

STAFF REPORT*CITY OF OCEANSIDE*

DATE: June 24, 2015

TO: Honorable Mayor and City Councilmembers

FROM: Property Management Division
Neighborhood Services Department

SUBJECT: **PROPERTY USE AGREEMENT WITH VISTA COMMUNITY CLINIC
FOR THE NON-EXCLUSIVE USE OF CLUB 55 LOCATED AT 448
COUNTRY CLUB LANE**

SYNOPSIS

Staff recommends that the City Council approve a five-year Property Use Agreement ("PUA"), including one successive five-year extension term with Vista Community Clinic ("VCC"), for the non-exclusive use of Junior Seau Club 55 Fitness Center located at 448 Country Club Lane; and authorize the City Manager to execute the agreement (Attachment A).

BACKGROUND

Oceanside Golf Institute, the former tenant of Center City Golf Course, previously operated 448 Country Club Lane ("Premises") as part of its leasehold until relinquishing control of the Premises to the City in 1996. Subsequently, the City entered into a PUA with the Oceanside Boys and Girls Club ("OBGC") in 1996 to operate Club 55 Fitness Center on the Premises.

The PUA with the OBGC expired in 2006 and has not been updated. In 2010 the OBGC advised the City that it no longer wished to operate Club 55 because adult and senior programming was outside of their primary mission. As a result, in 2010 the City began to look for a non-profit partner to run Club 55. From 2011 to mid-year 2013, Club 55 was administered by volunteers with no City or Community Development Block Grant ("CDBG") funding. However, during that timeframe, membership decreased due to sporadic hours and uncertainty about future operations. Additionally, properly trained personnel were not available, raising Risk Management concerns.

From mid-year 2013 to mid-year 2014, the Oceanside Senior Citizens' Association ran Club 55; they ceased operation of the center in April 2014. Again, the City searched for a non-profit collaborator and partnered with VCC. VCC took over operation of Club 55 in June 2014.

In May 2014 the City, VCC and OBGC entered into a Facilities Use Agreement with an expiration date of June 30, 2015, for VCC to operate Club 55 from 7:00 a.m. to 2:00

p.m. Monday through Friday. The OBGC, via the Facilities Use Agreement, was able to operate programs at Club 55 for youth fitness and weight training outside of Monday through Friday from 7:00 a.m. to 2:00 p.m.

In May 2015, Neighborhood Services staff recommended that the City enter into a PUA directly with VCC for the future operation of Club 55 (see Attachment B, Memorandum to the City Council) as VCC is currently operating the Fitness Center and the OBGC has maintained their position that they do not want to run Club 55 serving adults and seniors. It is staff's understanding that the City Council would like to maintain the facility as Club 55 Fitness Center.

ANALYSIS

The proposed PUA allows VCC to operate the Fitness Center Monday through Friday from 7:00 a.m. to 2:00 p.m. making the Premises available to the adult and senior residents of Oceanside. VCC shall have the right, and is encouraged, to enter into agreements with various non-profit organizations such as the OBGC to run fitness programs for the community out of the Premises at any time outside of the Monday through Friday 7:00 a.m. to 2:00 p.m. hours. Third party uses are negotiated directly between VCC and any other potential user. The operation of the Fitness Center does not displace nor eliminate any City-provided recreational programs, instead providing recreational programming that would otherwise cease to exist.

The PUA contains an Operating Plan (Attachment A, Exhibit C) that outlines the City's expectation for VCC's operation of Club 55. One important requirement is that VCC put effort into marketing the Fitness Center and searching for appropriate grant opportunities. During this past year, VCC did not put a considerable effort into these items as they were unsure of their ongoing status with the City and the OBGC. With a PUA directly with the City, VCC can now actively market and search out funding opportunities. The City desires that VCC search out fund raising and/or grant opportunities for fitness equipment replacement.

VCC will have exclusive use of the Club 55 building located on the Premises. VCC will have non-exclusive use of all common parking areas located on the Premises and the City-owned property adjacent to the Premises, located in front of and beside 450 Country Club Lane. VCC will not be responsible for maintenance of any parking lot areas. (See Attachment A, Exhibit B)

Club 55 has approximately 100 members. Individuals ages 55 and up pay a fee of \$55.00 per year. Adults ages 18-54 pay \$65.00 per year.

FISCAL IMPACT

The City has subsidized the operation of the Club 55 Fitness Center since its inception in 1996 with CDBG, Neighborhood Revitalization Strategy Area ("NRSA") and/or General Fund monies.

In FY 2014-15, the City allocated \$37,500 to VCC for the operation of the Fitness Center. The FY 2015-16 budget contains \$30,700 allocated for Club 55 - \$7,500 in CDBG, \$20,000 in General Fund, and \$3,200 in 108 monies.

