



THE CITY OF SAN DIEGO

June 15, 2006

Dear Lessees:

Effective immediately please make a correction to the General Provisions section of your lease outline with the City of San Diego.

Under the NOTICES section there is a paragraph informing lessees where to mail any written notices. This needs to be changed to the following address:

City of San Diego
Real Estate Assets Department
Attention: Real Estate Assets Director
1200 Third Avenue, Suite 1700 (M. S. 51A)
San Diego, CA 92101-9586

Sincerely,

James Barwick
Real Estate Assets Director

KC/cj

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Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706



THE CITY OF SAN DIEGO
SOUTHERN SUDANESE COMMUNITY CENTER OF SAN DIEGO.
Lease Agreement

CITY OF SAN DIEGO LEASE AGREEMENT

This lease agreement ("Lease") is executed between THE CITY OF SAN DIEGO, a municipal corporation ("CITY") and the SOUTHERN SUDANESE COMMUNITY CENTER OF SAN DIEGO ("LESSEE").

SECTION 1: USES

1.1 Premises.

CITY leases to LESSEE and LESSEE leases from CITY all of that certain real property located at 4077 Fairmount Avenue, San Diego, CA 92105 consisting of approximately 0.25 acres of land including an approximate 2,975 square foot building. The real property described in Exhibit "A" - Premises attached to this Lease and by this reference made part of this Lease. The real property is hereinafter called the "Premises."

1.2 Uses.

The Premises are leased to LESSEE solely and exclusively for the purposes of operating and maintaining the Premises as a community center to provide employment assistance, youth education, language classes, health education, acculturation program and conflict resolution for Sudanese refugees in the City of San Diego and San Diego County and for general public and for other related or incidental purposes as may be first approved in writing at the sole discretion of the City Manager and for no other purpose whatsoever. The use of the Premises for any unauthorized, illegal or unpermitted purpose shall constitute a default of the terms of this Lease and subject this Lease to termination at the sole option of CITY. LESSEE shall use the Premises for the above-specified purposes and to diligently pursue the purposes throughout the term of this Lease. Failure to continuously use the Premises for the purposes, or the use of the Premises for purposes not authorized in this Lease, shall be grounds for termination by CITY.

1.3 Related Council Actions.

By entering into this Lease, neither CITY nor the Council of CITY is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to development or operation of the Premises. Discretionary action includes but is not limited to rezoning, variances, environmental clearances, or any other governmental agency approvals that may

be required for the development and operation of the Premises. LESSEE shall diligently seek all entitlements and actions, from both CITY and other governmental agencies with jurisdiction over the Premises, as are necessary to develop and operate the uses contemplated by this Lease, all at no cost to CITY.

1.4 Quiet Possession.

LESSEE, paying the rent and performing the covenants and agreements in this Lease, shall at all times during the Term (defined in Section 2.1) peaceably and quietly have, hold, and enjoy the Premises. If CITY for any reason cannot deliver possession of the Premises to LESSEE on the Commencement Date (defined in Section 2.1) or if during the Term LESSEE is temporarily dispossessed through action or claim of a title superior to CITY'S, then this Lease shall not be voidable nor shall CITY be liable to LESSEE for any loss or resulting damage, but there shall be determined and stated in writing by the City Manager a proportionate reduction of the rent for the period or periods during which LESSEE is prevented from having the quiet possession of all or a portion of the Premises.

1.5 Easements and Reservations.

- a. CITY reserves all rights, title, and interest in any and all subsurface natural gas, oil, minerals, and water on or within the Premises.
- b. CITY reserves the right to grant and use easements or to establish and use rights-of-way over, under, along, and across the Premises for utilities, thoroughfares, or access as it deems advisable, in its sole discretion, for the public good.
- c. CITY has the right to enter the Premises for the purpose of making repairs to or developing municipal resources and services.

CITY shall not unreasonably or substantially interfere with LESSEE'S use of the Premises and will reimburse LESSEE for physical damages, if any, to the permanent improvements located on the Premises resulting from CITY exercising the rights reserved in this section. Reimbursement may include a reduction in the rent proportionate to the amount of physical damage as determined by CITY. CITY will pay the costs of maintenance and repair of all CITY installations made pursuant to these reserved rights.

1.6 Competent Management.

Throughout the Term of this Lease, LESSEE shall provide competent management of the Premises to the satisfaction of the City Manager. For the purposes of this section, "competent management" shall mean demonstrated ability in the management and operation of a community center and related

activities, in accordance with all applicable federal, state, and local regulations, and in a fiscally responsible manner.

1.7 Operation of Facilities.

LESSEE shall establish a regular schedule of days and hours of operation to best serve the public as set forth in Exhibit "B" - Schedule of Days and Hours of Operation of this Lease. Any changes in this schedule shall be subject to the prior written approval of the City Manager. LESSEE shall diligently and in a creditable manner furnish services to the public in conformity with all applicable rules and regulations of the City of San Diego.

1.8 Rates and Charges.

All charges for merchandise and services or facilities on the Premises shall be in accordance with the schedule set forth in Exhibit "C" - Schedule of Rates and Charges of this Lease. Any changes in this schedule are subject to prior written approval by the City Manager.

1.9 CITY Use.

LESSEE shall make the Premises available to CITY for civic events and special programs, free of charge, except when LESSEE has scheduled events or programs. After every CITY use, the Premises shall be left in the same condition found, and LESSEE shall not be required to incur any additional costs by reason of CITY use.

1.10 Political Activities.

The Premises shall not be used for working or campaigning for the nomination or election of any individual to any public office, be it partisan or nonpartisan. LESSEE shall not be precluded from providing public forums, forums or proponents and opponents of election issues, and a forum for open debate by candidates.

1.11 Public Use.

The general public shall not be wholly or permanently excluded from any portion of the Premises. LESSEE may develop reasonable restrictions for the use of the Premises provided they are consistent with the rights of the general public and are designed to allow LESSEE to use the Premises for the purposes specified in this Lease. LESSEE shall ensure that all activities conducted on the Premises are authorized in Section 1.2 Uses of this Lease. LESSEE shall at all times during the Term, maintain a CITY-approved sign identifying the property as CITY-owned and available for public use consistent with the terms of this Lease.

LESSEE shall install the sign at a location agreeable to CITY.

SECTION 2: TERM

2.1 Commencement.

The term of this Lease shall be three (3) years ("Term"). The Term of this Lease is effective following execution by the City Manager and approval by the City Attorney ("Commencement Date"). If the Commencement Date is not the first day of a calendar month, then the Term shall include the partial month from and including the Commencement Date through the last day of the full Term, so that the Term shall expire on the last day of a calendar month. "Lease Year" as used in this Lease shall mean the twelve (12)-month period commencing on the first day of the calendar month following the Commencement Date and each succeeding 12-month period thereafter during the Term.

2.2 Holdover.

Any holding over by LESSEE after the expiration or earlier termination of this Lease shall not be considered a renewal or extension of this Lease. The occupancy of the Premises after the expiration or earlier termination of this Lease constitutes a month-to-month tenancy, and all other terms and conditions of this Lease shall continue in full force and effect. CITY shall have the right to increase the rent to bring the rent to fair market value and to terminate the holdover tenancy at will with thirty (30) days prior written notice.

2.3 Surrender of Premises.

At termination of this Lease for any reason, LESSEE shall execute, acknowledge, and deliver to CITY, within five (5) days after written CITY demand, a valid and recordable quitclaim deed covering all of the Premises. The Premises shall be delivered free and clear of all liens and encumbrances and in a decent, safe, and sanitary condition. If LESSEE fails or refuses to deliver the required deed, CITY may prepare and record a notice reciting LESSEE'S failure to execute this Lease provision, and the notice will be conclusive evidence of the termination of this Lease and all LESSEE'S rights to the Premises.

