



THE CITY OF SAN DIEGO

March 8, 2002

VIA CERTIFIED AND REGULAR MAIL

Andrea Skorepa
Casa Familiar, Inc.
268 West Park Avenue
San Diego, CA 92173

Subject: Lease Agreement - Casa Familiar, Inc.

Dear Ms. Skorepa:

Since your lease expired on February 28, 2002, we are placing your agreement on a holdover status, pursuant to Section 2.2 Holdover, of the above referenced lease. Any holding over by Lessee after expiration or termination shall not be considered as a renewal or extension of this lease.

The occupancy of the premises after the expiration or termination of this agreement constitutes a month-to-month tenancy, and all other terms and conditions of this agreement shall continue in full force and effect. The City reserves the right to amend any term or condition of this agreement upon 30 days' written notice.

City staff is currently reviewing nonprofit leasing policies and I will contact you again once any policy revisions have been approved. In the meantime, please sign, date, and return this letter in



Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199

Tel (619) 236-6020 Fax (619) 236-6706



the attached self addressed stamped envelope. If you have any questions, please call me at (619) 236-6264.

Sincerely,



Gary Jones
Property Agent

GJ/cdj

ACKNOWLEDGED AND ACCEPTED:

Casa Familiar, Inc.

By Andrea Skorepa Date: 3/11/02
Andrea Skorepa

cc: Christy Haupt, District Manager, Park and Recreation Department
Madison Wiggins, Supervising Property Agent, Real Estate Assets

CITY OF SAN DIEGO
LEASE

CASA FAMILIAR, INC.

THIS LEASE AGREEMENT is executed between the CITY OF SAN DIEGO, a municipal corporation, hereinafter called "CITY" and CASA FAMILIAR, INC., a non-profit California Corporation, hereinafter called "LESSEE."

WITNESSETH:

WHEREAS, CITY has the facilities herein described to provide recreational and social programs; and

WHEREAS, in October 25, 1993, City entered into agreement with Casa Familiar, Inc. to operate said facilities; and

WHEREAS, Casa Familiar, Inc. has been operating said facilities; and

WHEREAS, CITY is pleased with the operation of said facilities and wishes to continue said operation;

NOW, THEREFORE, CITY and LESSEE do mutually agree as follows:

SECTION 1:

- 1.01 Premises. CITY hereby leases to LESSEE that certain real property situated in the City of San Diego, County of San Diego, State of California, described in Exhibit "A" attached hereto and by this reference made part of this agreement. Said real property is hereinafter called the "premises" or "leased premises".
- 1.02 Permitted Use. Said premises are leased to LESSEE only for the purpose of operating recreational and social services programs to benefit the San Ysidro community and the residents of the City of San Diego, and for such other related or incidental purposes as may first be approved in writing by the City Manager and for no other purpose.

LESSEE covenants and agrees to use the premises for the above specified purposes and to diligently pursue said purposes throughout the term hereof. Failure to continuously use the premises for said purposes or the use thereof for purposes not expressly authorized herein, shall be grounds for termination by CITY.

1.03 Related Council Actions. By the granting of this lease, CITY is not 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, rezonings, variances, environmental clearances or any other governmental agency approvals which may be required for the development and operation of the leased premises.

1.04 Easements and Reservations.

- a. CITY hereby reserves all rights, title and interest in any and all sub-surface natural gas, oil, minerals and water on or within the premises.
- b. CITY reserves the right to grant and use easements or establish and use rights-of-way over, under, along and across the leased premises for utilities, thoroughfares, or access as it deems advisable for the public good.
- c. CITY has the right to enter the premises for the purpose of making repairs to leased premises or monitoring LESSEE'S activities.

However, 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 leased premises resulting from CITY'S exercising the rights reserved in this section. Such reimbursement may include a cost proportionate to the amount of physical damage as determined by the CITY.

1.05 Competent Management. Throughout the term of this lease agreement, LESSEE shall provide competent management of the leased premises to the satisfaction of the City Manager. For the purposes of this paragraph, "competent management" shall mean qualified to provide recreational and social services; experience in facility operations, safety, and maintenance; and capable of managing all financial aspects of the operation.

1.06 Hours of Operation. LESSEE shall operate the premises in accordance with a schedule of days and hours of operation as set

forth in EXHIBIT "B" hereto, which is by this reference incorporated herein. Any changes in the schedule are subject to prior written approval by the City Manager or his authorized representative.

- 1.07 Rates and Charges. All charges for use of facilities on said premises shall not exceed those on schedule set forth in EXHIBIT "C" hereto. Any changes in said schedule are subject to prior written approval by the City Manager or his authorized representative.
- 1.08 City Use. The premises shall be available to the CITY for recreation activities and special programs, free of charge, except where 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. As often as deemed necessary by the Park and Recreation Department, for efficient operation, the Park and Recreation Area Manager and the Casa Familiar Executive Director will meet to discuss and finalize usage schedules and any other matters pertaining to joint use of the facility.
- 1.09 Political Activities. The leased property shall be used exclusively for the purposes specified in Section I, PERMITTED USES, hereof. 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 non-partisan per Council Policy 700-11.
- 1.10 Public Use. The general public shall not be wholly or permanently excluded from any portion of the premises. The LESSEE may develop reasonable restrictions for facility use provided they are consistent with the rights of the general public, and are designed to allow the LESSEE to use the premises for the purposes specified herein. LESSEE agrees that all activities conducted on the premises will be as stated in Section 1.02 PERMITTED USES of this lease.
- 1.11 Required Sign. LESSEE shall, at all times during the lease term, maintain a CITY approved sign identifying the property as City-owned and available for public use consistent with the terms of this lease.
- The sign shall be installed by the LESSEE at a location agreeable to the City Manager.
- 1.12 San Ysidro Recreation Council. The San Ysidro Recreation Council will be permitted to schedule events on the premises and LESSEE

will be permitted by CITY to schedule events at the San Ysidro Community Activity Center.

