement, the prevailing party shall be entitled to a reasonable sum as and for attorney's fees therein, the amount of which shall be determined by the court in such suit and added to and become a part of the judgment therein.
22. **WAIVER:** Failure of Owner to insist upon performance of any of the terms or conditions of this Agreement in any one or more instances shall in no event be construed as a waiver or a relinquishment of its right to future performance thereof, and Lessee's obligations to such future performance shall continue in full force and effect. The receipt by Owner of rent, with the knowledge of the breach of any agreement or condition hereof, shall not be determined to be a waiver of any such breach.
23. **ACCEPTANCE OF PREMISES:** Lessee has examined the premises, knows the conditions thereof, and accepts possession thereof in their condition.
24. **CONTRACT:** This written agreement constitutes the entire contract between Lessee and Owner, and no representation or agreement, unless expressed herein, shall be binding on Lessee or Owner.

IN WITNESS WHEREOF, Owner and Lessee have executed this Agreement on the date and year first above written.

CITY OF LODI, a municipal corporation
hereinabove called "Owner"

DINO RADOTIC, hereinabove called "Lessee"


M. DIXON-FLYNN, City Manager


DINO RADOTIC

Attest:


SUSAN J. BLACKSTON, City Clerk

Approved as to Form:


RANDALL A. HAYS, City Attorney