

SUBLEASE

THIS SUBLEASE ("Sublease") is entered into and between The South Bay Community Center, Inc., a California Public Benefit Corporation (SBCC), hereinafter referred to as "Sublessor", and South Bay Seniors People Helping People Organization, a non-profit 501(c)(3) charitable organization ("PHP"), hereinafter referred to as "Sublessee", for real property improvements located at 2180 Palisades Avenue, Los Osos, CA, commonly known as the South Bay Community Center.

THIS SUBLEASE is subject to a Lease dated July 24, 1984 and amended September 1984, April 1986, June 1990, and June 2013 between the County of San Luis Obispo ("County") and SBCC ("Master Lease") for land located at 2180 Palisades Avenue in Los Osos ("Premises"). This Sublease is not valid until approved in writing by the County of San Luis Obispo. All terms of this Sublease shall be subject to the terms of the Master Lease, and the Master Lease shall prevail in areas where the terms of the Sublease conflict. The termination date of this Sublease or any extensions thereof shall not exceed the termination date of the Master Lease and, if the Master Lease is terminated earlier, this Sublease shall also terminate.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Sublessee agrees to fully fund, from start to finish, the construction of an approximately 600 square foot storage addition at the north end of the South Bay Community Center, of which approximately 144 square feet will be utilized by the Sublessor as additional storage and a dressing room for stage events. Sublessee will utilize approximately 456 square feet of the addition to store refrigerated and frozen food, bread donations, fresh produce, and all other food staples associated with PHP's weekly food distribution program. Sublessee will also utilize its portion of the addition to store medical equipment associated with its ongoing medical equipment lending program. Sublessor will allow access to Sublessee's portion of the addition at all times during the duration of this Sublease.
2. Sublessee and Sublessor agree that any future interior maintenance or repair costs will be the sole responsibility of the Sublessor or Sublessee, whichever is designated to use the portion of the addition requiring maintenance and/or repair.
3. Sublessee and Sublessor agree that any future exterior maintenance and repair costs, (roof, gutters, siding, painting, skylights, foundation, etc.), related solely to this addition to the SBCC, will be allocated 75% to Sublessee and 25% to Sublessor, with two exceptions. Sublessee will be solely responsible for the upkeep, maintenance and repair

of the rollup door at the northwest end of the addition. Maintenance and repair of the utility systems to the perimeter of the building shall be the sole responsibility of SBCC.

4. TERM: The term of this Sublease shall be TEN (10) YEARS, starting on the first day of the month following the completion of the storage addition ("Initial Term"). Completion date shall be deemed to be the date when the final building inspection is issued by the San Luis Obispo County Planning and Building Department. This Sublease is contingent upon Sublessee completing the aforementioned storage addition at no cost to the Sublessor. Sublessee shall have the option to extend this Sublease for an additional ten (10) years, after giving written notice to, and negotiating new terms with the Sublessor no sooner than 180 days and no later than 90 days prior to expiration of the Initial Term of this Sublease.
5. RENTAL: During the term of this Sublease the Sublessee shall pay rent in the amount of Two Hundred Dollars (\$200.00) per month to Sublessor. Monthly rent shall cover the use of the existing PHP office located within the SBCC, three already designated cabinets underneath the serving window of the kitchen, PHP's portion of the new storage addition when completed, and use of the SBCC the second Thursday of each month from 3:00 PM to 9:00 PM for potlucks or fundraisers. Additionally, PHP will be allowed use of the conference room on the second Wednesday of each month from 10:30AM until Noon for PHP Board meetings. All utilities (gas, water, electric and future sewer charges) shall be paid by Sublessor. Sublessor shall provide Wi-Fi access to Sublessee. Additionally, for the duration of this Sublease, the Sublessee will continue to pay, to Sublessor, a weekly fee of Ten Dollars (\$10.00) for use of the stage half of the SBCC for the sole purpose of facilitating PHP's weekly food distribution program, currently conducted every Wednesday morning from approximately 8:00 AM to 11:00 AM.
6. ADDITIONAL USE OF SBCC BY SUBLESSEE: Sublessee shall be allowed to use the stage half of the SBCC once a year, at no cost to Sublessee, in order to hold its annual rummage sale fundraiser. The rummage sale shall be held on a mutually agreed upon, previously not booked, Friday and Saturday. In consideration for this use of the SBCC by the Sublessee, Sublessee will annually donate one-third of the net proceeds from the sale to the Sublessor (SBCC).
7. DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO SBCC (STORAGE ADDITION):
 - A. Sublessee, agent or contractor will be solely responsible for securing all permits, and complying with all applicable local, state and federal rules, statutes, and regulations

and, dealing with the County of San Luis Obispo Planning and Building Department, or other appropriate agencies, for construction of the storage addition.

