

Early Termination Agreement & Amendment to Leases

This Early Termination Agreement & Amendment to Leases (the "Agreement") is made and effective as of the _____ day of _____, 2021, by and between the City of Stockton, a municipal corporation ("City"), as successor to Sierra Vista Apts. II, LLP and MSK Ventures, LLC (collectively, "Landlord"), and Family Resource and Referral Center, a non-profit corporation ("FRRC").

Recitals

- A. City is the owner of the land and improvements commonly known as 509 West Weber Avenue, Stockton, San Joaquin County (the "Building").
- B. FRRC is currently a tenant in the Building at various locations (collectively, the "Leased Premises") according to the terms and conditions of two separate lease agreements, both dated August 1, 2002, with Landlord and as subsequently amended (together the "Leases"), attached hereto as Exhibits A and B.
- C. City intends to occupy the Building, including the Leased Premises, for its own use, including relocation of government offices whose current leases shall soon be expired.
- D. FRRC and City desire to reduce the lease term for the Leased Premises under both Leases to now expire on December 31, 2021.

Agreement

NOW THEREFORE, in consideration of the mutual promises herein, City and FRRC agree as follows:

1. Amendments

- 1.1. The term of both Leases shall expire on December 31, 2021.
- 1.2. Notwithstanding any other provisions of the Leases, FRRC has no option to extend or renew either or both Leases beyond December 31, 2021, except through a new agreement in writing by the Parties.
- 1.3. FRRC has no right to retain possession of the Leased Premises or any part thereof beyond expiration or termination of the Leases. In the event FRRC holds over, then base rent shall be increased to 150% of the base rent, calculated on a monthly basis, and applicable immediately following expiration or termination. Nothing contained herein shall be construed as consent or permission by City to any holding over by FRRC.

2. Lease Termination Fee

As consideration for FRRC's execution of this Agreement, City shall pay to FRRC a Lease Termination Fee in the sum of \$585,761. The Lease Termination Fee is payable to FRRC by City on the date both Leases expire and only after FRRC has completely surrendered the Leased Premises pursuant to Section 18 of the Leases.

3. Except as otherwise provided in this Agreement, all terms and conditions of the Leases shall remain in full force and effect.

Signature Page to the Agreement

FRRC:

Family Resource and Referral Center, a non-profit corporation

By: _____
KAY RUHSTALLER, its EXECUTIVE DIRECTOR

CITY:

CITY OF STOCKTON

By: _____
CITY MANAGER

ATTEST:

ELIZA R. GARZA, CMC
CITY CLERK OF THE CITY OF STOCKTON

APPROVED AS TO FORM AND CONTENT:
CITY ATTORNEY

By: _____
DEPUTY CITY ATTORNEY