The FY 2015-16 VCC cost to operate Club 55 is \$55,000 (see Attachment C for the Program Budget). To cover the \$55,000 cost, \$20,000 is from the City's General Fund account 900439101.5355 and \$7,500 from CDBG account 822138500237.5395, and \$3,200 in account 101.3020.1050. VCC anticipates \$5,000 in membership fees, \$10,000 in donations/fund raising, and the Clinic provides \$12,500 in-kind services.

In order to enter into the PUA with the City, VCC will require \$30,700 on an annual basis in City subsidy. Consequently, the total cost to the City for a five-year PUA is \$153,500.

NRSA monies may be used, if available, for repairs and facility improvements such as roof repair and carpet.

INSURANCE REQUIREMENTS

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

COMMISSION OR COMMITTEE REPORT

Does not apply.

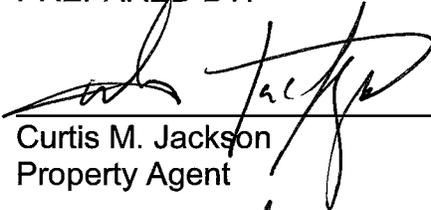
CITY ATTORNEY'S ANALYSIS

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

RECOMMENDATION

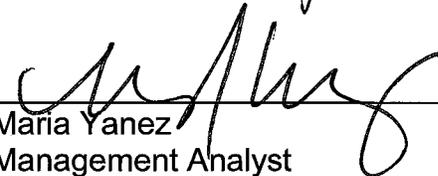
Staff recommends that the City Council approve a five-year Property Use Agreement, including one successive five-year extension term with Vista Community Clinic, for the non-exclusive use of Junior Seau Club 55 Fitness Center located at 448 Country Club Lane; and authorize the City Manager to execute the agreement.

PREPARED BY:


Curtis M. Jackson
Property Agent

SUBMITTED BY:


Michelle Skaggs Lawrence
Interim City Manager


Maria Yanez
Management Analyst

REVIEWED BY:

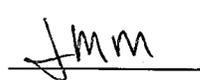
Peter A. Weiss, Assistant City Manager

Margery Pierce, Housing & Neighborhood Services Director

Douglas E. Eddow, Real Property Manager

Jane M. McPherson, Interim Financial Services Director





ATTACHMENTS:

- A Property Use Agreement
- B Memorandum to City Council dated May 19, 2015
- C FY 2015-16 VCC Club 55 Program Budget

PROPERTY USE AGREEMENT
BY AND BETWEEN
THE CITY OF OCEANSIDE
AND
VISTA COMMUNITY CLINIC
ON CITY-OWNED REAL PROPERTY LOCATED AT
448 COUNTRY CLUB LANE

DATED

June 24, 2015

**VISTA COMMUNITY CLINIC
LEASE AGREEMENT**

THIS AGREEMENT, dated June 24, 2015, hereinafter called "Agreement," is executed between the **CITY OF OCEANSIDE**, a municipal corporation, hereinafter called "City," and **VISTA COMMUNITY CLINIC**, a California non-profit corporation, hereinafter called "Lessee."

RECITALS

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

WHEREAS, Lessee is a recognized public services organization providing certain recreational, educational, medical, and/or other related services, programs and activities to the general public, including the citizens of the CITY; and

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

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 Premises City hereby authorizes Lessee, 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 448 Country Club Lane, consisting of exclusive use of a 6,760 square foot building for program operations, together with adjacent parking areas as more particularly illustrated in **Exhibits "A"**, attached hereto and by this reference made part of this Agreement. 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.

a. Parking Lot. It is expressly understood that Lessee shall have non-exclusive use of all common parking areas located on the Premises and the City-owned property adjacent to the Premises, located in front of and beside 450 Country Club as more particularly illustrated in **Exhibit "B"**, attached hereto and by this reference made a part of this Agreement. Said common parking areas are hereinafter collectively called the "Common Parking Area." Lessee shall not be responsible for maintenance of the Common Parking Area.

1.02 Uses. It is expressly agreed that the premises shall be used jointly by the City and Lessee solely and exclusively for the purpose of a fitness center for use in connection with Lessee's public service purposes and programs, and for such other related or incidental public welfare purposes as may be first approved in writing by the City Manager and for no other purpose whatsoever.

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Lessee 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 Lessee fails to continuously use the Premises for said purposes, or uses the Premises for purposes not expressly authorized herein, the Lessee shall be deemed in default under this Agreement.

1.03 Lessee Authority. Lessee shall have the exclusive right to enter into agreements with contractors, vendor, concessionaires, permittees and/or licensees or other such parties to provide recreation services to the general public contemplated under this Agreement. If the use does not further the recreational services contemplated under this Agreement, said use shall first be approved by City. Further, Lessee shall have the right to negotiate all terms and conditions with said contractors, vendor, concessionaires, permittees and/or licensees or other such parties and accordingly, shall also be solely responsible and liable for any disputes or disagreements arising therefrom and shall indemnify City pursuant to Section 4.01 below.