SECTION 3: RENT

3.1 Rent.

- a. Time and Place of Payment. The monthly rent is due in advance on or before the first day of each calendar month during the Term. The rent will

be prorated during the first and final months of any lease year in order to achieve payment on the first day of each calendar month. Checks should be made payable to the City Treasurer and mailed to the Office of the City Treasurer, City of San Diego, P.O. Box 122289, San Diego, California 92112-4165, or delivered to the Office of the City Treasurer, Civic Center Plaza, 1200 Third Avenue, Suite 100, San Diego, California.

b. Rent and Administrative Fee.

Rent Amount. LESSEE shall pay CITY an initial rent of one hundred eighty dollar (\$180) per month ("Rent"). Beginning with the second Lease Year and continuing each Lease Year thereafter, the rent will be increased on the anniversary of the Lease Year. The increase shall be equal to five percent (5 %) of the monthly rent for the preceding Lease Year.

c. Administrative Costs. In addition to the Rent, LESSEE shall pay a fee of two thousand eight hundred forty nine dollars and twenty five cents (\$2,849.25) per Lease Year ("Administrative Fee" or "Fee"), payable annually on the anniversary date of the Commencement Date, to compensate CITY for the average costs of administering the Lease. The Administrative Fee is subject to annual adjustments based on percentage increases in the Consumer Price Index ("CPI") as hereinafter provided.

- (1) CPI Adjustments. On January 1 of each calendar year following the commencement date of this lease, the Fee shall be adjusted to reflect the percentage increase in the CPI based on the average indices for the third quarter of the calendar year prior to each adjustment.

The index used will be the CPI for "All Urban Consumers" for Los Angeles/Riverside/Orange County, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's "Comprehensive Official Index" most comparable to the aforesaid index. If a Fee adjustment is calculated using an index from a different base year than 1982-84, which equaled a base figure of 100 for the CPI, the base figure used will first be converted under a formula supplied by the Bureau of Labor Statistics or its successor.

If the Department of Labor indices are no longer published, another index generally recognized as authoritative will be substituted by agreement of CITY and LESSEE. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the

Regional Office of the Bureau of Labor Statistics or its successor, notwithstanding continued reference herein to "CPI" in any event.

Regardless of the index publication dates, the effective date of the Fee adjustment is as specified in this Subsection c.(1), CPI Adjustments. Until the Fee adjustment can be reasonably determined by the index method, LESSEE shall continue to make payments at the existing Fee rate. When the adjustment is determined, the balance of the Fee due at the adjusted rate will be paid to CITY within thirty (30) days. In no event shall the adjusted Fee as established by the CPI be less than the Fee in existence immediately prior to the adjustment date. The failure of City to deliver timely notice of any Fee adjustment shall not constitute a waiver by City of its rights hereunder.

- (2) CPI Adjustment Computation. The Fee for each one (1) year period following the adjustment date until the next adjustment shall be determined by multiplying the Fee which are effective immediately prior to said adjustment by the CPI adjustment which is the percentage change in the CPI as of the end of the third quarter of the calendar year just prior to the adjustment date.

Example LEASE YEAR ONE

Current fee = \$2,849.25 payable per Lease Year
CPI Adjustment = 1.022% (+2.2% annual CPI increase as of the
succeeding January 1)
\$2,912.00

Example LEASE YEAR TWO

Current fee = \$2,912.00 payable next Lease Year
CPI Adjustment = 1.030% (+3.0% annual CPI increase as of the
next succeeding January 1)
\$3,000.00

3.2 Sublease Income.

In addition to the Rent and the Fee set forth above, LESSEE shall pay to CITY, monthly in arrears, and prior to the last day of the calendar month following that month in which the revenue was earned, a sum of money equal to fifty percent (50%) of the gross revenue from any sublease income earned by LESSEE for the sublet of the Premises, or any part thereof. Prior to entering into any sublease for the Premises, or any part thereof, LESSEE shall seek prior written consent from CITY as set forth in Section 4.2 of this lease.

3.3 Inspection of Records.

LESSEE agrees to make any and all records and accounts available to CITY for inspection at all reasonable times so that CITY can determine LESSEE'S compliance with the Lease. These records and accounts will be made available by LESSEE at the Premises and will be complete and accurate showing all income and receipts from use of the Premises. LESSEE'S failure to keep and maintain such records and make them available for inspection by CITY is a breach of this lease and cause for termination. LESSEE shall maintain all such records and accounts for a minimum period of five (5) years.

3.4 Delinquent Rent and Administrative Fee.

If LESSEE fails to pay the Rent and/or Fee required in Section 3.2b hereof when due, LESSEE shall pay, in addition to the unpaid Rent and/or Fee, five percent (5%) of the Rent or Fee as a delinquent charge. If the Rent and/or Fee are still unpaid at the end of fifteen (15) days, LESSEE shall pay an additional five percent (5%) [being a total of ten percent (10%)], which is hereby mutually agreed by the parties to be appropriate to compensate CITY for loss resulting from the Rent and/or Fee delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account. Notwithstanding the foregoing, in no event shall the charge for late payment of the Rent and/or Fee be less than Twenty-Five Dollars (\$25).

3.5 Unauthorized Use Charge.

LESSEE shall pay CITY one hundred percent (100%) of the gross receipts for any service or use that is not permitted by this Lease. This payment is subject to the due date for rent provided in this Lease and the provision for delinquent payments. The existence of the one hundred percent (100%) charge in this section and the payment of this charge or any part of it does not constitute an authorization for a particular service or use, and does not waive any CITY rights to terminate a service or use or to default LESSEE for participating in or allowing any unauthorized use of the Premises.

3.6 Annual Budget.

LESSEE shall submit to the City Manager for review and approval by December 1 of each year copies of documents evidencing the proposed programs and financial status of LESSEE for the upcoming calendar year. Without limiting the generality of the foregoing, these documents shall include (i) a copy of LESSEE'S proposed programs; (ii) a copy of a detailed operating budget showing expected sources of revenue and the nature of all proposed expenditures, including compensation for the director and staff of LESSEE; and (iii) an adequate reserve account for maintenance of the Premises.

3.7 CDBG Program Income.

If LESSEE participates in the Community Development Block Grant (CDBG) program of CITY, CDBG "program income" shall be defined as all income earned by LESSEE from the use of the Premises (e.g., room rental fees), per Section 24 of the Code of Federal Regulations (CFR) 570.500(a)(1)(iii). All program income shall be treated as CDBG funds subject to all applicable requirements governing the use of CDBG funds as listed in 24 CFR 570; 24 CFR 84; OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations"; and OMB Circular A-122 "Cost Principles for Nonprofit Organizations." All uses of program income shall adhere to CDBG regulations as listed in 24 CFR 570.503. The CDBG Administrator of CITY shall designate the specific process for receipting, utilizing, and accounting of program income received from the Premises per applicable guidelines. Quarterly reports shall be submitted to the City of San Diego, Community and Economic Development Department, Attention: CDBG Administrator. Report format, content, and verification shall be subject to the CDBG Administrator's discretion. It is the intention of this section to make the program income available to LESSEE for operational, rehabilitation, or maintenance expenses solely and directly for the benefit of the Premises.

SECTION 4: ASSIGNMENT/DEFAULT

4.1 Time is of Essence; Provisions Binding on Successors.

Time is of the essence for all of the terms, covenants, and conditions of this Lease, and, except as otherwise provided in this Lease, all of the terms, covenants, and conditions of this Lease shall apply to, benefit, and bind the successors and assigns of the respective parties, jointly and individually.

