



TO: Mayor and Councilmembers

FROM: Michelle Greene, City Manager

SUBJECT: Management Agreement for Goleta Community Center

RECOMMENDATION:

- A. Approve and authorize the City Manager to execute an Interim Lease and Management Agreement Between the City of Goleta and the Goleta Valley Community Center, in substantial conformance with the draft attached (Attachment 1); and
- B. Review and authorize staff to advertise the attached Request for Qualifications/Statement of Interest and Proposal (RFQ/RFP) for Operation of Goleta Community Center (Attachment 2) following Council's determination of the scope of rehabilitation for the Community Center; and
- C. Authorize and direct staff to disburse \$25,000 to Goleta Valley Community Center for the Senior Program as allocated in the FY 2016-17 budget.

BACKGROUND:

The City owns the Goleta Community Center¹ facility at 5679 Hollister Avenue. Prior to incorporation, the County entered into a lease agreement with the non-profit Goleta Valley Community Center (GVCC) to operate the facility, making it available for community use. The lease has since expired, but GVCC has continued to lease the facility on a month to month basis as a new lease agreement was negotiated.

The City Council has identified the need to make significant repairs and renovations to the Community Center. On April 19, 2016, the City Council conducted a workshop on the future of the Community Center. The City Council authorized staff to initiate further investigative studies to help define the scope of the needed work for the Community Center and begin the process of formulating the capital improvement project to accomplish the repairs. An agreement for a Historic Resources Study was approved on July 16, 2016. Agreements to conduct a Hazardous Material Assessment and Facilities Condition Assessment are expected to be presented to the Council in September.

¹ Both the facility and the independent non-profit organization managing the facility are generally known as Goleta Valley Community Center. To differentiate, the facility is referred to as simply the Goleta Community Center or the Community Center and the management organization is referred to as the Goleta Valley Community Center or GVCC.

On April 19, 2016, the City Council also recognized that with the changes in the facility and the changes in services provided by the City, especially the development of an active parks and recreation program, this transition provides a good time to request proposals from potential operators, including the GVCC, to realign the operation and programming available at the Community Center to more closely align with Council and community expectations.

At the April workshop, the City Council reiterated a desire to maintain a management relationship with a nonprofit organization to run the facility. Council asked staff to solicit proposals through an RFQ/RFP process from a number of organizations which may have interest in managing the facility, including the GVCC. However, in advance of this process, it was necessary to consider a transitional operating agreement. Staff met with representatives from the GVCC Board and their legal counsel to discuss challenges and opportunities to craft a successful working relationship and management expectations during this transition time. As a result, a draft interim agreement is before the Council today for consideration.

As the City Council is now considering an interim agreement with the GVCC, it may be appropriate for the City Council to release the \$25,000 grant in the Fiscal Year 2016-17 budget to support the Senior Center programming the GVCC offers at the Community Center.

DISCUSSION:

Interim Lease and Management Agreement

City staff have had several meetings with representatives of the GVCC Board of Directors, and the legal counsel for the parties have exchanged drafts of an interim management agreement/lease. A draft of the agreement is attached, and a summary of its provisions is provided in the bulleted points below:

- The parties initially identified some mutual goals for the redefined relationship to create greater communication and coordination in order to allow both parties to achieve success through the interim period. The proposed agreement provides greater clarity on the allowable uses of the Community Center, and confirms the City's access to information about tenant leases and financial management of the facility.
- In order to make this agreement feasible for the GVCC, it was requested the agreement cover a minimum 24 month commitment. This is appropriate as the design and construction of the anticipated rehabilitation project will likely also extend over a period of at least 24 months.
- The proposed agreement focuses on GVCC's management responsibilities, and recognizes that the City's ownership of the facility, particularly in light of the buildings' age and condition, should include a greater role in the facility's maintenance activities for the City. Staff proposes that the City take responsibility for exterior

landscape, playing field and parking lot maintenance, which were previously the responsibility of the GVCC. Increased City involvement in the site's maintenance will allow the City greater control in preserving and managing this important asset.

- In recognition of the value the City places on the management services as well as the senior programming provided by GVCC, and the importance of making those services available to the public at an affordable cost, the proposed lease requires only a nominal rent of \$1 per year.

RFQ/RFP

As requested previously by the City Council, the RFQ/RFP is attached for Council's review and comment. However, staff believes that operators will be more likely to propose, and will have a greater basis for providing a more accurate, detailed proposal, when the scope of rehabilitation activities are known. The results of the investigative studies are expected by the end of the calendar year. When Council is able to provide direction based on that information, staff believes it will be appropriate to release the RFQ/RFP. This will still afford sufficient time to evaluate and identify a preferred provider and negotiate an appropriate agreement.

Senior Center Funding

The Council allocated \$25,000 in the Fiscal Year 2016/17 budget to support the Senior Center programming provided by the GVCC. Council has supported these important services as very beneficial to the community. Based on the proposed interim agreement, staff recommends Council authorize staff to disburse the grant funds upon execution of a grant agreement. Staff has already prepared a grant agreement for this purpose.

FISCAL IMPACTS:

The disbursement of the \$25,000 in grant funds for the Senior Center programming is already budgeted and is available for remittance.

The Interim Agreement provides that a rental rate of only \$1.00 per year would be payable to the City. Since rent has not been collected in the past from GVCC, this would represent an increase in revenue to the City, though the amount of the increase is immaterial to the City's revenue projections and would have very little fiscal impact.

The additional maintenance responsibilities that the City would assume can be absorbed into existing Public Works maintenance budgets and contracts at this time, therefore, there is no immediate fiscal impact for FY 2016/17. Staff will fully analyze the fiscal impact of these services over time as part of the next two-year budget cycle.


The costs to rehabilitate the parking lot and playing field need to be further refined by staff, and the timing of those improvements must be factored into the schedule for renovating the Community Center buildings. However, at this time staff estimates that rehabilitation of all paved surfaces at the Community Center could cost upwards of \$900,000, while restoration of the playing field will cost \$10,000-\$12,000. Staff will return to Council with costs and funding sources of these projects once the findings of the renovation studies are available.

ALTERNATIVES:

Council can direct further negotiation be done with GVCC to come up with an alternative interim lease and management agreement. Council can direct that the RFQ/RFP be further refined or may direct that it be advertised forthwith. Council can direct that the grant funds budgeted for the senior center programming be held for the time being.

Legal Review By:

Tim W. Giles
City Attorney

Approved By:

Michelle Greene
City Manager

ATTACHMENTS:

1. Draft Interim Lease and Management Agreement Between the City of Goleta and the Goleta Valley Community Center
2. Draft Request for Qualifications/Statement of Interest and Proposal For Operation of Goleta Community Center

ATTACHMENT 1

Draft Interim Lease and Management Agreement Between the City of Goleta and the Goleta Valley
Community Center

DRAFT

INTERIM LEASE AND MANAGEMENT AGREEMENT BETWEEN THE CITY OF GOLETA AND THE GOLETA VALLEY COMMUNITY CENTER

This Interim Lease and Management Agreement is made and entered into by and between the City OF GOLETA, a municipal corporation, and the GOLETA VALLEY COMMUNITY CENTER, a California non-profit public benefit corporation.

RECITALS

A. In 1983, the County of Santa Barbara ("County ") as Lessee and the Goleta Union School District (School District) as Lessor entered into a 30 year Lease with Option to Purchase ("Lease/Option") for the Property known as Goleta Union School, located at 5679 Hollister Ave, Goleta, and as further described in Exhibit "A" attached hereto ("Property" or "Premises").

B. In 1984, the County of Santa Barbara ("County ") as Sublessor and the GOLETA VALLEY COMMUNITY CENTER ("GVCC") as Sublessee entered into a 30-year Lease Agreement under which GVCC subleased the Property for use as a Community Center for recreational, literary, scientific and educational opportunities for the general benefit of the public. Initially, County and GVCC agreed that GVCC would pay \$3000.00 per month as rent for the Property.

C. In 2002, the County assigned the Lease/Option to the newly formed City of Goleta ("City" or "Goleta") and Goleta assumed and accepted all liabilities and obligations of County with respect to the Lease/Option. The Goleta Union School District consented to the assignment.

D. In October of 2013, the City timely exercised its option to purchase the Property pursuant to the assigned Lease/Option and the School District approved and transferred title to the Property to Goleta pursuant to Grant Deed.

E. The term of the Lease Agreement expired in 2014 and GVCC currently occupies the Property as a month to month tenant. The City has, since it exercised its option in 2002, , foregone collection of any rent in order to support the important civic and community functions performed by GVCC. As the result of the age of the Property, it is now in need of substantial and significant repairs and renovation.

F. The City Council has conducted a feasibility analysis and held public workshops to study the potential future location of a civic center on the Property, including discussions and analysis of:

1. Construction requirements and costs for needed improvements, repairs and maintenance of the Property;
2. Future programming options and community benefits for the Property; and,
3. Potential future management structure for the Property.

G. As a result of these analyses and workshops, the City desires to move forward to seek proposals for repair and renovation of the Property, and management and programming options for the Property.

H. The City has determined that it is advisable and in the best interests of the community to allow GVCC to continue to lease the Property and manage certain existing

programs on the Property, all in the manner as set forth in this Agreement, for the interim period. This Agreement is within the goals and policies of the City.

I. This Interim Lease and Management Agreement ("Agreement") is entered into with GVCC and hereby gives GVCC the right to occupy the Property, and use and manage it on the City's behalf for the purpose of recreational, literary, scientific and educational opportunities for the general benefit of the public.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. EFFECTIVE DATE: This Agreement shall become effective on_____, 2016 (the "Effective Date").

2. TERM.

A. Except as otherwise provided herein, the original term hereof shall be two (2) years commencing on the Effective Date. Goleta may elect to extend the term of this Agreement for two (2) successive one-year periods subject to the approval of the Goleta City Council. Goleta shall notify GVCC of such election in writing no less than 180 calendar days prior to the termination date of this Agreement. Within sixty (60) days after receipt of such notice from Goleta, GVCC shall provide written notice of acceptance or rejection of such extension of the term.

B. In the event GVCC holds over beyond the term herein provided with the express consent of City, such holding over shall be from month to month only, subject to the conditions of this Agreement, unless expressly waived in writing by City. Such holding over shall not be construed as a renewal of this AGREEMENT. Either party may, during the holdover period, terminate this Agreement by giving the other party at least thirty (30) days' prior written notice.

C. No later than 30 days before the termination or expiration of this Lease or any holdover period, Lessee shall provide City with all documentation (e.g., sublease, rental agreement, insurance certificates, etc., bank or other financial statements showing deposits, etc.) relating to the following:

1. All current sub-lessees, users and or occupiers of the Premises who have a fixed or regular schedule for use of any part of the Premises, a fixed or assigned location on the Premises, who regularly provide or sponsor classes, activities, programs, meetings, services, and/or resources on the Premises, and/or who have reserved all or a portion of the Premises for any purpose during the 12-month period preceding the termination or expiration of this Lease.

2. All written policies and forms currently in effect relating to use of Premises by any person or entity or organization, including but not limited to insurance requirements, hold harmless forms, policies for use and consumption of alcohol on the Premises, reservation forms, etc.

3. ACCEPTANCE AND SUITABILITY OF THE PREMISES. The Premises are offered and accepted in their "As Is" condition now existing. GVCC acknowledges that neither City nor any agent of the City has made any representation of warranty with respect to the Premises or the suitability or fitness thereof for the conduct of Lessee's business, current or prospective activities. GVCC is currently in possession of the Property and has been for over

30 years and acknowledges that the Premises are currently in satisfactory condition for the purposes of this AGREEMENT.

4. RENT.

A. Rent shall be \$ 1.00 per year for the original term of this Lease. Said amount shall be paid to the City on the Effective Date, and on the one-year anniversary thereof, without deduction or offset in lawful money of the United States of America by delivery to the City Manager at Goleta City Hall or to such other person or at such other place as the City may from time to time designate in writing. In any notice of the City's election to extend the term of this Agreement for an additional one-year period provided pursuant to Paragraph 2.A. above, the City shall specify the amount and terms of the rent to be paid by GVCC for such period.

B. Except and unless otherwise provided in this AGREEMENT, it is the intent of the parties hereto that GVCC shall pay all costs, taxes, charges, and expenses of every kind and nature against the Premises, including without limitation any costs for operation of all Programs and activities on the Premises which may arise or become due during the Term.

5. ALLOWED AND PROHIBITED USE OF PREMISES.

A. Except where otherwise provided herein, Lessee shall use the Premises for the operation of a Community Center for recreational, literary, scientific and educational opportunities for the general benefit of the public, including – without limitation – pay-to-enter events so long as they are open to all members of the public (e.g. concerts, dances, performances, classes), and invitation-only events so long as they are free (e.g. weddings, birthday celebrations). Lessee shall use the Premises for no other purpose without the prior written consent of the City Manager or his or her designee. In addition:

1. Lessee shall not use or allow such uses that are not otherwise permitted under applicable laws, ordinances, codes, rules, regulations, orders and other lawful requirements of local, state and federal governmental bodies having appropriate jurisdiction. Lessee shall apply in its own name for and obtain at its own expense any and all licenses, permits and other approvals which may be required from such governmental bodies, including the City, in connection with any particular use of the Premises during the Term.

2. Lessee shall not do or permit activities on or in the Premises, nor bring or keep anything in or on the Premises, that will in any way invalidate or increase the City's existing premium rates, or otherwise affect, any fire or other insurance upon the Premises.

3. To the extent that Lessee allows the use of Premises by other persons, organizations, and entities, whether by sub-lease, rental agreement, reservation or any other manner, Lessee shall require that any such user shall apply in its own name for and obtain at its own expense any and all licenses, permits and other approvals which may be required from such governmental bodies in connection with any particular use of the Premises.

B. Lessee shall not allow the use of the Premises for any business activity, or acts for commercial or for-profit purposes, by any person, organization or entity that is not an IRS-recognized non-profit organization without the prior written consent of the City Manager or his or her designee.

C. Lessee shall not use or allow the use of the Premises for any type of hazardous or ultra-hazardous recreational or other activity that creates a substantial (as distinguished from a minor, trivial, or insignificant) risk of injury to a participant or a spectator, as defined in the California Health and Safety and Government Codes, whether or not a fee is charged for admission to or participation in such hazardous recreational activity, without the prior written consent of the City Manager or his or her designee. (Examples include skate park, roller hockey, etc.) This provision shall also apply to any use of the Property in a manner that is not consistent with the use provisions of all applicable building and zoning codes. (Examples include, using parking lot for uses other than parking cars, using interior rooms within the facility for active sports, or cooking, etc.)

