



**Local Agency  
Formation Commission**  
*LAFCO of Napa County*

1700 Second Street, Suite 268  
Napa, CA 94559  
(707) 259-8645  
FAX (707) 251-1053  
<http://napa.lafco.ca.gov>

**JUNE 19, 2006**  
**AGENDA ITEM NO. 4b**

June 15, 2006

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Amendment to Lease Agreement for Office Space**

The Commission will consider an amendment to its lease agreement for office space at 1700 Second Street, Napa, California. The amendment is to extend the lease term and modify the monthly rental to a fixed rate through June 2009.

At its August 14, 2003 meeting, the Commission approved a three-year lease agreement for office space at 1700 Second Street in Napa, California with Robert Louis Stevenson Plaza Associates. The term of the lease agreement is scheduled to expire on June 30, 2006. If no extension is reached by this date, the lease shall become a month-to-month tenancy terminable on a 30-day written notice given at any time by either party.

With the assistance of the County of Napa Public Works Department, staff has negotiated an amendment to the lease agreement to extend tenancy through June 30, 2009. The total monthly rent shall be a fixed rate of \$2,250 over the three-year period. This rate represents a monthly square foot cost of \$1.80, which is a \$0.10 increase from the current rate. County Public Works has advised staff this is a reasonable and competitive rate for the downtown area.

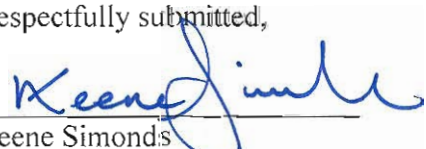
Commission Counsel Gong finalized the attached lease amendment prior to sending it to the landlord for this space, Robert Louis Stevenson Plaza Associates. The landlord has signed the lease amendment. It remains for the Commission to approve the lease amendment and direct the Chair to execute it.

**RECOMMENDATION**

It is recommended for the Commission to take the following action:

- 1) Approve the attached Amendment No. 1 to LAFCO's Lease Agreement 03-01 with Robert Louis Stevenson Plaza Associates.

Respectfully submitted,

  
Keene Simonds  
Executive Officer

Attachments:

- 1) Amendment No. 1 to LAFCO Lease Agreement 03-01
- 2) LAFCO Lease Agreement 03-01

Dr. Andrew Alexander, Vice-Chair  
Mayor, City of Calistoga

Kevin Block, Commissioner  
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner  
Councilmember, City of American Canyon

Bill Dodd, Chair  
Supervisor, 4th District

Brad Wagenknecht, Commissioner  
Supervisor, 1st District

Mark Luce, Alt. Commissioner  
Supervisor, 2nd District

Guy Kay, Commissioner  
Representative of the General Public

Brian Kelly, Alt. Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AGREEMENT NO. 03-01  
AMENDMENT NO. 1**

**LEASE AGREEMENT**

**THIS AMENDMENT NO. 1 to LEASE AGREEMENT NO. 03-01** ("Agreement") is made and entered into as of this 1st day of July, 2006, by and between **ROBERT LOUIS STEVENSON PLAZA ASSOCIATES**, a Limited Partnership, hereinafter referred to as "Lessor," and the **LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**, hereinafter referred to as "Lessee", a local public agency formed pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, who agree as follows:

**RECITALS**

**WHEREAS**, on August 14, 2003, by Lease Agreement No. 03-01 ("Agreement"), Lessor leased to Lessee that certain premises described in the Agreement as "the leased premises"; and

**WHEREAS**, the parties now mutually wish to modify the terms of the Agreement to extend the lease term and modify the monthly rental;

**TERMS**


**NOW, THEREFORE**, the Agreement is amended as follows:

1. Paragraph 2 of the Agreement is amended to read in full as follows:
  2. **TERM**: The term of this lease shall be for a period commencing on July 1, 2006, and expiring on June 30, 2009, unless terminated earlier in accordance with Paragraphs 15 or 16.
2. Paragraph 3 of the Agreement is amended to read in full as follows:

**RENTAL**: The total monthly rent shall be a fixed rate over the three year period at **\$2,250** per month payable in advance.
3. Except as provided in (1) and (2) above, the terms and provisions of the Agreement shall remain in full force and effect as previously approved.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment No. 1 of the Local Agency Formation Commission of Napa County Agreement No. 03-01 as of the date first above written.