1.04 Operating Plan. Lessee agrees to use the Premises and operate in accordance with the Operating Plan set forth in **Exhibit "C"**, attached hereto and by this reference made part of this Agreement, which Operating Plan sets forth the Lessee's goals and objectives. City and Lessee shall annually review the Operating Plan no later than sixty (60) days after each year of the Agreement and the parties may mutually agree to amend, modify or eliminate any part of the Operating Plan.

1.05 Quiet Possession. Lessee, 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 Agreement, 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 Agreement 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 Agreement 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.

1.03 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

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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 Agreement shall be for a period of **five (5)** years commencing on July 2, 2015, and terminating June 30, 2020.

2.02 Extension Terms. Lessee may request one (1) successive **five (5) year** term under the terms and conditions of this Agreement, provided that the Lessee is not in default or breach of any term, condition, covenant or provision of this Agreement. 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 Agreement 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 Agreement. 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 Agreement. 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 Agreement 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. 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 Lessee after expiration or termination shall not be considered as a renewal or extension of this Agreement. The occupancy of the Premises by Lessee or by Lessee's property after the expiration or termination of this

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Agreement constitutes a month-to-month tenancy, and all other terms and conditions of this Agreement, shall continue in full force and effect.

2.05 Abandonment by Lessee. Even if Lessee 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.

2.06 Quitclaim of Lessee's Interest. On termination of this Agreement 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 Agreement. 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 Agreement provision and the notice will be conclusive evidence of the termination of this Agreement and all of Lessee's rights to the Premises.

2.07 Surrender of Premises. At the expiration or earlier termination of this Agreement, 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 Agreement 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 Agreement, 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 Agreement.

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 Agreement.

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 Agreement. 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

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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 Agreement.

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

3.03 Security Deposit. Lessee shall not be initially required to pay a security deposit under this Agreement 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 Agreement, Lessee shall pay the amount determined by City, immediately upon demand.

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 Agreement, 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 Agreement 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 Agreement. 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

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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 Agreement.
- 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 Agreement.
- g. Maintenance of insurance by the Lessee as specified in this Agreement 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 Agreement, or failure to provide the proof of insurance, shall be deemed a default under this Agreement.
- j. City, at its discretion, may require reasonable and good faith revision of amounts and coverage at any time during the term of this Agreement by giving

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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 Agreement.

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.

Premises Common Areas. Premises Common Areas shall include parking areas, sidewalks, walkways, delivery areas, trash facilities, open areas to the south of the building premises as illustrated in Exhibit "B" located on the Premises.

5.02 Use of Common Areas. Lessee, its employees, agents and invitees are, except as otherwise specifically provided in this Agreement, authorized during the term of the Agreement to non-exclusively use the Premises common areas (hereinafter referred to as "Common Areas"), for their respective intended purposes in common with others. City shall at all times have the right to pass over and 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. Maintenance, including debris removal, within the areas will be handled by the Lessee.

5.03 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.

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 Agreement. Lessee further acknowledges that the Premises are in the condition called for by this Agreement and that Lessee does not hold City responsible for any defects in the Premises, with the exception of the roof, exterior walls, and foundation. Lessee accepts the Premises in an "As-Is" and "Where-Is" condition.

6.02 Lessee's Maintenance. With exception to the roof, HVAC, plumbing, electrical, 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

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painting, and repair of the Premises, throughout the term of this Agreement 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 Agreement.

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 City 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.

7.02 Taxes. Not Applicable.

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SECTION 8: IMPROVEMENTS/ALTERATIONS AND PERSONAL PROPERTY

8.01 Improvements/Alterations. 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 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 to, on or about the Premises.

8.02 Ownership of Improvements and Personal Property.

a. Any and all improvements, trade fixtures, structures, fitness equipment, and installations or additions to the Premises now existing or constructed on the Premises by Lessee, shall at Agreement 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 Agreement.

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 Agreement, and Lessee shall remove all such improvements, structures and installations as directed by City at Lessee's sole cost and expense on or before Agreement 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.

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.

8.04 Encumbrance. Not Applicable.

SECTION 9: CITY'S MAINTENANCE

9.01 City's Maintenance. City will keep the roof, HVAC, plumbing, electrical, 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 Agreement, or caused

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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 Agreement 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 Agreement. In the event Lessee's Premises is materially affected, Lessee shall not be required to make any payments under the Agreement 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. Not Applicable.

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 Agreement, 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 Agreement; 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 Agreement; 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 Agreement; 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 Agreement or which in the ordinary course of things would be likely to result therefrom.

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LEASE AGREEMENT**

In the event City consents to an encumbrance of the Agreement for security purposes in accordance with the terms of this Agreement, 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 Agreement 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 Agreement under the provisions of this Agreement.

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 Agreement, City shall have the right to declare this Agreement 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 Agreement and the Premises are continuously and actively used in accordance with Section 1.02 of this Agreement.

