MEMORANDUM

TO: CITY COUNCIL
FROM: JAMES BERGMAN, CITY MANAGER
SUBJECT: CONSIDERATION OF AGREEMENT TO EXERCISE SECOND OPTION TO EXTEND LEASE FOR GINA’S RESTAURANT OUTDOOR DINING AREA
DATE: JANUARY 28, 2020

SUMMARY OF ACTION:
Approval of second extension of Outdoor Seating Lease Agreement for Gina’s Restaurant.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:
Under the terms of the lease agreement, the City will receive $1,140 in annual revenue. This is consistent with the previous lease terms and consistent with the lease’s extension provisions. This item supports the City’s economic development efforts.

RECOMMENDATION:
It is recommended that the Council approve and authorize the Mayor to execute the Agreement to Exercise Second Option to Extend Lease for Gina’s Restaurant outdoor dining area.

BACKGROUND:
On February 22, 2011, the City Council approved a lease agreement with Manuel Estrella, owner of Gina’s Restaurant, for the lease of the right-of-way adjacent to the business for the construction of an outdoor patio area. Provisions were included in the lease allowing for two (2) consecutive options to extend the lease on the same terms and conditions. Mr. Estrella desires to exercise the second of these lease extensions.

ANALYSIS OF ISSUES:
The concrete patio is 425 square feet adjacent to the Gina’s Restaurant building and City landscaped area along Short Street and was approved by the Planning Commission on February 15, 2011. The lease agreement between Mr. Estrella and the City allowed for the construction and use of the patio for $1,140 annually. The option to extend the lease agreement was included to allow for two (2) consecutive five (5) year extensions under the same terms as the original lease.

Mr. Estrella has requested to exercise the second option to extend the lease. This would allow for the second and last extension to commence March 1, 2020 and run through February 28, 2025. It is recommended that the extension be granted.
The lease of the right-of-way is not usable for any other purpose than for the use of the patio at the restaurant. The amenity to the restaurant adds both character to the Village and additional outdoor dining space, which indirectly supports the City’s economic development objectives. Upon expiration of the second lease extension, staff will endeavor to negotiate a significantly longer lease term for the convenience of the parties.

**ALTERNATIVES:**
The following alternatives are provided for the Council’s consideration:

1. Approve and authorize the Mayor to execute the agreement to exercise option to extend lease for Gina’s Restaurant outdoor dining area;
2. Do not approve the lease agreement; or
3. Provide other direction to staff.

**ADVANTAGES:**
Approval of the lease extension ensures the restaurant’s continued use of the constructed patio area for the next five (5) years.

**DISADVANTAGES:**
No disadvantages have been identified at this time.

**ENVIRONMENTAL REVIEW:**
No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**
The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.

**ATTACHMENT:**
1. Original lease and first extension
2. Request from Mr. Estrella
THIS AGREEMENT TO EXERCISE SECOND OPTION TO EXTEND LEASE ("Agreement") is made and entered into this ___ day of January, 2020, by and between the CITY OF ARROYO GRANDE ("CITY"), a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California, and MANUEL ESTRELLA ("Tenant"), an individual, with reference to the following facts and intentions:

WHEREAS, the parties entered into an Outdoor Seating Lease Agreement dated April 13, 2011 (hereinafter referred to as the "Lease"); and

WHEREAS, the Lease contains two options to extend the term of the Lease for two successive periods of five years each, on the same terms, conditions and provisions as contained in the Lease; and

WHEREAS, Tenant exercised his first option to extend and entered into an Agreement to Exercise Option to Extend Lease dated December 8, 2015, which expires on February 29, 2020; and

WHEREAS, the Lease provides that the option to extend shall be exercisable by written notice from Tenant to City of Tenant’s intent to exercise the option not later than six months prior to the termination of the existing term; and

WHEREAS, Tenant failed to timely notify the City of his intent to exercise the second option to extend the term of the Lease; and

WHEREAS, Tenant continues to occupy the Lease space and has submitted a letter dated January 9, 2020, requesting a second five year extension to the term of the Lease; and

WHEREAS, City desires to allow Tenant to exercise his second option to extend the term of the Lease at this time.

NOW, THEREFORE, in consideration of the premises herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and between the parties as follows:

1. City accepts Tenant’s January 9, 2020 request to extend the term of the Lease for five years;

2. The Lease shall be extended for a five year term, which will be deemed to have commenced on March 1, 2020, and will terminate on February 28, 2025.
3. The five year Lease extension will be under the same terms, conditions and provisions as contained in the original Lease, except as otherwise provided herein.