- B. Sublessee shall be responsible for all costs, equipment and material associated with relocating the County's irrigation system, as required by County Parks staff, around the perimeter of the new addition prior to completion of the project.
 - C. Sublessee shall construct the proposed improvements at Sublessee's sole cost and expense. Sublessee shall seek and obtain its own legal advice with regard to the applicability of State or Federal wage regulations and other labor laws, or other laws. Sublessee shall indemnify, defend and hold Sublessor harmless for any claims arising from the construction of the addition described in Section 1.
 - D. Construction of Sublessee improvements shall be completed and approval of a final building permit obtained by January 1, 2014.
8. OWNERSHIP OF IMPROVEMENTS: Ownership of all improvements related to the construction of the storage addition upon completion will be with Sublessor (SBCC) during the term of the Master Lease.
9. INSURANCE: Sublessee shall obtain and maintain insurance for the entire term of the Sublease and Sublessee shall have no access to the storage addition until after it has obtained insurance complying with the provisions of this paragraph, delivered a certified copy of each insurance policy to the County, and Sublessor, and obtained County approval of all such policies. Said policies shall be issued by companies authorized to do business in the State of California, or otherwise approved by the County Risk Manager. Sublessee shall maintain said insurance in force at all times. The following coverage with the following features shall be provided.
- A. Comprehensive Liability Insurance: Sublessee shall maintain in full force and effect for the period covered by this Sublease, comprehensive liability insurance. This insurance shall include, but shall not be limited to, comprehensive general and automobile liability insurance providing protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from any act or occurrence arising out of Sublessee's operations in the performance of this Sublease, including, without limitation, act involving vehicles. The policy shall provide not less than single limit coverage applying to bodily and personal injury, including death resulting therefrom, and property damage in the amount of Two Million Dollars (\$2,000,000). The following endorsements must be attached to the policy:
 - (1) If the insurance policy covers on an "accident" basis, it must be changed to "occurrence".

- (2) The policy must cover personal injury as well as bodily injury.
- (3) Blanket contractual liability must be afforded and the policy must contain a cross liability or severability of interest endorsement.
- B. Workers' Compensation Insurance: In accordance with the provisions of sections 3700 of the California Labor Code, et seq., if Sublessee has any employees, Sublessee is required to be insured against liability for workers' compensation or to undertake self-insurance for the entire term of this Sublease.
- C. Additional Insureds to be Covered: The professional liability and comprehensive liability policies shall name the "County of San Luis Obispo, its officers and employees" and Sublessor (SBCC) as additional insureds. The policy shall provide that the Sublessee's insurance will operate as primary insurance and that no other insurance maintained by the County or additional insureds will be called upon to contribute to a loss hereunder.
- D. Certification of Coverage: At Sublease Commencement, Sublessee shall furnish County with the following for each insurance policy required to be maintained by this Sublease:
- (1) A copy of the Certificate of Insurance shall be provided. The certificate of insurance must include a certification that the policy will not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to the County.
- (2) A copy of the Sublessee's Workers' Compensation policy need not be provided, but a copy of proof of coverage does need to be provided.
- (3) Upon further written request, the Sublessee shall provide a copy of the entire insurance policy and not just the "face sheet" or proof of coverage.
- (4) Approval of Insurance by County shall not relieve or decrease the extent to which the Sublessee may be held responsible for payment of damages resulting from Sublessee's services or operations pursuant to this Sublease. Further, County's act of acceptance of an insurance policy does not waive or relieve Sublessee's obligations to provide the insurance coverage required by the specific written provisions of this Sublease.
- E. Effect of Failure or Refusal: If Sublessee fails or refuses to procure or maintain the insurance required by this Sublease, or fails or refuses to furnish County with the certifications required by subparagraph (D) above, either the County or Sublessor, shall have the right, at its option, to forthwith terminate the Sublease for cause. Sublessee shall not do, bring, or keep anything in or about the SBCC that will cause a cancellation of any insurance covering the SBCC, as set forth above. Sublessee shall indemnify, defend, and hold Sublessor harmless for any claims arising during any gap in Sublessee's insurance coverage.

