

STAFF REPORT*CITY OF OCEANSIDE*

DATE: May 16, 2012

TO: Honorable Mayor and City Councilmembers

FROM: Property Management Division

SUBJECT: **APPROVAL OF PROPERTY USE AGREEMENT FOR TRANSITIONAL HOUSING PROJECT AT 1963 APPLE STREET**

SYNOPSIS

Staff recommends that the City Council approve a Property Use Agreement with the Women's Resource Center for the operation of the Transitional Housing Project at 1963 Apple Street for a period of ten years commencing on July 16, 2012 and expiring on July 15, 2022; and authorize the City Manager to execute the Agreement. In addition to providing shelter and services to homeless families, a portion of the building will be used as general office space for the Women's Resource Center for conducting business as non-profit social service provider.

BACKGROUND

The Women's Resource Center ("Permittee") has operated a transitional shelter for homeless families at the City-owned property located at 1963 Apple Street since 1994 ("Property"). This facility can house 23 families in separate units and provides areas for parental counseling and child development programs, together with office space for general business conducted by the Permittee.

ANALYSIS

The original Property Use Agreement ("Agreement") with the Permittee had a term of ten-years and expired in June 15, 1999. The term was extended for an additional three years on June 16, 1999 and again for ten-years on July 15, 2002. The Agreement will allow the Permittee continued use of the Property to run the transitional housing programs for homeless families through July 15, 2022.

FISCAL IMPACT

The programs, services and activities to be provided by the Permittee constitute the consideration to be paid by the Permittee for the use of the Property. Staff reviewed Permittee's financial records and determined Permittee will pay no rent for use of the Property. Nonetheless, the terms of the Agreement require the Permittee to pay for the

maintenance and utility costs associated with the Property. Permittee shall keep accurate and complete financial records of any moneys expended in relation to the performance of the services pursuant to the Agreement according to generally accepted accounting principles. The financial records shall be deemed to be public records.

COMMISSION OR COMMITTEE REPORT

Does not apply.

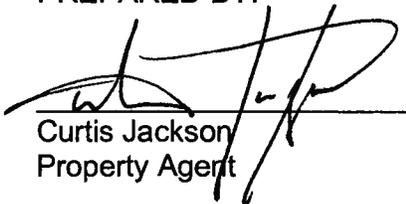
CITY ATTORNEY'S ANALYSIS

Permittee will be required to maintain the City's standard insurance requirement over the term of the lease.

RECOMMENDATION

Staff recommends that the City Council approve a Property Use Agreement with the Women's Resource Center for the operation of the Transitional Housing Project at 1963 Apple Street for a period of ten years commencing on July 16, 2012 and expiring on July 15, 2022; and authorize the City Manager to execute the Agreement. In addition to providing shelter and services to homeless families, a portion of the building will be used as general office space for the Women's Resource Center for conducting business as non-profit social service provider.

PREPARED BY:


Curtis Jackson
Property Agent

SUBMITTED BY:


Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager

Margery Pierce, Neighborhood Services Director

Doug Eddow, Real Estate Manager





USE AGREEMENT

BY AND BETWEEN

THE CITY OF OCEANSIDE

AND

WOMEN'S RESOURCE CENTER

ON CITY OWNED REAL PROPERTY, LOCATED AT

**1963 APPLE STREET,
OCEANSIDE, CA 92054**

DATED

PROPERTY USE AGREEMENT

THIS PROPERTY USE AGREEMENT, hereinafter called "Agreement", is executed between the CITY OF OCEANSIDE, a municipal corporation, hereinafter called "City", and the WOMEN'S RESOURCE CENTER, hereinafter called "Permittee".

RECITALS

WHEREAS, City is owner of the real property described hereinbelow; and

WHEREAS, Permittee is a recognized public service organization providing certain emergency shelter and transitional housing programs, services and other activities for homeless families to the general public, including the citizens of the City of Oceanside; and

WHEREAS, City hereby acknowledges said programs, services and or activities provided by Permittee from the premises described hereinbelow as valuable consideration received from Permittee in return for its use of said real property in accordance with the terms, covenants, conditions and provisions contained hereinbelow.

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

AGREEMENT

SECTION 1: USES

1.01 Premises. City hereby permits and authorizes Permittee, in accordance with the terms, covenants, conditions and provisions of this Agreement, the non-exclusive use of that certain real property situated in the City of Oceanside, County of San Diego, State of California, commonly known as 1963 Apple Street, Oceanside, California, as more particularly described as being Parcel 1 of Parcel Map No. 891, filed in the Office of the County Recorder of San Diego County, July 11, 1972 as file No. 178054 of Official Records. Said real property is hereinafter collectively called the "Premises". In return for this permission, Permittee hereby agrees to act in accordance with and abide by the terms, covenants, conditions and provisions of this Agreement.