- 1.13 Parking. The LESSEE will not limit available parking for the facility by identifying parking spaces for "STAFF ONLY." For large events or special activities, limited parking may be identified with the approval of the City Manager.

SECTION 2:

- 2.01 Commencement. The term of this agreement shall be four (4) years commencing on the first day of the calendar month following execution by the City Manager. "Lease year" as used in this lease shall mean the 12-month period commencing on the first day of the calendar month following the execution of this lease by the City Manager.
- 2.02 Holdover. Any holding over by LESSEE after expiration or termination shall not be considered a renewal or extension of this lease. The occupancy of the premises after the expiration or termination of this agreement constitutes a month-to-month tenancy, and all other terms and conditions of this agreement shall continue in full force and effect.
- 2.03 Surrender of Premises. At the expiration or earlier termination of this lease, LESSEE shall execute, acknowledge and deliver to CITY, within five days after written demand by CITY, a valid and recordable Quitclaim Deed covering all of the leased premises. The leased premises shall be delivered free and clear of all liens and encumbrances.

SECTION 3:

- 3.01 Rent. The LESSEE shall pay to the CITY the sum of One Dollar (\$1.00), receipt of which is acknowledged, for the entire term of this lease.
- 3.02 Operation and Maintenance. LESSEE also agrees as additional consideration, to operate and maintain the premises throughout the lease term to the satisfaction of the City Manager.
- 3.03 Inspection of Records. Whenever CITY desires to inspect the records and accounts of LESSEE in order to determine LESSEE'S compliance with the terms of this agreement, CITY shall have the

right at all reasonable times to inspect any records pertinent to the subject under study. LESSEE agrees to cooperate in such inspection and to make pertinent records available to CITY at LESSEE'S place of business in the City of San Diego.

3.04 Compliance with CITY'S Equal Opportunity Contracting Program.

- a. Equal Opportunity Contracting. LESSEE shall submit to the Project Manager statistical information as requested in the City of San Diego Contract Activity Report indicating the amount of subcontracting provided by firms during the period covered by the report. This information should be accompanied by an invoice from each subconsultant/subcontractor/vendor/service provider listed in the report.
- b. Equal Employment Opportunity. LESSEE will 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 will not discriminate against any employee or applicant for employment based on race, religion, color, ancestry, age, gender, sexual orientation, disability, medical condition, or place of birth.

Further, LESSEE will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this lease agreement so that such provisions will be binding upon each subcontractor.

- c. 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 contracts. LESSEE will, to the extent legally possible, solicit applications for employment, and bids and proposals for subcontracts, for work associated with this lease agreement from local residents and firms as opportunities occur. LESSEE agrees to hire qualified local residents and firms whenever feasible.

LESSEE understands that failure to comply with the above requirements and/or submitting false information in response to these requirements, may result in termination of this lease

agreement and debarment from participating in CITY contracts for a period of not less than one (1) year.

- d. Nondiscrimination. LESSEE agrees not to 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.
- 3.05 Compliance with Law. LESSEE shall comply with all applicable laws, statutes, ordinances, and regulations of CITY, County, State, and Federal Governments at LESSEE'S sole cost and expense. In addition, LESSEE shall comply with any and all notices issued by the City Manager or authorized representative under the authority of any such law, statute, or ordinance, or regulation.
- 3.06 Construction/Alteration. Except with prior written approval, LESSEE shall not construct or install any buildings or structures on said premises or otherwise improve or alter said premises in any manner except in accordance with plans and specifications previously submitted to the City Manager and approved by him in writing. LESSEE shall not make any major structural or architectural design alterations to approved buildings, structures or improvements installed on said premises except in accordance with plans and specifications previously approved in writing by the City Manager. This provision shall not limit or set aside any obligation of LESSEE under this lease to maintain said premises in a decent, safe, healthy and sanitary condition, including structural repair and restoration of damaged or worn improvements. CITY shall not be obligated by this lease to make any improvements or alterations to said premises or to assume any expense therefor.
- 3.07 Indemnification and Hold Harmless Agreement.
 - a. The LESSEE agrees to defend, indemnify, protect, and hold harmless the City, its agents, officers and employees, from and against all claims asserted, or liability established for damages or injuries to any person or property. This indemnification and hold harmless agreement includes claims made by the LESSEE'S employees, agents, or officers, or judgments arising directly or indirectly out of obligations, work or services

provided at the Premises. Claims that arise from, are connected with, or are caused or claimed to be caused by the acts or omissions of the LESSEE, the LESSEE'S agents, officers, and employees are covered. Also covered are the claims that arise from, are connected with, are caused by or claimed to be caused by the negligent acts or omissions of the City, its agents, officers, or employees including all claims or liabilities arising from the City's active or passive negligence which may, in combination with the negligence of the LESSEE, its employees, agents or officers, or any third party, give rise to the claims and liabilities. The LESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or sole willful misconduct of the City, its agents, officers or employees.

- b. Duty to Defend. The LESSEE further agrees that the indemnification agreement in Sections 3.07 and the duty to defend the City, require the LESSEE to pay any costs the City incurs that are associated with enforcing the indemnification provisions, and defending any claims arising under this Agreement. If the City chooses at its own election to conduct its own defense, participate in its own defense or obtain independent legal counsel in defense of any claim related to this Agreement, the LESSEE agrees to pay the reasonable value of attorney's fees and all of the City's costs.

