



City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, CA 90254-3885

LEASE AGREEMENT BETWEEN THE CITY OF HERMOSA BEACH AND THE ARC SOUTH BAY

This Lease Agreement (hereinafter called "Agreement") is made and entered into on this 1st day of April, 2026, by and between the City of Hermosa Beach, a California municipal corporation (hereinafter called "CITY") and The ARC South Bay, a California nonprofit public benefit corporation (hereinafter called "ARC"). CITY and ARC are sometimes individually referred to herein as "Party" and collectively referred to as "Parties."

RECITALS

- A.** CITY is the owner of a recreational/civic service facility located at 710 Pier Avenue, Hermosa Beach, CA 90254, generally referred to as the Hermosa Beach Community Center (referred to herein as the "Facility").
- B.** The Facility is subject to certain agreements and deed restrictions entered into on the 28th day of February 1978, between the City and the Hermosa Beach City School District and is further subject to certain provisions imposed by the Department of Housing and Urban Development as set forth in a document entitled Agreement for Sale and Purchase of Real Property and dated the 28th day of February 1978. These documents are on file in the office of the City Clerk of the City and are public documents and by reference are incorporated into this leasing agreement and are referred to herein as the HUD and SCHOOL DISTRICT AGREEMENTS.
- C.** ARC has requested and CITY is willing to make a portion of the Facility described as classrooms 15 and 17, and office 15A (hereinafter called "Site"), as depicted on the site map attached hereto as **Exhibit A** and incorporated herein by reference, available to ARC for its adult development program pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and contained herein, the Parties agree as follows:

I. TERM, PAYMENT and TERMINATION.

- a. The term of this Agreement shall commence on April 1, 2026 and terminate on March 31, 2027, unless earlier terminated as provided



herein. This Agreement may be extended upon request by ARC for two (2) additional one-year terms at sole and exclusive direction of the CITY MANAGER.

- b. ARC agrees to pay CITY applicable fees for its use of the Site, described as: Community Center, Classrooms 15 and 17 and Office 15A – 1,470 square feet. Fees as established in the CITY's annual Master Fee Schedule: \$2,116.80 per month (\$1.44 per sq. ft.).
- c. All rental payments shall be made to the CITY on the 1st day of each month.
- d. Notwithstanding any other provisions of this Agreement, both Parties reserve the right to terminate this Agreement at any time upon giving thirty (30) days written notice to the other Party as outlined in Section X.

II. ARC RESPONSIBILITIES.

- a. ARC agrees to use the Site only for ARC South Bay programs and for no other purpose without the written consent of the CITY. ARC also agrees the Site shall not be used in violation of the Department of Housing and Urban Development (HUD) or School District Agreements as those agreements are interpreted by either the CITY or the Hermosa Beach City School District or the Department of Housing and Urban Development.
- b. ARC may not assign or sublease all or any portion of the Site without the written consent of CITY, which consent may be granted or denied at the exclusive and total discretion of the CITY.

CARE AND MAINTENANCE OF SITE.

- a. ARC understands that the Site is being rented in as-is condition. ARC shall be responsible for repairs caused by ARC's use and wear and tear.
- b. ARC may request maintenance from the CITY, to be approved or denied based on scope and necessity. Request shall be made through the CITY website or Go Hermosa app.



- c. If emergency maintenance is deemed necessary, it is the responsibility of ARC to submit a service request to the designated liaison from the Community Resources Department. If the emergency is after hours, the request can be submitted to the after-hours Community Resources staff.
- d. ARC will immediately report all vandalism to the CITY designated liaison upon discovery.
- e. ARC confirms its acknowledgement that all CITY properties are smoke free facilities.
- f. ARC shall not mark, drill or deface any walls, ceilings, floors, wood or iron work without CITY's written consent.
- g. ARC shall arrange for daily refuse removal.
- h. ARC confirms its acknowledgment sinks were not designed and are not equipped to be used for food preparation or dishwashing. ARC shall be responsible for all drain cleaning and plumbing repairs to sinks resulting from food preparation or dishwashing.
- i. ARC confirms its acknowledgment that no signs or awning shall be erected or maintained upon or attached to the outside of the Facility/building or placed in any windows and all window treatments must receive prior approval of the CITY.
- j. ARC agrees to keep and maintain the Site in good condition and repair and to return to CITY the Sites upon termination of this Agreement in the same condition as when ARC took possession of the Site excepting any repairs or alterations which were approved by CITY, reasonable wear and tear excepted, and does promise to pay CITY upon demand the reasonable sums to repair the Site in the event of a violation of this provision.
- k. ARC is prohibited from making any alterations performing any construction whatsoever on the Site without the expressed written approval of CITY. Any such approval shall include provisions to protect CITY from potential liens of labor and material persons.



