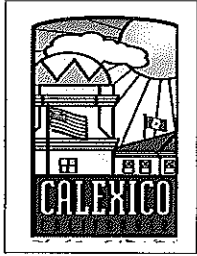


AGENDA  
ITEM  
**12**



# AGENDA STAFF REPORT

**DATE:** February 3, 2021

**TO:** Mayor and City Council

**APPROVED BY:** Miguel Figueroa, City Manager *MF*

**PREPARED BY:** Miguel Figueroa, City Manager

**SUBJECT:** Authorization to Execute a Lease Agreement with Valley Orthopedic Clinic, Inc. 352 E. First Street

=====

**Recommendation:**

Authorize the execution of a lease agreement with Valley Orthopedic Clinic, at 352 E. First Street.

**Background:**

A portion of the property located at 352 E. First Street has been leased to the Valley Orthopedic Clinic, Inc. since April 27, 1979 for \$1.00 a year. The clinic is a non-profit agency and is used to operate an orthopedic clinic that provides low or no cost orthopedic medical treatment to children of financially destitute families. The City of Calexico has supported this altruistic and noble endeavor by providing concession in rent as specified.

**Discussion & Analysis:**

The lease agreement with Valley Orthopedic Clinic, Inc. expired on January 31, 2021. The renewal terms are effective February 1, 2021. The renewal term shall be for a period of Five (5) years expiring on January 31, 2026.

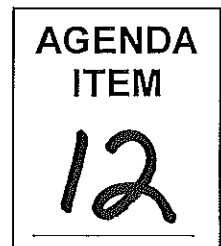
**Fiscal Impact:**

\$1.00 a year. Funds are deposited to General Fund.

**Coordinated With:**

**Attachment:**

- 1. Lease Agreement
- 2. Exhibit "A" Map



**LEASE AGREEMENT BETWEEN THE CITY OF CALEXICO AND  
VALLEY ORTHOPEDIC CLINIC, INC.**

This lease agreement by and between the City of Calexico (“Lessor”) and Valley Orthopedic Clinic, Inc. (“Lessee”), is for lease of the real property owned by Lessor and located at 352 E. First Street, Calexico, California, for the purpose of operating an orthopedic medical clinic that provides low, or no cost orthopedic medical treatment to children of financially destitute families. This lease is for a period of Five (5) years based following findings and conditions:

**RECITALS**

**WHEREAS**, Lessee, Valley Orthopedic Clinic, Inc. is a 501(c)(3) non-profit agency provides low, or no cost orthopedic medical treatment to children of specifically serving low income families, and

**WHEREAS**, because this program is operating on City property, there is a need for Valley Orthopedic, Inc. and the City to enter into a lease agreement for use of certain land described in Exhibit “A”, for orthopedic medical treatment to children of financially destitute families provided by Valley Orthopedic Clinic, Inc. at this location can continue.

**IT IS HEREBY AGREED THAT:**

**I PARTIES**

The City of Calexico is hereinafter referred to as “Lessor”. Valley Orthopedic Clinic, Inc. is hereinafter referred to as “Lessee”. Collectively, the Lessor and Lessee are referred to as the “Parties”.

**II LEASE PROPERTY**

Lessor, for and in consideration of the terms, conditions and covenants herein contained, does hereby lease to the Lessee, and the Lessee hereby leases from Lessor, that certain land property owned by the City of Calexico described as follows: 352 E. First Street, Calexico, California.

**III PURPOSE**

It is agreed by the Parties hereto that Lessee intends to use said premises for the purpose of operating an orthopedic medical clinic. Lessee shall not use the premises for any other purpose without first obtaining the written consent of Lessor. Using the premises for any other purpose shall constitute a default and material breach of the terms of this lease.

#### **IV TERM**

The term of this lease shall be for a period of Five (5) years, commencing, February 1, 2021 and ending January 31, 2026. If either party does not wish to renew Lessee or Lessor, as the cases may be, must notify the other party, in writing of Lessee's or Lessor's intention not to renew this agreement at least thirty (3) days prior to the expiration of the initial term.

#### **V RENT**

The rental payment shall be the sum of \$1.00 One Dollar a year and shall be payable on the first day of February, 2016 annually, starting on February 1, 2021. Said rental payment is to be adjusted if there are substantial changes in the operation. The changes could involve review of this lease.