4. The Lease and each and every term and condition thereof shall remain in full force and effect.

CITY OF ARROYO GRANDE: TENANT:

By: __________________________  __________________________
    Caren Ray Russom, Mayor        Manuel Estrella

ATTEST:

______________________________
Kelly Wetmore, City Clerk

APPROVED AS TO FORM:

______________________________
Timothy J. Carmel, City Attorney
OUTDOOR SEATING LEASE AGREEMENT

THIS OUTDOOR SEATING LEASE AGREEMENT ("Lease") is made and entered into this 13th day of April, 2011, in the City of Arroyo Grande, County of San Luis Obispo, California, by and between the CITY OF ARROYO GRANDE ("City"), a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California, and Manuel Estrella, an individual ("Tenant") with reference to the following facts and intentions:

RECITALS

WHEREAS, City owns, operates and maintains the rights of way located at Short Street, between Olohan Alley and East Branch Street, Arroyo Grande, California and depicted in Exhibit "A" attached hereto and incorporated herein (the "Pedestrian Property"); and

WHEREAS, the City, upon termination of certain construction on certain real estate located adjacent to the Rights-of-Way, anticipates constructing an outdoor patio dining area on the Pedestrian Property (hereinafter "Patio Improvements"); and

WHEREAS, Tenant leases property appurtenant to the Pedestrian Property under a lease dated January 6, 2010 with a commencement date of March 1, 2010 (the "Gina's Lease"); and

WHEREAS, Tenant, in conjunction with the Gina's Lease, wishes to use the portion of the Pedestrian Property depicted in Exhibit "A" attached hereto and incorporated herein (hereinafter referred to as the "Property") for outdoor restaurant seating, upon completion of the Patio Improvements; and

WHEREAS, City is willing to lease the Property to Tenant, subject to the terms and conditions set forth herein.

AGREEMENT:

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, City and Tenant hereby agree as follows:

Section 1.
Lease of Property.

City hereby leases, transfers and demises to Tenant, and Tenant hereby leases and takes from City, the Property for the term and upon the agreements, covenants and conditions set forth in this Lease.
Section 2.

Term.

(a) Except as otherwise provided for herein, the term of this Lease shall be four (4) years (the "Term") commencing on March 1, 2011 (the "Commencement Date"), and, unless sooner terminated or extended as herein provided, shall terminate on February 28, 2015.

(b) Option to Extend Lease. Subject to the provisions hereinafter set forth, City hereby grants to Tenant two (2) consecutive options to extend the Term of this Lease on the same terms, conditions and provisions as contained in this Lease, except as otherwise provided herein, for two successive periods of five (5) years each. The first option period shall commence on the fifth (5th) anniversary of the Commencement Date (herein called the "First Option Period Commencement Date") and end on the day prior to the fifth (5th) anniversary of the First Option Period Commencement Date. The second option period shall commence on the fifth (5th) anniversary of the First Option Period Commencement Date (herein called the "Second Option Period Commencement Date") and end on the day prior to the fifth (5th) anniversary of the Second Option Period Commencement Date. Each of the First Option Period Commencement Date and the Second Option Period Commencement Date is hereinafter called an "Option Period Commencement Date."

i. Each option to extend shall be exercisable by written notice from Tenant to City of Tenant's intent to exercise its election for said option given not later than six (6) months prior to the pertinent Option Period Commencement Date. If Tenant fails to timely give written notice of its intent to exercise the applicable option, all options hereunder shall expire.

(c) Notwithstanding anything to the contrary contained herein, this Lease shall automatically terminate upon the expiration or earlier termination of the Gina's Lease.

Section 3.

Rent.

(a) Except as otherwise provided for herein, Tenant shall pay to City as rent for the use of the Property ninety-five dollars ($95.00) on the first of every month throughout the Term of this Lease and any option period exercised by Tenant pursuant to Section 2 above.

(b) City hereby waives Tenant's obligation to pay the above rental amount for the first twelve (12) months of the Term of this Lease.

(c) Should construction of the Patio Improvements result in a delay in Tenant's use of the Property, City shall not begin collecting rent until twelve (12) months after the Property is ready for Tenant's specified use as described in Section 4.
Section 4.

Use.

Tenant shall have the exclusive right to use the Property as outdoor seating for his restaurant's customers, and for no other purpose.

Section 5.

Repairs, Governmental Regulations and Waste.