D. City shall have the sole and exclusive discretion to determine whether to approve any such commercial and for-profit uses of the Premises requiring the City's approval pursuant to Subparagraph B above, and any use of the Premises or any part thereof for any type of hazardous or ultra-hazardous recreational activity on the Premises. City Manager may, within his or her discretion, approve, disapprove, or condition any such use.

E. Any proposed use of the Property which requires any permit from the City, including those requesting street closures, barricades, or requiring law enforcement security, and all requests by Lessee for uses requiring City Manager approval as set forth herein shall be submitted to the City and/or City Manager as soon as possible, and no later than 30 days before the scheduled event. Late submittals can result in denial.

F. City shall have the sole and exclusive discretion to determine and establish insurance and indemnity requirements for all uses of the Premises by any person, organization and/or entity, whether for profit or non-profit.

F. Lessee agrees not to commit or suffer to be committed any waste or nuisance in, or about the Premises, and agrees to comply in all material respects with all governmental laws, ordinances and regulations which pertain to or apply to the use of the Premises, now or subsequently imposed.

G. The Premises shall only be used during the hours of 7:00 a.m. and 11:00 p.m. except upon the prior written consent of the City Manager, or in the case of an emergency, in which case notice shall be provided to City Manager as soon as practicable.

6. LESSEE TO PROVIDE DOCUMENTATION OF USERS AND FINANCIAL RECORDS TO City.

A. No later than 30 days after the Effective Date, Lessee shall provide City with a written list and supporting documents (e.g., sublease, rental/user agreement, insurance certificates, ABC permit, etc.) relating to the following:

1. All current sub-lessees, users and or occupiers of the Premises who have a fixed or regular schedule for use of any part of the Premises, a fixed or assigned location on the Premises, who regularly provide or sponsor classes, activities, programs, meetings, services, and/or resources on the Premises, and/or who have reserved all or a portion of the Premises for any purpose (collectively "Users" and individually, a "User") during the 12-month period prior to the Effective Date.

2. An Audited Financial Statement generated within 12 months prior to the Effective Date showing all revenues received by Lessee from any source using any part of

the Premises, whether temporarily or on a regular and/or ongoing basis for at least the 12 months preceding the date of such Statement.

3. All written policies and forms currently in effect relating to use of Premises by any person or entity or organization, including but not limited to insurance requirements, hold harmless forms, policies for use and consumption of alcohol on the Premises, reservation forms, etc.

B. Beginning one month after the execution of this Lease, Lessee shall provide a monthly report to the City Manager summarizing all activities that have occurred on the Property during the past month, including a list of all Users during the time period covered in the report, a list of all programming activities occurring on the Property, an itemization of revenues and expenses, a description of all repairs, and a detailed description of all calls for police or fire services.

C. GVCC shall at all times maintain satisfactory financial accounts, documents and records pertaining to their operations and management of the Premises, and shall make them available to City staff upon request at reasonable times and intervals. Such accounts, documents and records shall be retained by GVCC for three years following termination of this Agreement. GVCC may use any generally accepted accounting system, provided such system meets minimum State of California requirements.

D. City shall have the right to request that GVCC conduct, at City's expense, an audit of its financial transactions, records, documentation, etc. consistent with generally accepted financial and auditing principals.

7. MANAGEMENT, OPERATION, REPAIR AND MAINTENANCE OF PREMISES.

A. City shall retain full responsibility for the maintenance, repair and capital improvement of, and references to the "Premises" hereafter in this Section 7 shall exclude, the Property's athletic field, outdoor courts, parking lot, building exterior, security lights, exterior hardscape, lawns, shrubs, trees and landscaping.

B. Lessee shall assume full responsibility for the management, operation, maintenance and repair of the improvements on the Premises throughout the Term without expense to City. Lessee accepts the Premises as is, and Lessee agrees, at its own sole cost and expense and without right of reimbursement from the City, to perform such maintenance and make such repairs and replacements to the Premises as may be necessary for Lessee's use and to keep the Premises in as good and sanitary order and repair and in as complete compliance with all current applicable laws, ordinances and regulations, including the City's Municipal Code requirements, as exists as of the Effective Date. Lessee's obligation for repairs and replacements herein in any twelve-month period shall not exceed \$5,000.

C. Lessee agrees to return the Premises to City in as good condition as when rented, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted to the extent insurance is provided as required by this Lease.

D. Any agreements or understandings between Lessee and individuals or entities performing maintenance at the Premises shall recognize City as a third-party beneficiary with respect to the commitments or obligations made or undertaken by those individuals or entities.

E. Notwithstanding the foregoing, in the event Lessee breaches any of the covenants contained in this Agreement, and such default continues for a period of ten (10) days after written notice from City (with respect to graffiti, debris, waste material, and general

maintenance), or thirty (30) days after written notice from City (with respect to building repair or replacements), then City, in addition to whatever other remedy it may have at law or in equity, shall have the right to enter upon the Premises and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, City shall be permitted (but is not required) to enter upon the Premises and perform all acts and work necessary to protect, maintain, and preserve the improvements on the Premises. All costs – up to in any twelve-month period the greater of the sum of \$2500.00 or one-half of the City's annual deductible under its applicable insurance policies – incurred by City pursuant to exercise of its right to enter the Premises and perform works of maintenance, shall be paid by Lessee within thirty (30) days of receipt of an invoice from City. Payment of such invoice by Lessee shall not come from or reduce any Rent or other monies due City pursuant to this Lease.

F. Maintenance Standards.

Maintenance of the Premises shall include, but not be limited to: regular cleaning and maintenance of all interior and exterior areas used so that the Premises are clear of graffiti, dirt, pests, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from the Premises; and:

1. Janitorial services, including cleaning, provision of restroom supplies, trash removal, carpet cleaning, and any other cleaning required to maintain the Premises in a safe and sanitary condition suitable for use as a community center/recreation facility.
2. Minor painting and finish repairs;
3. Minor plumbing and electrical fixture repairs;
4. Trash removal and recycling;
5. Removal of all graffiti within 24 hours,.

G. All maintenance work shall conform to all applicable federal and state Occupation Safety and Health Act standards and regulations for the performance of maintenance. City has no obligation to monitor Lessee's compliance with such standards and regulations.

H. Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons possessing valid California applicators licenses, and in strict accordance with all governing regulations. Precautionary measures shall be employed recognizing that all areas are open to public access.

I. Any agreements or understandings between Lessee and individuals or entities performing maintenance at the Premises shall recognize City as a third-party beneficiary with respect to the commitments or obligations made or undertaken by those individuals or entities.

J. City Responsibility for Capital Improvements and Major Repairs.

City shall be responsible for all capital repairs to and replacement of improvements related to the Property including, without limitation, the following: carpet and drape replacement; appliance replacement; interior painting, including trim; HVAC replacement; lighting fixture replacement; kitchen and bathroom renovation; and any health and safety-related capital repairs and improvements as determined necessary during the term of this Lease solely within the discretion of the City Manager. .

K. Emergency Services. In regard to emergency services, both City and Lessee will provide each other with the names and telephone numbers of at least two (2)

qualified persons who can be called at any time of the day or night, including on weekends for assistance when emergency maintenance or other conditions occur at the Premises. For purposes of this section, emergency shall refer to events which impact the habitability or health and safety of the users or occupants of the Premises. City representatives shall be notified as soon as possible of any event, occurrence or condition that impacts the health, safety and welfare of any users or occupants of the Premises, or precludes the safe use or occupancy of the Premises by any person or persons.

L. Non-responsibility of City. Lessee agrees that City shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Property except as expressly set forth in this Lease or otherwise separately agreed to by City. Lessee shall provide notice to City prior to allowing any contractor to perform work on the Property so that City may post notices of non-responsibility if necessary. Lessee hereby waives the benefit of California Civil Code Section 1941 and 1942 and any other law that would otherwise afford Lessee the right to make repairs at City's expense.

M. Utilities and Services. Lessee shall provide and pay for all water, sewage, gas, and electricity services supplied, and shall provide and pay for general trash collection serving the Center and the Property. Lessee agrees to provide for administrative services, supplies, maintenance and janitorial services and shall pay for any and all telephone and internet services and connections required for Lessee's use of the Premises. The services provided by the Lessee shall include, but not be limited to, providing all fire, General liability and other types of required insurance in the amounts set forth in this Lease, payment of all personal Property taxes, any and all assessments, maintenance and replacements related to Lessee's use of, and operations on, the Premises.

N. Compliance with Laws. During the Term Lessee shall comply, at its own cost and expense, with: all applicable laws, ordinances, codes, rules, regulations, orders, and other lawful requirements of the governmental bodies having jurisdiction, which are applicable to, or by reason of, Lessee's particular use, or that of any of its sub-lessees, renters, permissive users, etc., of the Premises or the fixtures and equipment therein, and its construction of improvements at the Premises, including without limitation, payment of prevailing wages if applicable; the orders, rules and regulations of the National Board of Fire Underwriters, or any other body hereafter constituted exercising similar functions, which may be applicable to the Premises or the fixtures and equipment therein or thereon or the use thereof; and the requirements of all policies of public liability, fire and all other types of insurance at any time in force with respect to the Premises, and the fixtures and equipment therein and thereon; except that nothing in this Subparagraph N or otherwise in this Agreement shall require GVCC to comply, or cause the Property or any fixture or equipment therein to comply, with any law or other requirement with which the Property or any fixture or equipment therein is not already in compliance as of the Effective Date.

O. Signs. Lessee shall not post signs upon the Premises or improvements thereon, unless prior written approval therefore is obtained from City and only in compliance with all local regulations and the Premises Usage Rules.

P. Nuisances and Annoyances. Lessee shall not use or permit the use of the Premises for any purpose which would constitute a nuisance or unreasonable annoyance to adjacent properties. and shall at all times comply with the Goleta Noise ordinance, Goleta Municipal Code, Chapter 9.09.

8. HAZARDOUS MATERIALS AND ENVIRONMENTAL CONDITIONS.

A. Prohibited Without Consent. Lessee shall not cause or permit any Hazardous Materials to be brought onto, stored, used, generated, recycled, or disposed of in, on, under or about the Leased Premises by Lessee, its agents, employees, contractors, licensees, sublessees or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold or delay so long as Lessee demonstrates to Landlord's reasonable satisfaction that the Hazardous Materials, and the quantities thereof, are necessary or useful to Lessee's business. Lessee shall demonstrate that such Hazardous Materials are necessary or useful by submitting information to Landlord in accordance with this paragraph. Notwithstanding the foregoing, Lessee shall have the right to bring onto, store, use and handle on the Premises (i) minor quantities of generally available Hazardous Materials used for routine cleaning and maintenance of the Premises and other operational aspects of its business, and (ii) products containing Hazardous Materials that are used for common household, yard or family purposes, provided that same are held for sale at retail in their original manufacturer's containers and provided that the same are at all times stored, used, handled and disposed of in compliance with all Environmental Laws.

B. Compliance with Environmental Laws. Lessee shall comply, at its sole cost, with all applicable Environmental Laws pertaining to Hazardous Materials (the "Environmental Laws"), including but not limited to the preparation of business plans pursuant to Health & Safety Code Section 25500 et seq., to the extent applicable to Lessee. It shall be the sole obligation of Lessee to obtain any permits and approvals required for the operation of Lessee's business pursuant to the Environmental Laws. Lessee will prevent any action by or on behalf of Lessee, Lessee's employees and agents and invitees that will cause the Premises to be in violation of, or will subject the Premises to any remedial obligations under Federal, State or Local environmental laws, rules, regulations, or ordinances.

C. Cleanup and Remediation. Lessee covenants and agrees that it shall, at its own expense, clean up and remediate, to the satisfaction of City, any discharge or release by Lessee on or from the Premises of any Hazardous Materials. For purposes of this paragraph, any acts or omissions of Lessee or of any sublessee, renter or occasional User of the Premises, or by employees, agents assignees, contractors or subcontractors of Lessee or any sublessee or by others acting for or on behalf of Lessee or any sublessee (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Lessee.

D. Lessee shall indemnify, defend, protect and hold harmless City, and each of City's successors, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses (including, without limitation, diminution in the value of the Premises and damages for the loss of or restriction on the Premises), costs or expenses (including attorneys' fees, consultants' fees and experts' fees) arising out of or in connection with Lessee's use and occupancy of the Premises, caused in whole or in part, directly or indirectly, by (i) the presence in, on, under or about the Premises due to Lessee's activities, or any discharge or release by Lessee on or from the Premises of any Hazardous Materials, (ii) the use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation by Lessee of Hazardous Materials in, on, under, about or from the Premises, or (iii) Lessee's failure to comply with any Environmental Law. Lessee's obligations under this indemnification shall include, without limitation, whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of any such conditions, and any all costs of any repair, cleanup, detoxification or decontamination of the Premises (including,

without limitation, the soil and ground water on, under or about the Premises), and the preparation and implementation of any closure, remedial action, or other plans in connection therewith.

E. Definitions: For the purposes of this Lease, each of the following terms shall have the meaning herein assigned to such term which may, as the context requires, be expressed or applied in the singular or plural form thereof:

1. As used in this Agreement, the term "Hazardous Material" shall mean any substance, water, or material which has been determined by any state, federal, or local government authority to be capable of posing a risk of injury to health, safety, and Property, including but not limited to, all of those materials, wastes and substances designated as Hazardous or Toxic by the U.S. Environmental Protection Agency, the U.S. Department of Labor, the U.S. Department of Transportation and/or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. It shall include but not be limited to the following: (i) petroleum, petroleum by-products, petroleum derivatives and any and all other hydrocarbons; (ii) those substances which are or become included within the definitions of "hazardous substances", "hazardous material", "toxic substances", "hazardous waste" or "solid waste" in any of CERCLA, RCRA, the Clean Air Act, the Hazardous Materials Transportation Act (49U.S.C.A. sec. 1801, et seq.), HSA, Porter-Cologne Act, HWCL and in regulations promulgated pursuant thereto; (iii) those substances which are or become listed in the U.S. Department of Transportation Table or amendments thereto (49 CFR sec. 172.101 1988), or by the U.S. Environmental Protection Agency (or any successor agency) as hazardous substances; (iv) those other substances, materials and wastes which are or become regulated under any applicable federal, state or local law, regulation or ordinance, or by any federal, state or local governmental agency, board, commission or other governmental body, or which are or become classified as hazardous or toxic by any such law, regulation or ordinance; and (v) any material, waste or substance which is any of the following: mold, lead-containing material, asbestos-containing material, polychlorinated biphenyls designated or listed as a "hazardous substance" pursuant to sec. 1321(14) of the Clean Water Act, explosive or radioactive materials.

2. Disposal of Toxic Materials. Notwithstanding anything to the contrary contained in this Section, Lessee shall not release or dispose of any Hazardous Material, in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Site or adjacent streets that will cause or contribute to a violation of Environmental Laws or contamination of soil, subsoil or groundwater in excess of action levels used by any governmental authority or agency having jurisdiction over such contamination. The offsite disposal of Hazardous Materials by Lessee shall be in strict compliance with all Environmental Laws.