10. INDEMNIFICATION: Sublessee shall defend, indemnify and hold harmless the County, its officers and employees from any and all claims and demands, costs, expenses, judgments, attorney fees or liabilities that may be asserted by any person or entity that arise out of or in connection with the acts or omissions relating to the performance of any obligation or duty provided for or relating (directly or indirectly) to this Sublease, the tenancy created under this Lease, the construction of the addition as identified in Section 1 above, and/or the Premises hereunder. The obligation to indemnify shall be effective and shall extend to all such claims and losses, in their entirety, even when such claims or losses arise from the comparative negligence of the County, its officers and employees. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the County, its officers and employees.

The preceding paragraph applies to any theory of recovery relating to said act or omission by the Lessee, or its agents, employees or other independent contractors directly responsible to Sublessee, including, but not limited to, the following:

- A. Violation of statute, ordinance, or regulation.
- B. Professional malpractice.
- C. Willful, intentional or other wrongful acts, or failures to act.
- D. Negligence or recklessness.
- E. Furnishing of defective or dangerous products.
- F. Premises liability.
- G. Strict liability.
- H. Inverse Condemnation.
- I. Violation of civil rights.
- J. Violation of any federal or state statute, regulation, or ruling resulting in a determination by the Internal Revenue Service, California Franchise Tax Board or any other California public entity responsible for collecting sales or payroll taxes, when the Permittee is not an independent contractor.

It is the intent of the parties to provide the County the fullest indemnification, defense, and hold harmless rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be

severed from this contract and the remaining language shall be given full force and effect.

11. PROVIDING OF SERVICES: It is distinctly and particularly understood and agreed between the parties hereto that County is in no way associated or otherwise connected with the actual performance of this Sublease on the part of Sublessee nor as to the employment of labor or the incurring of other expenses; that Sublessee is an independent contractor in the performance of each and every part of this Sublease and solely and personally liable for any and all damages which may be occasioned on account of the operation of this Sublease, whether the same be for personal injury or damages of any other kind.

Sublessee does, because of Sublessee's status as an independent contractor, hereby agree to forebear from making any claims against the County pursuant to any Federal or State laws providing for employee's liability compensation for personal injury or unemployment compensation.

12. LAWS: Sublessee shall, at its sole cost and expense, comply with all the requirements of all local, municipal, County, State and Federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, and shall faithfully observe in the use of the Premises all local, municipal and County ordinances and State and Federal statutes, rules, and regulations now in force or which may be hereafter in force. The judgment of any court of competent jurisdiction or the admission of Sublessee in any action or proceeding against Sublessee, whether County be a party thereto or not, that Sublessee has violated any such ordinance, statute, rules or regulations in the use of the Premises shall be conclusive of the fact as between County and Sublessee and may be grounds for termination of this Sublease by County. This Sublease has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Sublease shall be determined and governed by the laws of the State of California. The duties and obligations of the parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Sublease.

13. SMOKING ORDINANCE: Sublessee shall comply with any County smoking ordinance, including that which may apply to County-owned land, and may request written approval of a designated smoking area by the County Public Health Director if permitted by law.

14. ASSIGNMENT AND DEFAULT: Sublessee shall not assign this Sublease, nor sublet the whole or any part of the areas designated for use within the Premises by the Sublessee. Any attempt

to do so shall be void, shall confer no rights on any third party, and shall be good cause for cancellation of this Sublease by SBCC or County at its option. This Sublease shall not be assignable by operation of the law.

15. SURRENDER: Sublessee hereby acknowledges that should Sublessee disband, or upon expiration of the term of this Sublease, through default or otherwise, Sublessee shall remove Sublessee's personal property and shall leave Premises in good condition. Thereafter, the County and Sublessor shall be under no obligation to continue operating the programs currently administered by the Sublessee.