(a) Tenant shall, during the Term, at its own cost and expense and without any cost or expense to City:

i. Keep and maintain the Property in safe, good and neat order and repair and shall allow no nuisances to exist or be maintained therein. Tenant shall likewise keep and maintain the grounds, sidewalks, roads and parking and landscaped areas in good and neat order and repair. City shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Property or any buildings or improvements now or hereafter located thereon, and Tenant hereby expressly waives all right to make repairs at City's expense under sections 1941 and 1942 of the California Civil Code, or any amendments thereof; and

ii. Comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Property.

Section 6.

Damage or Destruction.

(a) No loss or damage by fire or other cause required to be insured against hereunder resulting in either partial or total destruction of any building, structure, or other improvement on the Property, shall operate to terminate this Lease, or to relieve or discharge Tenant from the payment of rents or amounts payable as rent as they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed. Tenant hereby waives the provisions of subsection 2 of section 1932 and subsection 4 of section 1933 of the California Civil Code, as amended from time to time.

Section 7.

Assignment and Subletting.

Tenant shall not assign or sublet any portion of the Property without the prior written consent of the City.
Section 8.

Liability Insurance

Tenant agrees to add City as an additional Insured on its current General Liability insurance policy and any Umbrella Liability insurance policy. Tenant hereby represents that in the aggregate, its insurance policies provides per occurrence coverage of not less than $5,000,000.00, and that such coverage is provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits.

Section 9.

Indemnity.

Tenant agrees to indemnify, defend and hold harmless, the City, the City Council and each member thereof, and every officer, commissioner, agent and employee of the City, grantees and assigns from and against all claims, actions, liabilities, damages, costs, expenses and judgments, including attorneys’ fees, which relate to, arise from, or are in any way connected with Tenant’s use or occupancy of the Property, or any portion thereof, on account of any injury to persons or damage to property, excluding therefrom such injury or damage caused by the proven sole negligent acts of the City. This provision shall survive the expiration or termination of this Agreement.

Section 10.

Tenant’s Defaults and City’s Remedies.

It shall be an event of default hereunder (each an "Event of Default") if (i) default shall be made by Tenant in the punctual payment of any rent or other moneys due hereunder and shall continue for a period of ten (10) days after written notice thereof to Tenant; (ii) default shall be made by Tenant in the performance or observance of any of the other agreements, covenants or conditions of this Lease on the part of Tenant to be performed and observed and such default shall continue for a period of thirty (30) days after written notice thereof to Tenant, or, in the case of a default which cannot be cured by the payment of money and cannot be cured within thirty (30) days, shall continue for an unreasonable period after such written notice; (iii) Tenant shall abandon the Property; (iv) Tenant shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of the federal government or any state government or any subdivision of either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to, or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Property; (v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of Tenant or of the whole or any substantial part of the Property, and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; (vi) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Tenant under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the Federal
government or any state government or any subdivision of either now or hereafter in effect, and such order judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; or (vii) under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Tenant or of the whole or any substantial part of the Property, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control. Upon the occurrence of any Event of Default by Tenant hereunder, City shall have the following rights and remedies, in addition to all other rights and remedies of City provided hereunder or by law:

(a) The right to terminate this Lease, in which event Tenant shall immediately surrender possession of the Property, and pay to City all rent and all other amounts payable by Tenant hereunder to the date of such termination;

(b) The remedies described in California Civil Code Section 1951.2, including, without limitation, the right to recover the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subdivision (b) of section 1951.2 of the California Civil Code;

(c) The remedies described in California Civil Code section 1951.4, including, without limitation, the right to collect, by suit or otherwise, each installment of rent or other sums that become due hereunder, or to enforce, by suit or otherwise, performance or observance of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed; or

Section 11.

Nonwaiver.

If any action or proceeding is instituted or if any other steps are taken by City or Tenant, and a compromise part payment or settlement thereof shall be made, either before or after judgment, the same shall not constitute or operate as a waiver by City or Tenant of any agreement, covenant or condition of this Lease or of any subsequent breach thereof. No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege, or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege, or option hereunder. No waiver of any provision hereof by City or Tenant shall be deemed to have been made unless and until such waiver shall have been reduced to writing and signed by City or Tenant, as the case may be. The receipt by City of rent with knowledge of any default under this Lease shall not constitute or operate as a waiver of such default. Payment by Tenant or receipt by City of a lesser amount than the stipulated rent or other sums due City shall operate only as a payment on account of such rent or other sums. No endorsement or statement on any check or other remittance or in any communication accompanying or relating to such payment shall operate as a compromise or accord and satisfaction unless the same is approved in writing by City, and City may accept such check, remittance or payment.
without prejudice to its right to recover the balance of any rent or other sums due by Tenant and pursue any remedy provided under this Lease or by law.