3. Safety. To the extent required by applicable law, Lessee shall maintain Material Safety and Data Sheets (MSDS) for each and every item or product containing Hazardous Material brought onto the Site as required by applicable Environmental Laws. Such information shall be kept current at all times.

4. Disclosure. To the extent required by applicable law, on each January 1st during the term of this Lease, Lessee shall submit to the Landlord the following documents: (i) an inventory of all compounds or products located on the Leased Premises that contain Hazardous Materials and were used in the operation of the business during the prior year (ii) all MSDS for said compounds or products containing Hazardous Materials to the

extent such MSDS are required for Lessee's compliance with the Hazard Communication Standard in 29 CFR §1910.1200; (iii) an estimate of the quantity or volume of such products or compounds used on or about the Leased Premises during the prior year.

5. Indemnity. Lessee shall be solely responsible for and shall indemnify, hold harmless and defend City, its officers, employees and agents, from and against any and all Liabilities arising from or in any way relating to the use of Hazardous Materials on the Leased Premises, or the presence of Hazardous Materials in or originating from the soil, subsoil, or groundwater located in, on or under the Leased Premises, provided that the Liabilities are or are reasonably likely to be a result of or related to the receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Hazardous Materials in, on, under or about the Leased Premises at any time before or after the date of this Lease but not before the date of Lessee's first possession of the Premises, and provided that the Liabilities are or were, caused by Lessee or its agents, employees, contractors, licensees, sub-Lessees or invitees. The indemnification by Lessee under this Section shall survive the termination of this Lease.

6. Cleanup. If Lessee, its agents, employees, contractors, licensees, sublessees, or invitees, causes Hazardous Material contamination or deterioration of groundwater, subsoil or soil in, on, under or originating from the Leased Premises in excess of action levels used by any governmental authority or agency having jurisdiction over such contamination, the Lessee shall promptly notify all appropriate regulatory agencies and take any and all action (the "Necessary Action") required by appropriate regulatory agencies to clean up such contamination in the manner required by law. Lessee shall promptly furnish Landlord with a copy of all correspondence with regulatory agencies concerning the Necessary Action. Lessee shall furnish Landlord with a copy of any work plans, descriptions of Necessary Action or progress reports submitted to regulatory agencies for Landlord's review and comment. Landlord shall have the right to submit written comments on all aspects of the work plan to Lessee and the regulatory agencies, including without limitation, comments on the remediation methodology and appropriateness of cleanup levels. Lessee shall provide Landlord with ten (10) business days written notice of all meetings with regulatory agencies concerning the Necessary Action. Landlord and its consultants shall have the right to attend and participate actively in all meetings with regulatory agencies concerning the Necessary Action, and Lessee shall use its best efforts to facilitate Landlord's exercise of this right to attend and participants, including but not limited to, advocacy with regulatory agencies on Landlord's behalf. Except in the case of an emergency, no Necessary Action shall be commenced without (1) written approval by all regulatory agencies having jurisdiction over the Necessary Action and (2) prior written notice to Landlord. Landlord shall have the right to have a representative present on the Leased Premises at all times during the implementation of the Necessary Action by Lessee and its agents. Lessee agrees that the Necessary Action will be supervised by and certified by a registered or licensed professional engineer or contractor. Lessee hereby releases Landlord, its officers, employees and agents, from responsibility for, and indemnifies Landlord, its officers, employees and agents, (with counsel approved by Landlord) against any Liability in connection with the Necessary Action. If Lessee fails to take Necessary Action on a timely basis, Landlord may, but shall not be obligated to, take Necessary Action and in such event, all costs incurred by Landlord with respect thereto shall be for the account of Lessee and recoverable as additional Rent hereunder.

7. Timing for Clean-up/Emergencies. In the event contamination of the Premises described in Paragraph (6), Lessee agrees and warrants and guarantees to Landlord that Lessee shall remediate such contamination, at no cost to Landlord, upon discovery of such contamination. If Lessee fails to initiate cleanup of the contamination (i) within 48 hours after discovery, or (ii) if the contamination poses an imminent hazard to Lessee's employees, agents, invitees, the public, the Premises, adjacent or other Property and/or the environment, within 24 hours of the earlier of discovery of such hazard by Lessee or notice of each contamination to Landlord by any person in or in any manner whatsoever, Landlord shall obtain cleanup of the contamination remediation costs. In the event Lessee fails to begin cleanup of the contamination within the time period set forth above considering the extent of the contamination and the hazard posed, Landlord may, at Landlord's sole option, declare the Lessee in default under this Lease.

8. Notice. If Lessee is required by statute or regulation to give notice to any state, federal or local regulatory authority about the spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises by Lessee, Lessee shall immediately notify Landlord. This obligation to notify Landlord shall also extend to any personal injuries or Property damage to third parties resulting directly or indirectly from said spilling, discharging, releasing or disposing of Toxic Materials. If Lessee becomes aware of or has reason to suspect the presence of any Toxic Materials present on, under, or about or coming onto the Leased Premises or of any release of Toxic Materials that has come to be located on or beneath the Leased Premises Lessee shall immediately give written notice of such condition to Landlord as required by California Health and Safety Code §25359.7. Landlord hereby acknowledges that Lessee has notified Landlord that the floor tiling in the Premises may contain asbestos.

9. Storage and Use of Toxic Materials. Any and all Toxic Materials permitted in, on, under or about the Leased Premises pursuant to this Lease shall be stored and used in strict compliance with all Environmental Laws. There shall be no ponding or uncovered surface storage whatsoever of Toxic Materials in, on or about the Leased Premises. No underground storage tanks shall be constructed, installed or used without Landlord's prior written consent, which consent may be withheld by Landlord in its absolute discretion.

9. ALTERATIONS BY TENANT.

A. Lessee shall not make any changes or alterations in or to the structure of the Premises (including installation of any cables or data transfer wires) or which adversely affect the safety, structure, value, or architectural integrity of the Premises without City's prior written consent. Any such change or alteration is hereinafter referred to as an "Alteration" or "Alterations." Any Alteration shall be made on the following conditions: (i) before proceeding with any Alteration, Lessee shall submit to City for City's approval plans and specifications for the work to be done, and contractors proposed to be used to perform the work which shall be first approved by City in its reasonable discretion. Lessee shall not proceed with such work until it obtains City's approval; (ii) before proceeding with any Alteration which will cost more than Five Thousand and 00/100 Dollars (\$5,000.00) (exclusive of the cost of decorating work and items constituting Lessee's Property), as estimated by a reputable contractor reasonably acceptable to City, Lessee shall obtain and deliver to City either (1) a performance bond and a labor and materials payment bond (issued by a corporate surety licensed to do business in

California), each in an amount equal to one hundred twenty five percent (125%) of such estimated cost and in form satisfactory to City, or (2) such other security as shall be satisfactory to City; (iii) Lessee shall obtain and maintain insurance on tenant's improvements and betterments. Policy shall be provided for replacement value on an "all risk" basis. There shall be no coinsurance penalty provision in any such policy. (iv) Lessee shall fully and promptly comply with and observe the rules and regulations of City then in force with respect to the making of Alterations; (v) the entire cost of the Alterations shall be borne by Lessee; (vi) Lessee agrees that any review or approval by City of any plans or specifications with respect to any Alterations is solely for City's benefit, and without any representation or warranty whatsoever to Lessee with respect to the adequacy, correctness or efficiency thereof or otherwise; and (vii) if at the time City consents to any Alteration(s), City requires that Lessee, upon the expiration or termination of this Lease, remove the Alterations (or such part thereof as City may designate) and restore the Premises to its condition prior to such Alterations having been made, then Lessee shall, at its sole cost and expense, cause such removal to occur and such restoration to be performed.

B. Lessee, at its expense, shall obtain all necessary governmental permits and certificates for the commencement and performance of Alterations and for final approval thereof upon completion, and shall cause Alterations to be performed in compliance therewith and with all applicable law and requirements of public authorities and with all applicable requirements of insurance bodies. Alterations shall be diligently performed in a good and workmanlike manner, using new materials and equipment at least equal in quality and class to the better of (i) the original installations of the Premises, or (ii) the then standards for the Premises reasonably established by City. Alterations shall be performed in such manner as not to unreasonably interfere with or delay and as not to impose an additional expense upon City in the maintenance, repair or operation of the Center; and if any such additional expense shall be incurred by City as a result of Lessee's performance of any Alterations, Lessee shall pay such additional expense upon demand.

C. Throughout the performance of Alterations, Lessee, at its expense, shall carry, or cause to be carried, workmen's compensation insurance in statutory limits and general liability insurance, with completed operation endorsement, for any occurrence in or about the Premises, under which City and its agent shall be named as additional insureds, in such limits as City may reasonably require, with insurers reasonably satisfactory to City. Lessee shall furnish City with reasonably satisfactory evidence that such insurance is in effect at or before the commencement of Alterations and, on request, at reasonable intervals thereafter during the continuance of Alterations. If any Alterations shall involve the removal of any fixtures, equipment or other Property in the Premises which are not Lessee's Property, such fixtures, equipment or other Property shall be promptly replaced at Lessee's expense with new fixtures, equipment or other Property of like utility and at least equal value unless City shall otherwise expressly consent.

D. Lessee, at its expense, and with diligence and dispatch, shall procure the cancellation or discharge of all notices of violation arising from or otherwise connected with Alterations, or any other work, labor, services or materials done for or supplied to Lessee, or any person claiming through or under Lessee, which shall be issued by any public authority having or asserting jurisdiction. Lessee shall defend, indemnify and save harmless City from and against any and all mechanics' and other liens and encumbrances filed in connection with Alterations, or any other work, labor, services or materials done for or supplied to Lessee, or

any person claiming through or under Lessee, including, without limitation, security interests in any materials, fixtures or articles so installed in and constituting part of the Premises and against all costs, expenses and liability incurred in connection with any such lien or encumbrance or any action or proceeding brought thereon. Lessee, at its expense, shall procure the satisfaction or discharge or record of all such liens and encumbrances within thirty (30) days after the filing thereof.

10. INDEPENDENT CONTRACTOR.

A. This Lease is by and between City and Lessee and is not intended and shall not be construed, to create the relationship of agent, servant, employee, or representative of City by Lessee. All persons furnishing services to Lessee pursuant to this Lease are, for purposes of workers' compensation liability, employees or contractors solely of Lessee, and not of City.

B. Lessee shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries from or connected with services performed on behalf of Lessee pursuant to this Lease.

10. HOLD HARMLESS AND INDEMNIFICATION.

A. Lessee shall indemnify and save harmless City and its officers, council members, employees and agents thereof from all claims, suits, or actions of every name, kind, and description, brought for, or on account of, injuries to or death of any person including, but not limited to, workmen and the public, or damage to Property resulting from Lessee's use and occupancy of the Premises, the construction of any work initiated or by or in consequence of any negligence regarding any such work, the use of improper materials or equipment in construction of any such work, the neglect or refusal of the Lessee to faithfully perform any such work and all of any Lessee's obligations under this Lease, or by or account of any act or omission by Lessee or its agents or a subcontractor or its agents or a third party during the progress of said work. This indemnification by Lessee shall include all costs and expenditures including attorney's fees incurred by City or its employees, council members, officers or agents with respect to such claim or suit and Lessee will, if requested by City, defend any litigation arising out of such claims at the sole cost and expense of Lessee. City shall have the right to select legal counsel of its choice in connection with such defense.

B. Neither City, nor any officer, agent or employee of City, shall be liable for (a) loss of or damage to any Property of Lessee, or of any other person, entrusted to any of City's agents or employees, (b) loss of or damage to any Property of Lessee or of any other person by theft or otherwise, (c) any injury or damage to any person or Property resulting from fire, explosion, falling plaster, steam, gas, electricity, dust, or water, or leaks from any part of the Premises or from the pipes, appliances or plumbing system, or from the roof, street or subsurface or any other place or by dampness, or from any other cause whatsoever, (d) any such damage caused by other occupants or persons on the Premises or by construction of any private, public or quasi public work, or (e) any latent defect in the Premises.

11. INSURANCE.

A. Without limiting Lessee's indemnification of City, Lessee shall provide and maintain at its own expense during the term of this Lease the following program(s) of insurance covering its operations hereunder. Such insurance shall be provided by insurer(s)

licensed to do business in, and in good standing in, the State of California, and satisfactory to the City. Lessee shall provide certificates of insurance confirming insurance coverage required herein and a waiver of subrogation endorsement for workers' compensation to City in a form satisfactory to City on or before the Effective Date of this Lease. Insurance certificates, endorsements and waivers must be approved by City's risk manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time. Evidence of such programs shall be delivered to _____. Such evidence shall specifically identify this Lease and shall contain express conditions that City is to be given written notice at least thirty (30) days in advance of any modification or termination of any program of issuance. Lessee further agrees to deliver to the City a renewal binder for each policy not later than thirty (30) days before its expiration. Such insurance shall be primary to and not contributing with any other insurance maintained by City, and shall name City and its officers and employees as additional insureds.

B. The City and the Lessee each hereby waive any and all rights of recovery against the other on account of losses insured against under any fire and extended coverage insurance policy in force at the time of such loss or damage but only to the extent that such waiver will not invalidate such insurance. Lessee shall attempt to obtain an endorsement from its insurance carrier providing that the foregoing waiver shall not invalidate the Lessee's insurance.

C. During the term of this Lease, Lessee shall provide and maintain the following forms and amounts of insurance.

1. Liability. Comprehensive Commercial General Liability insurance with coverage consistent with Insurance Services office form CG 00 01, with a combined single limit of not less than \$2 Million per occurrence without any self-insured retentions and with a maximum deductible of \$5,000. Said policy must include contractual liability without amendment.

2. Workers Compensation: A program of Workers' Compensation insurance in the amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers' Liability with a \$500,000 limit covering all persons providing services by or on behalf of Lessee and all risks to such persons under this Lease. Lessee shall submit to City as provided herein, a waiver of subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

3. Property Coverage. [(1) Real Property – All Risk Insurance for the full insurable replacement value of all structural improvements constituting the Premises with a deductible no greater than five percent (5%) for all risk related coverages, and (2) Personal Property Insurance for the actual cash value against the hazards of fire, theft, burglary, vandalism and malicious mischief.

4. Employment Practices Insurance covering claims arising out of the employment relationship, including but not limited to, unlawful employment harassment, employment discrimination, wrongful termination, etc., in a form and as required by the City's insurer.

5. Abuse and Molestation Insurance in the event the Premises are used for any type of school, child care, or other services or programs involving children, in a form and as required by the City's insurer.