4.2 Assignment and Subletting.

LESSEE shall not assign this Lease or any interest in this Lease and shall not sublet the Premises or any part of the Premises, or any right or privilege appurtenant to the Premises, or allow any other person, except employees, agents, and guests of LESSEE, to use or occupy the Premises or any part of the Premises, without the prior written consent of the City Manager in each instance. A consent to assignment, subletting, occupation, or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation, or use by another person. Any assignment or subletting without CITY'S consent shall be void and shall, at the option of CITY, terminate this Lease. This Lease shall not, nor any interest in this Lease, be assignable as to the interest of LESSEE by operation of law, without the written consent of the City Manager.

"Assignment" for the purposes of this section shall include any transfer of any ownership interest in this Lease by LESSEE or by any partners, principals, or stockholders, as the case may be, from the original LESSEE, its general partners, or principals. Approval of any assignment or sublease shall be conditioned upon the sublessee agreeing in writing that it will assume the rights and obligations assigned or subleased and that it will keep and perform all covenants, conditions, and provisions of this Lease which are applicable to the rights acquired. The City Manager shall require, as a condition to approval of any sublease of the majority portion of the leasehold or any assignment, that LESSEE pay additional consideration to CITY, as set forth in Section 4.6 Additional Consideration to CITY of this Lease, commencing on the effective date of such proposed sublease of the majority portion of the leasehold or assignment, City Manager may further require that this Lease or the requested sublease otherwise be revised to comply with standard CITY lease requirements that are then current.

The City Manager may also require, as a condition to approval of any sublease of a commercial nature (e.g., food vending or telecommunications installations), that LESSEE pay CITY market rents for the use. Pursuant to City Charter Section 225, the City Manager must review and approve every person or entity which will have an interest in this Lease as a sublessee.

4.3 Encumbrance.

LESSEE may not encumber this Lease, its leasehold estate, and its improvements on the Premises by deed of trust, mortgage, chattel mortgage, or other security instrument to assure the payment of a promissory note or notes of LESSEE.

4.4 Defaults and Remedies.

On the occurrence of a default by LESSEE, CITY shall have the right to pursue any one or more of the remedies listed in this section in addition to any other remedies now or later available to CITY in law or equity. These remedies are not exclusive but cumulative.

a. Defaults. Each of the following shall constitute an event of default under this Lease:

1. LESSEE'S failure to make any payments required under this Lease when due; or
2. LESSEE defaults in the performance of any covenant or condition required by this Lease, other than those requiring payment to CITY, to be performed by LESSEE and fails to cure the default within thirty (30) days following written notice from CITY; or if any default, other than those requiring payment to CITY, is not

curable within thirty (30) days, and LESSEE fails to commence to cure the default(s) within the thirty (30)-day period and diligently pursue the cure to completion; or

3. LESSEE voluntarily files any petition under any bankruptcy or insolvency act or law; or
4. LESSEE has involuntarily filed against it any petition under any bankruptcy or insolvency act or law and the matter is not dismissed by a court of competent jurisdiction within ninety (90) days of filing; or
5. LESSEE is adjudicated a bankrupt; or
6. LESSEE makes a general assignment for the benefit of creditors; or
7. LESSEE uses the Premises for any unauthorized purpose.

b. Remedies.

1. For Default Based Upon Nonpayment. Upon default by LESSEE for nonpayment under section 4.4 a (1) of this Lease, CITY may, at its option, give LESSEE, or any person claiming rights through LESSEE, a written Three-Day Notice to Pay or Quit or CITY may terminate the Lease and all right of LESSEE and of all persons claiming right through LESSEE to the Premises or to possession of the Premises, and CITY may enter and take possession of the Premises and may recover the sum set forth below.
2. For Any Other Default. Upon default by LESSEE based upon section 4.4a (2) - (7) of this Lease, CITY may, at its option, terminate the Lease and all right of LESSEE and of all persons claiming right through LESSEE to the Premises or possession of the Premises, and CITY may enter and take possession of the Premises and may recover from LESSEE the sums set forth below. If any default described in Section 4.4a (2) - (7) of this Lease, is not curable within thirty (30) days after notice to LESSEE, CITY will not terminate this Lease pursuant to the default if LESSEE immediately commences to cure the default and diligently pursues the cure to completion.
3. City Recovery Upon LESSEE Default. Upon termination of the Lease due to default, CITY may recover the sum of:

- (a) the worth at the time of award of any unpaid rent that had been due at the time of termination;
 - (b) the worth at the time of award of the amount by which (i) the unpaid rent that would have been earned after termination until the time of award minus (ii) the amount of the rent lost, if any, and LESSEE affirmatively proved could have been reasonably avoided;
 - (c) the worth at the time of award of the amount by which (i) the unpaid rent for the balance of the Term after the time of the award minus (ii) the amount of rent lost, if any, as LESSEE affirmatively proves could be reasonably avoided;
 - (d) any other amount necessary to compensate CITY for the detriment proximately caused by LESSEE'S failure to perform LESSEE'S obligations or that, in the ordinary course of things, would be likely to result; and
 - (e) all other amounts in addition to or in lieu of those previously stated as may be permitted from time to time by California law. As used in clauses (a) and (b) of this section, the "worth at time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in clause (c) of this section, the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus two percent (2%). As used in this section the terms "rent" shall include Rent described in Section 3.1b, Administrative Fee, described in Section 3.1c of the Lease and any other payments required by LESSEE pursuant to the Lease.
- c. Abandonment by LESSEE. If LESSEE breaches the Lease and abandons the Premises, this Lease shall continue in effect as long as CITY does not terminate this Lease, and CITY may enforce all its rights and remedies under this Lease, including but not limited to the right to recover the rent as it becomes due, plus damages.
- d. Waiver. Any CITY waiver of a default is not a waiver of any other default. Any waiver of a default must be in writing and be executed by the City Manager in order to constitute a valid and binding waiver. CITY delay or failure to exercise a remedy or right is not a waiver of that or any other remedy or right under this Lease. The use of one remedy or right for any default does not waive the use of another remedy or right for the same

default or for another or later default. CITY'S acceptance of any rents is not a waiver of any default preceding the rent payment. The property constituting the premises is CITY-owned and held in trust for the benefit of the citizens of the City of San Diego. Any failure by the City Manager or CITY staff to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY shall at all times, have the legal right to require the cure of any default when the default is discovered.

4.5 Eminent Domain.

If all or part of the Premises is taken through condemnation proceedings or under threat of condemnation by any public authority with the power of eminent domain, the interests of CITY and LESSEE (or beneficiary or mortgagee) will be as follows:

- a. Full Taking. If the entire Premises is taken, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- b. Partial Taking - Remainder Unusable. If a partial taking of the Premises occurs, and in the opinion of CITY the remaining part of the Premises is unsuitable for the Lease operation, this Lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- c. Partial Taking - Remainder Usable. If a partial taking of the Premises occurs, and in the opinion of CITY the remaining part of the Premises is suitable for continued Lease operation, this Lease shall terminate in regard to the portion taken on the date of the transfer of title or possession to the condemning authority, whichever first occurs, but shall continue for the portion not taken.
- d. Award. All monies awarded in any taking shall belong to CITY, whether the taking results in diminution in value of the leasehold or the fee or both. LESSEE shall be entitled to any award attributable to the taking of, or damages, to LESSEE'S then remaining leasehold interest in installations or improvements of LESSEE. CITY shall have no liability to LESSEE for any award not provided by the condemning authority.
- e. Transfer. CITY has the right to transfer CITY'S interests in the Premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. If a transfer occurs, LESSEE shall retain whatever interest it may have in the fair market value of any improvements placed by it on the Premises in accordance with this Lease.

- f. No Inverse Condemnation. The exercise of any CITY right under this Lease shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon CITY for inverse condemnation.