SECTION 13: GENERAL PROVISIONS

13.01 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

VISTA COMMUNITY CLINIC
LEASE AGREEMENT

To Lessee:

VISTA COMMUNITY CLINIC
1000 Vale Terrace
Vista, CA 92084

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 Agreement. The City Manager may delegate authority in connection with this Agreement to the City Manager's designee(s). For the purposes of directing Lessee in accordance with this Agreement, which does not result in a change to this Agreement, 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 Agreement 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 Agreement is an express condition hereof and any failure by Lessee to so comply and perform shall be a default of this Agreement and City may exercise any right as provided herein and as otherwise provided by law.

13.05 Entire Agreement. This Agreement 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,

VISTA COMMUNITY CLINIC
LEASE AGREEMENT

and the warranties, representations, and covenants of the Agreement itself.

13.06 Interpretation of the Agreement. The interpretation, validity and enforcement of the Agreement 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 Agreement shall be in San Diego County, California. The Agreement 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 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 heirs, successors, and assigns.

13.07 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.

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 Agreement. 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 Agreement 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

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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 Agreement 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 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.

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

VISTA COMMUNITY CLINIC
LEASE AGREEMENT

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 Agreement that the Lessee shall, continuously and uninterruptedly 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 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 Agreement 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 fitness 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 fitness equipment resulting from Lessee's use thereof. Lessee hereby agrees to, at City's sole discretion and determination, replace or repair any and all fitness 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 fitness equipment, without liability of any kind or nature.

Remainder of Page Left Blank Intentionally
[Signatures on Next Page]

VISTA COMMUNITY CLINIC
LEASE AGREEMENT

SECTION 15: SIGNATURES

15.01 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 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 Agreement to be executed on the day and year respectively written hereinbelow.

"City"

City of Oceanside, a municipal corporation

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

By: _____
City Manager

By: *Patricia Hamilton, 1957*
City Attorney

"Lessee"

Vista Community Clinic
a California non-profit corporation

By: *[Signature]*

By: _____

Print Name: Fernando Sañudo

Print Name: _____

Title: Chief Executive Officer

Title: _____

Dated: 6-15-15

Dated: _____

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

EXHIBIT "A"

LEGAL DESCRIPTION

ASSESSOR'S PARCEL NUMBER: 151-011-05

VESTING: CITY OF OCEANSIDE

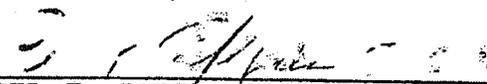
A PORTION OF LAND IN THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 11 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN ACCORDING TO GOVERNMENT SURVEY THEREOF, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA LYING WITHIN PARCEL 2 OF PARCEL MAP 7989, ACCORDING TO MAP THEREOF RECORDED OCTOBER 27, 1978 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SAID SECTION 25 AND THE EASTERLY RIGHT-OF-WAY OF COUNTRY CLUB LANE AS SHOWN ON PARCEL MAP NO. 8805 RECORDED JUNE 14, 1979 AS FILE NO. 79-246284 IN THE COUNTY RECORDER'S OFFICE OF SAID COUNTY; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY SOUTH $00^{\circ}17'50''$ EAST 52.65 FEET; THENCE LEAVING SAID RIGHT-OF-WAY SOUTH $89^{\circ}07'22''$ EAST 126.13 FEET; THENCE NORTH $00^{\circ}23'34''$ EAST 54.38 FEET TO THE NORTH LINE OF SAID SECTION 25; THENCE ALONG SAID NORTH LINE NORTH $89^{\circ}51'44''$ WEST 126.76 FEET TO THE TRUE POINT OF BEGINNING.