#### **VI CONDITION OF PROPERTY AND RIGHT OF ENTRY**

Lessor hereby retains the right to enter the premises at reasonable times for the purpose of inspecting the facility, as to its maintenance, repair and compliance with City Municipal Code and laws.

#### **VII COMPLIANCE WITH LAWS**

The Lessee hereby agrees to comply with all City, County, State, and Federal ordinances and statutes that are applicable to this lease agreement and the operation of an orthopedic clinic for children.

#### **VIII LICENSES AND CERTIFICATION**

The Lessee will not conduct any business activity nor offer any services without obtaining and maintain in current status at all times all licensing and/or certification as may be required by applicable Federal, State and local authorities.

#### **IX ASSIGNMENT AND SUBLETTING**

Lessee shall not sublet the premises or any part thereof, nor assign this lease, or any rights therein, without first obtaining the written consent of the Lessor. Any sublease or assignment of this lease without first obtaining the written consent of the Lessor. Any sublease or assignment of this lease without first obtaining the written consent of Lessor shall allow Lessor the option of terminating this lease.

#### **X INDEMNIFICATION OF LESSOR**

Lessee agrees to save and hold LESSOR harmless from any injury to person or damage to property arising out of or in connection with Lessee's use and occupancy of the premises covered by this lease. Lessee agrees to defend and indemnify Lessor for any and all damages that may result to Lessor from Lessee's use of the facility pursuant to this agreement.

## **XI FIRE AND CASUALTY INSURANCE**

Lessee agrees to carry fire and casualty insurance on the building and premises in an amount of replacement cost.

## **XII LIABILITY INSURANCE**

Lessee shall provide liability insurance for personal injury or property damage arising out of or in connection with Lessee's occupancy of the premises in an amount of not less than Two Million Dollars (\$2,000,000.00). The Lessee shall provide the Lessor with a Certificate of Insurance naming the City of Calexico as an "additional insured" covering such liability.

## **XIII MAINTENANCE**

Lessee agrees to keep the premises of this lease, including all improvements thereon, clean, neat, painted and otherwise reasonably maintained.

## **XIV REPAIRS**

All repairs to the property and its improvements including all maintenance, servicing and replacement parts, shall be at Lessee's expense.

## **XV UTILITIES**

Lessee agrees to pay for all utilities and services furnished to said premises.

## **XVI DEFAULT**

If Lessee, after notice from Lessor, fails to remedy within 15 days any default in the payment of any sum due under this lease, or in its compliance with any other term, covenant or condition of this lease, then the Lessor or its agents may enter upon the premises, take possession thereof, and remove all persons therefrom and at Lessor's option, either terminate this lease and all the Lessee's rights herein, or rent said premises for the account of the Lessee, or follow any other remedy provided by law. Any holding over beyond the term prescribed herein shall be constructed as a month-to-month tenancy.

## **XVII ALTERATIONS**

Lessee, must receive prior written approval from Lessor before any alterations or additional improvements are made to the property. A violation of this section of the lease shall be cause for default by the Lessee.

### **XVIII CALIFORNIA LAW AND IMPERIAL COUNTY VENUE**

The parties agree that California Law shall be used to resolve all disputes that may arise. The place of trial should any litigation occur between the parties arising from this lease shall be in the Imperial County Superior Court.

### **XIX POSSESSORY INTEREST**

Lessee recognizes and understands that this lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest.

### **XX EMERGENCY DISASTER PLAN**

Lessee agrees to develop and post in full view of all employees and visitors to this site an Emergency Disaster Plan.

### **XXI BINDING UPON HEIRS AND ASSIGNS**

The covenants and agreements contained in this lease shall inure to the benefit of and be binding on the parties hereto their heirs legal representatives successors or assigns.

### **XXXII NOTICE**

Wherever in this lease it shall be required or permitted that notices of demand be given or served by either party to this lease to or on the other such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified or registered mail addressed as follows:

**LESSOR:** City of Calexico, 608 Heber Avenue, Calexico, CA 92231  
Attn: City Manager and Finance Director

**LESSEE:** Valley Orthopedic Clinic, Inc., 352 First Street, Calexico, CA 92231  
Attn: Executive Director

### **XXIII AGREEMENT MODIFICATION**

This agreement constitutes the full agreement between the parties. Any modification shall be in writing and must be signed by both parties.