4.6 Additional Consideration to CITY.

LESSEE and CITY agree that in the event of an assignment, in the event of a subletting of the majority portion of the leasehold, LESSEE shall pay to CITY two percent (2%) of the gross amount paid for the leasehold in connection with an approved assignment of the Lease, two percent (2%) of any amount paid LESSEE in consideration of a sublease of all or a majority portion of the leasehold. The amount upon which the two percent (2%) shall be based on the total consideration resulting from the transaction including total cash payments and the market value of noncash consideration, including but not limited to, stocks, bonds, deferred payments, secured and unsecured notes, and forbearances regarding claims and judgments. Prior to CITY'S consent to any assignment or majority subletting, LESSEE shall deliver to CITY a written statement for all sums due and owing to CITY from LESSEE pursuant to the provisions of this section, together with an acknowledgment from the proposed assignee or sublessee as to the amount due CITY. The sum due CITY shall be payable in full to CITY concurrent with the completion of the transaction, be it an assignment or a sublease. Any assignment or subletting in violation of the terms and conditions of this section shall be void. The provisions of this section shall not apply to:

- a. An assignment or transfer of a beneficial interest in the leasehold resulting from devise, bequest, intestate succession or by operation of law for the benefit of the spouse or descendants (i) of LESSEE (if an individual) or (ii) of LESSEE'S principal owner (if LESSEE is other than an individual):
- b. An assignment for which the City Manager determines that the legal and equitable ownership interests in the leasehold have remained unchanged, such as a change in the legal or fictitious name of the LESSEE without any other change in the equity, in beneficial use of, or legal title to, the leasehold as an asset or the income produced by the leasehold.

SECTION 5: INSURANCE RISKS/SECURITY

5.1 Indemnity.

LESSEE shall defend, indemnify, protect, and hold CITY, its elected officials, officers, representatives, agents and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to LESSEE'S employees, invitees, guests,

agents, or officers, which arise out of or are in any manner directly or indirectly connected with the development or operation of the leasehold or the work and operations to be performed under this Lease, and all expenses of investigating and defending against damages or injuries. LESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of CITY, its elected officials, officers, representatives, agents, and employees.

5.2 Insurance.

- a. LESSEE shall take out and maintain at all times during the Term of this Lease the following insurance at its sole expense:
 1. Commercial General Liability Insurance. Commercial General Liability coverage with limits of not less than two million dollars (\$2,000,000) Combined Single Limit Liability per occurrence. This policy shall cover all claims for property damage and/or personal or bodily injury, including death, suffered by any party or parties from acts or failures to act by CITY or LESSEE or by authorized representatives of CITY or LESSEE on or in connection with the use or operation of the Premises.
 2. Fire, Extended Coverage and Vandalism Insurance. Fire, extended coverage, and vandalism insurance policy on all insurable property on the Premises in an amount to cover one hundred percent (100%) of the replacement cost. Any proceeds from a loss shall be payable jointly to CITY and LESSEE. The proceeds shall be placed in a trust fund to be reinvested in rebuilding or repairing the damaged property. If there is a mortgage or trust deed on the leasehold in accordance with Section 4.3 Encumbrance of this Lease, the proceeds may be paid to the approved mortgagee or beneficiary if mortgagee or beneficiary has provided CITY with evidence that all proceeds shall be used to repair and restoration of damaged or destroyed improvements on the Premises.
- b. LESSEE'S responsibility to maintain the insurance also includes the following:
 1. Additional Insureds. All insurance policies by separate endorsement, shall name CITY, its elected officials, officers, representatives, agents and employees as additional insureds, protect CITY against legal costs in defending claims, and shall not terminate without sixty (60) days prior written notice to CITY.

2. Insurer Qualifications. All insurance required by this Lease must be provided by insurers licensed to do business in California. The insurer must be rated "A-, VI" or better by the AM Best Rating Guide and must be acceptable to CITY. Non-admitted or "surplus lines" carriers will be accepted if the carrier appears on the current California LESLI (List of Eligible Surplus Lines Insurers) list.
3. Effective Date of Policy. All policies shall be in effect on or before the Commencement Date, except "course of construction fire insurance" shall be in force on commencement of all authorized construction on the Premises, and full applicable fire insurance coverage shall be effective upon completion of each insurable improvement.
4. Evidence of Insurance. A copy of the insurance policy or insurance certificate along with any required endorsements shall be furnished to CITY prior to the Commencement Date and shall remain on file with CITY during the entire Term of this Lease. At least thirty (30) days prior to the expiration of each policy, LESSEE shall furnish a certificate(s) along with any required endorsements, showing that a new or extended policy has been obtained which meets the terms of this Lease.
5. Modification. CITY, at its discretion, may require the revision of amounts and coverages at any time during the Term of this Lease by giving LESSEE sixty (60) days prior written notice. CITY'S requirements shall be designed to assure protection from and against the extent of risk existing on the Premises. LESSEE shall obtain any additional insurance required by CITY for new improvements, in order to meet the requirements of this Lease.
6. Accident Reports. LESSEE shall report to CITY any accident causing more than ten thousand dollars (\$10,000) worth of property damage or any serious injury to persons on the Premises. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses and other pertinent information.
7. Failure to Comply. If LESSEE fails or refuses to take out and maintain the required insurance, or fails to provide the proof of coverage, CITY has the right to obtain insurance. LESSEE shall reimburse CITY for the premiums paid with interest at the maximum allowable legal rate then in effect in California. CITY shall give notice or the payment of premiums within thirty (30) days of payment stating the amount paid, names of the insurer(s) and rate of interest.

The reimbursement and interest shall be paid by LESSEE on the first (1st) day of the month following the notice of payment by CITY. If LESSEE fails or refuses to take out or maintain insurance as required in this Lease or fails to provide the proof of insurance, CITY has the right to declare this Lease in default without further notice to LESSEE, and CITY shall be entitled to exercise all legal remedies in the event of a default.

5.3 Waste, Damage, or Destruction.

LESSEE shall give notice to CITY of any fire or other damage that may occur on the Premises within ten (10) days of the fire or damage. LESSEE shall not commit or allow to be committed any waste or injury or any public or private nuisance. LESSEE shall keep the Premises clean and clear of refuse and obstructions, and dispose of all garbage, trash, and rubbish in a manner satisfactory to CITY. If the Premises is damaged by any cause which puts the Premises into a condition which is not decent, safe, healthy, and sanitary, LESSEE shall make or cause to be made full repair of the damage and to restore the Premises to the condition which existed prior to the damage; or, at CITY'S option, LESSEE shall clear and remove from the Premises all debris resulting from the damage and rebuild the Premises in accordance with plans and specifications previously submitted to CITY and approved in writing in order to replace in kind and scope the operation which existed prior to the damage, using for either purpose the insurance proceeds as set forth in Section 5.2 Insurance of this Lease. LESSEE shall commence preliminary steps toward performing repairs, restoration, replacement, or removal of the facility on the Premises within thirty (30) days of the occurrence of the fire or damage, and shall complete the required repairs, restoration, replacement, or removal as soon as practicable but within 180 days. CITY may determine an equitable deduction in the rent requirement for the period or periods that the Premises are untenable by reason of the damage.

5.4 Security Deposit.

- a. LESSEE shall pay to CITY a security deposit in the sum of One Thousand Dollars (\$1,000) on or before the Commencement Date. All or any portion of the security deposit shall be available unconditionally to CITY for correcting any default or breach of this Lease by LESSEE, LESSEE'S successors or assigns, or for payment of expenses incurred by CITY as a result of LESSEE'S failure to faithfully perform all terms, covenants, and conditions of this Lease.
- b. The security deposit shall take one of the forms set out below:
 1. Cash. Cash deposits shall be deposited with CITY, and CITY shall

not pay LESSEE any interest on the deposit. Any interest earned by CITY from the security deposit or redeposit shall be and remain the property of CITY.