16. INSPECTION OF PREMISES: County and Sublessor reserves the right at any reasonable time to inspect, investigate and survey the Sublessee's designated areas within the Premises as deemed necessary by the County or Sublessor.

17. NON-DISCRIMINATION: Sublessee shall not discriminate against any person or class of persons by reason of race, color, sex, national origin, or other protected class under federal and/or state law in the use of the Premises.

18. SAFETY: Sublessee, when using the Premises for any reason, shall obtain emergency medical care for any member of the public who is in need thereof because of illness or injury occurring on the Premises. Sublessee shall operate its programs in a manner that protects the health, safety, and welfare of the general public.

19. HOLDING OVER: In the event that Sublessee shall hold over after expiration of the Sublease term or any extension or renewal thereof, with the consent, express or implied, of Sublessor, such holding over shall be deemed merely a tenancy from month-to-month on the terms, covenants, and conditions, so far as applicable, and subject to the same exceptions and reservations, as herein contained, until such tenancy is terminated in a manner prescribed by law.

20. WAIVER: Any waiver by Sublessor of any failure by Sublessee to comply with any term or condition hereof shall not be construed to be a waiver by Sublessor of any similar or other failure by Sublessee to comply with any term or condition hereof.

21. BREACH: Notwithstanding any other provisions contained herein, County or Sublessor may cancel and terminate this Sublease if Sublessee shall fail, neglect or refuse to perform and obey any term or condition set forth in this Sublease, after County or Sublessor has given to Sublessee written notice of thirty (30) days to do so, unless such failure, neglect or refusal by nature cannot be remedied within thirty (30) days of said notice and Sublessee has within thirty (30) days of the notice commenced and does thereafter continue diligent efforts to remedy such failure, neglect or refusal.

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

This Sublease sets forth all of the agreements and understandings of the parties and is not subject to modification except in writing. Additionally, this Sublease supersedes any and all previous agreements executed by the parties prior to the effective date of this Sublease, with one exception. This agreement does not invalidate the Memorandum of Understanding between the parties dated 10/10/84. (See attached Exhibit "A").

23. ENTIRE AGREEMENT AND MODIFICATIONS: This Sublease supersedes all previous Subleases and constitutes the entire understanding of the parties hereto. Sublessee shall be entitled to no other benefits than those specified herein. No changes, amendments, or modifications shall be effective unless in writing and signed, in advance of the effective date of the change, amendment or modification, by both parties. Sublessee specifically acknowledges that in entering into the executing of this Sublease, Sublessee relies solely upon the provisions contained in the Sublease and no other Subleases or oral discussions prior to entering this Sublease.

//////////NOTHING FURTHER PAST THIS POINT EXCEPT SIGNATURES//////////

IN WITNESS WHEREOF, the parties hereto have executed this Sublease
this 9th day of MAY, 2013

SUBLESSOR: South Bay Community Center, Inc. a California Public
Benefit Corporation.

By: Carol Moore

Carol Moore, President

By: Rodolfo Pacoan

Rodolfo "Dick" Pacoan, Treasurer

SUBLESEE: People Helping People/South Bay Seniors, a non-profit
501(c)(3) charitable organization.

By: Richard Margetson

Richard Margetson, President

By: Carol Cribbs

Carol Cribbs, Treasurer

MEMORANDUM OF UNDERSTANDING

This memorandum of Understanding is dated, for reference purposes, ~~2/10/84~~ 10, 1984 and is executed and entered into by and among South Bay Community Center, Inc., ("SBCCI") a California non-profit, public benefit corporation, on the one hand, and various community organizations, on the other hand, each of which is located in or around the Los Osos/ Baywood Park area.

BACKGROUND AND PURPOSE

As stated herein above, SBCCI is a non-profit public benefit corporation organized under the laws of the State of California. The specific purposes for which SBCCI was formed are to erect, maintain and operate a community building for the South Bay Community (Los Osos/Baywood Park and surrounding areas), the use of which shall be dedicated to members of the general public of the South Bay Community without exception or discrimination.