ROBERT LOUIS STEVENSON PLAZA  
ASSOCIATES

BY:   
ERIC LEHMAN, General Partner

"LESSOR"

LOCAL AGENCY FORMATION  
COMMISSION OF NAPA COUNTY

BY: \_\_\_\_\_  
BILL DODD, Chair of LAFCO

"LESSEE"

ATTEST: Keene Simonds, LAFCO Executive Officer

APPROVED AS TO FORM:  
LAFCO Counsel

BY: E-Signature Jackie Gong

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AGREEMENT NO. 03-01**

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** ("Agreement") is made and entered into as of this 14<sup>TH</sup> day of August, 2003, by and between **ROBERT LOUIS STEVENSON PLAZA ASSOCIATES**, a Limited Partnership, hereinafter referred to as "Lessor," and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY, hereinafter referred to as "Lessee", a local public agency formed pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, who agree as follows:

**TERMS**

1. **DESCRIPTION OF LEASED PREMISES:** Lessor hereby leases to Lessee, and Lessee hires from Lessor, on the terms and conditions hereinafter set forth, those certain premises (hereinafter referred to as "leased premises") with appurtenances situated in the City of Napa, County of Napa, State of California, and described as follows:

That portion of Lessor's building and premises identified as Assessor's Parcel Number 003-196-010, in the City of Napa, County of Napa, State of California, situated at 1700 Second Street, Suite 268 with a total area leased (including common area apportionment) of approximately 1,252 square feet, and the following appurtenant rights: all facilities and conveniences provided by Lessor for the use of tenants to be used in common with each other, including the use of the elevator, public men's and ladies' lavatories, and sidewalks in front of the building and to the rear and side of the building as they are available and provided on other portions of Lessor's premises or upon premises contiguous thereto. This includes use of three (3) parking spaces in the lot across Second Street.

2. **TERM:** The term of this lease shall be for a period commencing on October 1, 2003, and expiring on June 30, 2006, unless terminated earlier in accordance with Paragraph 15.

3. **RENTAL:** The total monthly rent shall be as follows:

(a) **October 1, 2003 through June 30, 2004:** Total rent shall be in the amount of ONE THOUSAND EIGHT HUNDRED FIFTEEN AND 40/100 DOLLARS (\$1,815.40) per month payable in advance.

(b) **July 1, 2004 through June 30, 2005:** Total rent shall be in the amount of TWO THOUSAND THREE AND 20/100 DOLLARS (\$2,003.20) per month payable in advance.

(c) **July 1, 2005 through June 30, 2006:** Total rent shall be in the amount of TWO THOUSAND ONE HUNDRED TWENTY EIGHT AND 40/100 DOLLARS (\$2,128.40) per month payable in advance.

4. **PROCEDURE FOR PAYMENT:** It is understood and agreed that Lessee shall complete and file a claim for each monthly installment as the same becomes due and payable hereunder for processing in the manner required by the Napa County Auditor-Controller.

5. **FURNISHINGS, FIXTURES AND EQUIPMENT FURNISHED BY LESSOR:**

a. **Heating, Lighting, Water and Electrical Service:** It is understood and agreed that Lessor will provide satisfactory and adequate heating, lighting, air conditioning, water and electrical service facilities for the leased premises. Lessor agrees to maintain such facilities in reasonably good working order, repair and operation during the term of this Lease.

b. **Payment of Utility Bills and Services:** Lessor agrees to pay for all gas, electricity, water and sewer charges.

c. **Taxes:** Lessor shall pay all City, County, State or Federal taxes of any type whatsoever relating to the leased premises, the building which the leased premises are contained within and appurtenances thereto.

d. **Custodial and Garbage Service:** Lessor is responsible for obtaining and paying for custodial service within the leased premises and weekly garbage service.

6. **USE OF LEASED PREMISES:** Lessee shall use the leased premises only for the conduct and operation of LAFCO business or any other lawful purpose of Lessee. Lessor shall provide Lessee access to the leased premises 24 hours per day, 365 days per year.

7. **ALTERATIONS:** Lessee shall not alter, change or modify the leased premises in any manner or permit any alterations without the written consent of Lessor except for nonstructural alterations to the interior of the leased premises which Lessee requires in order to conduct its business on the leased premises, for which no prior consent of the Lessor shall be required. For the purpose of this Paragraph, all interior walls shall be considered structural improvements. In either event, any alteration or additions shall become the property of Lessor with the exception of personal property that can be removed without injury to the leased premises, which shall remain the property of Lessee.

8. **ASSIGNMENT:** Lessee shall not assign or encumber its interest in this lease or sublet to anyone other than a governmental entity all or any portion thereof without prior written consent of Lessor. Any assignment, encumbrance, or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this Paragraph.

9. **MAINTENANCE:** Lessor agrees to maintain in good condition the exterior of the leased premises, including parking lot area, walls, roof, glass windows, paving, walks and halls as well as interior common areas. Lessor agrees to provide and properly care for and maintain all walkways and all grounds landscaping. Lessee agrees to maintain the interior of the leased premises in good condition and repair, subject to reasonable use and wear thereof.