2. Instrument(s) of Credit. An instrument(s) of credit from one or more financial institutions, subject to regulation and insurance by the state or federal government, shall pledge that the funds are on deposit and guaranteed for payment and agree that any or all funds shall be paid to CITY upon demand by CITY. The financial institution and the form of any instrument pledging the funds must be approved by CITY. LESSEE shall maintain the required security deposit throughout the Term of this Lease and for ninety (90) days thereafter unless previously released by CITY. Failure to maintain the instrument or credit shall be considered a default and is grounds for immediate termination of this Lease. This provision shall survive the expiration or earlier termination of this Lease.
- c. If the CITY utilizes all or any portion of the security deposit, LESSEE shall reimburse the deposit within ten (10) days of notice from CITY to bring the security deposit up to the full specified amount. The security deposit or any unused portion will be returned to LESSEE within ninety (90) days following the expiration or earlier termination of this Lease, if LESSEE has faithfully complied with all terms, covenants, and conditions of this Lease. CITY may, at its option, require LESSEE to increase the security deposit proportionate to any increased performance or rental liability of LESSEE upon sixty (60) days prior written notice from CITY of the required increase.

SECTION 6: IMPROVEMENTS/ALTERATIONS/REPAIRS

6.1 Acceptance of Premises.

By signing this Lease, LESSEE represents and warrants that it has independently inspected the Premises and made all tests, investigations, and observations necessary to satisfy itself of the condition of the Premises. LESSEE agrees it is relying solely on such independent inspection, tests, investigations, and observations in entering into this Lease. LESSEE acknowledges that the Premises are in the condition called for by this Lease, that CITY has performed all work with respect to the Premises, and that LESSEE does not hold CITY responsible for any defects, whether apparent or latent, in the Premises. It is LESSEE'S responsibility to investigate the Premises for the presence of any hazardous substances as defined in Section 6.14 of this Lease. LESSEE shall notify CITY if LESSEE'S investigation indicates the presence of any hazardous substances on the Premises. If LESSEE fails to investigate the Premises for the

presence of hazardous substances, or fails to notify CITY of the presence of hazardous or toxic substances after its investigation, LESSEE waives any claims against CITY which may result from the presence of hazardous substances on the Premises.

6.2 Entry and Inspection.

CITY reserves and shall always have the right, but not the obligation, to enter the Premises for the purpose of viewing and ascertaining the condition of the Premises, or to protect its interests in the Premises, or to inspect the operations conducted on the Premises. If entry or inspection by CITY discloses that the Premises are not in a decent, safe, healthy, and sanitary condition, CITY shall have the right, after ten (10) days written notice to LESSEE, to have any necessary maintenance work done at the expense of LESSEE, and LESSEE shall pay promptly any and all costs incurred by CITY in having necessary maintenance work done, in order to keep the Premises in a decent, safe, healthy, and sanitary condition. If at any time CITY determines that the Premises are not in a decent, safe, healthy, and sanitary condition, CITY may at its sole option, without additional notice, require LESSEE to file with CITY a faithful performance bond to assure prompt correction of any condition which is not decent, safe, healthy, and sanitary. The bond shall be in an amount adequate in the opinion of CITY to correct the unsatisfactory condition. LESSEE shall pay the cost of the bond. The rights reserved in this section shall not create any obligations on CITY or increase obligations elsewhere in this Lease imposed on CITY.

6.3 Maintenance.

LESSEE shall assume full responsibility and cost for the operation, maintenance, and repair of the Premises throughout the Term of this Lease. LESSEE shall make all repairs and replacements necessary to maintain and preserve the Premises in a decent, safe, healthy, and sanitary condition satisfactory to CITY and in compliance with the Development Plan described in Section 6.11 Development Plan of this Lease, and in compliance with all applicable laws. All applicable codes and standards of CITY, State and federal agencies shall be observed in all maintenance, repairs, and replacements on the Premises.

6.4 Improvements/Alterations.

LESSEE shall not construct any improvements, structures, or installations on the Premises, or make any alterations to the Premises without prior written approval by the City Manager. LESSEE shall not make major structural or architectural design alterations to approved improvements, structures, or installations made on the Premises without prior written approval by the City Manager and that approval shall not be unreasonably withheld. This provision shall not relieve

LESSEE of any obligation under this Lease to maintain the Premises in a decent, safe, healthy, and sanitary condition, including structural repair and restoration of damaged or worn improvements. LESSEE shall notify City Manager of improvement projects on the Premises and shall inform the permitting authority that the Premises are City-owned property. CITY shall not be obligated by this Lease to make or assume any expense for any improvements or alterations.

6.5 Utilities.

LESSEE shall order, obtain, and pay for all utilities and service and installation charges in connection with the development and operation of the Premises. All utilities shall be installed underground.

6.6 Bonds.

Whenever there is any construction to be performed on the Premises, LESSEE shall deposit with CITY, prior to commencement of the construction, a faithful performance bond in the amount of one hundred percent (100%) of the estimated construction cost of the work to be performed. The bond may be in cash or may be a corporate surety bond or other security satisfactory to CITY. The bond shall insure that the construction commenced by LESSEE shall be completed in accordance with the plans approved by CITY or, at the option of CITY that the uncompleted construction shall be removed and the Premises restored to a condition satisfactory to CITY. The bond or cash will be held in trust by CITY for the purpose specified above or at CITY'S option it may be placed in an escrow or other trust approved by CITY.

6.7 Liens.

LESSEE shall at all times hold CITY free and harmless and indemnify CITY against all claims for labor or materials in connection with operations, improvements, alterations, or repairs on or to the Premises and the costs of defending against claims, including reasonable attorneys' fees.

If improvements, alterations, or repairs are made to the Premises by LESSEE or by any party other than CITY, and a lien or notice of lien is filed, LESSEE shall within five (5) days of filing either:

- a. take all actions necessary to record a valid release of lien, or
- b. file with CITY a bond, cash, or other security acceptable to CITY sufficient to pay in full all claims of all persons seeking relief under the lien.

6.8 Taxes.

LESSEE shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon LESSEE or the Premises, including the land, any buildings, structures, machines, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by LESSEE or levied by reason of the business or other LESSEE activities related to the Premises, including any licenses or permits. LESSEE acknowledges that this Lease may create a possessory interest subject to property taxation, and that LESSEE may be subject to the payment of taxes levied on the leasehold interest. LESSEE shall pay all possessory interest taxes. LESSEE'S payment of taxes, fees, and assessments will not reduce any rent due CITY.

6.9 Signs.

LESSEE shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising without the prior written consent of CITY. If any unauthorized items are found on the Premises, LESSEE shall remove the item at its expense within twenty-four (24) hours notice by CITY, or CITY may then remove the item at LESSEE'S cost. The minimum cost of removal shall not be less than five hundred dollars (\$500).

6.10 Ownership of Improvements and Personal Property.

- a. Any and all improvements, trade fixtures, structures, and installations or additions to the Premises existing on the Commencement Date or constructed on the Premises by LESSEE during the Term of this Lease shall at the expiration or earlier termination of this Lease be deemed to be part of the Premises and shall become, at CITY'S option, CITY'S property free of all liens and claims, except as otherwise provided in this Lease.
- b. If CITY elects not to assume ownership of all or any improvements, trade fixtures, structures, and installations, CITY shall notify LESSEE thirty (30) days prior to early termination of this Lease or one hundred eighty (180) days prior to expiration of this Lease, and LESSEE shall remove the improvements, structures, and installations as directed by CITY at LESSEE'S sole cost on or before the expiration or earlier termination of this Lease. If LESSEE fails to remove any improvements, structures, and installations as directed, LESSEE shall pay CITY the full cost of any removal.
- c. LESSEE shall remove LESSEE-owned machines, appliances, equipment (other than trade fixtures), and other items of personal property shall be removed by LESSEE by the date of the expiration or termination of this Lease. Any items which LESSEE fails to remove will be considered

abandoned and become CITY'S property free of all claims and liens, or CITY may, at its option, remove the items at LESSEE'S expense.