- 3.08 Insurance Coverage. During the entire term of this lease, LESSEE agrees to procure and maintain public liability insurance which names CITY as an additional insured with an insurance company satisfactory to CITY licensed to do business in California to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever; resulting directly or indirectly from any act or activities of CITY or LESSEE, or any person acting for CITY, or LESSEE or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts or activities of CITY, or LESSEE, or its sublessees, or any person acting for CITY or LESSEE, or under its control or direction. Such property damage and public liability insurance shall also provide for the protection of CITY against incurring any legal cost in defending claims for alleged loss. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this lease in the amount of not less than ONE MILLION DOLLARS \$1,000,000

COMBINED SINGLE LIMIT LIABILITY on an occurrence basis. LESSEE agrees to submit a Certificate of Policy of said insurance to the CITY on or before the effective date of this agreement indicating full coverage of the contractual liability imposed by this agreement and stipulating that the insurance company shall not terminate, cancel or limit said policy in any manner without at least thirty days prior written notice thereof to CITY. If the operation under this agreement results in an increased or decreased risk in the opinion of the City Manager, then LESSEE agrees that the minimum limits herein above designated shall be changed accordingly upon request by the City Manager. LESSEE agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which the LESSEE may be held responsible for the payment of damages to persons or property resulting from LESSEE'S activities, or the activities of any person or persons for which LESSEE is otherwise responsible.

LESSEE also agrees to procure and maintain during the entire term of this lease, a policy of fire, extended coverage and vandalism insurance on all permanent property of an insurable nature located upon the leased premises. Said policy shall name the CITY as an additional insured and shall be written by an insurance company satisfactory to CITY licensed to transact business in the State of California and shall be in an amount sufficient to cover at least 100% of the replacement costs of said property. LESSEE agrees to submit a certificate of said policy to the CITY on or before the effective date of this lease. Said policy shall contain a condition that it is not to be terminated or canceled without at least thirty (30) days prior written notice to CITY by the insurance company. LESSEE agrees to pay the premium for such insurance and shall require that any insurance proceeds resulting from a loss under said policy are payable jointly to CITY and LESSEE and said proceeds shall constitute a trust fund to be reinvested in rebuilding or repairing the damaged property or said proceeds may be disposed of as specified in 3.12, Waste, Damage or Destruction, hereof.

LESSEE agrees to increase the limits of liability when, in the opinion of CITY, the value of the improvements covered is increased, subject to the availability of such insurance at the increased limits. LESSEE agrees, at its sole expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of reasonable fire and public liability insurance covering said premises, buildings and appurtenances.

- 3.09 Labor and Materialmen's Bond. LESSEE agrees to save CITY free and harmless, defend and indemnify it against all claims for labor and materials in connection with improvements, repairs or alterations to the leased premises, and the cost of defending against such claims, including reasonable attorney's fees. In the event that improvements, repairs or alterations are constructed on the leased premises by other than the CITY, and a lien is filed, LESSEE agrees to file with CITY within five days of such filing, a bond sufficient to pay in full all claims of all persons seeking relief under the lien. The bond shall be acknowledged by LESSEE as principal and by a corporation satisfactory to CITY licensed by the Insurance Commissioner of the State of California to transact the business of a fidelity and surety insurance company as surety.
- 3.10 Legal Proceedings. LESSEE agrees that should it become necessary for CITY to commence legal proceeding to collect rent, recover possession, or enforce any other provision of this lease, the prevailing party will be entitled to legal costs in connection therewith, including reasonable attorney's fees as determined by the court. The parties agree that the law of the State of California shall be used in interpreting this lease agreement and will govern all disputes under this lease agreement and will determine all rights and obligations hereunder. Personal service either within or without the State of California shall be sufficient to give personal jurisdiction to any court in which an action is filed for litigation of rights under this lease agreement.
- 3.11 Maintenance and Utilities. LESSEE and CITY hereby agree to the responsibilities required of each party as specified in Exhibits "D" and "E". Each party agrees to perform all repairs and replacements specified in said Exhibits so as to maintain and preserve said premises in a decent, safe, healthy and sanitary condition and in compliance with all applicable laws. The parties agree that they shall not be required to perform any maintenance, repairs or services or to assume any expense not specifically assumed in said Exhibits in connection with said premises.
- 3.12 Waste, Damage or Destruction. LESSEE agrees to give notice to the CITY of any fire or other damage that may occur on the leased premises within ten days of such fire or damage. LESSEE agrees not to commit or suffer to be committed any waste or injury or any public or private nuisance, to keep the premises clean and clear of refuse and obstructions, and to dispose of all garbage, trash and rubbish in a manner satisfactory to the CITY. If the leased premises shall be

damaged by any cause which puts the premises into a condition which is not decent, safe, healthy and sanitary, LESSEE agrees to make or cause to be made full repair of said damage and to restore the premises to the condition which existed prior to said damage, or LESSEE agrees to clear and remove from the leased premises all debris resulting from said damage and rebuild the premises in accordance with plans and specifications previously submitted to the CITY and approved in writing in order to replace in kind and scope the operation which existed prior to such damage.

LESSEE agrees that preliminary steps toward performing repairs, restoration or replacement of the premises shall be commenced by LESSEE within thirty days and the required repairs, restoration or replacement shall be completed within a reasonable time thereafter.

- 3.13 Quiet Possession. LESSEE, performing the covenants and agreements herein, shall and may at all times during the said term peaceably and quietly have, hold and enjoy the said premises for the term hereof. If CITY for any reason whatsoever cannot deliver possession of the said premises to LESSEE at the commencement of said term as hereinbefore specified, or if LESSEE is dispossessed through action of a title superior to CITY'S, then and in either of such events, this lease shall not be void or voidable nor shall CITY be liable to LESSEE for any loss or damage resulting therefrom.

