ITEM NO. 8

STAFF REPORT

CITY OF OCEANSIDE

DATE: April 16, 2008

TO: Honorable Mayor and City Councilmembers

FROM: Economic & Community Development Department/ Property Management

SUBJECT: **APPROVAL OF PROPERTY LEASE AGREEMENT WITH THE VETERANS ASSOCIATION OF NORTH COUNTY FOR A PORTION OF THE BUILDING AT 1617 MISSION AVENUE**

SYNOPSIS

Staff recommends that City Council approve a thirty-year property lease agreement with the Veterans Association of North County for their use of City-owned property located at 1617 Mission Avenue, with compensation to the City in the form of renovation of the facilities and the value of programs, services, and activities provided to the veteran community; and to authorize the City Manager to execute the agreement.

BACKGROUND

The City currently owns the building and real property at 1617 Mission Ave., City of Oceanside ("Property"). The Property was the former location of the police station and is currently vacant. The Property is currently under renovation so that a portion thereof can be utilized for City Services.

The Veterans Association of North County currently has no facilities in the North County area. With a large number of veterans in the City of Oceanside, the Veterans Association of North County is desirous of having their headquarters within the City. The Veterans Association provides a number of services for the veteran community and is looking for a permanent facility.

ANALYSIS

The Veterans Association of North County is desirous of occupying a portion of the property not utilized for City Services, in order to operate a facility from which to provide a headquarters for the North County veteran community ("Premises"). The proposed property lease agreement ("Agreement") is for a thirty-year term and provides for three successive ten-year renewal option periods. The Agreement requires that the Veterans Association of North County provide to the City for its approval, a build-out schedule, which includes a conceptual development plan, development schedule and a financing plan. The Agreement, as a condition of occupancy, also gives the Veterans Association

of North County up to three years from the date of commencement to complete the improvements so that the Premises are fully operational and suitable for its intended use.

The proposed use of the Premises by the Veterans Association of North County is for the utilization of a portion of the Property that is not currently used or planned for any public purpose. The proposed renovation to the Premises to be developed, constructed and operated by the Veterans Association of North County creates an opportunity for valuable community programs, services and activities that the City would otherwise not be able to provide to the community.

FISCAL IMPACT

The programs, services and activities to be provided by the Veterans Association of North County constitute the consideration to be paid by the Veterans Association of North County for the use of the Premises. The Veterans will pay no rent for use of the facility. Nonetheless, the terms of the Agreement requires the Veterans Association of North County to pay for the maintenance and utility costs of the Premises and to share in the maintenance costs of the Property used in common with the City at the Property.

INSURANCE REQUIREMENTS

The Veterans Association of North County will be required to maintain the City's standard insurance requirement over the term of the lease. The City's standard insurance requirements will be met prior to occupancy and possession of the premises by the Veterans Association of North County.

COMMISSION OR COMMITTEE REPORT

Does not apply

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that City Council approve a thirty-year property lease agreement with the Veterans Association of North County for their use of City-owned property located at 1617 Mission Avenue, with compensation to the City in the form of renovation of the facilities and the value of programs, services, and activities provided to the veteran community; and to authorize the City Manager to execute the agreement.

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LEASE AGREEMENT

BY AND BETWEEN

THE CITY OF OCEANSIDE

AND

VETERAN'S ASSOCIATION OF NORTH COUNTY

1617 Mission Avenue,
Oceanside, CA 92054

DATED

VETERAN'S ASSOCIATION OF NORTH COUNTY
LEASE AGREEMENT
1617 Mission Avenue

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Exhibit "A" - Building Site Plan
Exhibit "B" - Building Structural Plans
Exhibit "C" - Gasoline Pump Site
Exhibit "D" – Premise Common Area Site Plan

VETERAN'S ASSOCIATION OF NORTH COUNTY
LEASE AGREEMENT
1617 Mission Avenue

THIS LEASE AGREEMENT, dated _____, 2008, hereinafter called "Lease," is executed between the **CITY OF OCEANSIDE**, a municipal corporation, hereinafter called "City," and **Veteran's Association of North County**, a California non-profit corporation, hereinafter called "Lessee."

RECITALS

WHEREAS, City is the lawful owner of certain real property and improvements thereon, consisting of approximately 1.77 acres, commonly known as 1617 Mission Avenue, Oceanside, California (the "Property"); and

WHEREAS, Lessee is a recognized non-profit public services organization comprised of several veterans organizations within north San Diego County; and

WHEREAS, Lessee has regular fundraisers for causes including but not limited to: scholarships, veterans' hospitals, disabled veterans, homeless veterans, and veterans in need; and

WHEREAS, Lessee desires to lease office space at the Property, in order to provide a permanent location for fundraising activities, gatherings, and other events to benefit veterans and the community; and

WHEREAS, the Veteran's Association will make the facility available to the community for private events such as weddings, business meetings, and conferences; and

WHEREAS, City is willing to lease a portion of the Property to Lessee for the term and upon the covenants, conditions and provisions hereinafter set forth.

AGREEMENT

NOW THEREFORE, in consideration of the covenants, conditions and provisions contained herein, the parties hereto do mutually agree as follows:

SECTION 1: Premises

1.01 Property. The improvements located on the Property owned by the City include but are not limited to the "old jail building" (hereinafter called the "Building") consisting of approximately 13,500 square feet, a 36,700 square foot parking lot, lobby areas, restrooms, stairways and service corridors and hallways. The Building is more particularly described in Exhibits "A" and "B" attached hereto and by this reference made a part of this Lease. The Premises to be leased to Lessee hereunder are described at Section 1.02 below.

1.02 Premises. City hereby leases to Lessee and Lessee hereby leases from City, in

accordance with the terms, covenants, conditions and provisions of this Lease, the "Premises," which shall consist of the exclusive use of 10,000 gross square feet of the Building, (as illustrated in Exhibit "A"), existing storage facilities and buildings within the exterior common area, and the non-exclusive use of exterior common area improvements at the Property, including the parking lot, sidewalks, walkways, delivery areas, trash facilities, landscaped areas, access roads, and building common areas as described in section 5.01a.

a. First Right of Refusal. The City shall give Lessee the first right of refusal on the 3,500 square feet of the Building retained by City. If City does not utilize this space and decides to lease it to another party, Lessee shall have the first opportunity to lease the space at the same rental rate provided on the current Lease.

b. Premises Condition. The City shall deliver the building portion of the Premises leased by Lessee as a "shell," with exterior walls and the roof of the Building installed as will be subject to attached plans (Exhibit "B".) Interior improvements and build outs shall be completed by Lessee, including but not limited to: carpeting, electrical sub-panel, interior walls and doors, paint, and interior air conditioning ducting and registers (hereinafter called "Interior Improvements"). It is expressly understood by the parties that Lessee, subject to Section 8.01 herein, shall be responsible for fixtures, furniture and equipment necessary to place the Premises in a condition suitable for Lessee's uses permitted under this Lease. Lessee shall build conference and banquet rooms, offices, a fully operational kitchen, and a bar. Lessee will be responsible for maintaining any additional improvements made to the exterior shell of the premises by Lessee, including, but not limited to, all exterior walls, windows, doors and the roof.

c. Parking Lot and Other Common Areas. It is expressly understood that Lessee shall have non-exclusive use of all common areas on the Premises, including the parking lot (except for the "Gasoline Pump Site," as hereinafter defined), where Lessee will share spaces with City. Lessee understands that the parking lot is in an unpaved and unstriped condition and shall be delivered to Lessee "as-is." The City shall have no obligation under this Lease to improve the parking lot to a paved and striped condition; Lessee may, at its sole cost, cause such improvements to be made to the parking lot, in compliance with all applicable laws and permitting requirements. The parties acknowledge that a gasoline pump is situated south of the building premises within the parking lot (the "Gasoline Pump Site") as shown on "Exhibit C". Lessee's access to and use of the parking lot shall not include the Gasoline Pump Site unless and until the City causes such gasoline pump to be removed from the Premises, at which time Lessee shall have (i) access to and non-exclusive use of the entire parking lot area, and (ii) exclusive use of existing storage facilities and buildings, including the areas within the Gasoline Pump Site. In the event the City removes the gasoline tank, the Gasoline Pump Site will be turned over to the Lessee in a graded but unpaved and unstriped condition.