- d. If any removal of personal property by LESSEE results in damage to the remaining improvements on the Premises, LESSEE shall repair all of the damage.
- e. For any necessary removal by either CITY or LESSEE which takes place beyond the expiration or earlier termination of this Lease, LESSEE shall pay rent to CITY at one hundred twenty-five percent (125%) the rent rate in effect immediately prior to the expiration or earlier termination of this Lease until all of LESSEE'S property has been removed from the Premises.
- f. If LESSEE desires to dispose of any of its personal property used in the operation of the Premises upon the expiration or earlier termination of this Lease, then CITY shall have the first right to acquire or purchase the personal property.

6.11 Development Plan.

LESSEE shall develop the Premises in accordance with the Development Plan approved by the City Manager. The Development Plan is attached as Exhibit "D." The City Manager shall have the authority to authorize changes to the Development Plan provided that the principal components defined in the Development Plan may not be modified without City Manager approval. Failure by LESSEE to comply with the Development Plan shall constitute a default and subject this Lease to termination by CITY. The City Manager, in his sole discretion, may approve an extension to the date specified for completion in the Development Plan of up to one (1) year.

6.12 Liquidated Damages/Failure to Meet Development Schedule.

If LESSEE fails to complete construction in accordance with the development schedule of the Development Plan of this Lease, LESSEE shall pay CITY damages in the amount of one hundred dollars (\$100) for every day of failure to meet the development schedule until completion of development. If construction is not completed within thirty days following the date specified for completion in the Development Plan, CITY may, at its option, terminate this Lease and elect to assume ownership of any or all improvements, free and clear of any liens. The City Manager, in his sole discretion, may approve an extension to the development schedule of up to one (1) year.

6.13 Unavoidable Delay.

If the performance of any act required of CITY or LESSEE is directly prevented or delayed by reason of strikes, lockouts, labor disputes, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargoes, or other causes beyond the reasonable control of the party required to perform an act, the party shall be excused from performing that act for the period equal to the period of the prevention or delay. This provision shall not apply to obligations to pay rent pursuant to this Lease. If LESSEE or CITY claims the existence of a delay, the party claiming the delay shall notify the other party in writing of the fact within ten (10) days after the beginning of the claimed delay.

6.14 Hazardous Substances.

- a. LESSEE shall not allow the release of hazardous substances in, on, under, or from the Premises. For the purposes of this provision, a release shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, or other wise disposing of hazardous substances. "Hazardous substances" shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and any other substances incorporated into the State's list of hazardous substances. A copy of the presently effective EPA and State list is on the file in the Office of the City Clerk as Document 769704 and by this reference is incorporated into this Lease.
- b. If any release of a hazardous substance occurs, LESSEE shall be responsible for all costs of remediation and removal of the substances in accordance with all applicable rules and regulations of governmental authorities.
- c. LESSEE shall defend, indemnify, and hold CITY harmless from any and all claims, costs, and expenses related to environmental liabilities resulting from LESSEE'S operations on the Premises, including but not limited to, costs of environmental assessments, costs of remediation and removal, any necessary response costs, damages for injury to natural resources or the public, and costs of any health assessment or health effect studies.
- d. If LESSEE knows or has reasonable cause to believe that any hazardous substance has been released on or beneath the Premises, LESSEE shall give written notice to the City Manager within ten (10) days of receipt of the knowledge or cause for belief. If LESSEE knows or has reasonable cause to believe that the substance is an imminent and substantial danger to public health and safety, LESSEE shall notify the City Manager immediately upon receipt of this knowledge or belief and shall take all

actions necessary to alleviate the danger. LESSEE shall notify the City Manager immediately or any notice of violation received or initiation of environmental action or private suits relative to the Premises. LESSEE and LESSEE'S sublessees shall not store, utilize or sell any hazardous substance on the Premises without the prior written consent of CITY.

- e. At least twelve (12) months prior to the expiration of this Lease, or prior to any earlier termination of this Lease, LESSEE shall obtain an environmental assessment of the Premises conducted by a professional environmental consultant registered with the State of California as a Professional Engineer, Certified Engineering Geologist, or Registered Civil Engineer. The environmental assessment shall be obtained at the sole expense of LESSEE and shall establish what, if any, hazardous substances exist on, in, or under the Premises, and in what quantities. If any hazardous substances exist in quantities greater than which existed on the Commencement Date or greater than allowed by CITY, county, state, or federal laws, statutes, ordinances, or regulations, then the environmental assessment shall include a discussion of these substances with recommendations for remediation and removal necessary to restore the Premises to the condition which existed on the Commencement Date or to comply with those laws or statutes. Estimates of the cost of the remediation or removal shall be included in the environmental assessment. LESSEE shall cause the remediation and/or removal recommended in the environmental assessment to be completed to achieve compliance with law. LESSEE shall be solely responsible for all remediation and removal expenses.

6.15 Asbestos Disclosure.

CITY discloses to LESSEE that portions of the structural components of the Premises may contain asbestos. LESSEE acknowledges having received notice from CITY of the presence of the asbestos in accordance with Health and Safety Code Section 25915. LESSEE shall disclose the existence of asbestos on the Premises as required by Health and Safety Code Section 25915. LESSEE agrees to indemnify and hold CITY harmless from any loss or claim which may result from the existence of asbestos on the Premises.

6.16 Best Management Practices.

LESSEE shall comply with the Best Management Practices ("BMP") including the Stormwater Pollution Prevention Plan ("SWPPP") approved by CITY'S Stormwater Management Program. LESSEE shall submit for review and approval by the City Manager, within ninety (90) days of the effective date of this Lease, BMP and SWPPP that are satisfactory to the City Manager that will control erosion and reduce the amount of pollutants and other sediments

discharged from the Premises. The BMP and SWPPP will be reviewed periodically by CITY. Upon written notice from the City Manager requesting an update of the BMP and SWPPP, LESSEE shall submit updated BMP and SWPPP that are satisfactory to the City Manager within ninety (90) days of receipt of notice. LESSEE shall implement any necessary changes to the BMP and SWPPP as a result of any review by CITY to ensure compliance with any changes in laws or regulations. It is LESSEE'S responsibility to inform employees, contractors, subcontractors, agents, and vendors of the BMP and SWPPP.

SECTION 7: GENERAL PROVISIONS

7.1 Notices.

- a. Any notice required or permitted to be given under this Lease shall be in writing and may be served personally or sent by United States mail, postage prepaid, addressed to the parties as follows:

If to CITY:

Attention: Real Estate Assets Director
1200 Third Avenue, Suite 1700
San Diego, CA 92101-4155

If to LESSEE:

Executive Director
The Southern Sudanese Community Center of San Diego
P.O. Box 710881
San Diego, CA 92171

or at the appropriate address designated in writing by the respective party.

- b. Any party entitled or required to receive notice under this Lease may by like notice designate a different address to which notices shall be sent.

7.2 Compliance with Law.

LESSEE shall at all times in the construction, maintenance, occupancy, and operation of the Premises comply with all applicable laws, statutes, ordinances, and regulations of CITY, county, state, and federal governments at LESSEE'S sole cost and expense. LESSEE shall comply with any and all notices issued by the City Manager or his authorized representative under the authority of current or future laws, statutes, ordinances, or regulations.

7.3 CITY Approval.

The approval or consent of CITY, wherever required in this Lease, shall mean the written approval or consent of the City Manager unless otherwise specified, without need for further resolution by the City Council.