6. Automobile liability insurance shall be provided if Lessee provides transportation to any users, participants, volunteers or employees during the regular course of its business. Said insurance shall include coverage consistent with Insurance Services office form CG 00 01 and shall cover bodily injury and property damage for all activities of the Lessee arising out of or in connection with services and programs to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles in an amount not less than \$1 million combined single limit for each accident.

7. Failure on the part of Lessee to procure or maintain required insurance, provide the City with required certificates, waivers and endorsements, shall constitute a material breach of contract upon which City may immediately terminate this Lease. Lessee shall provide City with a thirty (30) day notice of cancellation or non-renewal for each required insurance coverage.

C. The specified amount of liability insurance required herein may be subject to renegotiation on an annual basis, however, Lessee shall continue to provide insurance in the manner heretofore provided, pending final renegotiation thereof.

D. City and Lessee each hereby release the other from any liability for any loss or damage to the Center, the Premises or other Property and for injury to or death of persons occurring on the Property or in the Center or the Premises or in any manner growing out of or connected with Lessee's use and occupation of the Premises, the Center or the Property or the condition thereof, whether or not caused by the negligence or other fault of City, Lessee, or their respective agents, employees, subtenants, licensees, invitees or assignees; provided, however, that this release (i) shall apply notwithstanding the indemnities set forth in Paragraph 9, but only to the extent that such loss or damage to the Center or other Property or injury to or death of persons is covered by insurance which protects City or Lessee or both of them as the case may be; (ii) shall not be construed to impose any other or greater liability upon either City or Lessee than would have existed in the absence hereof; and (iii) shall be in effect only to the extent and so long as the applicable insurance policies provide that this release shall not affect the right of the insureds to recover under such policies, which clauses shall be obtained by the parties hereto whenever available on commercially reasonable terms.

E. Lessee shall notify City as soon as practicable regarding any claims made, lawsuits filed, or any other matter involving potential liability against Lessee relating to the Property or the actions of Lessee or any of its agents, officers, employees or volunteers.

12. NO ASSIGNMENT OR SUBLETTING.

A. Prohibition of Assignment.

Except as otherwise provided herein, Lessee shall not voluntarily assign or encumber its interest in this Lease or in the Premises, sublease substantially all of the Premises, or sublease a part of the Premises constituting less than substantially all of the Premises for a period longer than 30 consecutive days without prior written consent of City, which consent may be withheld in City's sole and arbitrary discretion. Lessee shall not, without the prior written consent of City, assign, hypothecate, or mortgage this Lease or sublease or license any or all of the Premises. Any attempted assignment, hypothecation, mortgage, sublease or license without the consent of City shall at City's election constitute an Event of Default under Section 15 below.

13. NON-DISCRIMINATION AND CIVIL RIGHTS COMPLIANCE.

A. Lessee hereby certifies and agrees that, in all matters affecting this Lease, it will comply with all applicable federal, State and local laws and regulations prohibiting discrimination in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises herein leased nor shall the Lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of Lessees, lessees, sub-Lessees, or sublessee or vendees in the Premises herein leased. Lessee certifies and agrees that all persons employed thereby, are and shall be treated equally without regard to or because of race, creed color, national origin, political affiliation, viewpoint, religion, marital status, sex, age, or handicap, and in compliance with all federal and state laws prohibiting discrimination in employment.

14. TERMINATION OF LEASE.

A. Upon any Event of Default as defined in Section 15 below, or should the property become uninhabitable due to construction activities, as set forth in Section 17 below, the City may terminate the tenancy created by this Agreement by giving at least thirty (30) days' prior written notice of such termination to the Lessee. In addition to any other manner of service authorized by law, such written notice may be given to the Lessee by certified or registered mail as hereinafter provided.

B. Subject to the surrender provisions below, upon termination of this Lease, City shall have the right to take possession of the Premises, including all tenant improvements, equipment, and inventory located thereon, and may use same for the purpose of satisfying and/or mitigating all damages arising from a breach of this Lease.

C. Action by City to effectuate a termination and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein or by law or equity to remedy a breach of this Lease. All rights and remedies available to City shall be cumulative to the extent allowed by law.

15. EVENTS OF DEFAULT.

A. The abandonment, vacation or discontinuance of operations on the Premises for more than ten (10) consecutive working days, except for planned breaks in service, e.g., holiday periods, that Lessee has provided prior written notice of to Lessor.

B. The failure of Lessee to punctually pay or make payments herein when due, where the delinquency continues beyond ten (10) days following written notice for payment thereof.

C. The failure of Lessee to operate in the manner required by this Lease, where such failure continues for more than ten (10) days after written notice from City to correct the condition therein specified.

D. The failure of Lessee to maintain the Premises and the improvements constructed thereon in the state of repair required hereunder, and in a clean, sanitary, safe and satisfactory condition, where such failure continues for more than ten (10) days after written notice from City for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Lessee shall have immediately, following receipt of such notice, commenced to perform whatever may be required to cure the particular default

and continues such performance diligently, said time limit may be waived in the manner and to the extent allowed by City.

E. The failure of Lessee to keep, perform and observe any other promise, covenant, condition and agreement set forth in this Lease, where such failure continues for more than ten (10) days after written notice from City for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Lessee shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues to such performance diligently, said time limit may be waived in the manner and to the extent allowed by City.

F. The filing of a voluntary petition in bankruptcy by Lessee; the adjudication of Lessee as a bankrupt; the appointment of any receiver or trustee of Lessee's assets; the making of a general assignment for the benefit of creditors; a petition or answer seeking an agreement for the reorganization of Lessee under any federal reorganization act, including petitions or answers under federal laws; the occurrence of any act which operates to deprive Lessee permanently of the rights, powers and privileges necessary for the proper conduct and operation of the Programs; the levy of any attachment or execution which substantially interferes with Lessee's operation under this Lease and which attachment or execution is not vacated, dismissed, stayed or set aside with a period of sixty (60) days; City reasonably determines that the Lessee is insolvent; Lessee shall be deemed to be insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not, and whether insolvent within the meaning of federal bankruptcy law or not.

G. Determination by City, the State Fair Employment Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by Lessee in violation of state and/or federal laws in connection with the Lease.

16. RIGHT-OF-ENTRY.

A. Lessee agrees that the City, its agents and employees, may enter upon the Premises at any reasonable time for the purpose of making inspections, surveys and measurements, and if warranted, performing other work considered necessary by the City, all with the understanding that the same will be performed in such a manner as will cause a minimum of interference with Lessee's use of the Premises. City agrees to provide Lessee with reasonable prior notice of any such entry and inspection. Lessee waives any claim for damages for any injury or inconvenience to, or interference with, Lessee's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss caused by the entry of the City as described herein, and Lessee agrees that there shall be no abatement of rent by reason if the City's entry for the purposes described in this Paragraph, except for any claim for any of the foregoing arising out of the negligent acts or omissions of the City or its officers, employees or authorized agents.

B. The City shall at all times have and retain a key with which to unlock all of the doors in the Premises and the City shall have the right to use any and all means that it may deem proper to open such doors in emergencies in order to obtain entry into the Premises. Any entry into the Premises obtained by the City by any means whatsoever shall not under any circumstances be deemed a forcible or unlawful entry into, or detainer of, the Premises, nor shall such entry be construed to be an eviction of Lessee from any part of the Premises.

C. Should Lessee be deemed deficient, as determined by City, in its performance of its obligations required hereunder, in addition to all other available remedies, City may, but shall not be so obliged, enter upon the Premises and correct Lessee's deficiencies by using City's employees and equipment and materials on the Premises suitable for such purposes, or by employing a separate private contractor. City's costs so incurred, including direct and indirect overhead costs determined by City, shall be reimbursed to City by Lessee and/or its sureties within thirty (30) days of demand thereof.

17. DISPLACEMENT DURING SIGNIFICANT CONSTRUCTION EVENT.

In the event City decides to or is required due to health and safety concerns to commence or engage in construction activities relating to remodel or renovation of the Premises during the term of this lease, which activities will substantially interfere with GVCC's scheduled or contracted for events or activities on the premises or will impair the health and safety of the users and/or occupiers of the Premises for a substantial period of time (more than one month), City shall make every reasonable effort to provide alternative locations for such pre-scheduled events or activities, including but not limited to the provision of trailers, modular buildings, or their equivalent, for use by GVCC. This provision does not limit or impair the City's right to otherwise terminate this Agreement as provided herein upon 90 days notice, should the City determine, within its reasonable discretion that it cannot reasonably re-locate or provide alternative locations for the GVCC activities and programs during any repair and/or renovation activities.

18. SURRENDER. Upon expiration of the term hereof, or termination hereof, Lessee shall peaceably vacate the Premises and shall remove all tenant equipment and personalty used in Lessee's operations no later than thirty (30) days from said expiration or termination. Lessee shall be deemed to have abandoned said equipment and personalty remaining on the Premises after said thirty (30) days, and title to the abandoned equipment and personalty shall then vest in City without compensation being paid by City.

19. ATTORNEY'S FEES. In the event suit should be brought for recovery of the Premises or for any sum due hereunder, or to interpret or enforce any provision of this Agreement, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fees.

20. NOTICES. Any notice which either party may or is required to give pursuant to the provisions of this Agreement, may be given by mailing the same by certified or registered mail to the Lessee at _____ FILL IN Attention: or to the City, Attention: FILL IN. Failure or refusal of the Lessee to accept any such mailed notice shall not affect its validity and such notice shall be deemed delivered upon the first date the postal service attempted delivery thereof. Either party may substitute a new address for the receipt of future notices by specifying the new address in a notice mailed by registered or certified mail to the other party. Unless such notice of changed address is so given, the other party shall be entitled to rely upon the address herein set forth for mailing notices pursuant to this Agreement.

21. WAIVER OF BREACH. Waiver by the City of any breach of any term, covenant or condition contained in this Rental Agreement shall not be deemed to be a waiver of any

subsequent breach of the same or of any other term, covenant or condition contained in the Rental Agreement. The City's consent to, or approval of any act shall not be deemed to render unnecessary the obtaining of the City's consent to or approval of any subsequent act by any Lessee. The acceptance of rent or other sums payable hereunder by the City shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than failure of Lessee to pay the particular rent or other sums so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent or sums.

22. GENDER AND NUMBER. Words used in the masculine gender shall include the feminine or neuter, and the singular shall include the plural, when appropriate.

23. COVENANT OF QUIET POSSESSION. The City covenants that it has delivered quiet possession of the Premises to Lessee on the date and term of this Agreement is to commence and that the Lessee's possession will not be disturbed by the City or those claiming under it during the terms of this Rental Agreement.

24. ENTIRE AGREEMENT. This agreement constitutes the entire agreement of the parties hereto relating to the Premises and shall supersede all prior written or oral negotiations or agreements of the parties relating to the Premises. This Rental Agreement shall not be modified except by a writing duly executed by the parties. It is expressly understood that this Rental Agreement does not grant Lessee any future rights for the development of the Premises.

25. WAIVER OF CLAIMS. Lessee hereby irrevocably waives on behalf of itself, its successors and assigns and all persons claiming through it, any claim which Lessee may assert against the Agency for inverse condemnation, relocation payment or assistance under California Government Code Section 7260 et seq., lost business goodwill, compensation for fixtures and equipment, and/or any other costs, expenses, or claims not specifically listed herein incurred by Lessee in connection with any termination, either by operation of law or otherwise, of this Rental Agreement. Lessee specifically acknowledges that this Rental Agreement may be pleaded as a defense and a bar to any such claim. Lessee further specifically acknowledges that in making this waiver, Lessee has consulted with its attorney and that this waiver is made freely and with knowledge of the character and extent of the rights thus waived.

“City”

City of Goleta, a municipal
corporation

By: _____

Its: _____

Attest:

, City Clerk

“LESSEE”

Goleta VALLEY COMMUNITY CENTER,
a California non-profit public benefit
corporation

By: _____

Its: _____

Approved as to Form and Legal Content

By: _____
TIM GILES. City Attorney

ATTACHMENT 2

Draft Request for Qualifications/Statement of Interest and Proposal For Operation of Goleta Community Center



DRAFT

Request for Qualifications/Statement of Interest and Proposal For Operation of Goleta Valley Community Center

The City of Goleta Seeks A Qualified Entity Or Organization
To Lease and Operate the Goleta Valley Community Center at
5679 Hollister Ave, Goleta, CA For Recreational And Educational
Opportunities For The General Benefit Of The Public.

Date Issued:
August __, 2016

Deadline for Submissions:

Contact:
Valerie Kushnerov
130 Cremona, Suite B
Goleta, California 93117
805.961.7500 or vkushnerov@cityofgoleta.org

1. INTRODUCTION

The City of Goleta requests statements of qualifications and a general response and proposal from a qualified non-profit organization to lease, operate and maintain the City's existing Goleta Valley Community Center located at located at 5679 Hollister Ave, Goleta. The City is seeking proposals for an operator to provide senior programming and a senior center, robust recreational activities for people of all ages and rental space for non-profit organizations to meet, consistent with the operational priorities and policy direction of the City Council. The primary objective of the Operator of the Goleta Valley Community Center will be to provide quality recreational programming and services for children, adults and senior citizens with the utmost level of customer service, maintenance and care of the facility. The proposed operator should demonstrate that it can operate the facility with these approved programs, and maintain the property in a financially viable manner with or without subsidies from the City. Ideally the successful proposer will eventually be able to operate in a manner that provides funding for sustained maintenance of the property. The City recognizes, however, that this historic property is in need of substantial repair and renovation, which will necessitate flexibility, possible City subsidies and temporary use of alternative sites during the next few years. The City is currently studying various options and schedules for both the scope and timing of this work on the building and more definitive information about proposed construction activities will become available in the coming months.

2. PROJECT BACKGROUND INFORMATION

The City of Goleta is located on the south coast of Santa Barbara County, ten miles west of the City of Santa Barbara and adjacent to the University of California, Santa Barbara. It was incorporated as a City in 2002. In 1983, the County of Santa Barbara ("County ") and the Goleta Union School District (School District) entered into a 30 year Lease with Option to Purchase for the property known as Goleta Union School, located at 5679 Hollister Ave, Goleta, and as further described in Exhibit "A" attached hereto ("Property" or "Premises"). The building, originally built in 1927, is identified as and considered a "significant historic resource", although it is not listed in any local, state or federal register. It is listed in several elements of the City's General Plan as an important public facility that should continue to be used as a focal point for community activities and functions.