1.03 Uses. It is expressly agreed that the Premises are leased to Lessee solely and exclusively for programs and fundraising activities designed to provide aid to veterans in need, assistance to homeless veterans, scholarships, and other related services to benefit veterans and/or the general public. Permissible uses of the Premises include: banquets, weddings, business meetings and conferences. Subject to all applicable permits, licenses, laws, regulations, and requirements, Lessee may use the Premises to serve food through a fully operational kitchen and to serve alcoholic and non-alcoholic beverages through a fully operational bar. The Premises may also be used for other related or incidental purposes as may be first approved in writing by the City and for no other purpose whatsoever.

Lessee covenants and agrees to actively and continuously use and operate the Premises for the above specified, limited and particular exclusive use and to diligently pursue said purposes throughout the term of this Lease, except for failure to so use caused by reasons or events beyond the reasonable control of Lessee and acts of God. Said active and continuous use and operation enhances the value of the public's asset, provides needed public services, additional employment, taxes and other benefits to the general economy of the area. In the event that Lessee fails to continuously use the Premises for said purposes, or uses the Premises for purposes not expressly authorized herein, Lessee shall be deemed in default under this Lease. Lessee shall not use the Premises in any manner that disrupts other occupants or users of the Premises and surrounding property owners or their tenants in the use and quiet enjoyment of their premises.

1.04 Related Discretionary Actions. By the granting of this Lease, neither City nor the City Council is obligating itself or any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to development or operation of the Premises. Discretionary action includes, but is not limited to, issuance of building permits, rezoning, variances, conditional use permits, environmental clearances or any other governmental agency approvals which may be required for the development and operation of the Premises.

1.05 Quiet Possession. Lessee, paying the rent and performing the covenants and agreements herein, shall at all times during the term hereof peaceably and quietly have, hold and enjoy the Premises.

If City for any reason cannot deliver possession of the Premises to Lessee at the commencement of the term of this Lease, or if during the term hereof Lessee is temporarily dispossessed through action or claim of a title superior to the City of Oceanside, then and in either of such events, this Lease shall not be voidable nor shall City be liable to Lessee for any loss or damage resulting therefrom, but there shall be determined and stated in writing by the City a proportionate reduction of the rate of rent for the period or periods during which Lessee is prevented from having the quiet possession of all or a portion of the Premises. In the event that such dispossession causes an extraordinary economic burden on Lessee, Lessee shall have the option to terminate this Lease by submitting to the City a **thirty- (30) day** written notice together

with its justifications for such termination. The City shall have the right to approve such termination and shall provide Lessee with a written determination thereof. Said approval shall not be unreasonably withheld.

1.06 Reservation of Rights. City shall not unreasonably or substantially interfere with Lessee's use of the Premises while Lessee is in possession of the Premises; however, the City specifically retains the following rights:

a. Subsurface Rights. City hereby reserves all rights, title and interest in any and all subsurface natural gas, oil, minerals and water on or within the Property.

b. Easements. City reserves the right to grant and use easements or to establish and use rights-of-way over, under, along and across the Property, including the Premises, for utilities, thoroughfares, or access as it deems advisable for the public good.

c. Right to Enter. City has the right to enter the Premises for the purpose of performing maintenance, inspections, repairs or improvements, or developing municipal resources and services. City will reimburse the Lessee for damages to the Premises or to the Lessee's personal property caused by the City resulting from the City's exercise of its rights herein. If City is required to make a repair caused by Lessee neglect, Lessee will be liable for costs associated for such repairs. City will pay the costs of the maintenance and repair of all City installations made pursuant to these reserved rights.

SECTION 2: TERM

2.01 Commencement. The term of this Lease shall be for a period thirty (30) years, commencing on the first day of the first month after the City has completed its work on the Premises and has delivered the Premises to Lessee for completion of Lessee's build outs and improvements (hereinafter called "Commencement Date"). City anticipates the Commencement Date to be on or before July 1, 2009. Prior to the Commencement Date, City will send Lessee a letter confirming the Commencement Date and the expiration date of this Lease. If the City fails to deliver possession of the Property by July 1, 2009, the parties agree to meet to discuss another agreeable adjusted schedule.

a. Build Outs and Improvements by Lessee. Lessee shall have three (3) years from the Commencement Date to complete the Interior Improvements so that Building is fully operational and suitable for use. If Interior Improvements and build outs are not completed within three (3) years from the Commencement Date, Lessee may be in default of this Lease. Lessee shall provide City with a construction schedule showing the anticipated progress of Lessee for the build outs.

i. Lessee shall be solely responsible to raise funds necessary for the

design and construction of any new building improvements and/or renovation of the Premises.

ii. On or before the first anniversary of the commencement of this Lease, Lessee shall have completed, with respect to the Interior Improvements: 1) all contracts with consultants; 2) "as-built" plans of the Building in its current condition; 3) the site design; and 4) all engineering and soil investigations.

iii. On or before the second anniversary of the commencement of this Lease, with respect to the Interior Improvements, Lessee shall have: 1) completed construction documents; 2) submitted documents to the city with cost estimates; 3) bid out plans; and 4) started construction of project.

iv. On or before the third anniversary of the commencement of the lease Lessee shall have completed the Interior Improvements with full occupancy.

v. Lessee agrees to demonstrate its ability to finance the Interior Improvements prior to each phase of construction, which shall include: 1) funding of $40,000 by Commencement Date + 3 months to finalize contracts with consultants; 2) funding of $5,000 by Commencement Date + 1 months to finalize as-builts; 3) funding of $60,000 by Commencement Date + 5 months to finalize design; 4) funding of $20,000 by Commencement Date + 5 months to hire engineer; 5) funding of $5,000 by Commencement Date + 4 months to finalize soil investigations; 6) funding of $30,000 by Commencement Date + 7 months to finish construction documents/fees; 7) funding of $5,000 by Commencement Date + 10 months for submission to City; 8) funding of $10,000 by Commencement Date + 10 months for additional cost estimates; 9) funding of $8,000 by Commencement Date + 12 months for bidding of approved plans; 10) funding of $1,800,000 by Commencement Date + 22 months for completion of construction of project; and 11) funding of $10,000 by Commencement Date + 22 months for full occupancy.

vi. Upon or before completion of the Interior Improvements, Lessee shall commence improvements to the common areas of the Premises, including memorial walls, sloped reflective walls and additional paving of common areas (hereinafter called "Common Area Improvements"). Lessee agrees to demonstrate its ability to finance the Common Area Improvements prior to each phase of construction, which shall include: 1) funding of $15,000 by Commencement Date + 13 months to finalize contracts with consultants; 2) funding of $50,000 by Commencement Date + 11 months to finalize design; 3) funding of $15,000 by Commencement Date + 13 months to hire engineer; 4) funding of $5,000 by Commencement Date + 11 months to finalize soil investigations; 5) funding of $20,000 by Commencement Date + 15 months to finish construction documents/fees; 6) funding of $5,000 by Commencement Date + 17 months for submission to City; 7) funding of $5,000 by Commencement Date + 17 months for additional cost

estimates; 8) funding of $8,000 by Commencement Date + 17 months to finalize bidding of approved plans; 9) funding of $700,000 by Commencement Date + 22 months for completion of construction of project; and 10) funding of $5,000 by Commencement Date + 22 months for full occupancy.

vii. The Lessee shall not proceed with any construction activity without first accomplishing the related funding milestone. Should the Lessee fail to meet its funding obligation related to any particular phase of the project, the parties agree to meet to discuss another agreeable adjusted schedule.

viii. Lessee agrees to pay all local (City controlled) and customary development permit processing and inspection fees necessary to entitle and construct the project. Lessee also agrees to pay all development impact fees customarily associated with the construction of the Project.

ix. City shall not provide funding of any kind to Lessee once Building has been delivered to Lessee for Lessee's completion of build outs and improvements.