Section 12.

No Partnership.

It is expressly understood and agreed that City does not, in any way or for any purpose by executing this Lease, become a partner of Tenant in the conduct of Tenant's business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

Section 13.

Covenants Run With Land.

(a) The agreements, covenants and conditions in this Lease contained are and shall be deemed to be covenants running with the land and the reversion and shall be binding upon and shall inure to the benefit of City and Tenant and their respective successors and assigns.

(b) All references in this Lease to "Tenant" or "City" shall be deemed to refer to and include successors and assigns of Tenant or City, respectively, without specific mention of such successors or assigns.

Section 14.

Notices.

Notices. To be effective, all notices, requests, demands, and other communications required or permitted under this Lease shall be in writing and shall be delivered either in person or by certified mail, postage prepaid, return receipt requested. Notice is deemed effective on delivery if served personally on the party to whom notice is to be given and delivery is confirmed by a receipt. Notice is deemed effective on the second day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and properly addressed as set forth below. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities. The addresses for purposes of giving notice are as set forth below but each party may change its address by written notice in accordance with this paragraph.

If to:

TENANT:
Manuel Estrella
138 E. Branch Street
Arroyo Grande, CA 93420
Section 15.
Holding Over.

This Lease shall terminate without further notice upon the expiration of the Term, and any holding over by Tenant after the expiration of the Term shall not constitute a renewal hereof or give Tenant any rights hereunder or in or to the Property, except as otherwise herein provided, it being understood and agreed that this Lease cannot be renewed, extended or in any manner modified except in writing signed by City and Tenant.

Section 16.
Late Charge.

Tenant acknowledges that Tenant's failure to pay any installment of Rent, or any other amounts due under this Lease as and when due may cause City to incur costs not contemplated by City when entering into this Lease, the exact nature and amount of which would be extremely difficult and impracticable to ascertain. Accordingly, if any Rent, or any other amount due under the Lease is not received by City as and when due, then, without any notice to Tenant, Tenant shall pay to City an amount equal to five percent (5%) of the past due amount, which the parties agree represents a fair and reasonable estimate of the costs incurred by City as a result of the late payment by Tenant.

Section 17.
Default Interest.

In the event that Tenant shall fail to pay any amount of Rent, or any other monetary obligations owed to City hereunder within 10 days of the date that such amounts are due and payable, Tenant shall pay to City, in addition to such amounts, interest thereon at 2% above the "prime rate" of interest announced to the public from time to time by Wall Street Journal or the maximum interest rate permitted by law, whichever is less, from the first day of the month in which such monetary obligation was payable to the date of actual payment thereof by Tenant to City.
Section 18.

Severability.

In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

Section 19.

Time of the Essence.

Time is of the essence of each and all of the agreements, covenants, and conditions of this Lease.

Section 20.

Consents.

Whenever in this Lease the consent or approval of either City or Tenant is required or permitted, the party requested to give such consent or approval will act promptly and will not unreasonably withhold its consent or approval.

Section 21.

Attorney Fees.

In the event of any action or proceeding at law or in equity between City and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorney fees, incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney fees shall be included in and as a part of such judgment.

Section 22.

Integration.

This instrument constitutes the entire agreement between City and Tenant with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by City, Tenant and, if required by any Lender, by Lender.
Section 23.

Amendments.

This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

Section 24.

Governing Law.

This Lease shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF ARROYO GRANDE

BY: _____________________________

Tony Ferrara, Mayor

Date: _____________________________

Attest: _____________________________

Kelly Wetmore, City Clerk

Date: _____________________________

As Approved to form:

_______________________________

Timothy J. Carmel, City Attorney

Date: _____________________________

TENANT

_______________________________

Manuel Estrella

Date: 04/13/2011
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of SAN LUIS OBISPO

On 4-13-11 before me, KELLY WETMORE, NOTARY PUBLIC personally appeared MANUEL ESTRELLA who proved to me on the basis of satisfactory evidence to be the person of whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: KELLY WETMORE

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: 

Document Date: ___________________ Number of Pages: 

Signer(s) Other Than Named Above: 

Capacity(ies) Claimed by Signer(s)

Signer's Name: 

☐ Individual
☐ Corporate Officer — Title(s): 
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: 

Signer Is Representing: 

Signature: 