In 1984, the County of Santa Barbara and the Goleta Valley Community Center ("GVCC") entered into a lease agreement for the Property for use as a Community Center for recreational, literary, scientific and educational opportunities for the general benefit of the public. In 2002, the County assigned the Lease/Option to the newly formed City of Goleta ("City" or "Goleta"), and in 2013, the City purchased the Property. The Property continued to be sub-leased to GVCC after the City's purchase. The lease expired in 2014 and GVCC has continued to occupy the Property as a month-to-month tenant, managing the use of the facility and operating various programs as noted above.

Overview of Property and Structures

The GVCC building was built in 1927 as an elementary school. Some building additions and remodeling occurred in the 1940's and 1950's. In 1976, the School District decided to close the school rather than retrofit it to meet State earthquake standards. At that time the main building was converted to a community center. The building underwent additional remodeling and renovation work in the 1970's and 1980's. The Premises includes a kitchen, a 250 person capacity auditorium, a dining hall that accommodates 125 guests, restrooms, numerous meeting rooms, and two rooms suitable to be used as dance studios.

There are several detached buildings that serve as classrooms for a Headstart pre-school program and a private day care (the Rainbow School), and another large building in the rear which houses the Boys & Girls Club. This Request for Proposals does not include the Boys and Girls Club building.

Listing of Buildings/Facilities at Goleta Community Center (GCC)	
GCC Facility/Building	Size/Square Footage
Main Community Center Building	19,607
CAC/Head Start Preschool	6,851
Head Start Classrooms	2,970
Rainbow School	5,376
Total:	34,804

The GVCC currently manages a large number of room rentals by-non profit and for-profit organizations, oversees four long-term leases (CAC (non-profit). Rainbow School, Klong's Fitness and St. Therese Academy), and operates a senior center and lunchtime meal program. The long-term leases have recently expired and are on month-to-month status. The property is utilized by thousands of people each month.

The Property is in need of substantial and significant repairs and renovation to, among other things, alleviate seismic and structural deficiencies, improve accessibility, and remove asbestos and lead paint.

Since 2010, the Goleta City Council has conducted several Civic Center Feasibility studies, including a Facility Reserve Study, Seismic Study, ADA Accessibility Assessment, and Fire and Life Safety Assessment. The City was also considering creating a Civic Center on the property and conducted numerous public workshops to evaluate that opportunity. In March of 2016, the City Council decided to forego that project at this time for financial reasons.

In addition to these studies, in April of 2016 the City Council held a public City Council workshop to discuss:

1. The need for and costs of repairs and maintenance of the Property ;
2. Future programming options and community benefits for the Property;
3. Potential future management structure for the Property;

The City continues to gather data to move forward with repair, renovation and management options for the Property. Capital improvements to the Facility for short-term occupancy of the structures (5 years or less), which include parking lot repairs and renovation, seismic retrofits and hazard abatement, are estimated to cost approximately \$1.81 million. It is anticipated that these repairs and renovations would be conducted while the premises are occupied and provisions would be made for temporary accommodations. Longer-term renovations are estimated to cost up to \$7.2 million and would require complete access to the site by contractors. Existing deteriorating conditions on the property and structures have had an impact on usage and potential revenue from the Property. Additional testing is currently being done to more accurately determine capital costs and once completed, the City will need to assess what improvements can be made – both from a practical and economic feasibility standpoint.

The City Council's determination regarding proposals for facility programming and use will inform its ultimate determination regarding the scope and pace of capital improvements.

Overview of Current Operations and Long Term Tenancies

Since its inception, the GVCC operations and programming have primarily focused on providing space and services to the senior community, lease space to educational and other entities, and room rental space to both non-profits, for-profit concerns, individuals and various agencies for meetings, gatherings and celebrations (e.g., weddings, etc.) The GVCC operates the senior center and coordinates minimal direct programming of community events like the Veterans Day celebration and Christmas tree lighting.

According to the GVCC, they have between 90,000 - 120,000 visitors each year, including an average of 250 seniors who regularly participate in programs at the Senior Center. Sixty-one per cent of GVCC's program participants are seniors, and twenty per cent are youth (under 18). According to data provided by GVCC in March 2016,¹ 56 organizations contract with GVCC to use the facility on a regular basis for room rentals. Eighty-two percent are nonprofits and 18% are for-profit organizations. Non-profit use accounts for 77% of the usage and for-profit use makes up the remaining 13%. The GVCC maintains a two-tiered room reservation program with non-profits paying a lower rate than for-profits.

Four tenants have extended sub-leases on the property from GVCC: Rainbow School, Community Action Commission (CAC), Saint Therese Classical Academy, and Klong Fitness. Their lease rates range between \$1.05 – 1.45/sq. ft. The language in three out of four of these leases reflects that the fair market value as of August 1, 2014 was \$2.33

¹ All completed studies and reports referenced herein will be made available to proposers by the City.

per square foot per month based on the value of the surrounding commercial property. The difference between the fair market value and the rate applied to the square footage in the lease is considered to be a contribution made by the Center in support of tenant's programs. Not all long-term tenants at the site are non-profits and their lease rates vary. Operators will be required to keep the Rainbow School and Head Start programs.

The GVCC has for many years managed and operated the Center on a limited budget with significant subsidies from the City of Goleta. Rental income from annual leases comprises 47% of the Center's current income, while 31% comes from user fees and room rentals, 14% from grants and the remaining 8% from other sources (figures based on the GVCC's 5 Year Plan Documents October 2015). The City's support to date has taken the form of lease payment waivers and grants. Since 2002, the City has forgiven approximately \$470,000 in lease payments from the GVCC. (This is based on a monthly rental rate of \$3000, which was established by the original 1984 lease between GVCC and the County of Santa Barbara) The City has also provided \$96,000 in Goleta City grants to the GVCC, primarily to support the senior center. In addition, the City insures the property and funds any significant maintenance and repairs to the property. Because of the age of the building and other improvements on the Property, maintenance and repairs require increasingly more assistance from the City. (Note: A key consideration for any proposal will be the proposed ratio of non-profit users and activities to for-profit users and their commensurate rental rates. Another key consideration is whether to align City financial support with the types and levels of service provided by the operator of the Property.)

Under the current management structure, the City leases the site to GVCC, a non-profit organization, which controls use and services at the site. Although the City provides financial subsidies in the form of rent abatement, the City's management and operational input is currently limited to providing a non-voting representative to the GVCC's Board of Directors and uses specified in the lease. Current programming and operational priorities identified by the City include low room rental and lease rates for education and recreational uses, non-profit and community meetings, private events, community events (such as the Veterans Day celebration, holiday tree lighting, movies in the park, etc.) and the senior center.

3. SCOPE OF PROJECT AND SELECTION PROCESS

Selection Process

The City is seeking an initial general Response for this project that would identify the factors listed below (e.g., qualifications, experience, etc.) The intent of the City is to select a well-qualified operator that is capable and experienced in operating a facility consistent with the terms of this proposal request. The most competitive proposals will be those that propose a facility that creates a quality environment for the community, quality and expansive community needs-based programming and financial stability and vitality. The ultimate selection criteria for the facility will be based upon several key components, including:

- Operator Qualifications and experience, including Facilities operation experience;

- Proven capability to operate a successful community-based facility in a financially self-sustaining and responsible manner without significant subsidies from the City, other than specific grants, etc.;
- Operator's ability to provide services to all residents as directed by City Council, including residents of all age groups, residents with limited incomes, Spanish speaking and bilingual residents, and provide Bilingual staff and printed materials;
- Operator's responsiveness to City's needs as directed by City Council

All proposers will be required to attend a mandatory pre-meeting and site walk-through with City staff. A committee comprised of City Staff and others as appropriate will review the initial responses to the RFQ and conduct interviews with each of the firms/teams to discuss it's/their qualifications, resources, and availability to provide the services requested. The selected firm will then fully develop and submit a proposal and a contract with the recommended firm/team for the project will then be negotiated. The contract will then be submitted for approval to the Goleta City Council.

The City of Goleta will not provide compensation or defray any cost incurred by any firm or organization related to the response to this Request. The City of Goleta reserves the right to negotiate with any and all persons, firms or organizations. The City of Goleta also reserves the right to reject any or all RFQ(s), or to accept any RFQ deemed most advantageous, or to waive any irregularities or informalities in the RFQ received, and to revise the process and/or schedule as circumstances require.

3. STATEMENT OF QUALIFICATIONS AND PROPOSAL CONTENT

Proposals shall be well-written, concise and include the following information:

A. Summary of the Proposal. This brief introduction should include your understanding of the project and summarize a proposed use of the facility including, but not limited to, proposed uses and programming (by age grouping if appropriate). Proposed programs should be inclusive or and/or complimentary to programs already provided at the Property and should directly address the needs and desires of the Community as identified by the Goleta City Council and various needs assessments and studies. Demonstrate your proven capability to operate a successful community-based facility in a financially self-sustaining and responsible manner, and include a complete plan with operational costs and financial assumptions necessary to have a stabilized operation including a financing plan (i.e. assumptions regarding rental rates for both non-profit and for-profit uses, grants and other subsidies from membership, dues, equity and appropriate philanthropy. Discuss your flexibility and experience in dealing with operating during repair/renovations and other construction activities.

B. Personnel and Project Management. Describe your organization and identify its members, with names, physical addresses, email addresses, fax numbers, and phone numbers of key representatives. Provide relevant qualifications and program specific experience of the Organization. Identify the person or persons with authority to represent and make legally binding commitments on behalf of the respondents. Also,

identify any known team members: e.g. program coordinators, directors, and staff. Identify the key personnel that you propose to assign to the project, including the role for each staff member to be assigned.

C. Qualifications and Experience. Interested firms or organizations shall have a proven capability to operate a successful community-based facility in a financially self-sustaining and responsible manner. A demonstrated understanding of the Goleta community and its needs that would be addressed at this Community Center is critical.

D. Scope of Work. A preliminary description of a proposed scope of work, including proposed programs, operational costs and financial assumptions necessary to successfully operate and manage the Community Center consistent with the stated goals and objectives of the City.

E. Schedule. As appropriate, provide a chart that outlines the time frame for assuming the management and control of the property and programs, including commencement of any new proposed programming and any other transitional work that will need to be done by the successful proposer.

F. Budget/Financial Plan Summary. Include a complete plan with operational costs and financial assumptions necessary to have a stabilized operation including a financing plan (i.e. assumptions regarding rental rates for both non-profit and for-profit uses, grants and other subsidies from membership, dues, equity, and appropriate philanthropy).

G. References. List and very briefly describe one or more recent contractual relationships where the proposer has demonstrated that it can operate a successful community-based facility in a financially self-sustaining and responsible manner. Please provide the name and phone number of appropriate references for whom those projects were performed.

4. SELECTION CRITERIA

City staff will use the following selection criteria to evaluate each qualified proposal to determine those that best meet the needs of the City:

- The degree to which the proposal achieves the project objectives.
- The consultant's understanding of the project;
- Scope of Programming consistent with City Council's goals and objectives;
- Proven capability to operate a successful community-based facility in a financially self-sustaining and responsible manner ;,
- Commitment to the project on a long term basis and vision for future and potential uses of the Community Center;
- Flexibility to continue operations during renovation/repairs,

The review team will rate the qualified proposals based on the selection criteria. Following evaluation, the top ranked Proposers may be invited to interview before staff makes a final recommendation to the City Council. The absence of required information may render the proposal non-responsive and may be cause for rejection.

5. SUBMITTAL PROCESS

The consultant shall submit three (3) bound copies and one electronic copy of the statement of interest and qualifications in PDF format to:

Attn: Valerie Kushnerov
City of Goleta
130 Cremona, Suite B
Goleta, California 93117

Submittals must be received at the Goleta City Hall no later than **___, 2016.**

Questions regarding this RFQ/RFP must be submitted via email to vkushnerov@cityofgoleta.org.

7. ADDITIONAL INFORMATION

The RFP does not commit the City to award a contract, to pay any costs incurred in the preparation of the firm or organization's RFP response, or to procure or contract for services or supplies. The City reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with all qualified sources or any portion of any proposal, to waive any irregularities or informalities in the proposals or in the RFP process, to make the award on the basis of that item or combination or items which, in its opinion, serves the best interest of the City, or to cancel all or part of this RFP. This RFP does not constitute any form of offer to contract.

Services shall not commence until an approved Lease and Management Agreement is executed by all of the parties and a notice to proceed is issued by the City. All responses to this RFP shall become the property of the City of Goleta.

Attachments

- A. Lease
- B. GVCC Usage Data
- C. GVCC's Five Year Plan

Attachment A

EXHIBIT A

Folio No.:	WF 2198
Project Name:	Goleta Valley Community Center
Corporation Tax No.	RY3278302
A/P No.:	071-130-09
Agent:	TRA

LEASE AGREEMENT

THIS LEASE, made and entered into this 23^d day of January

198⁴~~3~~,

BY AND BETWEEN

GOLETA VALLEY COMMUNITY CENTER, a
California non-profit public
benefit corporation, hereinafter
called CORPORATION,

AND

COUNTY OF SANTA BARBARA, hereinafter
called COUNTY,

as follows:

RECITALS:

A. COUNTY is the owner of a Master Lease of that certain real property located in the Third Supervisorial District of the County of Santa Barbara commonly known and referred to as the Goleta Community Center more particularly described in Exhibit "A" attached hereto; and

B. CORPORATION has been in possession of the property described in Exhibit "A" and has been operating it as a Community Center open to the public under and pursuant to an Agreement between COUNTY and Goleta Union School District, hereinafter referred to as DISTRICT, dated November 7, 1977; and

C. COUNTY is desirous of encouraging recreational, literary, scientific and educational opportunities for the general benefit of the public; and

D. Pursuant to Government Code §25536 COUNTY may, by a four-fifths vote of the Board of Supervisors, lease County-owned property for amusement or recreational purposes; and

E. The operation of the County-owned property for the public purposes of the development of recreational, literary, scientific and educational opportunities constitutes its use for amusement or recreational purposes; and

F. It is in the best public interest that the COUNTY sub-lease to CORPORATION pursuant to Government Code §25536;

NOW, THEREFORE, in consideration of the above recitals and of the covenants and agreements hereinafter provided and contained, it is agreed:

ARTICLE I. LEASING, OPERATION AND USE

1.01. COUNTY hereby subleases to CORPORATION and CORPORATION hereby sub-leases from COUNTY the real property described in Exhibit "A", attached hereto, and made a part hereof, together with the access easement shown thereon and all buildings and improvements now located or hereafter constructed thereon, for the term and on the conditions hereinafter set forth. Said property is hereinafter referred to as the "Premises."

1.02. COUNTY agrees that CORPORATION may use and CORPORATION agrees to use, operate, maintain and regulate the Premises for all general and special purposes and functions of a Community Center open to the public.

1.03. CORPORATION shall take and accept the Premises in their present condition, and COUNTY shall have no responsibility to remove any existing structures, installations, utility or pipe lines, or repair any condition existing on the Premises.