7.4 Nondiscrimination.

LESSEE shall not discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in LESSEE'S use of the Premises, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.

7.5 Compliance with CITY'S Equal Opportunity Contracting Program.

LESSEE shall comply with City Council Ordinance No. 18173 (San Diego Municipal Code Sections 22.2701 through 22.2708, as amended), EQUAL EMPLOYMENT OPPORTUNITY OUTREACH PROGRAM, a copy of which is on file in the Office of the City Clerk and by this reference is incorporated in this Lease. LESSEE, its sublessees and all of its subcontractors are individually responsible to abide by its contents. LESSEE shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the California Fair Employment Practices Act; and any other applicable federal and state laws and regulations hereafter enacted. LESSEE shall not discriminate against any employee or applicant for employment on any basis prohibited by law. LESSEE shall submit a current Work Force Report or a current Equal Employment Opportunity (EEO) Plan as required by Section 22.2705 of the San Diego Municipal Code, which sets forth the actions that LESSEE will take to achieve CITY'S commitment to equal employment opportunities. LESSEE and its sublessees shall insert the foregoing provisions in all subcontracts for any work covered by this Lease so that these provisions will be binding upon each subcontractor. Compliance with EEO provisions will be implemented, monitored, and reviewed by CITY'S Equal Opportunity Contracting Program staff. LESSEE'S failure to comply with the above requirements and/or submitting false information in response to these requirements may result in termination of this Lease and debarment from participating in CITY contracts for a period of not less than one (1) year.

7.6 Local Business and Employment.

LESSEE acknowledges that the City of San Diego seeks to promote employment and business opportunities for local residents and firms in all CITY leases and contracts. LESSEE shall, to the extent legally possible, solicit applications for

employment, and bids and proposals for contracts and subcontracts, for work associated with this Lease from local residents and firms as opportunities occur. LESSEE shall hire qualified local residents and firms whenever feasible.

7.7 Partial Invalidity.

If any term, covenant, condition, or provision of this Lease is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect.

7.8 Legal Fees.

In the event of any litigation regarding this Lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorney fees.

7.9 Number and Gender.

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

7.10 Captions.

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

7.11 Entire Understanding.

This Lease contains the entire understanding of the parties. LESSEE, by signing this Lease, agrees that there is no other written or oral understanding between the parties with respect to the Premises. Each party has relied on its own examination of the Premises, advice from its own attorneys, and the warranties, representations, and covenants of the Lease itself. Each of the parties in this Lease agrees that no other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in this Lease. The failure or refusal of any party to read the Lease or other documents, inspect the Premises, and obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on these actions.

7.12 Lease Modifications.

This lease shall not be modified, altered or amended unless the modification,

alteration or amendment is in writing and signed by all parties authorized to execute and deliver this Lease.

7.13 CITY Employee Participation Policy.

This Lease may, at the sole option of CITY, be unilaterally and immediately terminated by CITY if the contractor or LESSEE employs an individual who, within the twelve (12) months immediately preceding the employment, did in his/her capacity as a CITY officer or employee participate in negotiations with or otherwise have an influence on the recommendation made to the City Council in connection with the selection of the contractor or LESSEE. It is not the intent at this policy that these provisions apply to members of the City Council.

7.14 Drug-free Workplace.

LESSEE shall be required to abide by the omnibus drug legislation passed by Congress on November 18, 1988, by adopting and enforcing a policy to maintain a drug-free workplace by doing all of the following:

- a. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances are prohibited on the Premises and specifying the actions that will be taken against employees for violations of the prohibition.
- b. Establishing a drug-free awareness program to inform employees about all of the following:
 1. The dangers of drug abuse in the workplace.
 2. LESSEE'S policy of maintaining a drug-free workplace. Any available drug counseling, rehabilitation, and employees' assistance programs.
 3. The penalties that may be imposed upon employees for drug abuse violations.
- c. LESSEE shall include in each sublease agreement language which indicates the sublessee's agreement to abide by the provisions of a drug-free workplace. LESSEE and sublessees shall be individually responsible for their own drug-free workplace programs.

7.15 Disabled Access Compliance.

LESSEE shall at all times in the construction, maintenance, occupancy and operation of the Premises, comply with the 1990 Americans with Disabilities Act

("ADA") and Title 24 California Code of Regulations ("Building Code") as defined in Section 18910 of the California Health and Safety Code ("Title 24") and any other applicable federal, state or local laws and regulations hereafter enacted protecting the rights of people with disabilities. LESSEE shall comply with Council Policy 100-04, incorporated into this Lease by reference, adopted by Resolution NO. R-282153, relating to the federally-mandated ADA. LESSEE will be individually responsible for administering its own ADA and Title 24 program. LESSEE'S compliance shall include but not necessarily be limited to the following:

- a. LESSEE shall not discriminate against qualified persons with disabilities in any aspect of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment.
- b. No qualified individual with disability may be excluded on the basis of disability from participation in, or be denied the benefits of, services, programs, or activities of LESSEE.
- c. LESSEE shall post a statement addressing the requirements of the ADA in a prominent place on the Premises.
- d. Where required by law, LESSEE shall comply with CITY'S disabled access requirements by bringing up to code and making accessible any areas of the Premises which deny access to disabled persons. All improvements and alterations shall be at the sole cost of LESSEE.
- e. LESSEE shall include language in each sublease agreement which indicates the sublessee's agreement to abide by the foregoing provisions. LESSEE and sublessees shall be individually responsible for their own ADA employment programs.
- f. LESSEE'S failure to comply with the above requirements and/or submitting false information in response to these requirements shall constitute a default under this Lease.

7.16. Corporate Authority.

Each individual executing this Lease on behalf of LESSEE represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of the corporation, in accordance with a duly adopted resolution of the Board of Directors of the corporation (attached as Exhibit "G"). This Lease is binding upon the corporation in accordance with its terms. On or before the Commencement Date, LESSEE shall provide CITY with evidence, satisfactory to City, that LESSEE is a duly qualified corporation and is qualified to do business in California.

7.17 Bylaws.

Membership in LESSEE'S organization shall be open to anyone meeting the requirements of its rules and bylaws. All restrictions, rules, bylaws, and fees, if any, and any changes to restrictions, rules, bylaws, and fees proposed by LESSEE'S organization shall, before being put into effect, be submitted to and receive the written approval of the City Manager. Bylaws shall be on file in the office of the Real Estate Assets Department prior to the Commencement Date of this Lease.

7.18 Standard of Employees.

LESSEE and its employees shall at all times conduct themselves and the operations on the Premises in a creditable manner.

7.19 Survival.

Any obligation which accrues under this Lease prior to its expiration or termination shall survive the expiration or termination of the Lease.

7.20 San Diego's Strong Mayor Form of Governance.

All references to "City Manager" in this Agreement and all subsequent amendments thereto shall be deemed to refer to "Mayor." This section becomes effective on January 1, 2006, and shall remain in effect for the duration the City operates under the mayor-council (commonly referred to as 'strong mayor') form of governance pursuant to Article XV of the City of San Diego City Charter.

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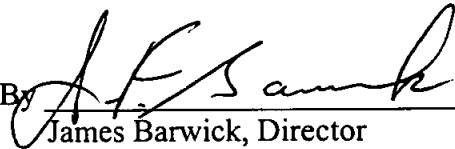
SECTION 8: SIGNATURES

8.1 Signature Page.

This Lease is executed by CITY, acting by and through its City Manager, and by LESSEE, acting by and through its lawfully authorized officers.