SECTION 4:

- 4.01 Administration and Notices. Control and administration. This lease is under the jurisdiction of the City Manager of CITY as to CITY'S interest herein and any communication relative to the terms or conditions or any changes thereto or any notice or notices provided for by this lease or by law to be given or served upon CITY may be given or served by registered letter deposited in the United States mails, postage prepaid, and addressed to the City Manager, Attention Park and Recreation Director, City Administration Building, 202 "C" Street, San Diego, California 92101. Any notice or notices provided for by this lease or by law to be given or served upon LESSEE, may be given or served by depositing in the United States mails, postage prepaid, a letter addressed to said LESSEE at the leased premises or at such other address designated in writing by LESSEE, or may be personally served upon them or any person hereafter authorized by this lease to receive such notice. Any notice or notices given or served as provided herein shall be effectual and binding for all purposes upon the principals of the parties so served upon personal

service or forty-eight hours after mailing in the manner required herein.

4.02 City Approval and Consent. The approval or consent of the CITY, wherever required in this agreement, shall mean the approval or consent of the City Manager unless otherwise specified, without need for further resolution by the City Council.

4.03 Eminent Domain. In the event the leased premises or any part thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, then the interests of CITY and LESSEE in the award and the effect of the taking upon this lease agreement, shall be as follows:

- a. In the event of such taking of only a part of the leased premises, leaving the remainder of said premises in such location and in such form, shape and size as to be used effectively and practicably in the opinion of CITY for the conduct thereon of the operations permitted hereunder, this lease shall terminate and end as to the portion of the leased premises so taken.
- b. In the event of the taking of only a part of the leased premises, leaving the remainder of said premises in such location or in such form, shape of reduced size as to render the same not effectively and practicably usable, in the opinion of CITY, for the conduct thereon of the operations permitted hereunder, this lease and all right, title and interest thereunder shall cease on the date title to said premises or the portion thereof so taken vests in the condemning authority.
- c. In the event the entire leased premises are so taken; this lease and all of the right, title and interest thereunder shall cease on the date title to said premises so taken vests in the condemning authority.
- d. In the event of any taking under Subparagraphs a, b. or c, herein above, the only portion of any award of compensation which shall be paid to LESSEE shall be the fair market value of LESSEE'S interest in the improvements placed upon that portion of the leased premises which are taken by the condemning agency. It is the intention of this provision that LESSEE shall not in any condemnation receive any bonus or

penalty by reason of LESSEE'S contractual rights in connection with the property condemned.

- e. Notwithstanding the foregoing provisions of this section, CITY may, in its discretion and without affecting the validity and existence of this lease, transfer the CITY'S interests in said premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. In the event of such transfer by CITY, LESSEE shall retain whatever rights it may have to recover from the said authority the fair market value of LESSEE'S interest in the improvements taken by the authority and which LESSEE has placed upon the leased premises in accordance with the provisions of this lease.

4.04 Entry and Inspection. - CITY reserves and shall always have the right to enter said premises for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the premises or to inspect the operations conducted thereon. In the event that such entry or inspection by CITY discloses that said premises are not in a decent, safe, healthy and sanitary condition, CITY shall have the right, after ten days written notice to LESSEE, to have any necessary maintenance work done for and at the expense of LESSEE and LESSEE hereby agrees to pay promptly any and all costs incurred by CITY in having such necessary maintenance work done in order to keep said premises in a decent, safe, healthy and sanitary condition. Further, if at any time the CITY determines that said 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. Said bond shall be in an amount adequate in the opinion of the CITY to correct the said unsatisfactory condition. LESSEE shall pay the cost of said bond. The rights reserved in this section shall not create any obligations on CITY or increase obligations elsewhere in this lease imposed on CITY.

4.05 Ownership of Improvements and Personal Property.

- a. All and any improvements, structures and installations or additions to the premises now existing or constructed on the premises by LESSEE, shall at lease expiration or termination, be deemed to be part of the premises and shall become at CITY'S option the CITY'S property, free of all liens and claims except as otherwise provided in this lease.

- b. If the CITY elects not to assume ownership of all or any improvements, structures and installation, CITY shall so notify LESSEE 30 days prior to termination or 180 days prior to expiration and the LESSEE shall remove all such improvements, structures and installations as directed by the CITY at LESSEE'S sole cost on or before lease expiration or termination. If the LESSEE fails to remove any improvements, structures and installations as directed, the LESSEE agrees to pay CITY the full cost of any removal.
- c. LESSEE-owned machines, appliances, equipment (other than trade fixtures) and other items of personal property shall be removed by LESSEE by the date of the expiration or termination of this lease. Any said items which LESSEE fails to remove will be considered abandoned and become the CITY'S property free of all claims and liens, or CITY may at its option remove said items at LESSEE'S expense.
- d. If any removal of such personal property by LESSEE results in damage to the remaining improvements on the premises, LESSEE agrees to repair all such damage.
- e. Any necessary removal by either CITY or LESSEE which takes place beyond said expiration or termination hereof shall require rental by LESSEE to CITY at the current fair market rate.
- f. Items, listed on Addendum "A" are CITY property that was issued to custody of LESSEE on July 28, 1988. These items will be replaced to CITY'S satisfaction, upon termination of this lease, if damaged, lost or disposed, by LESSEE.

SECTION 5:

5.01 a. Default by Lessee. In the event that:

- (1) LESSEE shall default in the performance or fulfillment of any covenant or condition herein required to be performed or fulfilled by LESSEE and shall fail to cure said default within thirty days following the service on LESSEE of a written notice from CITY specifying the default complained of; or

- (2) LESSEE shall voluntarily file or have involuntarily filed against him or her any petition under any bankruptcy or insolvency act or law; or
- (3) LESSEE shall be adjudicated a bankrupt; or
- (4) LESSEE shall make a general assignment for the benefit of creditors.