**XXIV TERMINATION OF LEASE**

Lessor or Lessee may terminate this lease upon given thirty (30) days written notice of said intent to the other party.

**XXV ACCEPTANCE OF PARTIAL RENT PAYMENT**

Lessee acknowledges and agrees that Lessor's acceptance of a partial rent payment does not constitute a waiver or any rights, including any rights the landlord may have to recover possession of the property.

**XXVI SEVERANCE**

If any provision of this lease is determined to be void by a court of competent jurisdiction, then such determination shall not affect any other provision of this lease, and all such other provisions shall remain in full force and effect. It is the intention of the parties hereto that if any provision of this lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders valid.

IN WITNESS WHEREFORE, the parties hereto have executed this agreement in duplicate on the day and year above written.

LESSOR: **CITY OF CALEXICO**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Miguel Figueroa, City Manager

LESSEE: **VALLEY ORTHOPEDIC CLINIC, INC.**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Ana Maria De Anda, Executive Director

(The California Government Code requires that all leases of City property be recorded at the Office of the County Recorder, therefore the signatures on this page must be notarized.)

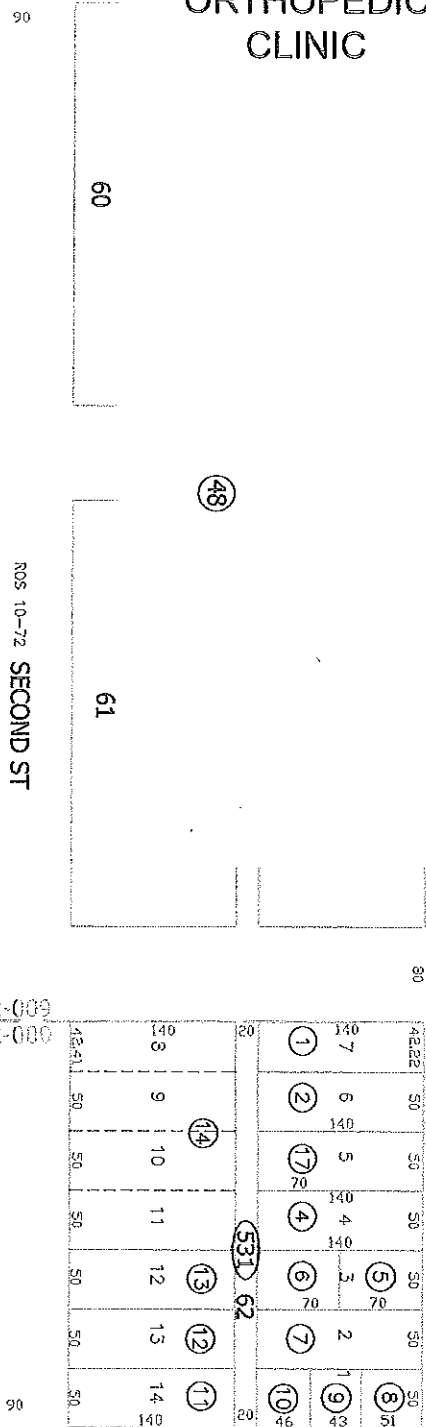
# EXHIBIT A VALLEY ORTHOPEDIC CLINIC

SUB. BLOCK 65 & POR. OF TOWNSITE  
OM 3-35 OM 1-14

THIRD ST (49)