2.02 Extension Terms. Lessee may request three (3) successive ten (10) year terms under the terms and conditions of this Lease, provided that the Lessee is not in default or breach of any term, condition, covenant or provision of this Lease. The extension request must be in writing and approved by the Oceanside City Council (the "City Council") as set forth below:

Lessee may request an extension of the term of this Lease provided that Lessee provides written notice to the City no later than **one hundred eighty (180) days** prior to the expiration of the initial term of this Lease. City designee shall notify the Lessee not later than **sixty (60) days** after receipt of such request whether such request will be recommended to the City Council for approval, at which time the City shall provide Lessee with the terms and conditions the City Staff would recommend for Lessee's use and occupation of the Premises during the extension term.

The City Council, at its sole discretion, may approve or deny the extension of the term of this Lease. In the event the City Council is unable to consider the extension request in sufficient time as to provide Lessee with **thirty (30) days** notice of termination in the case of denial, the Lease shall be extended for a period not to exceed **thirty (30) days**, to allow for such **thirty (30) day** notice of termination.

2.03 Termination Provisions. In the event that Lessee is not able to obtain adequate or sufficient funding from its funding sources during the term of this Lease to allow Lessee to continue to provide the services from the Premises as set forth in Section 1.03 hereinabove, either party shall have the right to terminate this Lease upon providing **sixty (60) days** prior written notice to the other party. No other special termination options are

available except those described elsewhere in this Lease.

2.04 **Holdover.** Any holding over by Lessee after expiration or termination shall not be considered as a renewal or extension of this Lease. The occupancy of the Premises by Lessee or by Lessee's property after the expiration or termination of this Lease constitutes a month-to-month tenancy, and all other terms and conditions of this Lease, shall continue in full force and effect.

2.05 **Abandonment by Lessee.** Even if Lessee breaches the Lease and abandons the Premises, this Lease shall continue in effect for so long as City does not terminate this Lease, and City may enforce all its rights and remedies hereunder, including but not limited to the right to recover the rent as it becomes due, plus damages.

2.06 **Quitclaim of Lessee's Interest.** On termination of this Lease for any reason, City may provide Lessee with, and Lessee shall deliver to City, a quitclaim deed in recordable form quitclaiming all its rights in and to the Premises. Lessee or its successor in interest shall deliver the same within **five (5) days** after receiving written demand therefor. City may record such deed only on the expiration or earlier termination of this Lease. If Lessee fails or refuses to deliver the required deed, the City may prepare and record a notice reciting Lessee's failure to execute this Lease provision and the notice will be conclusive evidence of the termination of this Lease and all of Lessee's rights to the Premises.

2.07 **Surrender of Premises.** At the expiration or earlier termination of this Lease, Lessee shall surrender the Premises to City free and clear of all liens and encumbrances created by Lessee, except those liens and encumbrances which existed on the date of the execution of this Lease by City. The Premises, when surrendered by Lessee, shall be in a safe and sanitary condition and shall be in as good or better condition as the condition at commencement of this Lease, absent normal wear and tear.

2.08 **Time is of Essence.** Time is of the essence of all of the terms, covenants, conditions and provisions of this Lease.

SECTION 3: PAYMENT

3.01 **Rent.** City hereby agrees that the programs, services and activities provided by Lessee at the Premises are valuable consideration received from Lessee, that the provision of such programs, services and activities shall constitute the rent to be paid by Lessee for its use and occupation of the Premises in accordance with the terms, covenants, conditions and provisions of this Lease.

3.02 **Inspection of Records.** Lessee shall maintain accurate financial books and records for the operation of its business provided at, or from, the Premises. Said books and records shall be maintained in accordance with good accounting practice and standards within the industry. The records must be supported by source documents of original entry such as invoices, or other pertinent documents.

Lessee agrees to make any and all records and accounts available to City for inspection upon thirty (30) days written notice to Lessee, so that City can determine Lessee's compliance with this Lease. These records and accounts will be made available by Lessee at the premises or City's offices, at City's sole discretion, and will be complete and accurate showing all income and receipts from Lessee's use of Premises. Lessee's failure to keep and maintain such records and make them available for inspection by City shall be deemed a default of this Lease.

Lessee shall maintain all such books, records and accounts for the term of this Lease, and a minimum period of five (5) years thereafter. This provision shall survive the expiration or sooner termination of this Lease.

3.03 **Security Deposit.** Lessee shall not be initially required to pay a security deposit under this Lease to the City. In the event the City determines, in its discretion, that a reasonable security deposit is required in order to protect City's interest in this Lease, Lessee shall pay the amount determined by City, immediately upon demand.

3.04 **Financial Support From City.** The City shall not provide financial support of any kind to Lessee once the Premises have been delivered to Lessee for completion of interior improvements and build outs.

SECTION 4: INDEMNITY AND INSURANCE

4.01 **Indemnity.** Lessee shall indemnify and hold harmless the City and its officers, agents and employees against all claims for damages to persons or property arising out of the conduct of the Lessee or its employees or in connection with its use and occupation of the Premises under this Lease, except only for those claims arising from the sole or actual negligence or sole willful misconduct of the City, its officers, agents, or employees. Lessee's indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the City, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not. Further, Lessee at its own expense shall, upon written request by the City, defend any such suit or action brought against the City, its officers, agents, or employees.

4.02 **Insurance.** Lessee shall take out and maintain at all times during the term of this Lease the following insurance at its sole expense:

a. Lessee shall maintain the following minimum limits:

General Liability

Combined Single Limit per occurrence	$1,000,000
General Aggregate	$2,000,000

b. All insurance companies affording coverage to the Lessee shall be required to add the City of Oceanside, its directors, officers, employees,

contractors, agents and authorized volunteers, as "additional insured" under the insurance policy(s) required in accordance with this Lease. Insurance coverage provided to City as additional insured shall be primary insurance to City, its directors, officers, employees, contractors, agents and authorized volunteers. The coverage shall contain no special limitations on the scope of protection afforded to City, its directors, officers, employees, contractors, agents and authorized volunteers. Any insurance, self-insurance or other coverage maintained by City, its directors, officers, employees, contractors, agents and authorized volunteers, shall not contribute to the insurance provided pursuant to this Section.

c. All insurance companies affording coverage to the Lessee shall be insurance organizations acceptable to the City, and authorized by the Insurance Commissioner of the State Department of Insurance to transact business of insurance in the State of California.

d. All insurance companies affording coverage shall provide **thirty (30) days** written notice to the City should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

e. Lessee shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Lease.

f. Lessee shall provide a substitute certificate of insurance no later than **thirty (30) days** prior to the policy expiration date. Failure by the Lessee to provide such a substitution and extend the policy expiration date shall be considered a default by Lessee and may subject the Lessee to a termination of this Lease.

g. Maintenance of insurance by the Lessee as specified in this Lease shall in no way be interpreted as relieving the Lessee of any responsibility whatever and the Lessee may carry, at its own expense, such additional insurance as it deems necessary.

h. City shall not be responsible to insure Lessee's leasehold improvements and Lessee's personal property: Lessee shall be responsible for said items and for the insurance thereof.

i. If Lessee fails or refuses to take out and maintain the required insurance, or fails to provide the proof of coverage, City has the right to obtain the insurance. Lessee shall reimburse City for the premiums paid with interest at the maximum allowable legal rate then in effect in California. City shall give notice of the payment of premiums within **thirty (30) days** of payment stating the amount paid, names of the insurer(s) and rate of interest. Said reimbursement and interest shall be paid by Lessee on the **first (1st) day** of the month following the notice of

payment by City.