Then CITY may, at its option, without further notice or demand upon LESSEE or upon any person claiming through LESSEE, immediately terminate this lease and all rights of LESSEE and of all persons claiming rights through LESSEE in or to the said premises or in or to further possession thereof and CITY may thereupon enter and take possession of said premises and expel LESSEE and all persons so claiming rights thereto. Provided, however, in the event that any default described in Part a, (1) of this section is not curable within thirty (30) days after the service of a written notice upon LESSEE, CITY shall not terminate this lease pursuant to said default if LESSEE immediately commences to cure said default and diligently pursues such cure to completion.

b. Abandonment by Lessee. Even though LESSEE has breached the lease and abandoned the property, this lease shall continue in effect for so long as CITY does not terminate LESSEE'S right to possession, and CITY may enforce all its rights and remedies under said lease. For purposes of this section, the following do not constitute a termination of LESSEE'S right to possession:

- (1) Acts by CITY of maintenance, or preservation, or efforts to relet the property.
- (2) The appointment of a receiver upon initiative of CITY to protect the CITY'S interest under the lease.

SECTION 6:

6.01 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, act of God,

fire, floods, epidemics, freight embargoes or other causes beyond the reasonable control of the party required to perform an act, said party shall be excused from performing that act for the period equal to the period of the prevention or delay. Provided, however, this provision shall not apply to all other obligations required pursuant to this lease. In the event LESSEE or CITY claim the existence of such a delay, the party claiming the delay shall notify the other party in writing of such fact within ten (10) days after the beginning of any such claimed delay.

- 6.02 Taxes. LESSEE agrees to 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 leased premises, including any licenses or permits. LESSEE recognizes and agrees that this lease may create a possessory interest subject to property taxation and that the LESSEE may be subject to the payment of taxes levied on such interest and that LESSEE shall pay all such possessory interest taxes.

LESSEE further agrees that payment for such taxes, fees and assessments will not reduce any obligations contained within this agreement.

- 6.03 Signs. LESSEE agrees not to erect or display any banners, pennants, flags, posters, signs, decoration, marquees, awnings or similar devices or advertising on the exterior of the premises without the prior written consent of the CITY. If any such unauthorized item is found on the exterior of the premises, LESSEE agrees to remove the item at its expense with 24 hours notice thereof by CITY or CITY may thereupon remove the item at LESSEE'S cost.

SECTION 7

- 7.01 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 sense requires.
- 7.02 Headings. All article headings are for convenience only and shall not affect the interpretation of this Agreement.

- 7.03 Non-Assignment. The LESSEE shall not assign the obligations under this Agreement, nor any monies due or to become due, without the CITY'S prior written approval. Any assignment in violation of this paragraph shall constitute a Default and is grounds for immediate termination of this Agreement, at the sole discretion of the CITY. In no event shall any putative assignment create a contractual relationship between the CITY and any putative assignee.
- 7.04 Covenants and Conditions. All provisions of this Agreement expressed as either covenants or conditions on the part of the CITY or the LESSEE, shall be deemed to be both covenants and conditions.
- 7.05 Compliance with Controlling Law. The LESSEE shall comply with all laws, ordinances, regulations, and policies of the federal, state, and local governments applicable to this Agreement. In addition, the LESSEE shall comply immediately with all directives issued by the CITY or its authorized representatives under authority of any laws, statues, ordinances, rules, or regulations. The laws of the State of California shall govern and control the terms and conditions of this Agreement.
- 7.06 Jurisdiction, Venue, and Attorney's Fees. The venue for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in the County of San Diego, State of California. The prevailing Party in any such suit or proceeding shall be entitled to a reasonable award of attorney's fees in addition to any other award made in such suit or proceeding.
- 7.07 Successors in Interest. This Agreement and all rights and obligations created by this Agreement shall be in force and effect whether or not any Parties to this Agreement have been succeeded by another entity, and all rights and obligations created by this Agreement shall be vested and binding on any Party's successor in interest.
- 7.08 Integration. This Agreement and the exhibits and references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the parties, their officers, agents, or employees shall be valid unless made in the form of a

written change agreed to in writing by both Parties or an amendment to this Agreement agreed to by both Parties. All prior negotiations and agreements are merged into this Agreement.

- 7.09 Counterparts. This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all parties had executed the same page.
- 7.10 No Waiver. No failure of either the CITY or the LESSEE to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term or condition of this Agreement, shall constitute a waiver of any such a breach or of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
- 7.11 Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid or illegal.
- 7.12 Municipal Powers. Nothing contained in the Agreement shall be construed as a limitation upon the powers of the CITY as a chartered city of the State of California.
- 7.13 Entire Understanding. This lease contains the entire understanding of the parties. The LESSEE, by signing this Agreement, agrees that there is no other written or oral understanding between the parties in respect to the lease premises. Each party has relied on his own examination of the premises, advice from his 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. No modification, amendment or alteration of this lease will be valid unless it is in writing and signed by all parties.

IN WITNESS WHEREOF, this lease agreement 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

Date: 1/12/98

By: M. C. McIntosh
Park & Recreation Director

LESSEE: CASA FAMILIAR, INC.

Date: 1-18-98

By: Andrea Skrepa

By: _____

APPROVED as to form and legality this 16 day of January, 1998

By: [Signature]
City Attorney

ADDENDUM "A"

I Francisco Castruita, Area Manager, City of San Diego Park and Recreation Department, Inland Parks Division, am releasing the following Inventory Items (See Attached Page) to the named individual Andrea Skorepa who is with Casa Familiar, Inc. for the sole purpose of operating and maintaining said building 212 West Park Avenue #875 owned by the City of San Diego, Park and Recreation Department. We, Casa Familiar, Inc. will have full custody of these items for the said remainder of lease and agreement with Park and Recreation Department. These items will be replaced to City's satisfaction if damaged, lost or disposed by Casa Familiar, Inc. We, Casa Familiar, Inc. will use the items on this Inventory List in accordance with this Agreement with the City of San Diego.