1.02 Uses. It is expressly agreed that the Premises shall be used by Permittee solely and exclusively for the purpose of the provision of transitional housing and related services and programs for homeless families. Additionally, Permittee may use the designated office area on the Premises for conducting general business as a non-profit social service provider, and for such other related or incidental purposes as may be first approved in writing by the City Manager and for no other purpose whatsoever.

Permittee covenants and agrees to use the Premises for the above-specified purposes and to diligently pursue said purposes throughout the term hereof. In the event that Permittee fails to continuously use the Premises for said purposes, or uses the Premises for purposes not expressly authorized herein, the Permittee shall be deemed in default under this Agreement.

1.03 Related City Actions. By permitting Permittee to use the Premises, neither City nor the City Council of City is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to the development or operation of the Premises. Discretionary action includes, but is not limited to, 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.

1.04 Reservation of Rights. City shall not unreasonably or substantially interfere with Permittee's use of the Premises during the term of this Agreement. Subject to these limitations, 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 Premises.

b. Easements. City reserves the right to grant and use easements or to establish and use rights-of-way upon, over, under, along, across, and through the demised 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.

SECTION 2: TERM

2.01 Commencement. The term of this Agreement shall be for a period of **Ten (10) Years** commencing on **July 16, 2012**, and terminating on **July 15, 2022** (the "initial term").

The extension of the term of this Agreement shall require the approval of the Oceanside City Council, which approval may be granted or denied at the Council's sole discretion, without any liability of any kind or nature.

2.03 Termination Provisions. Notwithstanding any other provisions contained in this Agreement, either party may terminate this Agreement by giving the other party at least **Thirty (30) days** prior written notice of such termination.

2.04 Holdover. Any holding over by Permittee after the expiration or termination of this Agreement shall not be considered as a renewal or extension of this Agreement. The occupancy of the Premises by Permittee or by Permittee's property after the expiration or termination of this Agreement constitutes a month-to-month tenancy, and all the terms, conditions, covenants and provisions of this Agreement shall continue in full force and effect; provided, however, City shall have the right to apply a reasonable rent for Permittee's use and occupation of the Premises, to bring the rent to a fair market value and to terminate the holdover tenancy at will.

2.05 Quitclaim of Permittee's Interest. On the termination of this Agreement for any reason, Permittee shall deliver to City a quitclaim deed, in recordable form, quitclaiming all of its interest in and to the Premises to City. Permittee 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 Agreement. If Permittee fails or refuses to deliver the required deed, the City may prepare and record a notice reciting Permittee's failure to execute this Agreement provision and the notice will be conclusive evidence of the termination of this Agreement and all Permittee's rights to the Premises.

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

2.07 Time is of the Essence. Time is of the essence of all of the terms, conditions, covenants and provisions of this Agreement.

2.08 Abandonment by Permittee. In the event Permittee breaches the Agreement and abandons the Premises, this Agreement shall continue in effect for so long as City does not terminate this Agreement, 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.

SECTION 3: CONSIDERATION FOR USE OF PREMISES

3.01 Consideration. City hereby agrees that the operation and maintenance of the improvements on the Premises by Permittee, the establishment of and provision of the programs, services and activities by Permittee to the public, on a non-discriminatory basis, except for reasonable fees and services charges that are usual and customary for similar services, at the Premises are valuable consideration received from Permittee, that the provision of such programs, services and activities shall constitute all the rent to be paid by Permittee for its use of the Premises in accordance with the terms, covenants, conditions and provisions of this Agreement, and that Permittee shall not be required to pay any monetary payments to City for its use and occupation of the Premises. For convenience only, consideration as set forth in this Section 3.01 may be referred to as rent.

3.02 Utilities. Permittee 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.

SECTION 4: RECORDS

4.01 Inspection of Records. Permittee agrees to make any and all records and accounts available to City for inspection at all reasonable times, so that City can determine Permittee's compliance with this Agreement. These records and accounts shall be made available by Permittee at the Premises and shall be complete and accurate showing all income and receipts from use of the Premises. Permittee's failure to keep and maintain such records and make them available for inspection by City shall be deemed a default of this Agreement. Permittee shall maintain all such records and accounts for a minimum period of five (5) years.