10. **LESSEE'S REMEDIES:** Lessor shall have 30 days after notice from Lessee to commence to perform its obligations under paragraphs 5 and 9, except that Lessor shall perform its obligations immediately if the nature of the problems presents a hazard or emergency or renders the leased premises uninhabitable. If Lessor does not perform its obligations within the time limitations in this Paragraph, Lessee shall notify Lessor of its default of this Agreement and Lessor

shall have three (3) days to provide the required services or, if repairs are required, to commence repairs. If Lessor does not commence repairs within said three (3) days from default notice, Lessee may perform the obligations and be reimbursed by Lessor for the sum Lessee actually expends in the performance of Lessor's obligations. If Lessor does not reimburse Lessee within 30 days after demand from Lessee, Lessee shall have the right to withhold from future rent due the sum Lessee has expended until Lessee is reimbursed in full.

11. **FLOOD ZONE:** Lessee understands that the leased premises are located in an area which may be subject to flooding. Lessee will provide such insurance as it deems appropriate.

12. **HOLD HARMLESS AND INSURANCE:**

a. **Hold Harmless.** Lessee shall hold Lessor harmless from all damages arising out of damage to any person or property occurring in, on, or about the leased premises, except that Lessor shall hold harmless Lessee for any damage resulting from the acts or omissions of Lessor or its authorized representatives.

b. **Liability Insurance.** Lessor and Lessee each agree to maintain general liability insurance in the amount of one million dollars (\$1,000,000) during the term of this Agreement covering liability for acts or omissions by each respective party or its officers, agents or employees in relation to the portions of the leased premises then being leased which cause personal injury (including death) or property damage to any person. Notwithstanding the foregoing, Lessor recognizes that Lessee is self-insured for general liability up to \$300,000 and agrees that such self-insurance satisfies Lessee's obligations under this subsection up to that amount. Upon written request from Lessor, Lessee shall name Lessor as an additional insured and provide a Certificate of Coverage for the insurance coverage obtained by Lessee above this self-insurance amount.

13. **DESTRUCTION:**

a. **If Repairable.** If, during the term of the Agreement, the then-leased portions of the leased premises or the building and other improvements in which the leased premises are located are totally or partially destroyed from any cause, rendering the leased premises totally or partially inaccessible or unusable, Lessor shall restore the leased premises or the building and other improvements in which the leased premises are located to substantially the same condition as they were in immediately before the destruction if the restoration can be made under the existing laws and can be completed within 90 working days after the date of the destruction. In the event of such timely restoration, the destruction shall not terminate this lease, except, however, to the extent the premises are rendered unusable or inaccessible as a result of such destruction, then Lessee's rent shall be reduced in proportion to such lack of usability or inaccessibility until such time as the premises are fully restored by Lessor.

b. **If Not Timely Repairable.** If the restoration cannot be made in the time stated in (a), above, then within sixty (60) days after the parties determine that the restoration cannot be made in the time stated in this paragraph, Lessee may terminate this Agreement immediately by giving notice to Lessor. If Lessee fails to terminate this Agreement and if restoration is permitted under the existing laws, Lessor, at its election, may either terminate this Agreement or restore the leased premises or the building and other improvements in which the leased premises are located within a reasonable time and this Agreement shall continue in full force and effect, except, however, to the extent the premises are rendered unusable or inaccessible as a

result of such destruction, then Lessee's rent shall be reduced in proportion to such lack of usability or inaccessibility until such time as the premises are fully restored by Lessor. If the existing laws do not permit the restoration, either party may terminate this Agreement immediately by giving written notice to the other party.

14. NOTICES: All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

LESSEE: LAFCO of Napa County  
Attn: Dan Schwarz, Executive  
Officer

From date this lease is entered into through October 1, 2003:  
1804 Soscol Ave., Ste. 205A  
Napa, California 94559

From October 1, 2003 on:  
1700 Second Street, Ste. 268  
Napa, California 94559

LESSOR: Robert Louis Stevenson Plaza Associates  
c/o Eric Lehman  
P.O. Box 2880  
Napa, California 94558-0536

15. **DEFAULT; CANCELLATION:**

(a) Default. If Lessee defaults in the payment of rent or in the performance of any of the other covenants or conditions of this Agreement, Lessor shall give Lessee notice of such default and if Lessee does not cure such default within five (5) days after the giving of such notice, then Lessor may either terminate this Agreement forthwith or continue this Agreement in full force and effect for such time as Lessor specifies by written notice to Lessee. Upon Lessor's election to terminate this Agreement due to default by Lessee, Lessee shall immediately quit and surrender the leased premises to Lessor. If this Agreement is terminated by Lessor for such default, Lessor may at any time thereafter resume possession of the leased premises by any lawful means and remove Lessee or other occupants and their effects.