Signed this 8th day of January, 19 98.

Francisco Castruita
Area Manager

Andrea Skorepa
Casa Familiar, Inc.

Louie Solis
Witnessed By

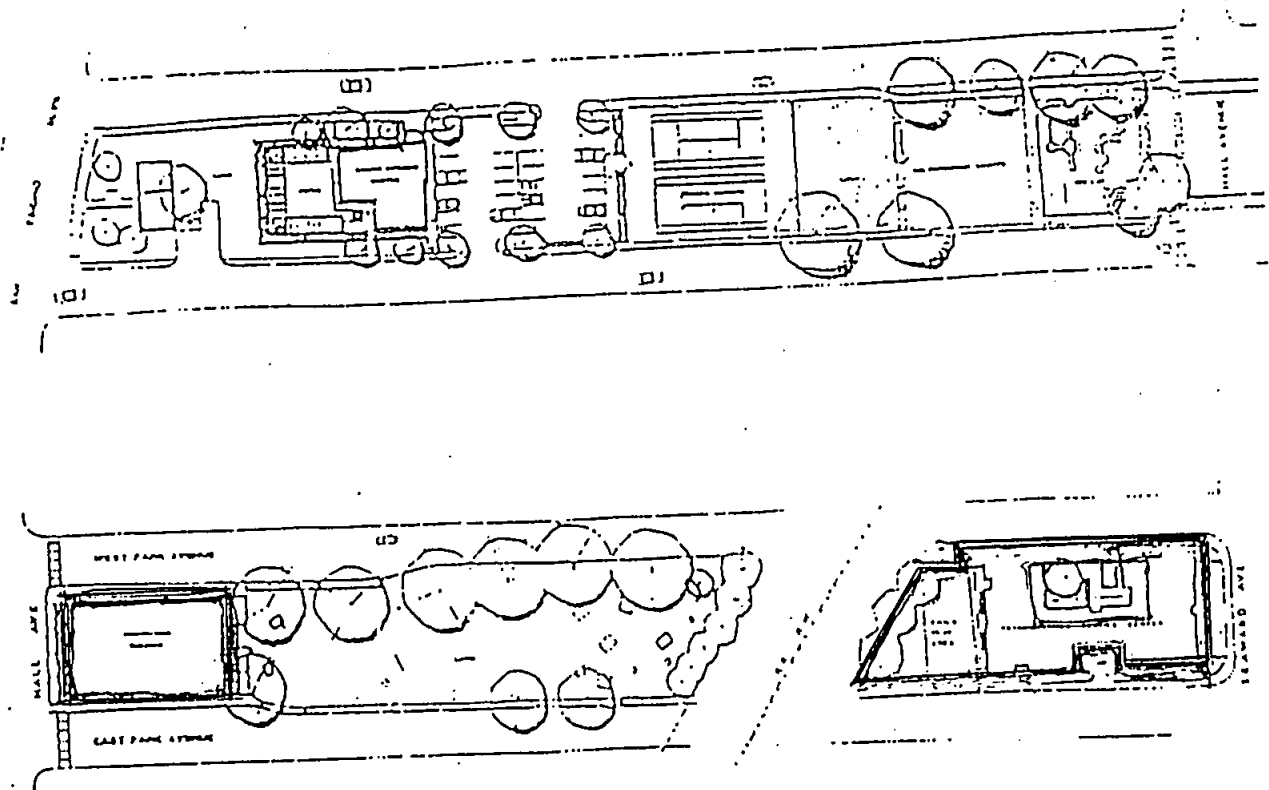
ADDENDUM "A" - ATTACHMENT

SAN YSIDRO RECREATION EQUIPMENT AND SUPPLIES INVENTORY

Refrigerator, General Electric, Beige
Refrigerator, General Electric, Beige
Stove, Wolf 8 burner/2 oven
Table dolly, 8 table capacity
Table dolly, 8 table capacity
Table dolly, 8 table capacity
Table dolly, 10 table capacity
Table dolly, 10 table capacity
Tables, 33
Chair dolly, 60 chair capacity
Chair dolly, 60 chair capacity
Chair dolly, 40 chair capacity
Chair dolly, 25 chair capacity
Chair dolly, 25 chair capacity
Metal office desk - #125937
Metal office desk
Executive chairs, 5
Cabinet metal, 5 drawer - #90520
Cabinet metal, 3 drawer
Cabinet metal, 2 drawer
Wooden storage cabinets, 3
Bulletin board - 3 1/2' x 3 1/2'
Bulletin board - 3 1/2' x 8'
Bulletin board - 3' x 4'
Bulletin board - 3 1/2' x 3 1/2'
Kiln, 1 - #21606
Ceramic molds, 173
Soccer goals, 1 set
10 1/4" plastic plates, 79
9" plastic plates, 115
7" plastic plates, 132
Plastic bowls, 169
Plastic cups, 126

Forks, 64
Spoons, 146
Knives, 73
Metal chairs, 287
10 1/4" Ceramic plates, 36
9" Ceramic plates, 61
7" Ceramic plates, 140
Arts & crafts, 1 months supply
Push brooms, 3
Metal buckets, 3
Brooms, 3
Plastic buckets, 3
Mop, 1
Mop water bucket, 1
Dust pans, 2
Little foxtail broom, 3
Scrub brush broom, 1
Ladder, 1
Ping pong tables, 2
Wet floor signs, 2
Dust mop, 1
Spray paint, 9
Paint cans, reg. size, 34
Lighter fluid, 1
Shovel, 1
Basketball nets, 6
Box of plastic garbage bags, 1
Toilet paper (box), 1
Paper napkins (box), 1

