



Agenda Commentary

Item Title/ Subject: Eastside Academy Lease and Operations agreement

Staff Source: City Manager, Steve Hewitt

History/Background Information: Eastside Academy and CARE have leased and conducted operations at the Eastside facility since 2007. CARE and Eastside have parted ways, and CARE is looking for a new location. This would leave all agreements with Eastside Academy. Past service agreements have expired June 30. Lease agreement was good for 3 years. CARE will provide the City with a letter that removes them from the facility. They have verbally informed us (formal letter expected next week).

Item/Subject Summary: A new lease and operations agreement, defining the services, is required. Eastside has reviewed and approved the proposed agreement.

Price/Cost: Budgeted \$4000 contribution

Recommendation: Staff recommends the new agreement

LEASE

This Lease Agreement is made and entered into this _____ day of _____, 2011, by and between The City of Clinton (Lessor), and Eastside Academy, Inc (Lessee), and is as follows:

RECITALS

WHEREAS the Lessor is the owner of the business property described below, and the parties hereto desire to enter into a lease of said premises for the use by Lessee.

WHEREAS Eastside Academy is a non-profit, self development, community service organization attempting to promote positive community relations in the Clinton area with programs that promote community pride and self-development;

WHEREAS the program of Eastside Academy are primarily serving the economic disadvantaged, especially the youth of Clinton;

WHEREAS there is a desire of Eastside Academy through its educational activities and programs of work and projects that promote and provide educational opportunities, emotional support, mentoring, an opportunity for youth to develop work skills and practices, and a concern for others, and promote a connection to the community in which they live, and, for the City of Clinton;

WHEREAS Eastside Academy is the sole and exclusive tenant at 215 E. Modelle in Clinton, Oklahoma, a City of Clinton owned building located at the northwest corner of Modelle and Glen Smith Rd.

WHEREAS it would be beneficial for both the City and Eastside Academy to enter into an agreement providing for certain monetary support and rewards for the young people in the Eastside Academy by encouraging the youth to develop educational and social skills.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE **Description of Premises**

The Lessor will lease and let unto the Lessee the business property located at 215 East Modelle, Clinton, Oklahoma. The Lessee agrees to maintain the property and items of personal property in good repair; and said items shall remain in the leased premises during the terms of this Lease.

SECTION TWO **Term of Lease**

The term of this Lease is one (1) year, commencing on July 1, 2011, and terminating on June 30, 2012. The Lessor and Lessee agree that there will be an option to renew the Lease for two additional years following the first year lease. Lessee must exercise this option, in writing, sixty days prior to June 30, 2012.

SECTION THREE **Rental**

The Lessee shall pay to the Lessor as rental for said premises the sum of Ten and No/100's Dollars (\$10.00), per year and other good and valuable consideration, commencing on July 1, 2011, and terminating on

June 30, 2012.

Eastside Academy agrees to furnish adult supervision for all programs and projects undertaken under this agreement which shall include, but not be limited to, educational, mentoring, tutoring, and emotional support; and activities such as preparing meals and the subsequent clean-up; picking up trash and cleaning the lots adjacent to the facility at 215 E. Modelle, and all other activities previously agreed upon.

Eastside Academy shall obtain a Release of Claims from each participant. Eastside Academy further agrees to maintain a register of participants who have signed a Release of Claims form.

Additionally, Eastside Academy shall provide a work schedule for participants and projects completed, including accomplishments of the Academy and/or the individuals it serves with the above mentioned register, also to be submitted quarterly. The said report shall be furnished to the office of the City Clerk no later than the 10th day of the calendar quarter.

Eastside Academy shall provide the City with a duly executed Hold Harmless Agreement which protects the City against claims of any and all individuals and/or organizations.

SECTION FOUR

Utilities

The Lessee shall arrange and pay for all utilities furnished to the leased premises for the term of this Lease, including, but not limited to, electricity, water, natural gas, sewer, cable TV, and telephone service, and any deposits relating thereto.

