

# Memo

Carmichael



RECREATION AND  
PARK DISTRICT

**To:** Advisory Board of Directors

**From:** Tarry Smith, District Administrator  
Stephanie Young, Administrative Analyst

**Subject:** Approval of the First Amendment/Contract Extension Between Carmichael Recreation and Park District and California Montessori Project Inc.

**Date:** May 17, 2018

---

***Introduction/Background:***

California Montessori Project, Inc. (CMP) has been a Lease Tenant at La Sierra Community Center since December of 2011. CMP leases 68,602 square feet of space where approximately 700 students attend school, from Transitional Kindergarten through 8<sup>th</sup> grade.

The current tenant lease agreement ends June 30, 2018. A meeting between the two agencies staff confirmed that the Tenant Lease Agreement has been mutually beneficial. Both parties have agreed to move forward in exercising the option to extend the term of the Lease, the additional five years allowed, to June 30, 2023. Both parties agreed to request an amendment for an additional 5 year option that would extend the lease to 2028.

CMP has been an excellent tenant and CRPD recognizes the value of this long-standing relationship. Past and present collaborations have benefitted both agencies as well as the local community. CRPD appreciates the vast amount of site improvements CMP has made over the years. The current annual lease payments exceed \$960,000.00, providing greater financial stability for the District. This agreement has served to strengthen the vitality of each organization and both parties look forward to continuing this successful affiliation.

***Discussion:***

California Montessori Project's proposed terms are as follows:

- Total square footage: 68,602 square feet
- Price per square foot: 63,437 square feet at \$1.23 per square foot; and 5,165 square feet at \$ .40 per square foot.
- Term: The term of the Lease is extended for five (5) years, commencing on July 1, 2018, and terminating on June 30, 2023. By mutual consent, the option to extend the Term for an additional five year period upon the same terms and conditions contained in the Lease is included.
- Deposit: Upon execution of the First Amendment, CMP shall have on deposit a total of \$80,093.51. CRPD currently holds \$36,882.30 leaving a balance due of \$43,211.21 by CMP.
- Rate includes: Lease Escalator of \$.03 per square foot adjusted each January. Base rate includes Utilities and Services. Utilities and Services will be re-evaluated annually. The base rate will be adjusted by the actual increase in Utilities and Services for the duration of the lease.

***Recommendation:***

Staff recommends that the Advisory Board of Directors of the Carmichael Recreation and Park District approve the proposed First Amendment between the Carmichael Recreation & Park District and California Montessori Project and to authorize the District Administrator to sign and forward the First Amendment for execution by the Board of Supervisors.

FIRST AMENDMENT TO LEASE  
RE: LA SIERRA COMMUNITY CENTER  
BETWEEN CARMICHAEL RECREATION AND PARK DISTRICT AND  
**CALIFORNIA MONTESSORI PROJECT, INC.**

THIS FIRST AMENDMENT TO LEASE RE: LA SIERRA COMMUNITY CENTER (hereinafter "First Amendment") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **CARMICHAEL RECREATION AND PARK DISTRICT**, a Recreation and Park District formed pursuant to the California Public Resources Code (Section 5780, et seq.) hereinafter LESSOR and **CALIFORNIA MONTESSORI PROJECT INC.**, a California non-profit public benefit corporation (hereinafter LESSEE) to amend that certain lease agreement between the parties dated July 16, 2013 (hereinafter the Lease).

WHEREAS, LESSEE has exercised its option to extend the term of the Lease for an extended term of **five (5)** years pursuant to the terms of the lease, as modified herein; and

NOW, THEREFORE, IT IS MUTUALLY AGREED to amend the Lease between LESSOR and LESSEE as follows:

1. Delete Paragraph 3B. Extended Term. and replace with:

B. Extended Term. The term of the Lease is hereby extended for five (5) years, commencing on **July 1, 2018**, and terminating on **June 30, 2023**. Lessor and Lessee may, by mutual consent, extend the Term for TWO additional five year periods (the "Extended Term") upon the same terms and conditions contained in the Lease, with either party giving the other written notice at least ninety (90) days, but not more than six (6) month, prior to the expiration of the each option. Separate notice must be given for the purpose of extending the Term. The Administrator is authorized on behalf of LESSOR to execute and deliver the written notice provided herein.

2. Delete Paragraph 4. Security Deposit and replace with:

4. Security Deposit. . Upon the execution of this First Amendment, LESSEE shall have on deposit with LESSOR a security deposit in the amount of **\$80,093.51**. Lessor acknowledges it currently holds **\$36,882.30** in security deposit from Lessee, leaving a balance of **\$43,211.21** due and payable by Lessee.

3. Delete Paragraph 5 C Adjustment of Base Rent and replace with:

C. First Amendment Rent. Commencing July 1, 2018, LESSEE shall pay LESSOR a Lease Base Rent for the extended term in the amount of **\$80,093.51** per month (based upon

**\$1.23** per square foot of 63,437 and **\$.40** per square foot of 5,165 leased space) Escalations to the Base Rent shall be based on a cumulative annual increase of \$.03. The Base Rent shall be inclusive of Utilities and Services, evaluated on an annual basis, any additional increase to Utilities and Services will be adjusted based on actual costs, as provided by LESSOR. LESSEE shall be responsible for all telephone, internet, and interior janitorial services with regard to the Leased Premises.

4. Add Paragraph 39. Certified Access Specialist

39. Certified Access Specialist

Pursuant to California Civil Code §1938, the LESSOR states that the Premises:

- Have not undergone an inspection by a Certified Access Specialist (CASp).
- Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards and a disability access inspection certificate has been issued pursuant to California Civil Code §55.51 et seq.
- Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

5. REAFFIRMATION. Except as set forth in this First Amendment, all of the terms and conditions contained in the Lease, and not in conflict with the provisions of this First Amendment, shall remain in full

force and effect for the extended term.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the respective parties hereto have executed this First Amendment to the Lease as of the date first set forth herein and the amendments set forth herein shall be effective as of **July 1, 2018**.

CARMICHAEL RECREATION AND PARK DISTRICT, a Recreation and Park District formed pursuant to the California Public Resources Code (Section 5780, et seq.)

By \_\_\_\_\_  
Chairman, Advisory Board of Directors  
"LESSOR"

ATTEST: \_\_\_\_\_  
Clerk of the Advisory Board of Supervisors,  
ex-officio Clerk of the Board of  
Directors of Carmichael Recreation  
and Park District

APPROVED AS  
TO CONTENT: \_\_\_\_\_  
District Administrator

APPROVED  
AS TO FORM: \_\_\_\_\_  
County Counsel

CALIFORNIA MONTESSORI PROJECT,  
INC.

BY: \_\_\_\_\_  
Authorized Representative  
"LESSEE"