EXHIBIT A

[illegible]

CITY OF SAN DIEGO PARKS AND RECREATION DEPARTMENT
THE GENERAL DEVELOPMENT PLAN
SAN YSIDRO COMMUNITY PARK

SUBJECT:

EXHIBIT "B"

HOURS OF OPERATION

A. 212 WEST PARK AVENUE

Monday through Friday: 8:00 a.m. to 8:00 p.m.
Saturday : 10:00 a.m. to 5:00 p.m.
Sunday : No regular program hours

B. 268 WEST PARK AVENUE

Monday through Friday: 3:00 p.m. to 8:00 p.m.
Saturday 2:00 p.m. to 5:00 p.m.
No regular program hours

C. The following holidays shall be observed:

New Year's Day	Independence Day
Martin Luther King Day	Labor Day
President's Day	Fiestas Patrias (one day)
Good Friday	Veterans Day
Cinco de Mayo	Thanksgiving Day
Memorial Day	Christmas Day

Any other days designated by LESSEE'S Board of Directors.

D. Operating hours and/or days may be adjusted to accommodate special events, including public or private events, as may be scheduled by CITY or LESSEE, and which are consistent with the other provisions of this Agreement.

FEE DESCRIPTION

FY 1997

FY 1998

CURRENT FEE

PROPOSED FEE

BEACHES AND BAY

Over-the-Line and Volleyball Tournament Beach Reservations

Additional cleaning and/or Security Deposit may be required for any event or Commercial Activity held in Mission Bay, Shoreline Parks or Beaches. Commercial Events excluded from paying this fee. Must pay Special Event or Commercial Activity fee.

Daily (Revenue Account 77735)	\$52.00	Per Day	\$53.25	Per Day
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Special Event or Commercial Activity Fee

Additional cleaning and/or Security Deposit may be required for any event or Commercial Activity held in Mission Bay, Shoreline Parks or Beaches.

(Revenue Account 77738)

Fee is negotiated % of gross receipts including concessions against a guaranteed minimum of \$1,085 per day.

Fee is negotiated % of gross receipts including concessions against a guaranteed minimum of \$1,113 per day.

BUILDING USE FEES

Recreation Center Use Fees (Reservation, Room Rental, Scheduled Meetings, Programs or Activities)

Advisory groups (Recreation Councils, Community Councils, Planning Groups), Government Agencies (Housing Commission), Joint Use Holders, Contractual classes, and Youth Groups (Little Leagues) pay the following rates:

Resident	No Charge	No Charge
Non-Residents	N/A	N/A
Non-Hours of Operation *	\$12.00 Per Hour	\$13.50 Per Hour

Groups providing a recreation or community service activity (Kiwanis, Alcoholics Anonymous, etc.) open to the public with a nominal fee (to cover only direct cost of the activity) or free of charge pay the following rates:

Meeting Room/Activity Rooms

Resident	\$5.00	Per Meeting	\$5.00	Per Meeting
Resident, Senior	\$4.00	Per Meeting	\$4.00	Per Meeting
Non-Resident	\$37.50	Per Hour	\$38.50	Per Hour
Non-Resident, Senior	\$22.50	Per Hour	\$23.00	Per Hour

Non-Hours of Operation *	\$12.00	Per Hour	\$13.50	Per Hour
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Auditorium/Gymnasium

Resident	\$7.00	Per Meeting	\$7.00	Per Meeting
Resident, Senior	\$5.00	Per Meeting	\$5.00	Per Meeting
Non-Resident	\$73.25	Per Hour	\$75.25	Per Hour
Non-Resident, Senior	\$43.75	Per Hour	\$45.00	Per Hour

Non-Hours of Operation *	\$12.00	Per Hour	\$13.50	Per Hour
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Kitchen (No fee if used in conjunction with other rooms)

Resident	\$2.50	Per Meeting	\$2.50	Per Meeting
Resident, Senior	\$2.00	Per Meeting	\$2.00	Per Meeting
Non-Resident	\$26.25	Per Hour	\$26.75	Per Hour
Non-Resident, Senior	\$16.00	Per Hour	\$16.00	Per Hour

Non-Hours of Operation *	\$12.00	Per Hour	\$13.50	Per Hour
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DESCRIPTION	FY 1997	FY 1998
	CURRENT FEE	PROPOSED FEE

(Recreation Center Use Fees Cont.)

Private groups and schools, including churches, synagogues, and other religious organizations and commercial and fundraising or promotional activities that do not qualify under community or recreation guidelines pay the following rates:

Commercial, fundraising and promotional activities must pay an additional \$8.00 per hour per room or a minimum of 10% of the gross (whichever is greater) to the Recreation Council.

Meeting Room/Activity Rooms

Resident	\$19.25	Per Hour	\$19.75	Per Hour
Resident, Senior	\$11.50	Per Hour	\$11.75	Per Hour
Non-Resident	\$37.50	Per Hour	\$38.50	Per Hour
Non-Resident, Senior	\$23.00	Per Hour	\$23.50	Per Hour
Non-Hours of Operation	\$12.00	Per Hour	\$13.50	Per Hour

Auditorium/Gymnasium

Resident	\$37.50	Per Hour	\$38.50	Per Hour
Resident, Senior	\$23.00	Per Hour	\$23.50	Per Hour
Non-Resident	\$73.25	Per Hour	\$75.25	Per Hour
Non-Resident, Senior	\$43.75	Per Hour	\$45.00	Per Hour
Non-Hours of Operation	\$12.00	Per Hour	\$13.50	Per Hour

Kitchen (No fee if used in conjunction with other rooms)