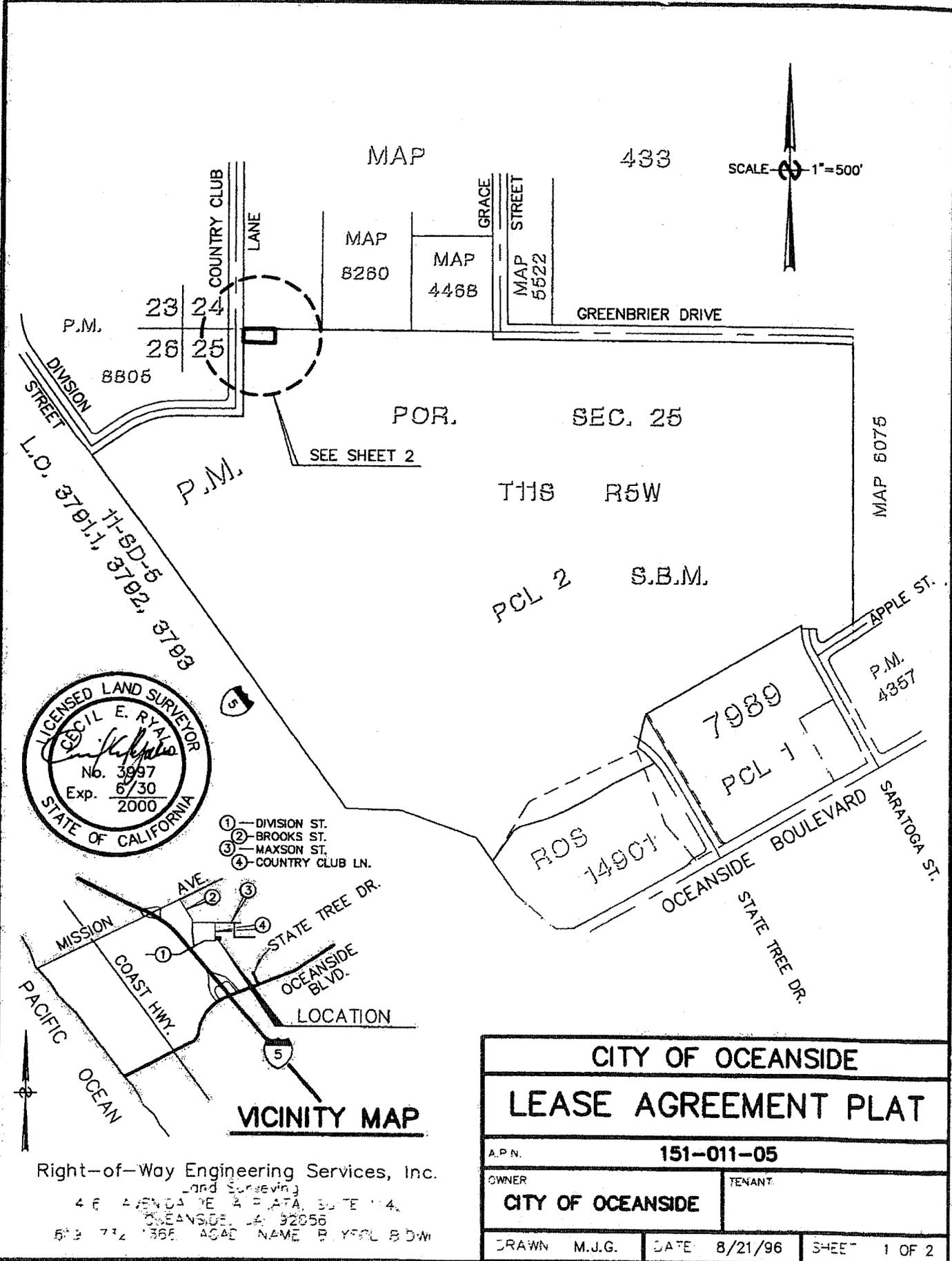
HAVING AN AREA OF 6760 SQUARE FEET MORE OR LESS.

ATTACHED HERETO AND MADE A PART OF THIS LEGAL DESCRIPTION IS A PLAT LABELED EXHIBIT "B".

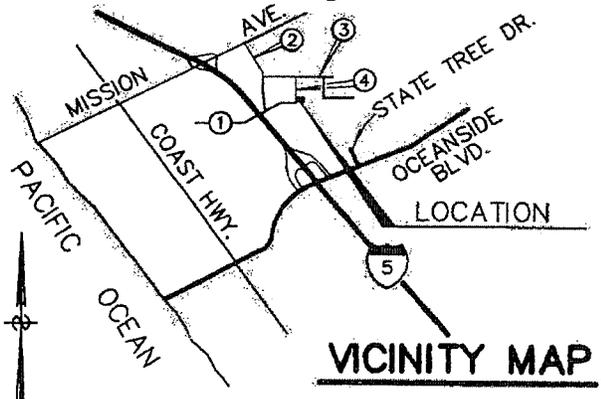
THIS LEGAL DESCRIPTION AND PLAT WERE PREPARED BY ME OR UNDER MY DIRECTION.


CECIL E. RYALS, P.L.S. 3997





- ① - DIVISION ST.
- ② - BROOKS ST.
- ③ - MAXSON ST.
- ④ - COUNTRY CLUB LN.