Notwithstanding the preceding provisions of this Subsection, any failure or refusal by Lessee to take out or maintain insurance as required in this Lease, or failure to provide the proof of insurance, shall be deemed a default under this Lease.

j. City, at its discretion, may require reasonable and good faith revision of amounts and coverage at any time during the term of this Lease by giving Lessee **sixty (60) days** prior written notice. City's requirements shall be designed to assure protection from and against the kind and extent of risk existing on the Premises. Lessee also agrees to obtain any additional insurance required by City for new improvements, in order to meet the requirements of this Lease.

4.03 Accident Reports. Lessee shall, within **seventy-two (72) hours** after occurrence, report to City any accident causing property damage or any serious injury to persons on the Premises. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses and other pertinent information.

SECTION 5: COMMON AREAS

5.01 Common Areas Defined.

a. Building Common Areas. Building Common Areas shall mean the electrical panel room provided in the Building for the non-exclusive common use of City and lessees and their respective employees, agents and invitees.

b. Premises Common Areas. Premises Common Areas shall include enclosed parking areas, sidewalks, walkways, delivery areas, trash facilities, landscaped areas to the west of the building premises (as illustrated in Exhibit "D"), access and interior roads and walls located on the Property.

5.02 Use of Common Areas. Lessee, its employees, agents and invitees are, except as otherwise specifically provided in this Lease, authorized during the term of the Lease to use the Building Common Areas and Premises Common Areas (hereinafter sometimes collectively referred to as "Common Areas"), for their respective intended purposes in common with others. City shall at all times have the right to use the Common Areas for promotions, exhibits, public gatherings and any other use which, in City's judgment, tends to benefit the City and/or the public in general.

Lessee, except as provided herein, shall have the exclusive right to landscape, improve and use the area described in Exhibit "D", which it currently intends to maintain as a memorial garden. The City and members of the general public will have the right to pass over and upon said area. Lessee will be responsible for all Common Area Maintenance in the area illustrated in Exhibit "D". All maintenance and landscaping within area will be handled directly by Lessee. Remaining CAM landscaping between the building and

right-of-ways on Mission Avenue and Barnes Street, outside of Exhibit "D", will be the responsibility of the City to maintain.

5.03 **Changes by City.** City may determine the nature and extent of the Common Areas, and make such changes, additions or reductions therein from time to time as City, in its sole discretion, deems desirable or which are made as a result of any law.

5.04 **Rules.** City may establish and amend and enforce against Lessee such reasonable rules as City deems necessary or advisable for proper and efficient use, operation and maintenance of the Common Areas.

5.05 **City's Maintenance and Control.** City shall have the exclusive control, management and direction of the Common Areas. City may at any time exclude and restrain any person from use or occupancy thereof, excepting Lessee and other lessees of City and bona fide invitees of either who use the Common Areas for their intended purposes and in accordance with the rules established by City. The rights of Lessee in the Common Areas shall be subject to the rights of others to use them in common with Lessee, and it is Lessee's duty to keep all of the Common Ares free of any obstructions created or permitted by Lessee or resulting from Lessee's operation.

SECTION 6: MAINTENANCE OF PREMISES

6.01 **Acceptance of Premises.** Lessee represents and warrants that it has independently inspected the Premises and made all tests, investigations, and observations necessary to satisfy itself of the condition of the Premises. Lessee acknowledges it is relying solely on such independent inspection, tests, investigations, and observations in making this Lease. Lessee further acknowledges that the Premises are in the condition called for by this Lease and that Lessee does not hold City responsible for any defects in the Premises, with the exception of the roof, exterior walls, and foundation.

6.02 **Lessee's Maintenance.** With exception to the roof, exterior walls and foundation, as part of the consideration for the leasing thereof, Lessee agrees to assume full responsibility and cost for the operation, maintenance, including painting, and repair of the Premises, throughout the term of this Lease and without expense to City. Lessee will perform all maintenance, repairs and replacements necessary to maintain and preserve the Premises in a decent, safe, healthy, and sanitary condition satisfactory to City and in compliance with all applicable laws. Lessee further agrees to provide approved containers for trash and garbage and to keep the Premises free and clear of rubbish and litter, or any other fire hazards. Lessee waives all right to make repairs at the expense of City as provided in Section 1942 of the California Civil Code and all rights provided by Section 1941 of said code.

For the purpose of keeping the Premises in a good, safe, healthy and sanitary condition, City shall always have the right, but not the duty, to enter, view, inspect, determine the condition of, and protect its interests in, the Premises. In the event that City finds that the Premises are not in a decent, safe, healthy, and sanitary condition, Lessee must perform

the necessary maintenance, repair or replacement work within **ten (10) days** after written notice from City. In the event Lessee fails to perform such work, City shall have the right, upon written notice to Lessee, to have any necessary maintenance work done at the expense of Lessee, and Lessee shall promptly pay any and all costs incurred by City in having such necessary maintenance work done, in order to keep said Premises in a decent, safe, healthy, and sanitary condition. Lessee shall make payment no later than **ten (10) days** after City's written demand therefor. City shall not be required at any time to perform maintenance, or to make any improvements or repairs whatsoever, on or for the benefit of the Premises except as otherwise provided herein. The rights reserved in this section shall not create any obligations or increase obligations for City elsewhere in this Lease.

6.03 **Waste, Damage, or Destruction.** Lessee shall give notice to City of any fire or other damage that occurs on the Premises within **seventy-two (72) hours** of such fire or damage. Lessee shall not commit or suffer to be committed any waste or injury or any public or private nuisance, Lessee agrees to keep the Premises clean and clear of refuse and obstructions, and to dispose of all garbage, trash, and rubbish in a manner satisfactory to City. If the Premises shall be damaged by any cause which puts the Premises into a condition which is not decent, safe, healthy and sanitary, Lessee agrees to make or cause to be made full repair of said damage and to restore the Premises to the condition which existed prior to said damage; or, at City's option, and upon receipt of written demand thereof, Lessee agrees to clear and remove from the Premises all debris resulting from said damage and rebuild the Premises in accordance with plans and specifications previously submitted to City and approved in writing in order to replace in kind and scope the operation which existed prior to such damage. Lessee shall be responsible for all costs incurred in the repair and restoration, or rebuilding of the Premises.

SECTION 7: UTILITIES AND TAXES

7.01 **Utilities** Lessee agrees to order, obtain, and pay for all utilities and service and installation charges in connection with the development, occupation and operation of the Premises. The City requires a separate meter, sub-meter or other device be installed at the Premises, which shall be at Lessee's sole cost and expense.

7.02 **Taxes.** Lessee shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon Lessee or the Premises, including the land, any buildings, structures, machines, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by Lessee or levied by reason of the business or other Lessee of activities related to the Premises, including any licenses or permits.

Lessee recognizes and agrees that this Lease may create a possessory interest subject to property taxation, and that Lessee may be subject to the payment of taxes levied on such interest, and that Lessee shall pay all such possessory interest taxes before they become delinquent.

SECTION 8: IMPROVEMENTS/ALTERATIONS AND PERSONAL PROPERTY

8.01 **Improvements/Alterations.** The parties anticipate and expect that Lessee will complete interior improvements to the Premises as described at Section 1.02a. Not withstanding this expectation, no improvements, structures, or installations shall be constructed on the Premises, and Lessee may not alter the Premises without prior written approval by the City Manager. Further, Lessee agrees that major structural or architectural design alterations to approved improvements, structures, or installations may not be made on the Premises without prior written approval by the City Manager and that such approval shall not be unreasonably withheld. This provision shall not relieve Lessee of any obligation under this Lease to maintain the Premises in a decent, safe, healthy, and sanitary condition, including structural repair and restoration of damaged or worn improvements. City shall not be obligated by this Lease to make or assume any expense for any improvements or alterations to, on or about the Premises.