Place Notary Seal Above

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KEYNOTES

1. EXISTING BUILDING TO REMAIN. NO BUILDING MODIFICATIONS REQUIRED. PROTECT IN PLACE.
2. NEW CONCRETE PAVING.
3. EXISTING TREE TO BE REMOVED.
4. NEW PARKING SIGNAGE LOCATION.
5. NEW 42" H. DECORATIVE GATES WITH OPPOSING SWING.
6. NEW 42" H. DECORATIVE FENCE AROUND PERIMETER OF PATIO.
7. ABBREVIATIONS:
   - FS = FINISH SURFACE
   - AD = ALL DIRECTIONS
   - TC = TOP OF CURB
   - BC = BOTTOM OF CURB
   - TH = FINISH ELEV AT DOOR THRESHOLD
   - ED = EXISTING ELEVATION
8. NEW CONCRETE PAVING, REFER TO P.L.P.
9. EXISTING UTILITY VAULT TO BE RAISED TO NEW FINISH SURFACE ELEVATION. USE ADA RATED GRATE COVER (NOT APPLICABLE IN LANDSCAPE AREAS).
10. NEW LANDSCAPE AREA (REPLACE EX. TURF AREA)
11. EXISTING TREE TO REMAIN. PROTECT IN PLACE.
12. NOT USED
13. EXISTING SIDEWALK TO BE REMOVED.
14. LANDSCAPE AREA PER P.L.P.
15. SAW CUTOFF EXISTING SIDEWALK AND PROVIDE AN 8" MIN. WIDTH EXISTING CURB.
16. 6" THICK CONCRETE THICKENED EDGE MINIMUM DEPTH TO EXISTING SOIL 2", ADJUST FOR ADJACENT GRADE.
AGREEMENT TO EXERCISE OPTION TO EXTEND LEASE

[Item 8.f. - Page 16]

THIS AGREEMENT TO EXERCISE OPTION TO EXTEND LEASE ("Agreement") is made and entered into this 8th day of December, 2015, by and between the CITY OF ARROYO GRANDE ("CITY"), a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California, and MANUEL ESTRELLA ("Tenant"), an individual, with reference to the following facts and intentions:

WHEREAS, the parties entered into an Outdoor Seating Lease Agreement dated April 13, 2011, (hereinafter referred to as the "Lease"); and

WHEREAS, the Term of the Lease commenced on March 1, 2011 and terminated on February 28, 2015; and

WHEREAS, the Lease contains two consecutive options to extend the Term of the Lease for two successive periods of five years each, on the same terms, conditions and provisions as contained in the Lease; and

WHEREAS, the Lease provides that each option to extend shall be exercisable by written notice from Tenant to City of Tenant’s intent to exercise its election to implement the option not later than six months prior to the termination of the existing Term; and

WHEREAS, Tenant failed to timely notify the City of its intent to exercise its election to implement the option to extend the Term of the Lease; and

WHEREAS, Tenant continues to occupy the Lease space and has submitted a letter dated November 12, 2015, requesting a five year extension to the Term of the Lease; and

WHEREAS, City desires to allow Tenant to exercise the option to extend the Term of the Lease at this time.

NOW, THEREFORE, in consideration of the premises herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and between the parties as follows:

1. City accepts Tenant’s November 12, 2015 request to extend the Term of the Lease for five years.

2. The Lease shall be extended for a five year term, which will be deemed to have commenced on March 1, 2015 and will terminate on February 29, 2020.
3. The five year Lease extension will be under the same terms, conditions and provisions as contained in the original Lease, except as otherwise provided therein.

4. The Lease and each and every term and condition thereof shall remain in full force and effect.

CITY OF ARROYO GRANDE

By: Jim Hill, Mayor

ATTEST:

Kelly Wetmore, City Clerk

TENANT

Manuel Estrella

APPROVED AS TO FORM:

Heather K. Whitham, City Attorney
January 9, 2020

Bill Robeson  
Interim Director of Community Development  
300 East Branch Street  
Arroyo Grande, CA 93420

RE: Request to Renew Outdoor Seating Lease Agreement

Dear Mr. Robeson:

It has been brought to my attention that the lease agreement for outdoor seating to the East of 138 Each Branch Street (Gina’s Restaurant) must be renewed. In accordance with the details of the Outdoor Seating Lease Agreement ("Lease"), I formally request an extension of five (5) years.

Thank you for processing this request. I look forward to continuing to work with the City.

Sincerely,

[Signature]

Manuel Estrella  
Gina’s Restaurant