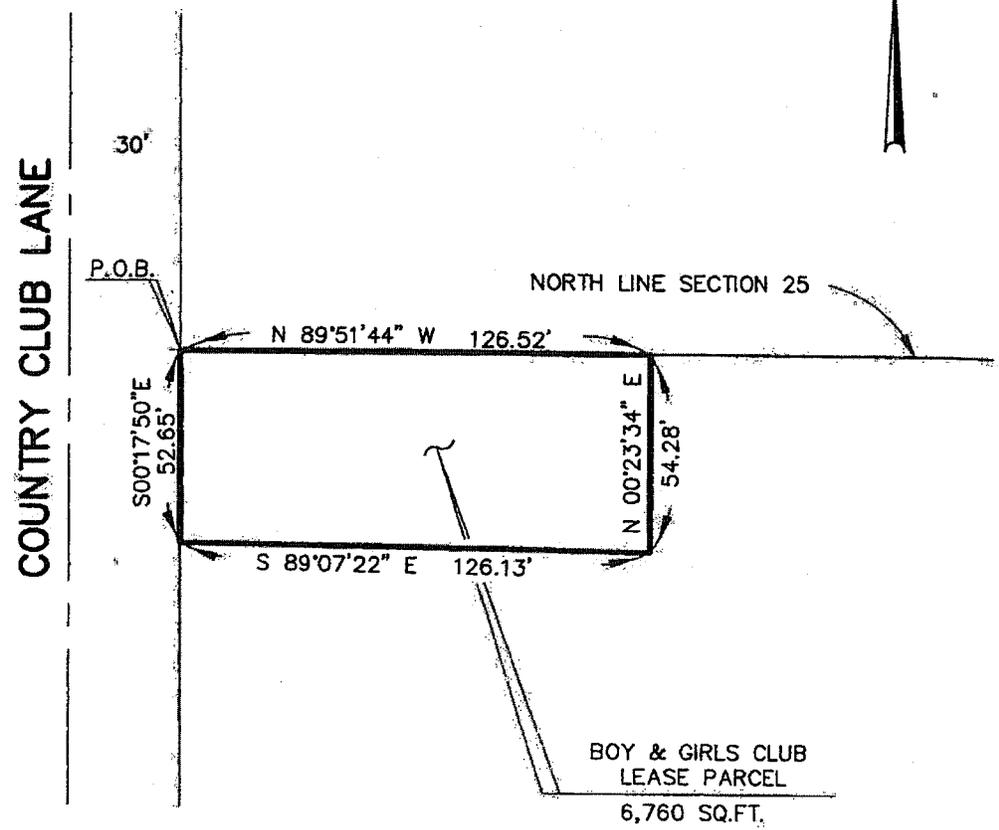
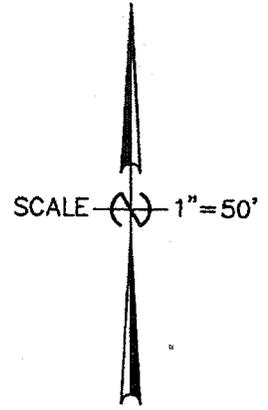


VICINITY MAP

Right-of-Way Engineering Services, Inc.
 Land Surveying
 46 AVENUE 4000, SUITE 104,
 OCEANSIDE, CA 92056
 619 772 1366. AGAD NAME R. YRSL B.D.W.

CITY OF OCEANSIDE
LEASE AGREEMENT PLAT

A.P.N. 151-011-05	
OWNER CITY OF OCEANSIDE	TENANT
DRAWN M.J.G.	DATE 8/21/96
SHEET 1 OF 2	



Right-of-Way Engineering Services, Inc.
 4567 AVENUE DE LA PLATA SUITE 14
 OCEANSIDE, CA 92056
 619 732 1366 ASAL FNAME BGVK PDWF

CITY OF OCEANSIDE			
LEASE AGREEMENT PLAT			
A.P.N. 151-011-05			
OWNER CITY OF OCEANSIDE		TENANT	
DRAWN	M.J.G.	DATE	8/21/96
SHEET		2 OF 2	

Exhibit "B"