Resident	\$13.00	Per Hour	\$13.25	Per Hour
Resident, Senior	\$8.25	Per Hour	\$8.50	Per Hour
Non-Resident	\$26.00	Per Hour	\$26.75	Per Hour
Non-Resident, Senior	\$15.50	Per Hour	\$16.00	Per Hour
Non-Hours of Operation	\$12.00	Per Hour	\$13.50	Per Hour

Mission Trails Regional Park Visitor & Interpretive Center (2 Hour Minimum)

Any Use Area (1-25 persons)	\$50.00	Per Hour	\$51.00	Per Hour
Any Use Area (over 25 persons)	\$100.00	Per Hour	\$103.00	Per Hour
Cleaning deposit if food or beverages to be served for groups (1-25 persons)	\$750.00	Cashiers Check	\$750.00	Cashiers Check
Cleaning deposit if food or beverages to be served for groups (over 25 persons)	\$1,000.00	Cashiers Check	\$1,000.00	Cashiers Check

Swanson Pool Meeting Room (2 Hour Min.)

\$20.25	Per Hour	\$20.75	Per Hour
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Tecolote Canyon Nature Center

Meeting Hall (Set-up service is not available)

\$35.50	Per Hour	\$36.50	Per Hour
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EXHIBIT D

212 W. PARK AVE. (BLDG #875)

<u>System/Area</u>	<u>City's Responsibilities</u>	<u>LESSEE'S Responsibilities</u>
Electrical, Lighting & Power	All exterior building wiring, conduit, breakers, light fixtures (as a complete item). All existing exterior area lighting over 12 feet above ground.	Troubleshoot to identify problem as feasible. Replace switch and outlet plates, outlets, fixture lenses and bulbs and tubes.
Heating, Ventilation & Air Conditioning System	None	Maintain existing equipment.
Plumbing	All exterior pipes, valves, and plumbing fixtures, hot water heaters, etc., in the water service system. All waste and vent systems, roof drains, etc., including pipe replacement and the clearing of blockages from the main line to the street. Major interior plumbing excluding plugged up toilets, sinks and replacement of faucets, sinks and toilets.	Check and observe daily. Identify and report problems to the CITY. Maintain and repair any and all minor interior plumbing problems. Plugged up toilets, sinks, faucet replacement including faucet washers and minor toilet hardware, sinks and toilets.
Fire Suppression System	All maintenance of any permanently installed system for the protection of the building. Refilling tanks if discharge is beyond the control of LESSEE.	Check and observe daily. Report problems to CITY. Maintain all portable and/or temporary systems, fire extinguishers, hoses and nozzles, sensors and alarms, etc. Refill tanks if discharged by LESSEE or guests.
Alarms	None	All sensors, alarms, wiring, etc., for security and fire alarm systems. Monthly service fee
Security	None	All

EXHIBIT D

<u>System/Area</u>	<u>City's Responsibilities</u>	<u>LESSEE'S Responsibilities</u>
Floors/Floor Coverings	None	All
Windows/Glass	None	All
Doors/Hardware	None	All
Roof	All	None
Metal Shades/Awnings	None	All
Interior Walls	None	All
Custodial and Landscaping Maintenance	External Landscaping Maintenance	Custodial and interior grounds
Graffiti	None	All, remove or paint over within 48 hours
Paint	All exterior painting, which surfaces shall be repainted as determined by CITY.	All interior painting, wallpaper, stucco, and/or wood patch, etc.
Pest Control	None	All
Utilities	None	All

EXHIBIT E

268 W. PARK AVE. (BLDG # 1006)

<u>System/Area</u>	<u>City's Responsibilities</u>	<u>LESSEE'S Responsibilities</u>
Electrical, Lighting & Power	All building wiring, conduit, breakers, light fixtures (as a complete item). All existing exterior area lighting over 12 feet above ground.	Troubleshoot to identify problem as feasible. Replace switch and outlet plates, outlets, fixture lenses and bulbs and tubes.
Heating, Ventilation & Ar Conditioning System	None	Maintain existing equipment.
Plumbing	All exterior pipes, valves, and plumbing fixtures, hot water heaters, etc., in the water service system. All waste and vent systems, roof drains, etc., including pipe replacement and the clearing of blockages from the main line to the street. Major interior plumbing excluding plugged up toilets, sinks and replacement of faucets, sinks and toilets.	Check and observe daily. Identify and report problems to the CITY. Maintain and repair any and all minor interior plumbing problems. Plugged up toilets, sinks, faucet replacement including faucet washers and minor toilet hardware, sinks and toilets.
Fire Suppression System	All maintenance of any permanently installed system for the protection of the building. Refilling tanks if discharge is beyond the control of LESSEE.	Check and observe daily. Report problems to CITY. Maintain all portable and/or temporary systems, fire extinguishers, hoses and nozzles, sensors and alarms, etc. Refill tanks if discharged by LESSEE or guests.
Alarms	None	All sensors, alarms, wiring, etc., for security and fire alarm systems. Monthly service fee
Security	None	All, including security fencing.

EXHIBIT E

<u>System/Area</u>	<u>City's Responsibilities</u>	<u>LESSEE'S Responsibilities</u>
Floors/Floor Coverings	None	All
Windows/Glass	None	All
Doors/Hardware	None	All
Roof	All	None
Metal Shades/Awnings	None	All
Interior Walls	None	All
Custodial and Landscaping Maintenance	External Landscaping Maintenance	Custodial and interior grounds
Graffiti	None	All, remove or paint over within 48 hours
Paint	All exterior painting, which surfaces shall be repainted as determined by CITY.	All interior painting, wallpaper, stucco, and/or wood patch, etc.
Pest Control	None	All
Utilities	Water, Gas and Electric	Telephone