(b) Cancellation. Lessee shall have the right to cancel this Agreement at any time upon no less than sixty (60) days prior written notice if Lessee's Commission is unable, despite reasonable efforts and for reasons beyond the reasonable control of the Commission, to appropriate sufficient funding to pay the rental for the leased premises during the remainder of

the term Agreement. Notwithstanding anything to the contrary in this Agreement, if Lessee cancels this Agreement in accordance with the requirements of this subparagraph, Lessee shall owe to Lessor only that rent accruing prior to the effective date of the cancellation.

16. **SURRENDER OF LEASED PREMISES UPON EXPIRATION OF LEASE AND HOLD OVER:** Upon expiration of this Agreement or termination thereof in relation to any portion of the leased premises in any lawful manner, Lessee shall surrender and deliver up the portion of the leased premises so affected, along with all related fixtures and furnishings provided by Lessor in as good order and condition as the same were upon the date of commencement of this Agreement, or in which they may have been put in compliance with the provisions of this Agreement during the term or any renewals or extensions thereof, reasonable wear, tear and use excepted. If Lessee, with Lessor's consent, remains in possession of such portion of the leased premises after such expiration or termination of the lease relating thereto under this Agreement, such continued possession by Lessee shall be deemed to be a month-to-month tenancy terminable on 30 days' written notice given at any time by either party. All provisions of this Agreement shall apply to such holdover month-to-month except those pertaining to term.

18. **TIME OF ESSENCE:** Time is of the essence of each provision of this Agreement.

19. **INTERPRETATION OF LEASE:** This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

20. **INTEGRATED AGREEMENT:** This Agreement contains all the agreements of the parties and cannot be amended or modified except by a written amendment mutually agreed to by the parties.

21. **SEVERABILITY:** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

22. **WAIVER:** The waiver by either party of any provision of this Agreement at any time shall not be deemed to constitute any future waiver. Either party may strictly enforce the provisions of this Agreement at any time irrespective of past conduct.

23. **ESTOPPEL CERTIFICATES:** Each party, within ten (10) business days of receipt of a request from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Agreement is unmodified and in full force and effect, or, if modified, stating the modifications. The certificate shall also state the amount of rent, the dates to which amounts due hereunder have been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten (10) business days shall be conclusive upon the party failing to deliver the certificate, that this Agreement is in full force and effect, has not been modified except as may be represented by the party requesting the certificate and that no prepayments of rent have been made. If a party fails to deliver the certificate within the ten (10) business days, then the party failing to deliver the certificate irrevocably constitutes and appoints the other party as its special attorney-in-fact to execute and deliver the certificate to any third party.



24. **SUBORDINATION:** Lessor shall have the right to subordinate this Agreement and the leases provided for herein to any ground lease, deed of trust or mortgage encumbering the leased premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Lessee shall cooperate with Lessor and any lender which is acquiring a security interest in the leased premises or the Agreement, and Lessee agrees to execute and deliver to Lessor, without cost, within ten (10) days following Lessor's written request, any instrument that may be necessary to further effect the subordination of this Agreement and the leases provided for herein. Lessee shall execute such further documents and assurances as such lender may require, provided that Lessee's obligations under this Agreement shall not be increased in any material way (the performance of ministerial acts shall not be deemed material), and Lessee shall not be deprived of its rights under this Agreement. Lessee's right to quiet possession of the leased premises during the lease terms shall not be disturbed if Lessee pays the rent and performs all of Lessee's obligations under this Agreement and is not otherwise in default. If any ground lessor, beneficiary or mortgagee elects to have this Agreement and the leases provided for herein prior to the lien of its ground lease, deed of trust or mortgage and gives written notice thereof to Lessee, this Agreement shall be deemed prior to such ground lease, deed of trust or mortgage whether this Agreement is dated prior or subsequent to the date of said ground lease, deed of trust or mortgage or the date of recording thereof.

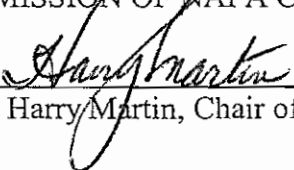
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ROBERT LOUIS STEVENSON PLAZA  
ASSOCIATES

BY:   
ERIC LEHMAN, General Partner

"LESSOR"

LOCAL AGENCY FORMATION  
COMMISSION OF NAPA COUNTY

BY:   
Harry Martin, Chair of LAFCO

"LESSEE"

ATTEST: Daniel Schwarz, LAFCO Executive Officer

APPROVED AS TO FORM:  
LAFCO Counsel

BY: Jaqueline Song 7/30/03