Common Area & Common Parking Area

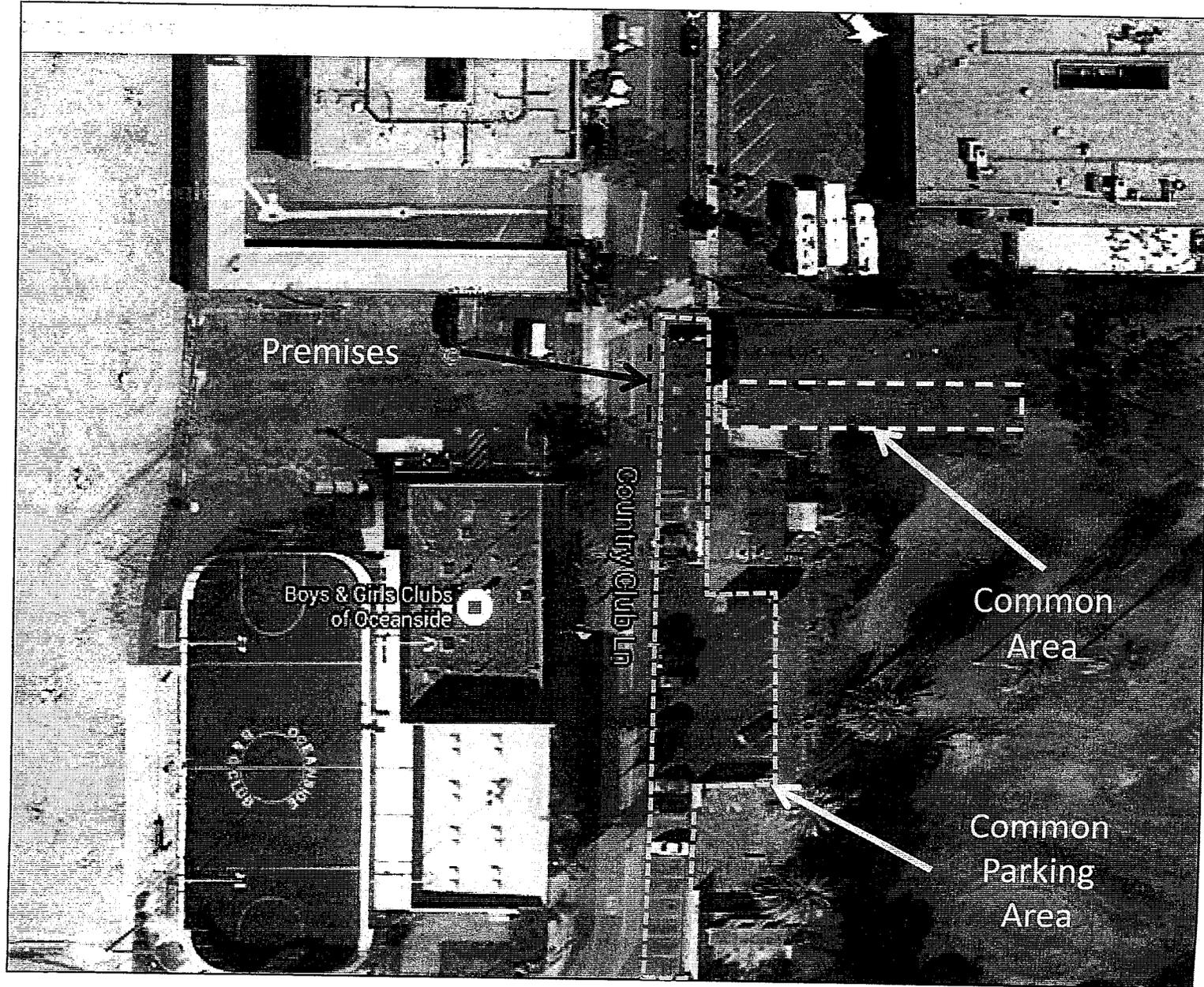


Exhibit C

Operating Plan

Organization: Vista Community Clinic

Project Name: Club 55 Senior Fitness Program

Facility Address: Jr. Seau Senior Fitness Center, 448 Country Club Lane, Oceanside, CA 92054

1. **Mission:** The mission of Vista Community Clinic is to advance community health and hope by providing access to premier health services and education for those who need it most.
2. **Hours of Operation:** Club 55 Senior Fitness Program will operate Monday – Friday from 7 am – 2 pm.
3. **Intended Use of the Facility:** Club 55 Senior Fitness Program provides weight machines, free weights and cardio machines to promote physical activity among Oceanside residents.
4. **Types of users of the Facility:** Anyone age 18 and older can join Club 55. Recruitment efforts are focused on Oceanside residents, particularly seniors 55 years and older, and low-income adults.
5. **Management Structure – On Site:** Club 55 Senior Fitness Program is managed on-site by the Facilities Supervisor who maintains the cleanliness of the building and provides basic instruction to Club 55 members on equipment use. Facilities Supervisor will be trained in CPR and First Aid. **Fiscal:** VCC will submit monthly invoices to City that include all expenditures and receipts of those expenditures in accordance with Oceanside City Council Policy 200-09. VCC will also participate in annual monitoring visit that includes submission of year-end report and independent fiscal audit. All records and receipts will be maintained for minimum of four years.
6. **Marketing:** Club 55 Senior Fitness Program is marketed through a variety of means. The VCC Outreach Program Supervisor is primarily responsible for these efforts. Examples include tabling events, attending meetings with other partners that serve similar target populations, conducting street outreach, and hosting events at Club 55 that are open to the public.
7. **Fundraising and Grants:** The VCC will include fundraising and grant writing in their priorities to obtain a sustainable source of funding for on-going programming, expansion of services and fitness equipment, new or replacement.

MEMORANDUM

TO: Honorable Mayor and City Council Members

THROUGH: Michelle Skaggs-Lawrence, Interim City Manager 
Margery Pierce, Neighborhood Services Director 

FROM: Maria Yanez, Management Analyst, Neighborhood Services

DATE: May 19, 2015

SUBJECT: Club 55 - Junior Seau Senior Fitness Center

Neighborhood Services will provide the Boys & Girls Club of Oceanside (the Club) with 30-day notice effective May 20th, 2015, terminating their month to month lease for the property at 448 Country Club Lane, Oceanside, which houses the Junior Seau Club 55 Fitness Center and the Boys & Girls Club Studio. In an effort to update expired lease agreements, maintain original purpose of building structures and programs and minimize number of agencies utilizing one building for multiple projects. The lease agreement with the Boys & Girls Club for the entire property expired in 2006, and has been on a month to month lease since that year. Neighborhood Services will be terminating the month to month agreement effective June 21st, 2015, and leasing the individual buildings separately to Vista Community Clinic (VCC) and the Boys & Girls Club. Lease will be the standard five year lease and include Common Area Maintenance (CAM) costs of \$2.50/sq. foot. Neighborhood Services will work with Property Management to develop the two leases, one for Vista Community Clinic for the Club 55 fitness center and the second for the Boys & Girls Club's continued use of the Studio. Both leases will be presented to City Council on June 24th, 2015, for approval.

