

**EXHIBIT B**  
**USE AGREEMENT BETWEEN KCAO AND KCCOA REGARDING**  
**DAYCARE SERVICES AT THE 'MAGIC CASTLE' SITE**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2006, between Kings Community Action Organization (KCAO) [Lessor] and the Kings County Commission on Aging (KCCOA) [lessee].

**WHEREAS**, the City of Lemoore will deed ownership of a facility in Lemoore to KCAO for the purpose of providing daycare and other related services to primarily the low and very low income community out of said facility; and

**WHEREAS**, the renovated facility will be located at 1075 Blake Street in Lemoore, California; and

**WHEREAS**, KCAO has the expertise to operate such a facility; and

**WHEREAS**, it is the intent of the City of Lemoore and KCAO to have KCCOA provide adult day care in said facility; and

**WHEREAS**, there is a need to ensure that the child daycare portion of the facility will benefit the low and very low income group and the adult daycare portion of the facility will serve a 'limited clientele defined as severely disabled adults' (as defined by CDBG and the U.S. Census) of Lemoore for a minimum five years; and

**WHEREAS**, KCCOA and KCAO agree that communication between the two parties is a high priority.

**NOW, THEREFORE, BE IT AGREED AS FOLLOWS:**

1. It is the intent of the City of Lemoore and KCAO that the property should remain available for public use benefiting low and very low income families as long as practical.
2. For the first five years of operation, KCCOA must provide 100% of their daycare services to 'severely disabled' adults and KCAO shall provide 100% of their child day care services to low income families (defined as earning less than 80% of the Kings County median household income, as calculated annually by HCD). Within one (1) year of initial occupancy of the facility KCCOA must continue to use the property to provide adult day care services to eight (8) 'severely disabled' adults and KCAO shall provide child day care services to at least 40 children. Furthermore, this requirement shall be determined based on Average Daily Attendance each month. This Documentation of this information shall be provided annually to KCAO and the City of Lemoore for the first five (5) years of the operation. Additionally, any supplemental backup documentation will be available for review by the State should it be requested for monitoring/auditing purposes of the CDBG grant.
3. For a period of at least ten (10) years following the expiration of the CDBG Agreement between the City of Lemoore and State Department of Housing and Community Development (HCD), KCCOA must continue to use the property to provide adult day care service to eight (8) 'severely disabled' adults and KCAO shall provide child day care services to persons of primarily (51% or greater) low income families (, i.e., families earning less than 80% of the Kings County median household income, as calculated annually by HCD. Furthermore, this requirement shall be determined based on Average Daily Attendance each month.

4. If KCCOA fails to meet the requirements of any Paragraph contained in this agreement, ceases to exist as a legal entity, or ceases to provide adult day care services to at least eight (8) persons for four consecutive months, the following conditions will apply:
  - A. KCCOA agrees to execute all documents necessary to transfer their occupied space of the facility to KCAO at no cost to KCAO. KCAO shall thereafter attempt to secure the services of a licensed operator or take whatever steps KCAO, in its sole discretion, believes are appropriate relative to operation of the facility.
5. **Space.** KCAO agrees to allow KCCOA to utilize, and KCCOA agrees to be financially responsible for the repair and maintenance costs of (exclusive space is solely the responsibility of KCCOA, shared space will be a 50% responsibility):
  - A. The exclusive use of approximately 950 square feet of the north east wing of the building.
  - B. The shared use of the approximately 250 square feet of the east front lobby.
  - C. The shared use of the approximately 300 square feet of the kitchen and pantry space.
  - D. The shared use of the approximately 400 square feet of the adult bathroom/hallway space.
  - E. The exclusive use of outdoor space fenced in surrounding the north east wing of the building.
  - F. The total square feet utilized by KCCOA for utility / maintenance / janitorial / yard service calculation is: 1425 square feet (total approximate building square feet is: 5800).
  - G. KCCOA will utilize said space Monday through Friday from 6am to 7pm, unless otherwise agreed upon in writing.
  - H. KCCOA shall maintain their utilized space and shared space in good, sanitary condition. Any spills or unsafe/unhealthy conditions created by KCCOA, its staff, clients or visitors will be addressed immediately.
  - I. KCCOA may utilize KCAO furnishings in the common space and the kitchen appliances. Any damage to said furnishings or appliances resulting from the activities or the negligence of KCCOA, its staff, clients or guests shall be the responsibility of KCCOA and will be payable to KCAO.
  - J. KCCOA may have its staff utilize the kitchen appliances and pantry space for the exclusive benefit of its clients. The kitchen appliances or storage space is not for the individual use of staff for food preparation and/or storage.
6. **Utilities/Services.** KCCOA will be responsible to pay a prorated share of all utilities/services for the building. This share will be paid to KCAO within two weeks of presentation to KCCOA of the calculated apportionment of the actual bill(s). The bill(s) will be divided (and remain on file with KCAO) as follows:
  - A. **Natural Gas:** KCCOA will pay 25% of the total monthly gas bill.
  - B. **Electricity:** KCCOA will pay 25% of the total monthly electric bill.
  - C. **Water/Trash:** KCCOA will pay 50% of the total monthly water and trash bill(s).
  - D. **Yard Service:** KCCOA will pay 25% of the total monthly service bill.
  - E. **Security system monitored service:** KCCOA will pay 50% of the total monthly bill.
7. **Pest Control:** KCCOA will pay 50% of the total pest control bill.
8. If there is any donation of maintenance services/yard services or other service which provides improvement or repair to the facility obtained by either party, it shall be used to reduce the potential or actual costs of both KCCOA and KCAO equally.

9. KCCOA shall maintain complete liability insurance coverage (minimum \$1,000,000 adjusted upwards, if needed, annually at the anniversary of this agreement) for their staff, clients and visitors. This policy will name KCAO as the "additional insured." A certificate of insurance shall be provided to KCAO, annually, within one month after the KCCOA insurance policy period begins.
10. KCCOA shall ensure that all governmental laws and ordinances related to the delivery of adult daycare services shall be complied with.
11. This agreement may not be assigned in whole or in part by KCCOA without the express written authorization of KCAO.
12. This agreement is binding on the successors and assigns of the parties.
13. This agreement represents the full understanding of the parties as to the subject matter of the agreement. All prior agreements, whether written or oral, are of no further effect.
14. This agreement shall be interpreted by the laws of the State of California. Any legal action regarding this agreement shall be brought in Kings County, California.
15. KCAO agrees to promptly notify the City of Lemoore if KCCOA ceases to provide programs and services to the adults of low income families within five (5) years of the end of the CDBG agreement between the City of Lemoore and State Department of Housing and Community Development (HCD). Such notification shall be in writing and sent to the City of Lemoore within 30 days of such program and services termination.

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective on the day and in the year first set forth above.

Kings County Commission  
On Aging (KCCOA)

Kings Community Action Organization  
(KCAO)

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Sharon De Masters  
Executive Director  
KCCOA

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David B. Droker  
Executive Director  
KCAO