Tax Area Code  
2-000  
2-009

58-53

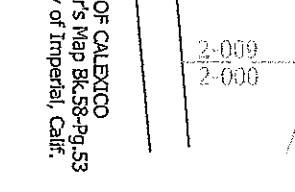
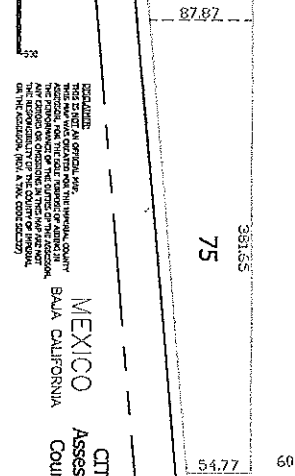
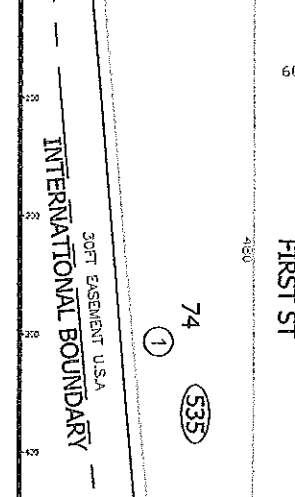
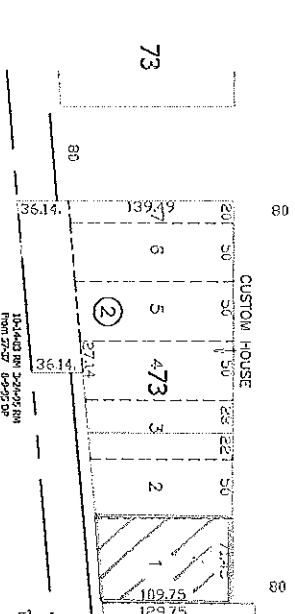
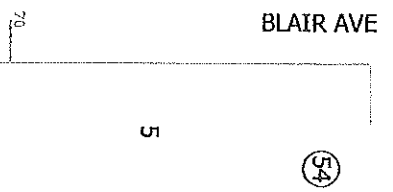
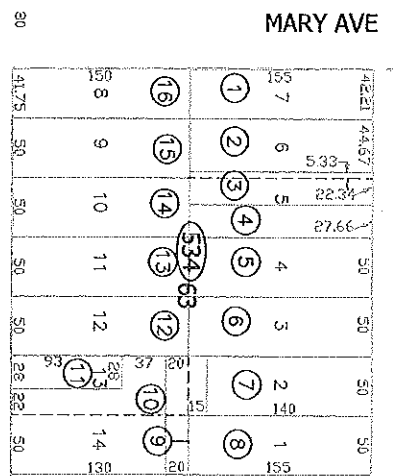
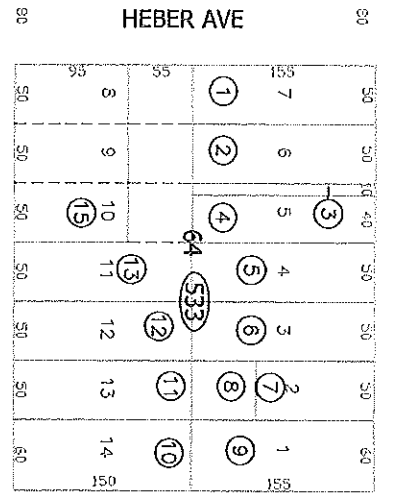
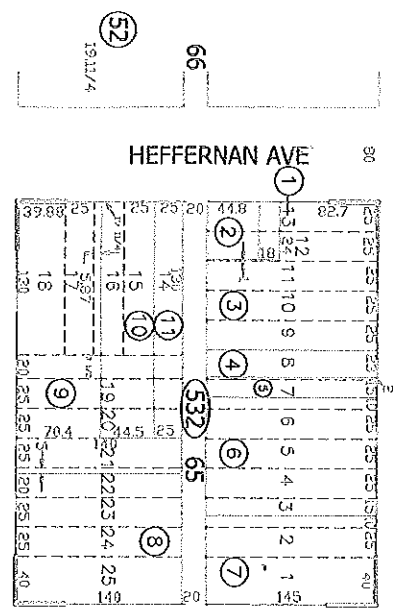


60

ROS 10-72 SECOND ST

62

63



INTERNATIONAL BOUNDARY  
SOFT EASEMENT U.S.A.

EXCLUDED:  
THIS SITE PLAN APPLICABLE TO THE VALLEY ORTHOPEDIC CLINIC PROJECT ONLY. THE CITY OF CALEXICO, CALIFORNIA, COUNTY OF IMPERIAL, CALIFORNIA, IS NOT RESPONSIBLE FOR THE ACCURACY OF THIS SITE PLAN. THE CITY OF CALEXICO, CALIFORNIA, COUNTY OF IMPERIAL, CALIFORNIA, IS NOT RESPONSIBLE FOR THE ACCURACY OF THIS SITE PLAN. THE CITY OF CALEXICO, CALIFORNIA, COUNTY OF IMPERIAL, CALIFORNIA, IS NOT RESPONSIBLE FOR THE ACCURACY OF THIS SITE PLAN.

CITY OF CALEXICO  
Assessor's Map Bk. 58-Pg. 53  
County of Imperial, Calif.

1"=100'