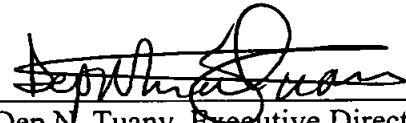
THE CITY OF SAN DIEGO, a municipal corporation

Date 7/10/06

By 
James Barwick, Director
Real Estate Assets Department

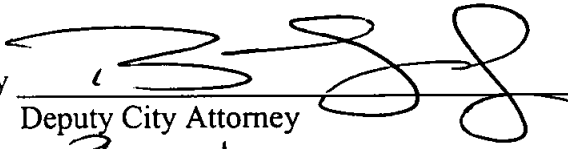
LESSEE: THE SOUTHERN SUDANESE
COMMUNITY CENTER OF SAN
DIEGO

Date 07/06/06

By 
Dep N. Tuany, Executive Director

APPROVED as to form and legality this 13th day of JULY, 2006.

MICHAEL J. AGUIRRE, CITY ATTORNEY

By 
Deputy City Attorney
Brock Ladewig

VB/cj

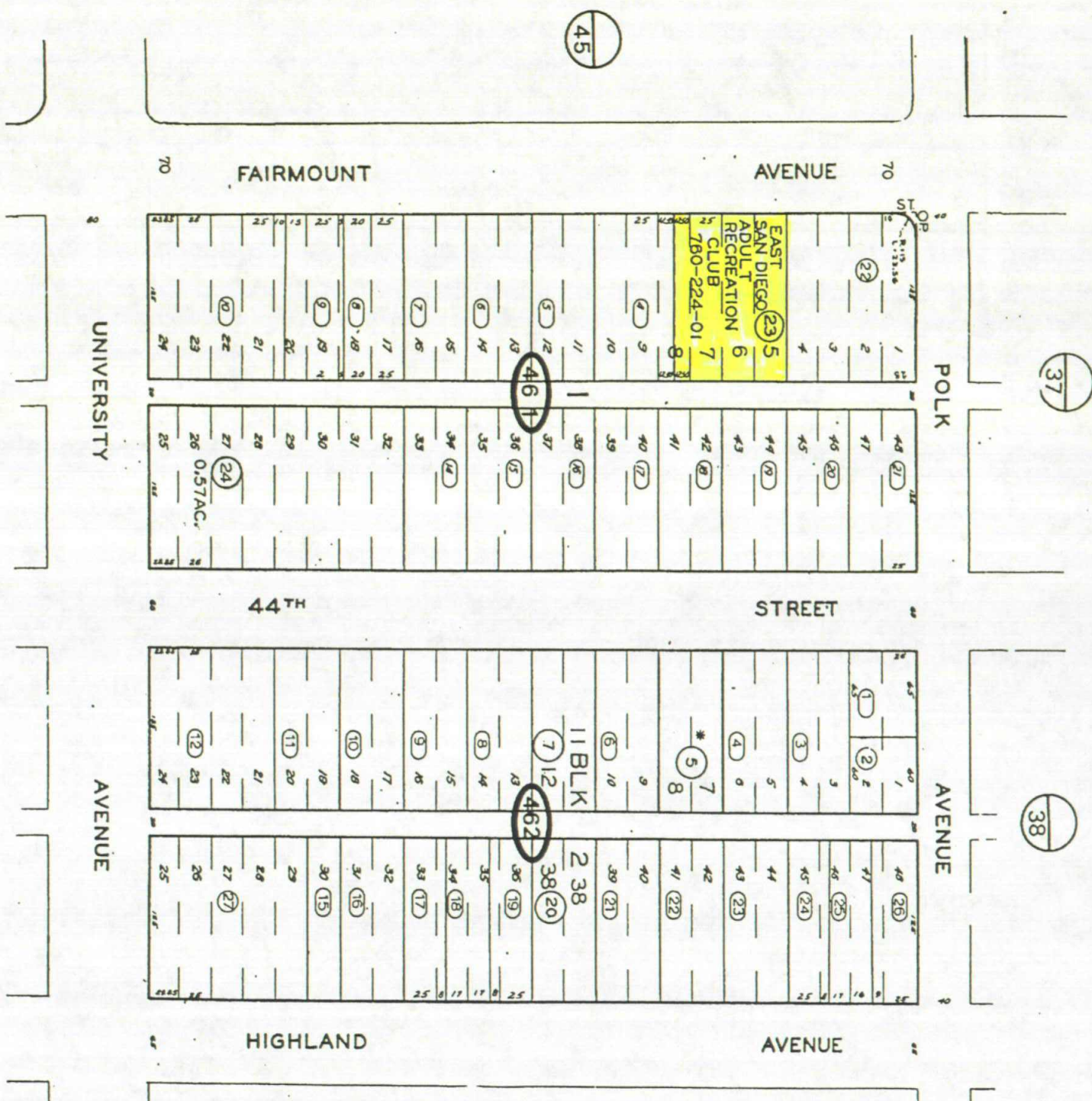
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SECTION 9: EXHIBITS

9.1 Exhibit A - Premises.

All of Lots 5, 6, and 7 and N. Half of Lot 8, Block 1, Annex 1.



9.2 Exhibit B - Schedule of Days and Hours of Operations.

9:00 a.m. to 6:30 p.m. Monday – Friday

By appointment only Saturday

By appointment only Sunday

9.3 Exhibit C - Schedule of Rates and Charges.

\$100 per use per full day for use of facilities.

9.4 Exhibit D - Development Plan.

Proposed Improvements	Date
1. Install new carpet	End of August, 2006
2. Paint walls (interior)	End of August, 2006
3. Install new electrical outlet	End of August, 2006
4. Repair glass – patio	Within 10 days from commencement of Lease
5. Remodel the kitchen	End of August, 2006
6. Install partitions	End of August, 2006
7. Remodel receptionist area	End of August, 2006
8. Replace light fixtures inside	End of August, 2006
9. Restore landscape	90 days from commencement
10. Install new locks	10 days after commencement of Lease

9.5 Exhibit E - Corporate Name.

Southern Sudanese Community Center
CORPORATE NAME

I, Dep Tuany, certify that I am the
executive Director of the corporation named in the attached Lease;
that I am, who signed this Lease on behalf of the
corporation, was then executive director of the corporation; that said
Lease was signed for and on behalf of the corporation by authority of its governing body,
pursuant to a resolution adopted by its Board of Directors on 06/03/06,
20 06 and is within the scope of its corporate powers; and that set out below are the names of
the officers and directors of the corporation.

By [Signature]

CORPORATE SEAL

Name Peter Gack
Title Treasurer
Name Wanjir Golly
Title Secretary
Name Victor Zambrano - Chairman
Title
Name
Title



9.6 Exhibit F - Description and Listing of CITY-owned Personal Property.

One (1) white, 4-burner gas stove.

Two (2) double doors, metal lockers (72") tall.

Three (3) locker units with 16 lockers in each.

Southern Sudanese Community Center
Board Meeting Minutes
June 3rd, 2006

Attendees: Dep Tuany, Wanjiru Golly, Peter Both Gach, Frank Barnes, Victor Zambrano, Lyn Zambrano

Meeting: Started at 3.00 pm and adjourned at 7.00 pm.

1. Review of the Lease of Property

- SSCC won the bid to lease property at 4077 Fairmont Avenue, San Diego CA 92115, from the City of San Diego
- SSCC will use the property for its administrative offices and also the organization's programs.
- The property requires some repairs that will be inspected and paid for by monies from the Price Charities Foundation
- SSCC will be responsible for insurance and the lease
- The Board passed a resolution to move into the property and use as awarded by the City. Authorized the executive director to execute the lease with the city at the property at 4077 Fairmont Ave San Diego, CA 92105 on behalf of the Southern Sudanese Community Center of San Diego

2. Community Meeting

- Community members learnt more about the programs SSCC offers and a Guest Speaker from the Jacob's Foundation highlighted the areas that community members could benefit from their programs.

The next meeting will be on September 9th, 2006 at 3.30-5.00 pm at 4077 Fairmont Avenue, San Diego 92105