8.02 **Ownership of Improvements and Personal Property.**

a. Any and all improvements, trade fixtures, structures, and installations or additions to the Premises now existing or constructed on the Premises by Lessee, excepting such fixtures which may be removed without causing damage to the Premises, shall at Lease expiration or termination be deemed to be part of the Premises and shall become, at City's option, City's property, free of all liens and claims except as otherwise provided in this Lease.

b. If City elects not to assume ownership of all or any improvements, trade fixtures, structures and installations, City shall so notify Lessee in writing **thirty (30) days** prior to expiration or termination of this Lease, and Lessee shall remove all such improvements, structures and installations as directed by City at Lessee's sole cost and expense on or before Lease expiration or termination. If Lessee fails to remove any improvements, structures, and installations as directed, Lessee agrees to pay City the full cost of any removal.

c. Lessee-owned machines, appliances, equipment (other than trade fixtures), and other items of personal property shall be removed by Lessee by the date of the expiration or termination of this Lease. Any said items which Lessee fails to remove will be considered abandoned and become City's property free of all claims and liens, or City may, at its option, remove said items at Lessee's expense.

d. If any removal of such personal property by Lessee results in damage to the remaining improvements on the Premises, Lessee shall repair all such damage.

8.03 **Liens.** Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to all

or any portion of the Premises without the prior written consent of the City Manager. Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to all or any portion of the Premises for which Lessee does not have the prior written consent of the City Manager.

8.04 Encumbrance. Upon receiving prior consent by the City Manager, Lessee may encumber this Lease, its leasehold estate and its improvements thereon by deed of trust, mortgage, chattel mortgage or other security instrument to assure the payment of a promissory note or notes of Lessee, upon the express condition that the net proceeds of such loan or loans be devoted exclusively to the purpose of developing and/or improving the Premises. However, a reasonable portion of the loan proceeds may be disbursed for payment of incidental costs of construction, including but not limited to the following: offsite improvements for service of the Premises; onsite improvements; escrow charges; premiums for hazard insurance, or other insurance or bonds required by City; title insurance premiums; reasonable loan costs such as discounts, interest and commissions; and architectural, engineering and attorney's fees and such other normal expenses incidental to such construction.

Any subsequent encumbrances on the Premises or on any permanent improvements thereon, shall also have prior approval in writing of City Manager. Such subsequent encumbrances shall also be for the exclusive purpose of development of the Premises or otherwise to the benefit of the City at the discretion of the City Manager. Any deed of trust, mortgage or other security instrument shall be subject to all of the terms, covenants and conditions of this Lease and shall not amend or alter any of the terms, covenants or conditions of this Lease.

SECTION 9: CITY'S MAINTENANCE

9.01 City's Maintenance. City will keep the roof, foundation and the structural columns in good repair. City shall not, however, be liable to Lessee unless Lessee has given City prior written notice of the necessity for such repairs and any damage arising therefrom shall not have been caused, in whole or in part by the negligent or willful act or omission of Lessee, its employees, agents or invitees, or by the failure of Lessee to perform any of its obligations under this Lease, or caused by any risk which Lessee is required to insure pursuant to Section 4.

SECTION 10: DAMAGE AND/OR DESTRUCTION

10.01 City's Obligations. In the event the Premises and/or Building is damaged and/or destroyed to any extent for any reason whatsoever, the City in its sole discretion shall have the right to either repair said damage and/or destruction. In the event the City elects not to repair the damage or destroyed portion of the Center and/or Building, and said damage and/or destruction materially affects Lessee's ability to conduct its operation in the Premises, either party shall have the right to terminate the Lease by giving at least **sixty (60) days** written notice to the other party.

10.02 Reconstruction. In the event the City elects to repair the damage and/or destruction and Lessee's Premises are not materially affected as set forth above, Lessee shall continue to occupy its Premises in full compliance with the terms, conditions and provisions of the Lease. In the event Lessee's Premises is materially affected, Lessee shall not be required to make any payments under the Lease until such time as the damage and/or destruction has been repaired. City's obligation to repair any damage and/or destruction to the Premises shall not include any tenant improvements made to the Premises by Lessee or personal property of the Lessee, which repair and/or replacement shall be the sole responsibility of Lessee.

SECTION 11: CONDEMNATION

11.01 Eminent Domain. If all or parts of the Premises are taken through condemnation proceedings or under threat of condemnation by any public authority with the power of eminent domain, the interests of City and Lessee (or beneficiary or mortgagee) will be as follows:

a. Total Taking. In the event the entire Premises are taken, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.

b. Partial Taking. In the event of a partial taking, if, in the opinion of Lessee, the remaining part of the Premises is unsuitable for the lease operation, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.

In the event of a partial taking, if, in the opinion of Lessee, the remainder of the Premises is suitable for continued lease operation, this Lease shall terminate in regard to the portion taken on the date of the transfer of title or possession to the condemning authority, whichever first occurs, but shall continue for the portion not taken. The minimum rent shall be equitably reduced to reflect the portion of the Premises taken.

c. Award. All monies awarded in any such taking of the Premises shall belong to City, whether such taking results in diminution in value of the leasehold or the fee or both; provided, however, Lessee shall be entitled to any award attributable to the taking of or damages to Lessee's then remaining leasehold interest in installations or improvements of Lessee. City shall have no liability to Lessee for any award not provided by the condemning authority.

d. Transfer. City has the right to transfer City's interests in the Premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. If a transfer occurs, Lessee shall retain whatever interest it may have in the fair market value of any improvements placed by it on the Premises in accordance with this Lease.

e. No Inverse Condemnation. The exercise of any City right under this

lease shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon City for inverse condemnation so long as such rights do not unreasonably or substantially interfere with Lessee's operations.

SECTION 12: DEFAULT BY LESSEE

12.01 Defaults and Termination. It is mutually understood and agreed that if any default be made in the payment of rental herein provided or in the performance of the covenants, conditions, or agreements herein (any covenant or agreement shall be construed and considered as a condition); or should Lessee fail to fulfill in any manner the uses and purposes for which the Premises are leased as stated in this Lease, and such default is not cured within **five (5) days** after written notice thereof if default is in the submittal of rent as required in this Lease; or **ten (10) days** after written notice thereof if default is in the performance of the failure to use provisions pursuant to Section 1.03 of this Lease; or **thirty (30) days** after written notice thereof if default is in the performance of any other covenant, condition and agreements (any covenant or agreement shall be construed and considered as a condition), City shall have the right to immediately terminate this Lease; and that in the event of such termination, Lessee shall have no further rights hereunder and Lessee shall thereupon forthwith remove from the Premises and shall have no further right to claim thereto, and City shall immediately thereupon, without recourse to the courts, have the right to reenter and take possession of the Premises. City shall further have all other rights and remedies as provided by law, including without limitation the right to recover damages from Lessee in the amount necessary to compensate City for all the detriment proximately caused by the Lessee's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom.

In the event City consents to an encumbrance of the Lease for security purposes in accordance with the terms of this Lease, it is understood and agreed that City shall furnish copies of all notices of defaults to the beneficiary or mortgagee under said encumbrance by certified mail contemporaneously with the furnishing of such notices to Lessee, and in the event Lessee shall fail to cure such default or defaults within the time allowed above, said beneficiary or mortgagee shall be afforded the right to cure such default at any time within **five (5) days**, if the default is for the failure to submit rent as required, or within **fifteen (15) days** following the expiration of the period within which Lessee may cure such default; provided, however, City shall not be required to furnish any further notice of default to said beneficiary or mortgagee.

In the event of the termination of this Lease pursuant to the provisions of this section, City shall have any rights to which it would be entitled in the event of the expiration or sooner termination of this Lease under the provisions of this Lease.