BACKGROUND

The Oceanside Boys and Girls Club opened a fitness center more than fifteen years ago; initial funding and a donation of equipment came from the Junior Seau Foundation. The original name of the fitness center was Club 55, named for Junior Seau's jersey number with the *San Diego Chargers*. The center was opened as part of the afterschool program at the Boys and Girls Club. Shortly after the original opening, some retired men and women asked if the fitness center could be open during the morning hours for adult participants, and the Club agreed. The City of Oceanside has supported the fitness center with an annual contribution of Community Development

Block Grant funds. The fitness center has a strong group of supporters including seniors, working adults who come during lunch hours, and persons who need ongoing physical therapy exercises but who's insurance for such therapy has expired.

The Boys and Girls Club had gone through a review of all their activities in 2010 and determined that while the fitness center program for their youth participants is a part of their core program, a program to serve adults and in particular seniors (55+) was outside of their mission. The Club decided to close the morning hours at the fitness center. The City had also determined that it was not able, due to budget constraints, to assume this program as a Parks & Recreation activity. The Boys and Girls Club was open to another nonprofit taking on the adult/senior fitness program in morning hours (7:00 am - 2:00 pm) during the week. The Oceanside Senior Citizen's Association (OSCA) volunteered to take the program and provide fiscal oversight as well as manage the fitness center for the morning hours.

Unfortunately, OSCA provided notice February 2014, that they could no longer support Club 55 effective April 2014. Vista Community Clinic was able to step in and present a proposal to take over Club 55 Senior Fitness program and incorporate it in to their programming effective June 1st, 2014, through Jun 30th, 2015. As staff approached the new fiscal year and prepared to renew the Joint Use agreement it was determined that the City would update expired agreements and bring them into compliance and minimize the need for third party joint use agreements.

Recommendation

In an effort to minimize confusion, maintain the Junior Seau Club 55 building as its original intent to continue as a fitness facility and maintain the facility to City standards of maintenance and repairs, city staff will terminate of the expired use agreement between City and the Boys and Girls Club for the property. The City will manage the property and the two buildings (fitness facility and youth studio) and lease out individual buildings to each agency (the Club & VCC) and distribute a portion of utilities costs based on percentage of square footage leased through an independent lease agreement versus the current process of third party joint use agreements. Both parties (the Club & VCC) have been made aware of the recommendation.

FY 2015-16 VCC Club 55 Program Budget

PERSONNEL	GL/FTE	Budget
Program Coordinator - H. Ledesma	20%	\$8,000
Facilities Supervisor - D. Godinet	100%	\$30,940
Subtotal Personnel		\$38,940
Fringe (18%)		\$7,009
Total Personnel		\$45,949
OPERATING		
Janitorial Supplies & Services		\$500
Office/Program Supplies		\$500
Copier/Printing		\$200
Utilities (Telephone, Cable, Electric)		\$3,500
Total Operating Expenses		\$4,700
Total Operating & Personnel		\$50,649
Indirect	10%	\$4,595
TOTAL		\$55,244

REVENUES	Amount
City General Fund	\$20,000
CDBG	\$7,500
Membership	\$5,000
Fund Raising	\$10,000
In-Kind *	\$12,744
Total Operating Expenses	\$55,244

* In-Kind includes (1) VCC's Program Coordinator salary & fringe and portion of Indirect costs as well as (2) City's support of utilities

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

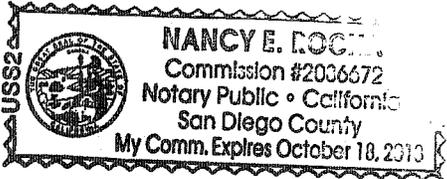
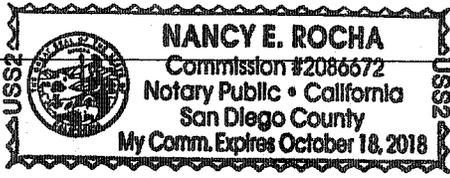
State of California

County of San Diego

On June 15, 2015 before me, _____
 Date

}
Nancy E. Rocha, Notary Public
 Name and Title of the Officer

personally appeared Fernando M. Sarudo
 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 this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Property Use Agreement Document Date: June 24, 2015
City of Oceanside and JCC
 Number of Pages: 16 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

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

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

Signer Is Representing: _____

Signer Is Representing: _____