1.04. CORPORATION agrees, at its sole cost and expense, to keep and maintain the Premises and all improvements thereon and all facilities appurtenant thereto in first class condition, order and repair.

ARTICLE II. BUILDING, REMODELING AND EXPANSION;
ALTERATIONS, REPLACEMENT, REPAIRS AND RESTORATION

2.01. CORPORATION shall make, or be responsible for the cost of, any improvements in the streets, sidewalks, curbs, or driveways which public agency may lawfully require, including any assessments therefor.

2.02. During the term of this lease, no structural additions, changes, or exterior alterations shall be made to any building or

structure located on the Premises without first having obtained the approval of the COUNTY Public Works Director.

ARTICLE III. TERM

3.01. The term of this Lease shall be Thirty (30) years, commencing on the date of execution hereof by the County Board of Supervisors.

ARTICLE IV. RENT & ACCOUNTING

4.01. The minimum rent for the Premises shall be at the rate of Three Thousand Dollars (\$3,000.00) a month, payable monthly in advance on the first day of each calendar month commencing on July 1, 1984. Said payments shall be made to the County of Santa Barbara, Auditor-Controller, Revenue and Trust Division, 105 East Anapamu Street, Santa Barbara, California, 93101. It is understood between COUNTY and CORPORATION that occupancy of the premises by CORPORATION shall be rent free from the date of execution of this sublease by the COUNTY until July 1, 1984.

4.02. The COUNTY reserves the right to review and increase the minimum monthly rent charged the CORPORATION at the end of each three month period throughout the term of this sub-lease. It is the intent of the COUNTY to keep CORPORATION's rent payments at a level consistent with any increase in interest rates that creates a short-fall in funds available to the COUNTY for payment of rent to the DISTRICT under the terms of the Master Lease.

4.03. The CORPORATION shall maintain satisfactory financial accounts, documents, and records pertaining to operation of the Goleta Community Center, and shall make them available to the County staff and to the State Coastal Conservancy staff for auditing and inspection at reasonable times and intervals. Such accounts, documents, and records shall be retained by the CORPORATION for three (3) years following the date of termination of this lease agreement. The CORPORATION may use any generally accepted accounting system, provided such system meets minimum requirements as established by the State of California. The CORPORATION shall furnish to the COUNTY, on demand, with reasonable time allowed, financial information or statistical information pertaining to operation

of the Goleta Community Center that the CORPORATION may have in its records or may reasonably be expected to maintain. The COUNTY may require that certain financial or statistical records be maintained by the CORPORATION for COUNTY use.

ARTICLE V. TITLE

5.01. Title to the Premises and all buildings and improvements now located or hereafter constructed thereon is now vested in Goleta Union School District, subject to a Master Lease with option to purchase, in favor of COUNTY, dated 7-15-83 ~~1984~~.

5.02. Title to all items of personal property located in, upon or around the Premises shall be vested in CORPORATION unless otherwise expressly agreed between the parties.

ARTICLE VI. UTILITIES AND TAXES:

6.01. Upon execution of this Agreement and during the term thereof, CORPORATION shall, at its own expense, assume full and complete administration, management, and control of the Premises, including grounds, and buildings and shall be responsible for all repairs, maintenance and upkeep of the grounds and buildings and will pay twenty five percent (25%) of maintenance costs for the ingress and egress easement, and will pay the full cost of all utilities including rubbish removal and the payment of any taxes or assessments that may be levied against the property or any part thereof; provided, however, that if CORPORATION seeks a reduction or contests the attempted imposition of any such taxes or assessments, the failure of CORPORATION to pay same shall not constitute a default hereunder so long as CORPORATION complies with the procedures for effecting such reduction or conducting such contest.

6.02. CORPORATION shall provide its own personnel, including staff, custodial and janitorial, gardening services and such other services as may be necessary.

ARTICLE VII. NO COST TO COUNTY

7.01. Unless a request is made to and granted by COUNTY, no COUNTY funds are to be expended during the term hereof for improvements,

maintenance, repair, rebuilding, or restoration of the building or grounds located on the Premises without reimbursement to COUNTY by CORPORATION.

7.02. At no cost to COUNTY, CORPORATION shall permanently allocate two hundred and fifty (250) square feet of office space on the Premises for a Coastal Resource Information Center providing a wide range of programs including:

- 1) A public information service and resource center regarding the location and nature of existing and planned coastal access facilities as well as information on coastal wetlands including the Goleta, Devereaux and Carpinteria Sloughs.
- 2) Scheduled tours and field visits to the Goleta, Devereaux, and Carpinteria sloughs and other significant public resources designed to educate the public including the elderly and handicapped.
- 3) A community volunteer program designed to mobilize local volunteer efforts for developing, restoring, and maintaining, coastal access and resource enhancement projects.
- 4) An environmental education sign program in which Community Center staff and local nonprofits will work with Conservancy staff to develop an interpretive signing program as part of the Conservancy's overall signing program.
- 5) A joint program with the Natural Land and Water Preserve at University of California, Santa Barbara, for use of the University's resources and materials in regard to important coastal resources.

Jack O'Connell

ARTICLE VIII. HOLD HARMLESS

8.01. COUNTY and/or DISTRICT shall not be liable for any loss, damage or injury of any kind or character to any person or property

arising from any use of the Premises, or any part thereof, caused by any defect in any building, structure or other improvement thereon or in any equipment or other facility located therein, caused by or arising from any act or omission of CORPORATION, or of any of its agents, employees, licensees or invitees, arising from any accident on the Premises or any fire or other casualty thereon, occasioned by the failure of CORPORATION to maintain the Premises in safe condition, or arising from any other cause whatsoever. CORPORATION, as a material part of the consideration of this Lease, hereby waives on its behalf all claims and demands against COUNTY and DISTRICT for any such loss, damage or injury of CORPORATION.

8.02. CORPORATION shall indemnify COUNTY and DISTRICT and save them harmless from and against any and all claims, actions, damages, active and passive liability and expenses, including attorney's fees, in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises, or the occupancy or use by CORPORATION of the Premises or any part thereof, or arising from or out of CORPORATION's failure to comply with any provision of this Lease, or otherwise occasioned wholly or in part by an act or omission of CORPORATION, its agents, representatives, contractors, employees, servants, customers or licensees. In case COUNTY and/or DISTRICT shall, be made parties to any litigation commenced by or against CORPORATION, then CORPORATION shall protect and hold COUNTY and/or DISTRICT harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by COUNTY and/or DISTRICT in connection with any such litigation. COUNTY and/or DISTRICT may, at their option, require CORPORATION to assume COUNTY and/or DISTRICT's defense in any action covered by this Section.

8.03. The Parties agree that since the DISTRICT does not intend to make the retained 2.8 acre parcel, adjacent to the premises, available for use by the General Public, and since the CORPORATION contemplates uses by the General Public of the leased premises, which may result in the General Public coming onto the 2.8 acre parcel retained by DISTRICT: that the CORPORATION shall indemnify, defend and hold harmless the COUNTY and/or DISTRICT from any and all claims, causes of action and damages,

including reasonable attorneys' fees, which in any way shall result from CORPORATION's making the General Public and/or any COUNTY or DISTRICT employee, representative, agent, invitee, or any other persons present on said premises or access easement as a result of CORPORATION's occupancy and use thereof.

ARTICLE IX. INSURANCE:

9.01. All policies of insurance provided for herein shall be written as primary policies with responsible and solvent insurance companies authorized to do business in California with a policyholder's rating of "A" (Excellent) or better and a financial rating of "X" or better in Bests' Insurance Reports -- Fire and Casualty. Prior to the commencement of the term hereof, CORPORATION shall supply COUNTY and DISTRICT (and at all times during the term of the Lease keep on file with COUNTY and DISTRICT) a true and correct copy of all such policies or a certificate of insurance accurately reflecting the coverage required hereby together with satisfactory evidence showing that all premiums thereon have been paid, and thereafter, as additional premiums become due, CORPORATION shall supply COUNTY and DISTRICT with satisfactory evidence that said premiums have been paid. Notwithstanding anything to the contrary contained within this provision, CORPORATION's obligations to carry insurance as provided herein may be brought within the coverage of a so-called "blanket" policy or policies of insurance carried and maintained by CORPORATION, so long as such policy or policies segregates the amount of coverage applicable to the Premises. In the event that CORPORATION fails to procure, maintain and/or pay for at the times and for the durations specified in this Lease, any insurance required by this Lease, or fails to carry insurance required by law or governmental regulation, COUNTY and/or DISTRICT may (but without obligation to do so) at any time or from time to time and without notice, procure such insurance and pay the premiums therefor, in which event CORPORATION shall repay COUNTY and/or DISTRICT all sums so paid by COUNTY and/or DISTRICT together with interest thereon and any costs or expenses incurred by

COUNTY and/or DISTRICT in connection therewith, within ten (10) days following COUNTY and/or DISTRICT's written demand to CORPORATION for such payment.

9.02. CORPORATION, at its sole cost and expense, shall, during the entire term hereof, procure, pay for and keep in full force and effect: (i) comprehensive general liability and property damage insurance with respect to the Premises and the operations of, or on behalf of CORPORATION in, on or about the Premises, including but not limited to owned and non-owned automobile (vehicle) liability, personal injury, blanket contractual, owner's protective, broad form property damage, liability coverage for not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence for personal injury, bodily injury, death, and property damage liability; (ii) worker's compensation coverage as required by law, together with employer's liability coverage, with limits not less than One Million Dollars (\$1,000,000.00), (iii) with respect to improvements, alterations, and the like permitted to be made by CORPORATION hereunder, contingent liability and builder's all-risk insurance, in amounts satisfactory to COUNTY and DISTRICT; and (iv) insurance against fire, vandalism, malicious mischief and such other additional perils as now are or hereafter may be included in a standard all-risk policy and special extended coverage endorsement from time to time in general use in Santa Barbara County in an amount equal to no less than ninety percent (90%) of the actual replacement cost thereof.

9.03. Each policy evidencing insurance required to be carried by CORPORATION pursuant to this Section shall contain the following provisions and/or clauses: (i) a cross-liability clause; (ii) a provision that such policy and the coverage evidenced thereby shall be primary and noncontributing with respect to any policies carried by COUNTY and/or DISTRICT and that any coverage carried by COUNTY and/or DISTRICT shall be excess insurance; (iii) a provision including COUNTY and DISTRICT and any other parties in interest as additional insureds; (iv) a waiver by the insurer of any right to subrogation against COUNTY and DISTRICT, their agents, employees and representatives which arises or might arise by reason of any payment under such policy or by reason of

any act or omission of COUNTY and/or DISTRICT, their agents, employees or representatives; (v) a severability clause; (vi) a provision that the insurer will not cancel or change the coverage provided by such policy without first giving COUNTY and DISTRICT thirty (30) days prior written notice; (vii) to the extent obtainable, a provision to the effect that any amounts payable by virtue of loss of rentals shall be computed and stated separately in any settlement entered into by the insurer under the policy involved.

9.04. COUNTY and DISTRICT shall have the right to review the coverage, form and amount of insurance required hereby at five year intervals from and after the commencement date hereof; and if, in the opinion of COUNTY or DISTRICT, the insurance required hereby to be maintained by CORPORATION does not provide adequate protection for COUNTY and DISTRICT, then, COUNTY and/or DISTRICT may require CORPORATION to obtain insurance sufficient in coverage, form and amount to provide adequate protection to COUNTY and/or DISTRICT; provided, that if CORPORATION disagrees with changes demanded by COUNTY and/or DISTRICT the matter shall be decided by arbitration in accordance with the rules of the American Arbitration Association or such procedures as the parties may agree upon.

ARTICLE X. LIENS:

10.01. CORPORATION shall not suffer or permit to be enforced against the Premises, or any part thereof, or any Improvements thereon, any mechanics', materialmen's, contractors' or subcontractors' liens arising from or any claim for damage growing out of the work of any construction, repair, restoration, replacement or improvement, or any other claim or demand howsoever the same may arise, but CORPORATION shall pay or cause to be paid all of said liens, claims or demands before any action is brought to enforce the same against said Premises or Improvements. CORPORATION agrees to indemnify and hold COUNTY and DISTRICT and Premises free and harmless from all liability for any and all liability for any and all such liens, claims demands and actions (collectively, the "Liens") together with reasonable attorneys' fees and all costs and expenses in connection therewith.

10.02. Notwithstanding the foregoing, if CORPORATION shall in good faith contest the validity of any such Lien, then CORPORATION shall at its sole expense defend itself, COUNTY and DISTRICT against the same and shall pay and satisfy any adverse expense or cost or any adverse judgment that may be rendered thereon before the enforcement thereof against COUNTY and/or DISTRICT or the Premises, upon the condition that if COUNTY and/or DISTRICT shall require, CORPORATION shall furnish to COUNTY and DISTRICT a surety bond satisfactory to COUNTY and DISTRICT in an amount at least equal to such contested Lien indemnifying COUNTY and DISTRICT against liability for the same, and holding the Premises free from the effect of such Lien or if COUNTY and/or DISTRICT shall request, CORPORATION shall procure and record the bond provided for in the California Civil Code, or any comparable statute hereinafter enacted providing for a bond freeing the Premises from the effect of such Lien.

ARTICLE XI. BONDING AND NOTICES:

11.01. Before the commencement of any work of Improvement on the Premises, in addition to its other obligations herein provided, CORPORATION shall give to COUNTY thirty (30) days prior written notice thereof, specifying as precisely as possible the expected date of commencement thereof or any change thereof. COUNTY and/or DISTRICT reserve the right at any time and from time to time to post and maintain on the Premises such notices of non-responsibility or other notice as may be necessary to protect COUNTY and DISTRICT against liability for all such liens and claims. At the request of COUNTY and/or DISTRICT, CORPORATION shall also deposit with COUNTY and/or DISTRICT a certificate or other evidence satisfactory to COUNTY and/or DISTRICT showing that CORPORATION has furnished a bond or that CORPORATION's building contractor, if any, has furnished a bond in favor of COUNTY and/or DISTRICT, with a surety approved by COUNTY and/or DISTRICT, guaranteeing the completion of said work free and clear of all Liens.

ARTICLE XII. DESTRUCTION OF PREMISES:

12.01. In the event of the partial or total destruction or damage to the premises, CORPORATION may, but shall not be obligated to rebuild

or replace the destroyed or damaged facilities. COUNTY and/or DISTRICT shall have no obligation with respect to the same. Any insurance proceeds payable on account of such destruction or damage shall be paid to the CORPORATION except that if the CORPORATION elects to terminate this lease as a result of such damage or destruction, CORPORATION shall pay such proceeds to COUNTY.