12.02 Bankruptcy. In the event Lessee becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Lessee's interest under this Lease, City shall have the right to declare this Lease in default.

The conditions of this Section shall not be applicable or binding on Lessee or the beneficiary in any deed of trust, mortgage, or other security instrument on the demised Premises which is of record with City and has been consented to by resolution of the City Council, or to said beneficiary's successors in interest consented to by resolution of the City Council, as long as there remain monies to be paid by Lessee to such beneficiary under the terms of such deed of trust, provided that such beneficiary or its successors in interest, continuously pay to City all rent due or coming due under the provisions of this Lease and the Premises are continuously and actively used in accordance with Section 1.02 of this Lease.

SECTION 13: GENERAL PROVISIONS

13.01 Notices. All notices, demands, requests, consents or other communications which this Lease contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To City:

CITY OF OCEANSIDE
Property Management
300 North Coast Highway
Oceanside, CA 92054

To Lessee:

VETERAN'S ASSOCIATION OF NORTH COUNTY
Attn: Chuck Atkinson
4945 Calle Sobrado
Oceanside, CA 92056

Either party may change its address by notice to the other party as provided herein. Communications shall be deemed to have been given and received on the first to occur of: i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above; or (ii) **three (3) working days** following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is to be sent, as designated above.

13.02 City Approval. The City Manager shall be the City's authorized representative in the interpretation and enforcement of all work performed in connection with this Lease.

The City Manager may delegate authority in connection with this Lease to the City Manager's designee(s). For the purposes of directing Lessee in accordance with this Lease, which does not result in a change to this Lease, the City Manager delegates authority to the City's Supervising Property Agent.

13.03 Nondiscrimination. Lessee agrees not to discriminate in any manner against any person or persons on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age in Lessee's use of the Premises.

13.04 Equal Opportunity. Lessee shall take affirmative action to assure applicants are employed and that employees are treated during employment without regard to sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. Lessee shall certify in writing to City that Lessee is in compliance and throughout the term of this Lease will comply with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, and any other applicable Federal, State and Local law, regulation and policy (including without limitation those adopted by City) related to equal employment opportunity and affirmative action programs, including any such law, regulation, and policy hereinafter enacted.

Compliance and performance by Lessee of the equal employment opportunity and affirmative action program provision of this Lease is an express condition hereof and any failure by Lessee to so comply and perform shall be a default of this Lease and City may exercise any right as provided herein and as otherwise provided by law.

13.05 Entire Agreement. This Lease comprises the entire integrated understanding between City and Lessee concerning the use and occupation of the Premises and supersedes all prior negotiations, representations, or Agreements. Each party has relied on its own examination of the Premises, advice from its own attorneys, and the warranties, representations, and covenants of the Lease itself.

13.06 Interpretation of the Lease. The interpretation, validity and enforcement of the Lease shall be governed by and construed under the laws of the State of California. The venue of any judicial action brought to enforce any condition, covenant or provision of this Lease shall be in San Diego County, California. The Lease does not limit any other rights or remedies available to City.

The Lessee shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Lease shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Lease are severable.

This Lease shall inure to the benefit of and be binding upon the parties hereto and their

respective heirs, successors, and assigns.

13.07 Lease Modification. This Lease may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

13.08 Waiver. Any City waiver of a default is not a waiver of any other default. Any waiver of a default must be in writing and be executed by the City Manager in order to constitute a valid and binding waiver. City delay or failure to exercise a remedy or right is not a waiver of that or any other remedy or right under this Lease. The use of one remedy or right for any default does not waive the use of another remedy or right for the same default or for another or later default. City's acceptance of any rents is not a waiver of any default preceding the rent payment. City and Lessee specifically agree that the property constituting the Premises is City-owned and held in trust for the benefit of the citizens of the City of Oceanside and that any failure by the City Manager or City staff to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but City shall at all times, subject to applicable statute of limitations, have the legal right to require the cure of any default when and as such defaults are discovered or when and as the City Council directs the City Manager to take action or require the cure of any default after such default is brought to the attention of the City Council by the City Manager or by any concerned citizen.

13.09 Dispute Resolution, Attorney's Fees. In the event any suit is commenced by either party to enforce any of the terms and conditions hereof, the prevailing party shall be entitled to an award of all costs expended, together with a reasonable attorney's fee to be fixed by the Court. Venue for enforcement of this Lease shall be in the Superior Court of San Diego County, North County Branch. The parties agree that before either party commences any legal or equitable action, action for the declaratory relief, suit, proceeding, or arbitration that the parties shall first attempt to resolve the dispute by submitting the dispute to mediation through a mutually acceptable professional mediator in San Diego County, or, if a mediator cannot be agreed upon, by a mediator appointed by the Judicial Arbitration and Mediation Service in San Diego County. The parties shall share the cost of mediation equally.

13.10 Assignment and Subletting - No Encumbrance. This Lease and any portion thereof shall not be assigned, transferred, or sublet, nor shall any of the Lessee's duties be delegated, without the express written consent of City. Any attempt to assign or delegate this Lease without the express written consent of City shall be void and of no force or effect. A consent by City to one assignment, transfer, sublease, or delegation shall not be deemed to be a consent to any subsequent assignment, transfer, sublease, or delegation.

13.11 Section Headings. The table of Contents and the section headings contained herein are for the convenience in reference and are not intended to define or limit the scope of any provision thereof.

13.12 Gender/Singular/Plural. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes

the masculine and neuter, and each includes corporation, partnership, or other legal entity when the context so requires. The singular number includes the plural whenever the context so requires.

SECTION 14: SPECIAL PROVISIONS

14.01 Standards of Operation. Lessee agrees that it shall operate and manage the services and facilities offered upon or from the Premises in a manner consistent with other similar operations in North San Diego County.

14.02 Hours of Operation. The Lessee agrees that it shall conduct business on the Premises to conform to the published hours and days of operation as established, and in the best interest of the public, unless otherwise approved in writing by the City.

14.03 Signs. Lessee shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising without the prior written consent of the City Manager and any such device(s) shall conform to all City of Oceanside and City ordinances and regulations. If any such unauthorized item is found on the Premises, Lessee shall remove the item at its expense within **twenty-four (24) hours** of written notice thereof by City, or City may thereupon remove the item at Lessee's cost.

14.04 Manner of Providing Service. Lessee shall provide an experienced and well-qualified "on-site" supervisor to oversee all operations conducted by Lessee on the Premises. Said supervisor shall be empowered with authority to act on behalf of Lessee in response to reasonable requests from City to perform maintenance, repairs, and replacements on the Premises to insure the public's health, safety, and welfare. Lessee shall ensure that its employees shall at all times conduct themselves in a creditable and dignified manner, and they shall conform to all laws, rules, regulations and requirements, as well as all rules and regulations as hereafter may be promulgated, or put into operation by the City. Lessee shall maintain a staff in adequate size and number, to City's satisfaction, to effectively operate, maintain and administer all services offered and facilities located on the Premises.

14.05 Continued Occupancy. Lessee covenants and agrees to, and it is the intent of this Lease that the Lessee shall, continuously and uninterruptedly during the term of the Lease, occupy and use the Premises for the purposes hereinabove specified, except while Premises are untenantable by reason of fire, flood, or other unavoidable casualty, and, in that event, City shall be promptly notified by Lessee.

14.06 Hazardous Substances. No goods, merchandise or material shall be kept, stored or sold in or on the Premises which are in any way explosive or hazardous; and no offensive or dangerous trade, business or occupation shall be carried on therein or thereon, and nothing shall be done on said Premises, which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon said or other premises and the improvements thereon.

No machinery or apparatus shall be used or operated on or about the Premises which will in any way injure the Premises or improvements thereon, or adjacent or other premises, or improvements thereon, or to persons; provided, however, that nothing contained in this Section shall preclude Lessee from bringing, keeping or using on or about the Premises such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its said business, or from carrying on its business in all usual respects.