Any nonprofit corporation or association that enters into a contract or other agreement with the City shall keep accurate and complete financial records of any moneys expended in relation to the performance of the services pursuant to such contract or agreement according to generally accepted accounting principles. Such contract or agreement and such financial records requested by City and submitted by Lessee to City shall be deemed to be public records. Failure to comply with this requirement shall be a material breach and will subject this Lease to termination by the City.

4.02 Annual Program Report. Permittee shall be required to provide City with a written annual financial and operations report regarding all phases of Permittee's use and occupation of the Premises. Permittee shall submit said report to City within **Sixty (60) days** of each anniversary date of this Agreement or as required by any and all statutory regulations pertaining to Permittee's funding sources.

SECTION 5: INSURANCE RISKS/SECURITY

5.01 Indemnity. Permittee 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 Permittee or its employees, agents, or others in connection with its use and occupation of the Premises under this Agreement, except only for those claims arising from the active negligence or sole willful misconduct of the City, its officers, agents, or employees. Permittee'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, Permittee 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.

5.02 Insurance. Permittee shall take out and maintain at all times during the term of this Agreement the following insurance at its sole expense:

a. Permittee shall maintain the following minimum limits:

General Liability

Combined Single Limit Per Occurrence \$1,000,000

General Aggregate \$2,000,000

Automobile Liability

Combined Single Limit Per Occurrence \$1,000,000

b. All insurance companies affording coverage to the Permittee shall be required to add the City of Oceanside as "additional insured" under the insurance policy(s) required in accordance with this Agreement.

c. All insurance companies affording coverage to the Permittee 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 **30 days** written notice to the City of Oceanside 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. Permittee shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.

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

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

h. If Permittee 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. Permittee 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 **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 Permittee 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 Permittee to take out or maintain insurance as required in this Agreement, or failure to provide the proof of insurance, shall be deemed a default under this Agreement.

i. City, at its discretion, may require the revision of amounts and coverage at any time during the term of this Agreement by giving Permittee **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. Permittee also agrees to obtain any additional insurance required by City for new improvements, in order to meet the requirements of this Agreement.

5.03 Accident Reports. Permittee 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 6: MAINTENANCE, IMPROVEMENTS AND ALTERATION

6.01 Acceptance of Premises. Permittee represents and warrants that it has independently inspected the Premises and made all test, investigations, and observations necessary to satisfy itself of the condition of the Premises. Permittee acknowledges it is relying solely on such independent inspection, tests, investigations, and observations in making this

Agreement. Permittee further acknowledges that the Premises are in the condition called for by this Agreement, and that Permittee does not hold City responsible for any defects in the Premises.

6.02 Maintenance. With respect to Permittee's operations at or on the Premises, Permittee shall make all repairs and replacements necessary to maintain and preserve the Premises and all improvements thereon in a decent, safe, healthy, and sanitary condition satisfactory to City and in compliance with all applicable laws.

In the event that the Premises are not in a decent, safe, healthy, and sanitary condition, City shall have the right, upon written notice to Permittee, to have any necessary maintenance work done at the expense of Permittee, and Permittee 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. Permittee shall make payment no later than **Thirty-(30) days** after written notice from the City. Further, if at any time City determines that said Premises are not in a decent, safe, healthy, and sanitary condition, City may at its sole option, upon written notice, require Permittee to file with City a faithful performance bond to assure prompt correction of any condition which is not decent, safe, healthy, and sanitary. Said bond shall be in an amount adequate in the opinion of City to correct the said unsatisfactory condition. Permittee shall pay the cost of said bond. The rights reserved in this section shall not create any obligations on City or increase obligations elsewhere in this Agreement imposed on City.

6.03 Improvements/Alterations. No improvements, structures, or installations shall be constructed on or about the Premises, and Permittee may not alter the Premises without prior written approval by the City Manager. This provision shall not relieve Permittee of any obligation under this Agreement 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 Agreement to make or assume any expense for any improvements or alterations.

6.04 Waste, Damage, or Destruction. Permittee 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. Permittee shall not commit or suffer to be committed any waste or injury or any public or private nuisance, and shall keep the Premises clean and clear of refuse and obstructions, and 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 in a condition which is not decent, safe, healthy and sanitary, Permittee 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, Permittee agrees to clear and remove from the Premises all debris resulting from said damage and rebuild the Premises in accordance with plans and specification previously submitted to City and approved in writing in order to replace in kind and scope the operation which existed prior to such damage. Permittee shall be responsible for all costs incurred in the repair and restoration, or rebuilding of the Premises.