When the Community Center is completed it will truly have been the result of the collective efforts of many organizations and individuals and will serve many of the needs of the South Bay Community.

As the Community Center has developed from an idea to its current status, certain of these community needs have been expressed. In response to these needs SBCCI has made and will continue to make certain commitments and agreements to the end that these expressed needs are met.

It is the purpose of this Memorandum to set forth in writing these commitments and agreements in order both to clarify them for the present as well as to provide a guideline for the future when the affairs of the SBCCI may be governed by individuals other than those who now fulfill this function and have personal knowledge of these commitments and agreements.

The commitments and understandings which relate to specific community groups will be set forth in various Supplements to this Memorandum. Each Supplement, when executed by SBCCI and the specific community group, will become a part of this Memorandum.

SUPPLEMENT NUMBER 1

This is supplement Number 1 to that certain Memorandum of Understanding dated ~~October~~ 10, 1984.

This Memorandum acknowledges the generous contributions, both of time and money, made by People Helping People ("PHP") to SBCCI and the construction of the Community Center.

SBCCI makes the following commitments to PHP and based thereon, the parties hereto agree as follows:

1(a) Upon completion of the Community Center, and for so long as such program continues in existence, SBCCI will allow PHP to use the Community Center to conduct its Daily Nutrition Program. Such use will be made Monday through Friday during the approximate hours of 9 a.m. to 1 p.m. Such use will include use of the kitchen for preparing and/or warming food and the south division of the main assembly area for serving the food.

(b) It is anticipated that from time to time groups other than PHP will request use of the kitchen and dining facilities during the hours which PHP will be conducting its Daily Nutrition Program and that these requests will be granted to the extent that they do not unreasonably interfere with the conduct of the Daily Nutrition Program.

2. Upon completion of the Community Center, SBCCI will provide PHP with office space in the office portion of the Community Center of sufficient size to hold a desk, telephone and file cabinets and to allow PHP to conduct its business on a day to day basis.

3. Upon completion of the Community Center, and for so long as the program exists, SBCCI will allow PHP to use the kitchen and the main assembly area of the Community Center for its monthly pot luck dinner. Such dinner is currently held on the first Thursday of each calendar month between the approximate hours of 4 p.m. and 8:30 p.m. To the extent that from time to time and on an occasional basis there are other requests for use of the facility which conflict with the use granted herein, PHP will cooperate with SBCCI in attempting to resolve such a conflict.

4. Upon completion of the Community Center, SBCCI will provide PHP with adequate storage facilities to accommodate the needs of PHP in connection with its Government Surplus Giveaway Program and Hospital Equipment Loan Program, as such programs currently exist. To the extent that at any time these programs expand such that there are not adequate available facilities at the Community Center to accommodate such needs SBCCI agrees to

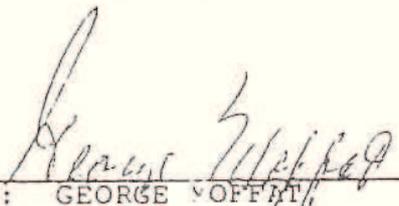
use its best efforts to see that such storage needs are otherwise met to the end that at all times possible the Community Center is being put to best and most productive use under the circumstances.

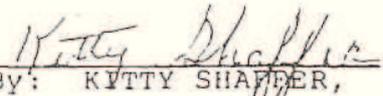
5. At the date of this Supplement the Community Center is not yet constructed. Therefore, the financial needs of SBCCI as related to ongoing maintenance of the building are not now known. At such time as these financial requirements are known, SBCCI will consult with PHP prior to establishing how much PHP will be required to pay to SBCCI as a use fee to help defray the costs of generating and maintaining the Community Center as relate to the uses of the Community Center by PHP as contemplated herein.

In making any such decision SBCCI acknowledges and will take into consideration in setting any such use fees that the contemplated uses of the building by PHP are for community services provided by senior citizens of the community without charge.

IN WITNESS WHEREOF, this agreement is entered into by and between:

South Bay Community Activities, Inc. People Helping People


By: GEORGE VOFFAT
President


By: KITTY SHAFFER
President

Date: 10-10-84

Date: 10-10-84

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