Open flame burning, gasoline, or other fuel storage is expressly prohibited without prior written consent of the City. The City shall indemnify and hold the Lessee harmless from any and all claims arising from hazardous waste on the premises and common area prior to the effective date of the lease and from any and all claims arising from hazardous waste on the premises and common area caused by the existence of the Gasoline Pump Site, including, but not limited to pumps, storage tanks, dispensers, etc.

14.07 Use of City Equipment. Lessee, its employees, agents, clients and/or invitees shall exercise reasonable diligence in the use of any and all City owned equipment utilized by Lessee in carrying out its operations under this Agreement. Lessee shall promptly notify City of any and all damage to any of said equipment resulting from Lessee's use thereof. Lessee hereby agrees to, at City's sole discretion and determination, replace or repair any and all equipment damaged as a result of Lessee's, its employees, agents, clients, and/or invitees, use or misuse thereof. City retains the right, at its sole discretion, to disallow Lessee's use of any or all of City's equipment, without liability of any kind or nature.

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[Signatures on Next Page]

SECTION 15: SIGNATURES

15.01 Signature Page. The individuals executing this Lease represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Lease on behalf of the respective legal entities of the Lessee and the City.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Lease to be executed on the day and year respectively written hereinbelow.

"City"

City of Oceanside, a municipal corporation

By: _____
City Manager

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

By: Barbara Hamilton, ASST.
City Attorney

"Lessee"

Veteran's Association of North County
a California non-profit corporation

By: Charles T. Atkinson
Print Name: CHARLES T. ATKINSON
Title: President
Dated: 04/02/08

By: Warren L. Altstatt
Print Name: WARREN L. ALTSTATT
Title: SECRETARY
Dated: 04/02/08

NOTARY ACKNOWLEDGMENTS OF LESSEE'S SIGNATURE(S) MUST BE ATTACHED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of San Diego

On 4/2/08 (Date) before me, Curtis Jackson, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Charles Atkinson and Warren Altstatt (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

CURTIS JACKSON
Commission # 1522933
Notary Public - California
San Diego County
My Comm. Expires Oct 29, 2008

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 _____ (Signature of Notary Public)

Place Notary Seal Above

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: Property Lease Agreement

Document Date: 4/2/08 Number of Pages: 25

Signer(s) Other Than Named Above: NA

Capacity(ies) Claimed by Signer(s)

Signer's Name: Charles Atkinson
- ☐ Individual
- ☒ Corporate Officer — Title(s): President
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: Warren Altstatt
- ☐ Individual
- ☒ Corporate Officer — Title(s): Secretary
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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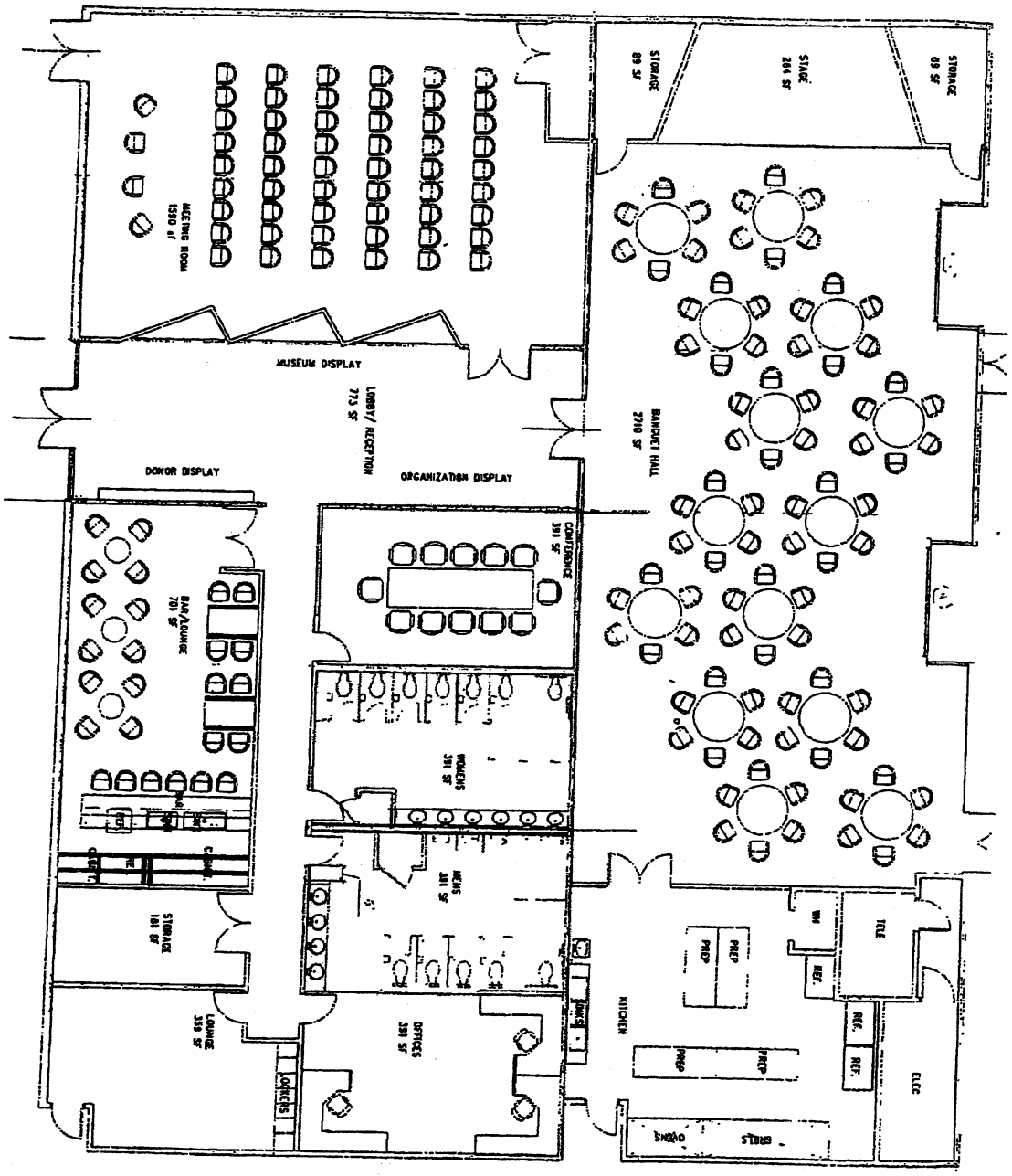
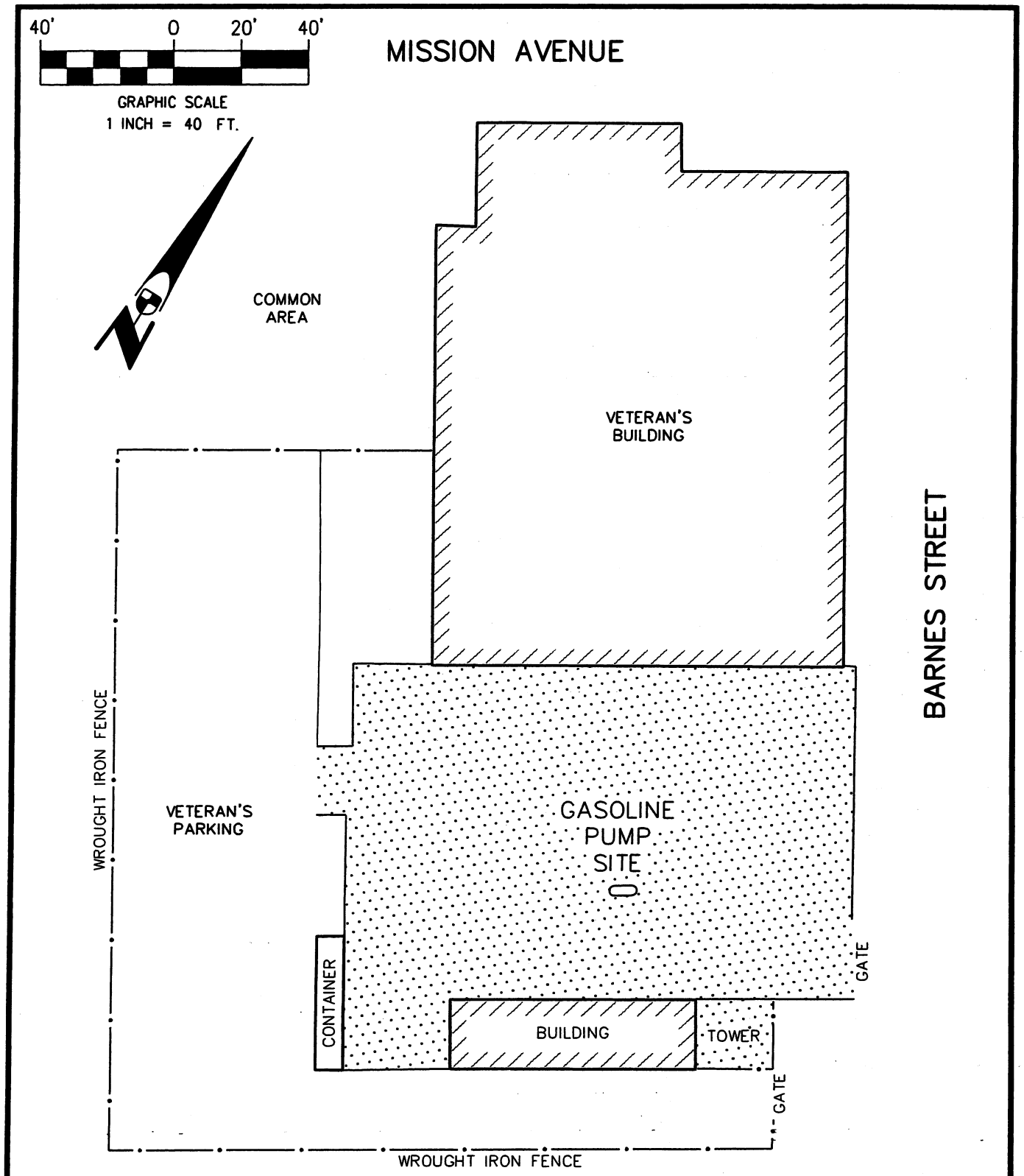