6.05 Liens. Permittee 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 City. Permittee 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 Permittee does not have City's prior written consent.

6.06 Signs. Permittee 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 City. If any such unauthorized item is found on the Premises, Permittee 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 Permittee's cost.

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

Permittee recognizes and agrees that this Agreement may create a possessory interest subject to property taxation, and that Permittee may be subject to the payment of taxes levied on such interest, and that Permittee shall pay all such possessory interest taxes.

6.08 Ownership of Improvements and Personal Property.

a. Any and all improvement, trade fixtures, structures, and installations or additions to the Premises now existing or constructed on the Premises by Permittee shall at the Agreement expiration or termination be deemed to be part of the Premises and shall become, at City's option, City's property, free and clear of all liens and claims except as otherwise provided in this Agreement.

b. If City elects not to assume ownership of all or any improvements, trade fixtures, structures and installations, City shall so notify Permittee in writing **Thirty (30) days** prior to termination, or **One Hundred Eighty (180) days** prior to expiration, and Permittee shall remove all such improvements, structures and installations as directed by City, at Permittee's sole cost, on or before Agreement expiration or termination. If Permittee fails to remove any improvements, structures and installations as directed, Permittee agrees to pay City full cost of any removal.

c. Permittee owned machines, appliances, equipment (other than trade fixtures), and other items of personal property shall be removed by Permittee by the date of the expiration or termination of this Agreement. Any said items which Permittee 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 Permittee's expense.

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

e. Notwithstanding any of the foregoing, in the event Permittee desires to dispose of any of its personal property used in the operation of said Premises upon expiration or termination of this Agreement, then City shall have the first right to acquire or purchase said personal property.

SECTION 7. GENERAL PROVISIONS

7.01 Notices. All notices, demands, requests, consents or other communications which this Agreement 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 Permittee:

Women's Resource Center
1963 Apple Street
Oceanside, CA 92054

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 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.

7.02 City Approval. The City Manager shall be the City's authorized representative with respect to this Agreement. The City Manager may delegate authority with respect to the interpretation and enforcement of this Agreement to the City Manager's designee(s).

7.03 Entire Agreement. This Agreement comprises the entire integrated understanding between City and Permittee 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 Agreement itself.

The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to City.

The Permittee 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 Agreement 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 Agreement are severable.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

7.04 Agreement Modification. This Agreement may not be modified orally or in any

manner other than by an Agreement in writing signed by the parties hereto.

7.05 Assignment and Subletting-No Encumbrance. This Agreement and any portion thereof shall not be assigned, transferred, or sublet, nor shall any of the Permittee's duties be delegated, without the express written consent of City. Any attempt to assign or delegate this Agreement 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.

7.06 Defaults and Termination. If either party ("demanding party") has a good faith belief that the other party ("defaulting party") is not complying with the terms of this Agreement, the demanding party shall give written notice of the default (with reasonable specificity) to the defaulting party and demand the default to be cured within **Thirty (30) days** of the notice.

If the defaulting party is actually in default of this Agreement and fails to cure the default within **Thirty (30) days** of the notice, or, if more than **Thirty (30) days** are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within **Ten (10) days** of the notice, the demanding party may terminate this Agreement upon written notice to the defaulting party.

City may also terminate this Agreement upon written notice to Permittee in the event that:

- a. Permittee has previously been notified by City of Permittee's default under this Agreement and Permittee, after beginning to cure the default, fails to diligently pursue the cure of the default to completion, or
- b. Permittee shall voluntarily file or have involuntarily filed against it any petition under any bankruptcy or insolvency act or law, or
- c. Permittee shall be adjudicated a bankruptcy, or
- d. Permittee shall make a general assignment for the benefit of creditors.

Upon termination, City may immediately enter and take possession of the Premises.

7.07 Other Regulations. All use of the Premises under this Agreement shall be in accordance with the laws of the United States of America, the State of California and in accordance with all applicable rules and regulations and ordinances of the City of Oceanside now in force, or hereinafter prescribed or promulgated by resolution or ordinance or by State or Federal law.

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

7.09 Quiet Enjoyment. If Permittee is not in breach under the covenants made in this Agreement, City covenants that Permittee shall have quiet enjoyment of the Premises without

hindrance on the part of City and City will defend Permittee in the quiet enjoyment of the Premises against claims of all persons claiming through or under City.