- l. ARC agrees to allow CITY access the Site to inspect and maintain the condition of the building as the CITY deems necessary. CITY agrees to make reasonable efforts to contact the ARC designated emergency contact prior to access to Site during off hours. ARC agrees to provide door and alarm code access and instructions if applicable.
- m. ARC shall provide emergency contact information for a party responsible for ARC should the CITY require immediate correspondence. Contact may occur at any time.
- n. ARC agrees to inform the City immediately of any and all identified potential safety hazards and risks associated with the Site and Facility conditions used.

RULES, REGULATIONS and ORDINANCES.

- a. ARC agrees to comply strictly with all applicable laws and any uniform Community Center rules and regulations adopted by the City Council.

INSURANCE.

- a. ARC shall obtain and maintain at all times during the term of this Agreement a Certificate of Insurance providing personal injury and property damage liability insurance naming CITY its officers, employees, and agents as additional insured with a minimum coverage of \$2 million combined single limit coverage. Insurance is to be placed with insurers with a current AM Best's rating of no less than A: VII. Said insurance shall not be canceled or altered without thirty (30) days notice in writing to CITY.
- b. ARC shall obtain and maintain at all times during the term of this Agreement Automobile Liability insurance protecting ARC. Such insurance shall name City of Hermosa Beach and their officers, employees, elected officials and members of Boards or Commissions as additional insured parties.
- c. ARC shall obtain and maintain at all times during the term of this Agreement Worker's Compensation and Employers Liability insurance and furnish CITY (or Agency) with a certificate showing proof of such coverage. Such insurance shall not be canceled or



materially changed without a thirty (30) day prior written notice to:
City Manager, City of Hermosa Beach

- d. ARC insurers shall be primarily responsible for all liability resulting from or arising out of the performance of the contract, and CITY and their insurers shall not be required to contribute.
- e. For insurance purposes, the Site shall be defined to include all areas occupied or affected by ARC's activities, as depicted on **Exhibit A**.

INDEMNITY and ASSUMPTION OF RISK.

- a. The City of Hermosa Beach is not responsible for any accident, injury, loss, or damages to property or to individuals or groups using public facilities. ARC is responsible for all actions, behavior, and damage caused by its participants, guests, or attendees. ARC shall indemnify, defend and hold harmless the City, its officers, employees, volunteers, and agents from and against all claims, causes of action, liabilities and damages for injuries to persons and property, including costs of defense and reasonable attorney fees, arising from ARC's activities on and use of City property by ARC and its guests, patrons, invitees, customers, employees, officers, and contractors, except for liability resulting from the sole negligence or willful misconduct of the City. ARC shall promptly pay the amount of any judgment rendered against the City, its officers, employees and agents for any such indemnified claims, and reasonable costs and attorney fees incurred by the City in the defense of such claims. This provision is intended to fully allocate all risk of liability to third-parties between ARC and the City; and there shall be no right of contribution or indemnity, whether in law or equity or otherwise in favor of ARC against the City. This provision survives termination of this Agreement.

TAXES and CHARGES.

- a. ARC agrees to pay when due any and all taxes, assessments or charges levied by any governmental agency on or to the lease-hold premises.

III. CITY RESPONSIBILITIES.



- a. CITY shall provide ARC a designated liaison from the Community Resources Department to serve as the assigned contact. All decisions of a CITY designee shall be final with respect to any issues that involve compliance with this Agreement as well as any issues that directly and/or adversely impact the community. Said CITY designee shall consult with the designated representative of ARC and it shall be the goal of both Parties to reach mutual agreement on matters related to this Agreement.
- b. CITY shall provide one (1) parking pass for the ARC Americans with Disabilities Act (ADA) vehicle for use of an ADA parking space adjacent to the Community Center 24 hours per day through the length of the Agreement term.
- c. CITY shall provide five (5) keys to access the Site and one (1) key to access Office 15A within the Site. ARC may request additional keys if needed. ARC may not duplicate the keys and must return the keys upon termination of this Agreement.
- d. CITY shall provide ARC with access to the Site during the Facility's operating hours: Monday through Thursday from 7:00 a.m. to 10:00 p.m.; Friday through Sunday from 7:30 a.m. to 10:00 p.m.