ARTICLE XIII. EMINENT DOMAIN:

13.01. In the event all of the premises are taken in eminent domain, or in deed in lieu thereof, then this Lease Agreement shall terminate as of the date of entry of the interlocutory judgment in condemnation or as of the date of the issuance of an order of immediate possession, whichever is sooner.

13.02. In the event of partial taking in condemnation, the lease shall continue in full force and effect; however, rent shall be reduced in proportion to the value of the property taken to the value of the entire leased premises.

ARTICLE XIV. ASSIGNMENTS AND SUBLETTING:

14.01. CORPORATION shall not assign this Lease, or any right or privilege appurtenant thereto, or allow any other person (the agents and servants of CORPORATION included) to occupy or use the Premises, or any portion thereof, without the prior written consent of COUNTY. This Lease shall not, nor shall any interest therein, be assignable, as to the interest of CORPORATION, by operation of law, or otherwise without the written consent of COUNTY. CORPORATION may sublet the premises or any part thereof for those uses consistent with the operation of a Community Center.

ARTICLE XV. SURRENDER, ABANDONMENT, OR NON-USE:

15.01. In the event of abandonment or non-use of the Premises by CORPORATION at any time, existing and extending over a continuous period of three (3) months, except during periods of construction, the Premises shall revert to the full control of COUNTY and CORPORATION agrees to

surrender the Premises and this Lease shall be of no further force and effect.

ARTICLE XVI. ACCESS BY LESSOR:

16.01. Access to the premises, by appropriate COUNTY officials, shall be permitted by CORPORATION at all reasonable times.

16.02. The Real Property Division of the Public Works Department of COUNTY shall be the priority contact with CORPORATION and is the reviewing agency which will make regular annual visits to the Premises for inspection and/or other matters as necessary.

ARTICLE XVII. POSSESSORY INTEREST TAXES:

17.01. The use or occupancy of the premises by CORPORATION constitutes a property interest which may be subject to possessory interest taxes and CORPORATION shall be liable for the payment of same.

ARTICLE XVIII. BREACH:

18.01. In the event CORPORATION violates any of the provisions of this lease and does not terminate or remedy such violation or violations within 30 days after written notification of such violation, then in addition to any other rights COUNTY may have by law, it may at its option terminate this Lease and rights of CORPORATION hereunder.

ARTICLE XIX. MISCELLANEOUS PROVISIONS:

19.01. UNLAWFUL DISCRIMINATION IN EMPLOYMENT PRACTICES

The provisions required by Section 2-95 of the Santa Barbara County Code are attached hereto, marked Exhibit "B," and are incorporated herein.

19.02. Subject to the provisions herein relating to assignment and subleases, each and all of the terms, conditions and agreements herein contained shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of any and all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

19.03. Any and all notices or demands by or from COUNTY to CORPORATION, or CORPORATION to COUNTY, shall be in writing. They shall

be served either personally or by registered or certified mail. If personally served, service shall be conclusively deemed made at the time of service. If served by registered or certified mail, service shall be conclusively deemed made forty-eight (48) hours after the deposit thereof in the United States mail, postage prepaid, addressed to the party to whom such notice or demand is to be given, as hereinafter provided, and the issuance of the receipt thereof. Any notice or demand to COUNTY may be given to it in care of the Real Property Division Manager, Santa Barbara County Public Works Department, 123 East Anapamu Street, Santa Barbara, California, 93101. Any notice or demand to CORPORATION may be given to it at 5679 Hollister Avenue, Goleta, California, 93117. Such addresses may be changed by written notice given in the manner herein provided.

19.04. The title or headings to the sections of this Lease are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

19.05. This lease is subject to all the terms and conditions of the Master Lease/Option between COUNTY and DISTRICT dated 1983, except those provisions dealing with COUNTY's option to purchase.

19.06. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

19.07. Time is of the essence of this Lease.

19.08. Whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval or grant it on unreasonable conditions.

19.09. Each individual executing this Lease on behalf of CORPORATION represents and warrants that he/she is duly authorized to execute and deliver this Lease in accordance with a duly adopted resolution of the Board of Trustees or other governing board of CORPORATION and that this Lease is binding upon CORPORATION in accordance with its terms. CORPORATION shall within thirty (30) days after

execution of this Lease deliver to COUNTY a certified copy of the resolution of the Board of Trustees of such corporation authorizing or ratifying execution of this Lease.

19.10. This Lease shall terminate without further notice at the expiration of the lease term. Any holding over after the expiration of the lease term, or extension thereof, with the consent of COUNTY, shall be construed to be a tenancy from month-to-month on the terms and conditions herein specified, so far as applicable.

GOLETA VALLEY COMMUNITY CENTER
A California non-profit corporation

By: Carol L. Nye
President & VEC Board of Directors

By: Carol L. Nye
Executive Director

ATTEST:

HOWARD C. MENZEL
County Clerk-Recorder

By: Betty Coffey
Deputy Clerk

COUNTY:

COUNTY OF SANTA BARBARA
By: [Signature]
Chairman
Board of Supervisors

APPROVED:

T. R. Atchley
T. R. Atchley
Mgr., Real Property Division

APPROVED AS TO FORM:
KENNETH L. NELSON
COUNTY COUNSEL

By: [Signature]

APPROVED AS TO ACCOUNTING FORM:
KRISTI M. JOHNSON
AUDITOR-CONTROLLER

By: Kristi M. Johnson

PARCEL 1
GOLETA COMMUNITY CENTER

That portion of the Rancho La Goleta in the County of Santa Barbara, State of California, described in a deed from John Begg, et ux, to Goleta Union School District, recorded September 2, 1926, as instrument number 7925 in Book 101, at page 438 of Official Records, in the office of the County Recorder of said County of Santa Barbara.

EXCEPTING THEREFROM, that portion described as follows:

Commencing at the Northwest corner of the land described in the above said deed; thence, South 85° 17' East, 344.25 feet to the TRUE POINT OF BEGINNING; thence,

- (1) South 4° 15' West, 412.00 feet; thence,
- (2) North 85° 17' West, 51.42 feet; thence,
- (3) South 4° 15' West, 473.64 feet; thence,
- (4) North 53° 59' East, 231.59 feet; thence, *revised*
- (5) North 4° 15' East, 734.52 feet to a point in the South line of Hollister Avenue, as now established; thence,
- (6) North 85° 17' West, 125.30 feet to the TRUE POINT OF BEGINNING.

UNLAWFUL DISCRIMINATION

The Board of Supervisors of the County of Santa Barbara do ordain as follows.

SECTION 1.

A new article is hereby added to Chapter 2 of the Santa Barbara County Code reading as follows:

ARTICLE XIII. UNLAWFUL DISCRIMINATION, COUNTY CONTRACTS

Sec. 2-94. Exceptions

This ordinance shall not apply to contracts or agreements for the acquisition, exchange or disposition of real property or interests therein, nor to contracts or agreements with the State of California, or its political subdivisions, or with the United States of America.

Sec. 2-95. Prohibition of Unlawful Discrimination in Employment Practices

The County of Santa Barbara reserves the right to terminate forthwith each and every written contract and agreement (except purchase orders) for goods and/or services entered into by the County of Santa Barbara or by its joint powers agencies or agents with the consent of the other parties to the joint powers agreements with any person, firm or entity (hereinafter called "Contractor") including but not limited to concessions, franchises, construction agreements and leases, whether now in effect or hereinafter made if the County finds that any Contractor is discriminating or has discriminated during the term of the contract or agreement against any employee or applicant for employment in violation of any applicable State or Federal laws, rules or regulations which may now or hereafter specifically prohibit such discrimination on such grounds as race, religion, sex, color, national origin, physical handicap when otherwise qualified, Vietnam era veteran/disabled, or age.

Such finding may only be made after Contractor has had a full and fair hearing on notice of thirty (30) days before an impartial hearing officer at which hearing Contractor may introduce evidence, produce witnesses and have the opportunity to cross-examine witnesses produced by the County. Further, any finding of discrimination must be fully supported by the facts developed at such hearing and set forth in a written opinion; and in addition, Contractor may move in the appropriate court of law for damages and/or to compel specific performance of a contract or agreement if any of the above procedures are not afforded to Contractor. If Contractor is not found to have engaged in unlawful discriminatory practices, County shall pay all costs and expenses of such hearing, including reasonable attorneys' fees to Contractor in accordance with current Santa Barbara County Superior Court schedule of attorneys' fees for civil trials. If Contractor is found to have engaged in such unlawful discriminatory employment practices, Contractor shall pay all such costs, expenses and attorneys' fees.

Whether or not a contract or agreement is still in existence at the time of final determination of such unlawful discrimination, the Contractor shall forthwith reimburse the County for all damages directly stemming from such discrimination; however, those damages shall not exceed and are not reimbursable in an amount which exceeds amounts paid to Contractor under the terms of the contract or agreement.

Nothing in this Section 2-95 shall directly or by interpretation give a private cause of action to any third party (not a signatory to the contract or agreement) including employees, past or present, or applicants for employment to Contractor, it being the sole purpose of this clause to administratively assure compliance with the non-discrimination clauses contained herein.

Employment practices shall include, but are not limited to employment promotion, demotion, transfer, recruitment and advertising for recruitment, layoff or other termination, rates of pay, employee benefits and all other forms of compensation, selection for training and apprenticeship and probationary periods.

Contractor shall permit access at all reasonable times and places to all of its records of employment advertising, application forms, test and all other pertinent employment data and records, to the County of Santa Barbara, its officers, employees and agents for the purpose of investigation to ascertain if any unlawful discrimination as described herein has occurred or is being practiced, provided that such records are relevant to a complaint of an unlawful discriminatory practice which has been forwarded to Contractor reasonably prior to the time Contractor is asked to make such records available. In addition, all such records shall be deemed "Confidential" by the officers, employees and agents of the County. No records or copies of such records may be removed from the premises of Contractor and no disclosure, oral or written of such records, may be made to third parties except as provided within the agreement. Provided, however, that in the event of a hearing to determine whether or not Contractor is engaging in unlawful

EXHIBIT "C"

Being that portion of the Rancho La Goleta, in the County of Santa Barbara, State of California, more particularly described as follows:

Beginning at a point in the westerly line of that certain tract of land described in the Deed to the Goleta Union School District recorded September 2, 1926 as Instrument No. 7925 in Book 101, Page 438 of Official Records, in the Office of the County Recorder of said County, said point being distant thereon South $4^{\circ}15'00''$ West, 717.00 feet from a two inch brass cap survey monument set at the northwesterly corner of said land;

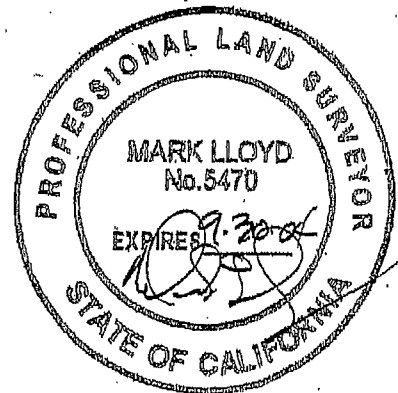
Thence 1st, at right angles to said westerly line South $85^{\circ}45'00''$ East a distance of 120.00 feet;

Thence 2nd, parallel to said westerly line South $4^{\circ}15'00''$ West a distance of 230.36 feet;

Thence 3rd, South $84^{\circ}57'24''$ West a distance of 121.60 feet to a point in said westerly line;

Thence 4th northerly along said westerly line North $4^{\circ}15'00''$ East a distance of 250.00 feet to the point of beginning.

Containing 28,822 square feet, more or less.



W.O. 13492.01
October 30, 2000
MHL-BoysClub-Lease Desc3,

EXHIBIT D

**CONSENT, JOINDER & SUBORDINATION(S) OF THE
COUNTY OF SANTA BARBARA AND THE GOLETA VALLEY COMMUNITY CENTER**

CONSENT, JOINDER, AND SUBORDINATION
(County of Santa Barbara)

THE UNDERSIGNED hereby:

1. Acknowledges and agrees that this Consent, Joinder and Subordination is an integral part of the foregoing "Amended and Restated Lease Agreement" (the "Restated Lease"), between Goleta Union School District, as "Landlord," and Goleta Boys and Girls Club, Inc., a California nonprofit public benefit corporation, as "Tenant" with respect to the "Property" described therein.

2. Acknowledges that the undersigned holds certain rights with respect to the Property that were created after the date of the Original Lease, as set forth in that certain "Lease with Option to Purchase" which was recorded in the Official Records of Santa Barbara County on January 30, 1984, as Instrument No. 84-5055, as amended by that certain Amendment to Lease with Option to Purchase which was recorded in the Official Records of Santa Barbara County on January 30, 1984, as Instrument No. 84-5056

3. Consents to the terms of the foregoing Restated Lease (including but not limited to the increase in the size of the Building Envelope, the extension option granted under Section 2.2 thereof, and all other terms and conditions of the Restated Lease) and agrees that all rights of the undersigned with respect to the Property are and shall be subordinate and subject to the rights created in the Restated Lease in favor of the "Tenant" named therein.

4. States that Tenant's promise to improve the Premises as described in the foregoing restated Lease, is a material inducement to County's consent to the extension of Tenant's lease term 20 years beyond the Initial Term. In the event that Tenant fails to complete such improvements within the time specified in Section 3.2 of the Restated Lease, County's consent to the extension of the term shall expire and be null and void without further action, and the term of the Restated Lease shall expire at the end of the Initial Term on December 31, 2013.

ATTEST:

COUNTY OF SANTA BARBARA

MICHAEL B. BROWN
CLERK OF THE BOARD

By: _____
Chair

By: _____
Deputy

Date

APPROVED AS TO FORM:

STEPHEN SHANE STARK
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, C.P.A.
AUDITOR-CONTROLLER

By: _____
Deputy County Counsel

By: _____

APPROVED AS TO FORM:
ANDREA SMUTZ
RISK MANAGER

By: _____
Risk Manager

CONSENT, JOINDER AND SUBORDINATION
(Goleta Valley Community Center)

THE UNDERSIGNED hereby:

1. Acknowledges and agrees that this Consent, Joinder and Subordination is an integral part of the foregoing "Amended and Restated Lease Agreement" (the "Restated Lease"), between the Goleta Union School District, as "Landlord," and Goleta Boys and Girls Club, Inc., a California nonprofit public benefit corporation, as "Tenant," with respect to the "Property" described therein.

2. Acknowledges that the undersigned holds certain rights with respect to the Property that were created after the date of the Original Lease, as memorialized in that certain Lease Agreement dated as of January 24, 1984, as amended by that certain "First Amendment to Lease Agreement."

3. Consents to the foregoing Restated Lease and agrees that all rights of the undersigned with respect to the Property are and shall be subordinate and subject to the rights created in the Restated Lease in favor of the "Tenant" named therein.