Permittee shall not use or permit the use of the Premises in any manner that will tend to unreasonably disturb the other tenants in the building or surrounding properties. Permittee shall specifically take those actions necessary to insure that Permittee, its clients, invitees, employees and all other persons visiting the building or Premises because of the Permittee's occupancy of the building will not take any action which will tend to unreasonably disturb the other tenants in the building or surrounding properties. Permittee shall, at Permittee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term or any part of the term hereof regulating the use by tenants of the Premises. Permittee, its employees and all persons visiting or doing business with the Permittee in the Premises shall be bound by and shall observe the rules and regulations governing the Premises and such further and other reasonable rules and regulations made hereafter by City and/or Permittee relating to the use or occupancy of the Premises by other third parties.

In the event that Permittee or any of its clients, invitees, employees and all other persons visiting the building or Premises because of the Permittee's occupancy violate this paragraph, then such violations shall constitute a material breach of this Agreement unless the violation is corrected within a reasonable amount of time after City has delivered Permittee a written notice of said violation.

7.10 Number and Gender. Words of any gender used in this Lease shall include any other gender, and words in the singular number shall include the plural, when the tense requires.

7.11 Captions. The Lease outline, section headings, and captions for various articles and paragraphs shall not be held to define, limit, augment, or describe the scope, content, or intent of any or all parts of this Lease. The numbers of the paragraphs and pages of this Lease may not be consecutive. Such lack of consecutive numbers is intentional and shall have no effect on the enforceability of this Lease.

SECTION 8: SPECIAL PROVISIONS

8.01 Ancillary Uses and Services. No additional uses or services, other than those provided for under Section 1.02 of this Agreement, shall be provided by Permittee from or at the demised Premises. No retail food service operations shall be provided on or from the Premises.

8.02 Standards of Operation. Permittee agrees that it shall operate and manage the services and facilities offered upon or from the Premises in a first class manner and comparable to other similar facilities within the San Diego County and Southern California areas which provide like products and services.

8.03 Permittee's Employees. Permittee shall provide an experienced and well qualified "on-site" supervisor to oversee all operations conducted by Permittee on the Premises. Permittee shall ensure that its employees shall at all times conduct themselves in a creditable manner, and they shall conform to all rules, regulations and requirements, as well as all rules and regulations as hereafter may be promulgated, or put into operation by the City, provided that such rules, regulations and requirements are not in conflict with the terms of this Agreement. Permittee shall maintain a staff in adequate size and number, to City's reasonable satisfaction, to effectively operate, maintain and administer all services offered and facilities located on the

Premises.

8.04 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, except that ordinary business materials that may be classified as hazardous may be kept in or on the Premises if such materials are stored and disposed of in accordance with all applicable laws; 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 the demised Premises or other premises and the improvements thereon; provided, however, that if anything done by Permittee causes an increase in the rate of insurance on the Premises, Permittee may, at its option, pay such increase and Permittee shall not thereafter be considered in default under this Agreement.

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 Permittee 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 welding or burning, gasoline, or other fuel storage is expressly prohibited without prior written consent of the City.

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

8.06 Community Use of the Premises. Permittee acknowledges that the paramount use of Premises is for public services and civic activities. The City reserves the right to schedule and use the Premises for community meetings and other City sponsored activities. City agrees to coordinate such use of the Premises with Permittee so as not to conflict with Permittee's programs and activities.

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(Signatures on Next Page)***

SECTION 9: SIGNATURES

9.01 Signature Page. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Permittee 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 Property Use Agreement to be executed by setting hereunto their signatures on the day and year respectively written hereinbelow.

City
THE CITY OF OCEANSIDE

Permittee
WOMEN'S RESOURCE CENTER

By: _____
City Manager

By: Mawa Bledsoe
Executive Director

Dated: 4/26/12

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

By: [Signature]
City Attorney

NOTARY ACKNOWLEDGMENT OF PERMITTEE'S SIGNATURE MUST BE ATTACHED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego }

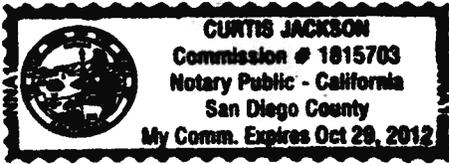
On 4/26/12 before me, Curtis Jackson, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Marva Bledsoe
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.

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.



Place Notary Seal Above

Signature [Handwritten Signature]
Signature of Notary Public

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: _____

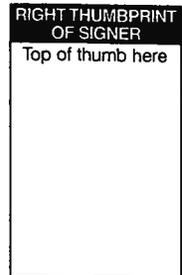
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

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



Signer Is Representing: _____