CARE AND MAINTENANCE OF SITE.

- a. CITY has no duty or obligation to reconstruct the Site in the event of destruction or partial destruction of the Site. CITY at its option may reconstruct or repair the Site, whereupon this Agreement shall remain in full force and effect except that no rent will be owing to CITY during said period of reconstruction or repair if such reconstruction or repair interferes with the tenancy created herein to the extent that the Site cannot be used for the purposes intended. In the event CITY at its sole discretion determines not to reconstruct or repair the Site then either Party at its option may cause this Agreement to be terminated and neither Party shall have any liability each to each other.

IV. DEFAULT.

- a. Should ARC fail to pay any monies due pursuant to this Agreement within three (3) days after written notice from CITY or to perform any other obligation required pursuant to the terms of this Agreement within thirty (30) days after notice from CITY, CITY may immediately



cause this Agreement to be terminated and thereafter take any action and pursue all remedies available under the laws then existent in the State of California.

V. INDEPENDENT CONTRACTOR.

- a. CITY and ARC shall each be and act as independent contractors and under no circumstances shall this Agreement be construed as one of agency or partnership between CITY and ARC. Each Party acknowledges and agrees that it neither has nor will give the appearance or impression of having any legal authority to bind or commit the other Party in any way other than as authorized by this Agreement. Nothing in this Agreement shall be construed to create a joint venture between the Parties hereto or to obligate either Party for debts or obligations incurred by the other Party in the performance of this Agreement.

VI. COMPLIANCE WITH THE LAW.

- a. Should it be determined that this Agreement or any provision hereof violates any federal, state, or local law or regulation, then the Parties shall promptly modify this Agreement to the extent necessary to bring about compliance with such law and/or regulation; provided, however, that if such modification would cause this Agreement to fail in its essential purpose or purposes, it shall be deemed cancelled by mutual agreement of the Parties and neither Party shall have any further obligations or liabilities with respect to this Agreement.

VII. RESERVATION OF RIGHTS BY CITY.

- a. CITY reserves the right in its sole discretion at any time or times to close and suspend the use of the Site subject to this Agreement for any duration in order to protect public health and safety. Any such closure will not constitute a breach or a default of this Agreement. CITY shall have no liability whatever to ARC for the effect of such suspension and closure of the Site, nor shall CITY have any responsibility to provide ARC with substitute location(s). ARC's rights under this Agreement are subject and subordinate to CITY's police and emergency powers in addition to CITY's rights to manage its



municipal facilities and its contractual rights as described in this Agreement.

- b. Subject to prior provisions, this Agreement is binding upon the heirs, assigns and successors of interest of the Parties.

VIII. ENTIRE AGREEMENT.

- a. This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes all prior understandings or agreements in regard hereto. This Agreement cannot be altered or modified except by an agreement in writing signed by both Parties.

IX. ATTORNEYS FEES.

- a. The Parties agree that in the event any action is instituted concerning any of the provisions of this Agreement, the prevailing party may in the discretion of the court be granted as an additional item of damages its attorneys' fees.

X. NOTICE.

- a. Any notice, demand, request, consent, approval or communication required to be made or given pursuant to the provisions of this Agreement may be either personally served upon the Party or deposited in the United States mail, postage prepaid.

CITY OF HERMOSA BEACH
CITY HALL
1315 VALLEY DRIVE
HERMOSA BEACH, CA. 90254

THE ARC SOUTH BAY
ADMINISTRATIVE OFFICES
1137 E. JANIS STREET
CARSON, CALIFORNIA, 90247



Any notices so given pursuant to the provisions of this paragraph will be deemed served twenty-four (24) hours after the deposit thereof in the United States mail.

XI. NON-DISCRIMINATION. ARC shall not in the management, operation, rental, use, or maintenance of the Site discriminate against any person or group based on race, religion, color, medical condition, sex, national origin, political affiliation or opinion, or pregnancy or pregnancy-related condition.

[signatures on following page]



In Witness Whereof, the Parties have executed this Agreement as set forth below.

CITY OF HERMOSA BEACH

City Manager Steve Napolitano

ATTEST
Interim City Clerk Ann Yang

APPROVED AS TO FORM
Interim City Attorney Jason Baltimore

THE ARC SOUTH BAY

Executive Director, Jenna Astleford



EXHIBIT A: SITE MAP