SECTION FIVE

Obligations of the City of Clinton

Lessor shall repair and maintain the structural portion of the Premises, including exterior walls and roof, unless such maintenance or repair is caused in whole or in part by the neglect, fault or omission of Lessee, its agents, employees or invitees, or by unauthorized breaking and entering, in which event Lessee shall pay to Lessor the cost of such maintenance and repair. Lessor shall have no obligation to repair until a reasonable time after the receipt, by Lessor, of written notice of the need for repairs. Unless otherwise specifically provided in the Lease, there shall be no abatement of rent and no liability of Lessor by reason of any injury to or interference with Lessee's operations arising from the making of any repairs, alterations or improvements in or to any portion of the Premises, or parking lot.

During the term of this lease, the City shall provide an annual stipend of \$4,000.00 to Eastside Academy which may be used to purchase school supplies and to hire youth and adults to assist in the implementation of activities and programs. Receipts must be provided to the City Clerk with each quarterly report. Said stipend is not guaranteed and is contingent on annual budget approval.

A list of purchases shall be furnished to the City to ensure that at least 85% of the stipend has gone to providing educational activities and programs.

The City will inspect at least quarterly the areas designated in Section I above to ensure compliance with this agreement.

SECTION SIX

Assignment and Sublease

The Lessee shall not have the right to assign this Lease or sublet the premises to another party without the prior written approval of the Lessor.

SECTION SEVEN
Alterations and Improvements

Alterations and improvements will only be made upon mutual consent of the parties hereto following a written request to do so. At the termination of this Lease, Lessee shall have the right to remove any improvements or fixtures which Lessee has installed on the leased premises so long as said removal does not cause structural damage to the leased premises. The Lessee agrees to restore the leased premises to its former condition after removal of said improvements, normal wear and tear excepted.

SECTION EIGHT
Partial Destruction of Premises

In the event the above described premises are totally destroyed or partial destroyed due to fire, tornado, or other Act of God, making said premises unsuitable for the uses for which they were leased, it is agreed that the Lessor shall have the option to either repair said premises or terminate this lease. In the event the Lessor elects to repair said premises, Lessor agrees to repair in a reasonable time with the above described rental to be reduced in proportion to the unused total square footage during the period of repairs. Lessor shall maintain a policy of insurance covering the property only.

SECTION NINE
Indemnification

The Lessee shall indemnify, defend and hold the Lessor harmless against all loses, damages and liabilities arising from Lessee's use of the leased premises. The Lessee shall obtain and maintain in force at its expense, public liability insurance on the leased premises in the minimum sum of \$500,000.00 per occurrence, and provide proof of same to the Lessor.

SECTION TEN
Smoke-Free Environment

The Lessee agrees to prohibit smoking of any kind in the leased premises by Lessee, its employees or patrons, either during or after hours of operation. The Lessee agrees to post appropriate signage reflecting that smoking is not allowed and further agrees to enforce said No Smoking Provision.

SECTION ELEVEN
Condition of Leased Premises

The Lessee is accepting the premises in its present condition and no warranties of any kind or nature have been made by the Lessor regarding the condition of the leased premises.

SECTION TWELVE
Breach

The appointment of a receiver to take possession of the assets of Lessee, a general assignment for the benefit of the creditors of Lessee, any action taken or allowed to be taken by Lessee under any bankruptcy act, failure of the Lessee to pay any of the rentals as discussed herein or the failure of the Lessee to comply with each and every term and condition of this Lease shall constitute a breach of this Lease. Upon breach, the Lessor shall be entitled to the remedies allowed by law including the right to terminate this Lease and re-enter the leased premises upon occurrence of any of the above described events of default.

SECTION THIRTEEN

Attorney Fee

If either party files an action to enforce any agreement contained in this Lease, or for breach of any covenant or condition, the successful party in said action shall be entitled to a reasonable attorney's fee and court costs incurred.

SECTION FOURTEEN

Liens and Encumbrances

The Lessee agrees that it will not encumber or allow any liens to attach to any property covered by this Lease or this Lease Agreement and the Lessee will indemnify the Lessor against all such liens, encumbrances, suits or other proceedings against said property.

SECTION FIFTEEN

Notices

Any notice required under the terms and conditions of this Lease shall be forwarded to the Lessor at the following address:

Office of the Clinton City Manager
P.O. Box 1177
Clinton, Oklahoma 73601

This Lease Agreement shall be binding on the parties, their successors and assigns, and shall be construed under the laws of the State of Oklahoma.

Steve Hewitt, City Manager
City of Clinton
Lessor

Steven Collins
President, Eastside Academy, LLC
Lessee