GOLETA VALLEY COMMUNITY CENTER

Date

By _____
Name & Title:

GVCC Monthly Users Report

- 56 organizations use the GVCC
 - 46 non-profit (82%) organizations use the space
 - 10 commercial (18%) organizations use the space
- The 10 commercial organizations are using the space an average of 2 times per week, and 20 times monthly (23% of the time).
 - 5 organizations use it 1 day a week
 - 2 organizations use it 2 days a week
 - 2 organizations use it 3 days a week
 - 1 organization uses it 5 times a week
- The 46 non-profit organizations are using the space an average of 1.5 times per week, and 68 times monthly (77% of the time).
 - 31 organizations use it 1 day a week
 - 8 use it 2 days a week
 - 1 organization uses it 3 days a week
 - 1 organization uses it 5 days a week
 - 1 organization uses it 6 days a week
 - 1 organization uses it 7 days a week
 - 3 organizations use it on an as-needed basis
- Users Demographics
 - Adults (over 18) are served by 70% of the programming through 40 different programs
 - Seniors are served by 61% of the programming through 35 programs
 - Youth are served by 20% of the programming through 20 programs.

GVCC USAGE BY DAY/DEMOGRAPHIC

Group	M	TU	W	TH	F	SA	SU	Ave mon. attendance	Population Served	Room(s)
NON-PROFIT										
AARP - Vita Program					x			96	A, S	6
AA (15 different groups)	x	x	x	x	x	x	x	875	A,S	5a, DH, 7
Bonsai		x				x		25	A	7
Christ's the Believers							x	50	A, S, Y	5a
Coastal Quilters- Blockhead						x		12	A, S	1,2,7
Coastal Quilters Guild					x			35	A, S	1,2,7
Fiber Vision - Quilters						x		16	A, S	1,2,7
Fiesta City Decorative						x		100	A	7
Gamblers Anonymous		x			x			80	A, S	5a
Goleta Valley Toastmasters				x				80	A	6
Happy Needle Workers				x				125	A, S	1
HiCAP			x		x			80	S	5a,1,2, Con
Inspire Dance CMS	x	x	x	x	x	x		900	Y	Aud,7, 4, 8, 6
Islamic Society					x			800	A, S, Y	Aud, CY
Iglesia de Dios Puerta de Cielo						x		160	A, S, Y	DH, 6
Iglesia de Dios Torre Fuerte								120	A, S, Y	1, 4, 7
Just Friends - Sewing			x					80	A, S	2
LA Church of Christ			x					175	A	6
Legal Aid Foundation				x				40	A, S	con
Light of Christ Baptist							x	160	A, S, Y	1,2
Mariachi for Kids					x			40	Y	1,2
Master Gardeners										
Mid East Ensemble - UCSB		x						40	A	7,8
Native Daughters		x						30	A, S	7
Oak Grove Homeowners		x						120	A	1,2
Padres Unidos			x					340	A, S, Y	1, 2, DH, Conf
Prayer Group								30	A, S, Y	1
Raices De Mi Tierra - UCSB	x							100	Y	4
SB Flyfishers		x						36	A	6
SB Foodbank - Brown Bag Program			x					140	A, S	Outside
SB Foodbank - Healthy Pantries				x				150	A, S, Y	DH
SB Silver Follies		x		x				54	S	4,7,8 AUD
Senior Programs - Bingo			x		x			290	S	DH
Senior Programs - Bridge		x		x				72	S	SL
Senior Programs - Hula				x				24	S	DH,4

Senior Programs - Line Dance			x		x			180	S	Aud, 4
Senior Programs - Music -Swing Along		x		x				160	S	DH
Senior Programs - Porcelain Artist	x							16	S	SL, 1, 6
Senior Programs CAC Senior Nutrition	x	x	x	x	x			500	S	DH
Senior Programs - UNO			x					24	S	SL
Sew Bunka				x				125	A, S	1,2,7,8
Sirens of the Sapphire Moon Dance				x				32	A	7
Sunrise Homeowners Association			x					20	A	CON, 1,2
Tap Class	x		x	x				180	A, S	4
United Pentecostal Church				x			x	45	A, S, Y	1,2
Zona Seca	x							100	Y	5a
Group	M	TU	W	TH	F	SA	SU	Ave monthly attendance	Population Served	Room(s)
FOR-PROFIT										
Zumba with Esteban	x		x		x			720	A, S, Y	Auditorium
MIT Traffic School						x		130	A, S, Y	6
Narcotics Anonymous				x				48	A	7
CRUZ Dance		x	x	x				180	Y	4, Aud
Lindy Circle Dance	x							50	A	7
Claddagh School of Dance				x				50	A, Y	4
Boot Camp	x	x	x	x	x			300	A	Aud, 7,6,8
South Coast Karate	x			x				120	Y	AUD, 7,8,6
Wado Ryu		x		x				8	A	6,1,2
Zumba Gold						x		120	A, S	DH, Aud, 8, 4
TOTAL NON-PROFIT & FOR-PROFIT USERS	8583									

Key:

x = regular day(s)

Demos=Demographic

A=Adult

S=Seniors

Y=Youth

N=Non-Profit

C=For-Profit



Goleta Valley Community Center

“The Heart of Old Town Goleta”

5 YEAR PLAN – PRESENTATION
City Council – October 20, 2015

MISSION

“To provide a facility where members of the public, as individuals, groups, or organizations, may meet for discussion of matters of general or public interest or may engage in recreational, educational, social, political, and other activities.”

PREFACE

This document is a working instrument, which will be updated regularly. This five-year plan builds upon items from our previous strategic plans and outlines key goals, objectives and tasks aimed at improving the Goleta Valley Community Center's delivery of services, fundraising and cost recovery.

Executive Summary

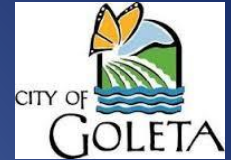
The most important thing we can do to ensure GVCC's sustainability is to commit to developing and using a process for assessing every aspect of our organization on a regular basis.

Company Summary

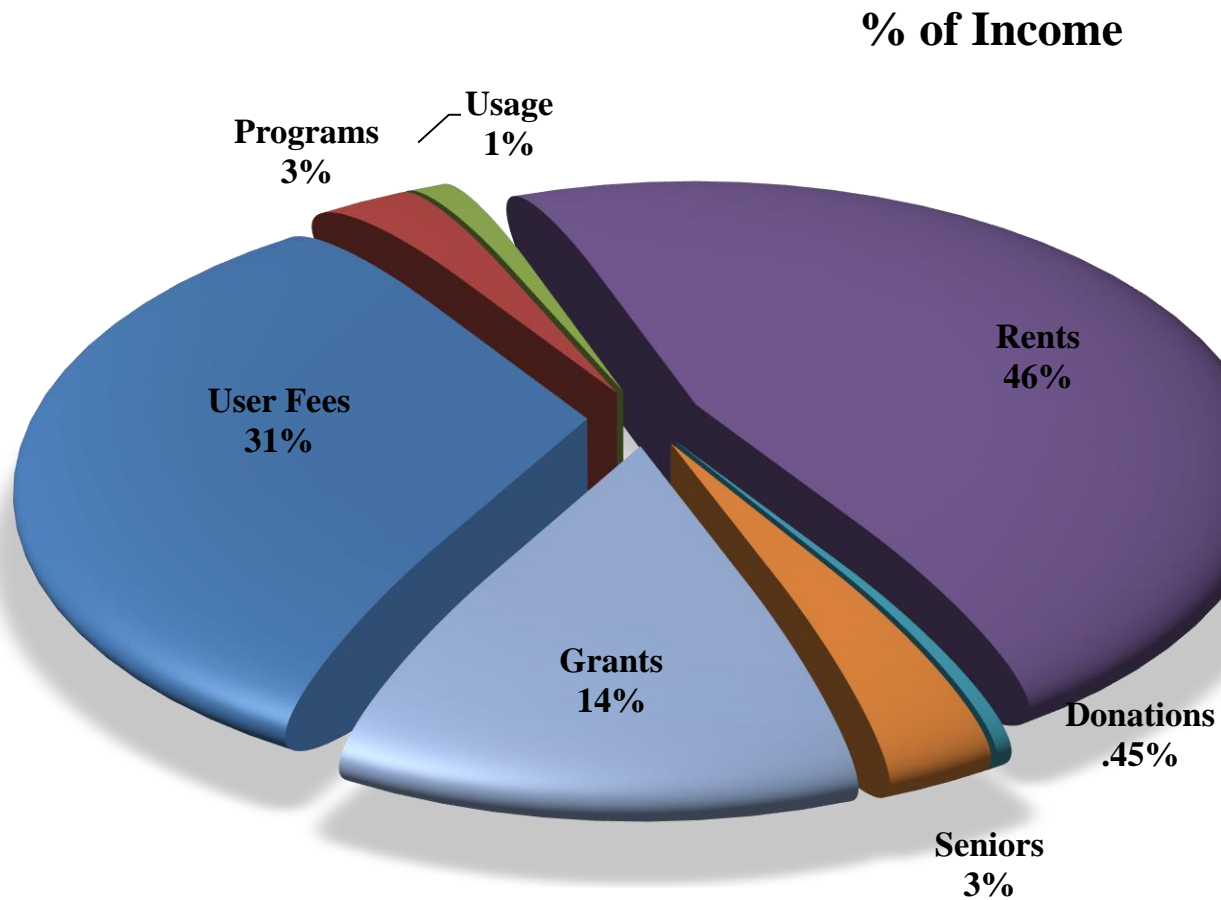
It is important to note that in the 38 years in which the Goleta Valley Community Center has existed, the volunteer Board of Directors has built healthy reserves. Those reserve dollars have assisted with economic downturns that many other “grant heavy” non-profits have struggled through financially. The stewardship of this volunteer board is unparalleled in their fiduciary responsibility, care and consideration.



Services



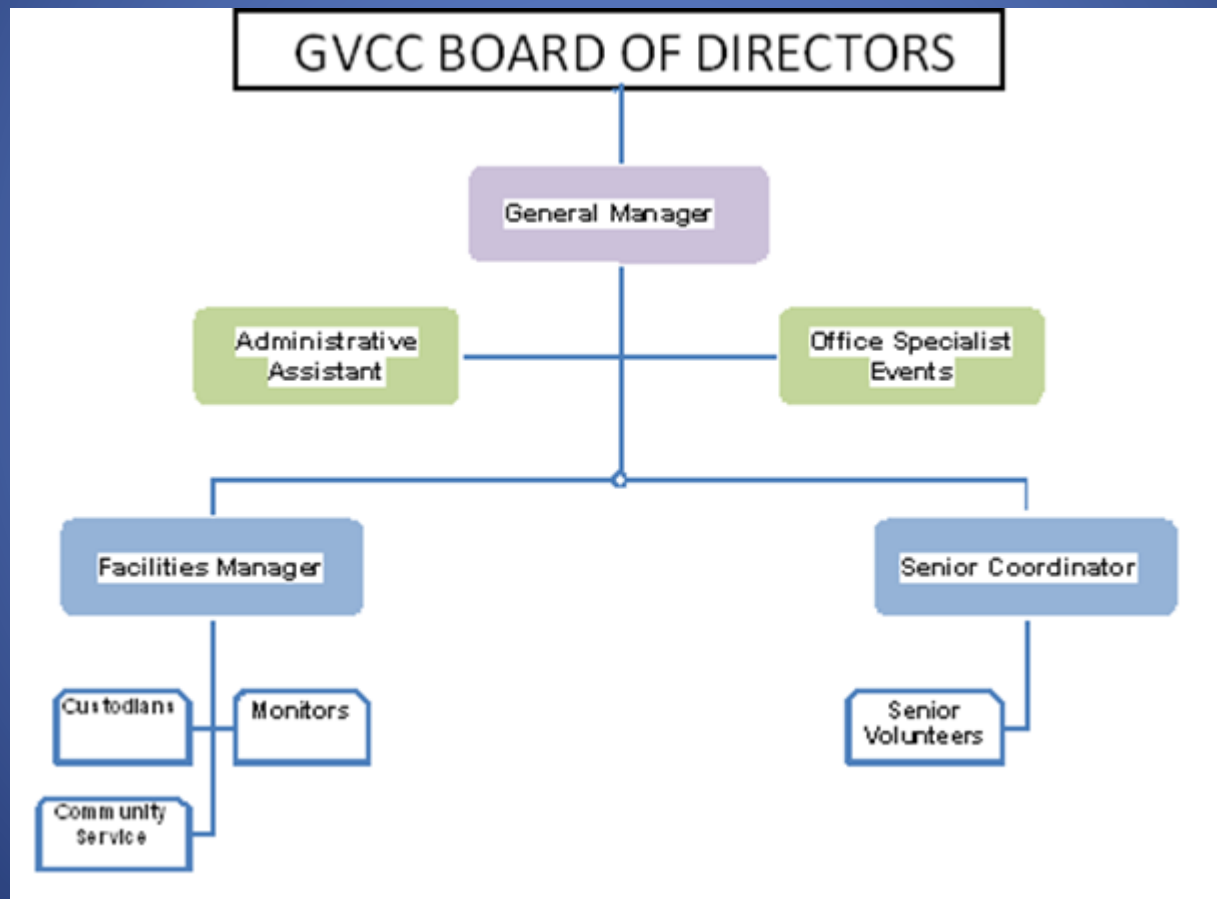
Market Analysis Summary



Strategy and Implementation Summary

Our strategy will be to formulate a business model that provides income sufficient to cover our month to month costs. In the past we enjoyed higher fixed income via leases. Reduction of leased square footage over the last four years has necessitated a change in our former business model to a strategy that involves maintaining an aggressive approach to price indexing our user fees, lowering our costs, and determining fundraising options that will help buffer those fiscal challenges.

Management Summary



Financial Plan

Traditionally the Goleta Valley Community Center has covered all costs through income received. The budget is a general fund model, and all funds received offset related costs, including grant/gift funds, with the exception of grant funds awarded for specific programs (i.e. funding Aqua Aerobics, Tai Chi, and Yoga).

Financial Sustainability

We will evaluate each activity according to a dual bottom line: mission impact and financial return. Our goal will be to identify strategic imperatives for each of our activities based on its current impact and profitability as follows:

- *high mission impact and low profitability*
 - *Maintain the activities and find ways to contain their costs.*
- *high mission impact and high profitability*
 - *Invest in the activities and make them stronger.*
- *low mission impact and low profitability*
 - *Consider closing the program or give it away to another organization.*
- *low mission impact and high profitability*
 - *Nurture the activity and harvest its returns while finding ways to increase its impact on our mission.*

The most important thing we can do to ensure GVCC's sustainability is to commit to developing and using this process for assessing every aspect of the organization on a regular basis, and based on sound analysis make necessary adjustments to the services and programs we provide.