Revision	By	Approved	Date	CITY OF OCEANSIDE	EXHIBIT "A"
				SKETCH SHOWING VETERAN ASSOCIATION INTERIOR BUILD-OUT DESIGN	



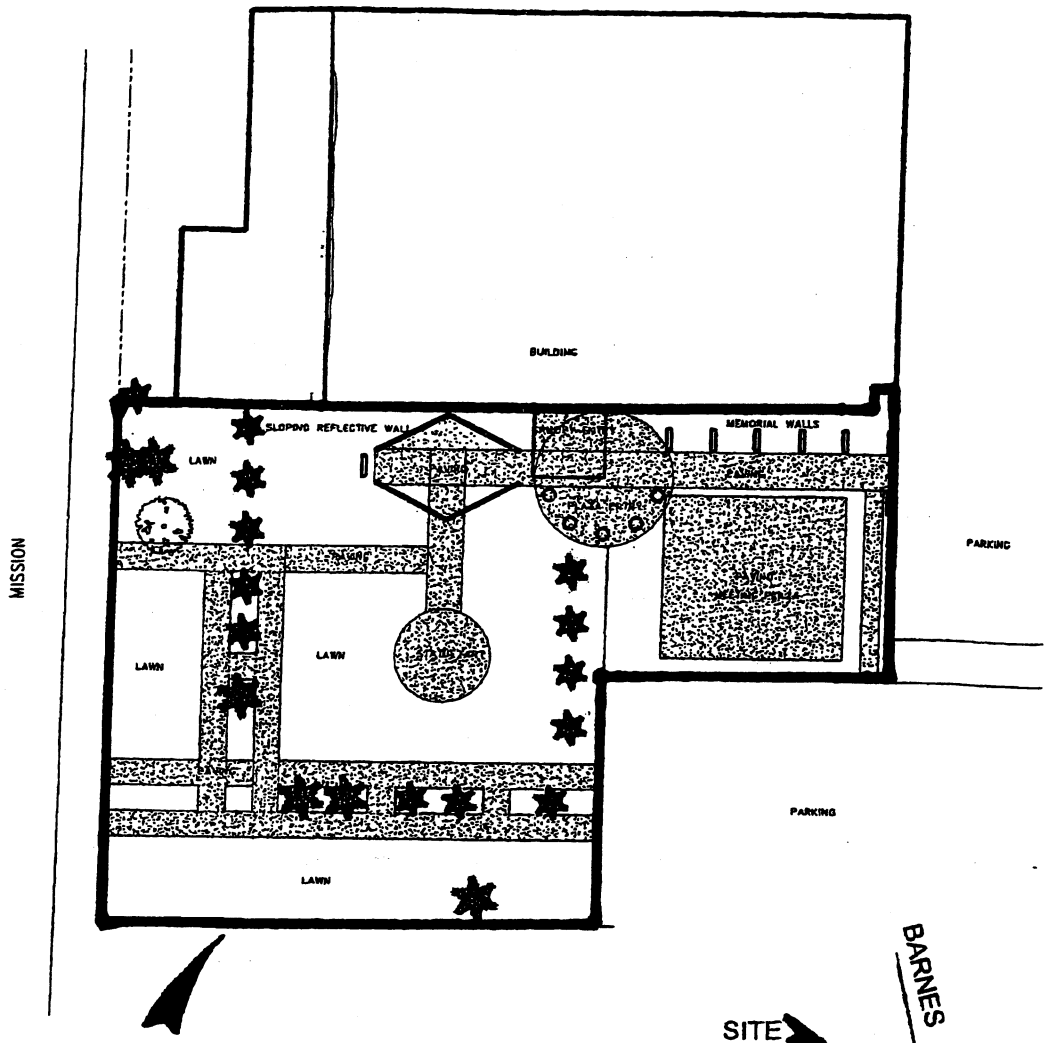
Revision	By	Approved	Date

CITY OF OCEANSIDE

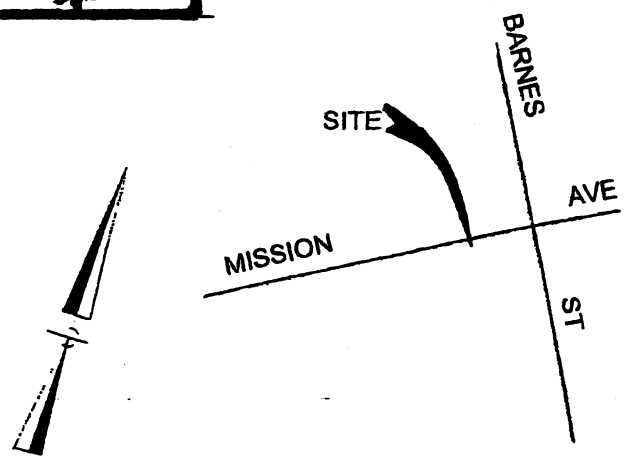
EXHIBIT "C"

SKETCH SHOWING GASOLINE PUMP SITE

124137



VETERAN ASSOCIATION
COMMON AREA MAINTENANCE



VICINITY MAP
NO SCALE

Revision	By	Approved	Date	CITY OF OCEANSIDE	Exhibit "D"
				SKETCH SHOWING VETERAN ASSOCIATION OF NORTH COUNTY SITE PLAN	