

AGENDA
REGULAR MEETING OF THE
CITY OF KING CITY COUNCIL
AND
Sitting as **SUCCESSOR AGENCY OF**
THE RDA FOR THE CITY OF KING

TUESDAY MARCH 24, 2020
6:00 P.M.

CITY HALL
212 S. VANDERHURST AVENUE
KING CITY, CALIFORNIA 93930

**Conference call services will be available for the meeting*

[+1 619-327-9987](tel:+16193279987) (Toll)
Conference ID: 325 866 811#

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, Please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

** Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

- 1. CALL TO ORDER**
- 2. ROLL CALL:** Council Members Darlene Acosta, Robert Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, and Mayor Mike LeBarre
- 3. FLAG SALUTE**
- 4. CLOSED SESSION ANNOUNCEMENTS**
- 5. SPECIAL PRESENTATIONS**

None

6. PUBLIC COMMENT

Any member of the public may address the Council for a period not to exceed *three minutes'* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.

7. COUNCIL COMMUNICATIONS & COMMITTEE REPORTS

Individual Council Members may comment on Council business, his or her Council activities, City operations, projects or other items of community interest. Council Members may also request staff to report back at a subsequent meeting on any matter or take action to direct staff to prepare a staff report for a future agenda.

8. STAFF COMMUNICATIONS

Comments presented by the City Manager, City Attorney or other staff on City business and/or announcements.

9. CONSENT AGENDA

The following items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Members of the audience may speak on any item(s) listed on the Consent Agenda. Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion. The Council may approve the remainder of the Consent Agenda on one motion. Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

- A. Meeting Minutes of March 10, 2020 Council Meeting
Recommendation: approve and file.
- B. City of King Check Register March 1 thru March 15, 2020
Recommendation: receive and file.
- C. City of King Successor Agency Check Register for March 1 thru March 15, 2020
Recommendation: receive and file.
- D. City of King KCCP Payments for the Month of January & February 2020
Recommendation: receive and file.
- E. Consideration: Pet Waste Station Sponsorship in City Parks
Recommendation: approve a sponsorship of pet waste stations at City parks by King City Veterinary Hospital.
- F. Consideration: Downtown Addition Specific Plan Amendment and Zoning Amendment (Jerry Rava II, Fresh Food Inc.)
Recommendation: conduct the second reading by title only and adopt an Ordinance approving the Specific Plan Amendment and Zoning Amendment.
- G. Consideration: Amendment to Lease with the Salinas Valley Fair, Inc.
Recommendation: 1) approve a new lease agreement with the Salinas Valley Fair, Inc. for the arena property; and 2) authorize the City Manager to execute the lease amendment and make any non-substantive changes necessary as approved to form by the City Attorney.
- H. Consideration: Annual General Plan Report and Housing Element Annual Report for 2019
Recommendation: review and accept the 2019 Annual General Plan Progress and Housing Element Annual Reports.
- I. Consideration: Amendment to the Agreement for the Management of the King City Municipal Golf Course
Recommendation: approve and authorize the City Manager to execute an amendment to the Agreement with Frudden Fairways, LLC for management of the King City Municipal Golf Course in a form approved by the City Attorney to provide for a payment of \$2,000 per month for forced closure of the Golf Course due to a proclaimed Local Emergency.

- J. Consideration: Agreement for Development Impact Fee Deferral with Jerry Rava II, Fresh Foods, Inc.
Recommendation: 1) approve an Agreement for Development Impact Fee Deferral with Jerry Rava II, Fresh Foods, Inc.; and 2) authorize the City Manager to execute the agreement and make non-substantive changes in a form approved by the City Attorney.

10. PUBLIC HEARINGS

None

11. REGULAR BUSINESS

- A. Consideration: Purchase and Sale Agreement with Salinas Valley Fair, Inc. for the Sale of the Andrus Property and Finding of a Class 12 CEQA Categorical Exemption
Recommendation: adopt a Resolution: 1) approving a purchase and sale agreement with Salinas Valley Fair, Inc. for sale of a portion of APN No. 026-131-005 referred to as the Andrus Property for \$85,000; 2) authorizing the City Manager to execute the Purchase and Sale Agreement and make any non-substantive changes as necessary as approved as to form by the City Attorney; 3) authorizing the City Manager to execute any other documents necessary to finalize the sale and create the new parcel; and 4) adopting a finding of a Class 12 CEQA Categorical Exemption.

12. CITY COUNCIL CLOSED SESSION

Announcement(s) of any reportable action(s) taken in Closed Session will be made in open session and repeated at the beginning of the next Regular City Council meeting as this portion of the meeting is not recorded.

- A. Liability Claims, by Ruby Linda Taylor
Claim against City of King
Gov. Code Section: 54956.95

13. ADJOURNMENT

**City Council Meeting
March 10, 2020**

1. CALL TO ORDER:

Regular Meeting called to order at 6:00pm by Mayor LeBarre.

2. FLAG SALUTE:

The flag salute was led by Councilmember Rob Cullen.

3. ROLL CALL:

City Manager Adams conducted roll call.

City Council: Mike LeBarre Darlene Acosta, Rob Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria.

City Staff: City Manager Steven Adams; City Attorney Roy Santos; Executive Admin. Asst./Deputy City Clerk, Erica Sonne.

4. CLOSED SESSION ANNOUNCEMENTS:

None

5. PRESENTATIONS:

A. American Red Cross Month 2020

6. PUBLIC COMMUNICATIONS:

Karen Jernigan is concerned about the Salinas river bottom and city limits and she would like a 20 ft. fire break.

7. COUNCIL COMMUNICATIONS:

Council Member DeLeon stated nothing to report at this time.

Council Member Acosta stated nothing to report at this time.

Mayor Pro Tem Victoria stated his AMBAG meeting is tomorrow. He had a group of citizens approach him about having a Cinco de Mayo parade and what they need to do. Also, he has been approached about the City's stand on the coronavirus.

Council Member Cullen stated that he and others on the Council and staff went to the Blue Zone project presentation and they may pick King City to participate in this project, which is healthy eating, recreation and over all wellness. If anyone is interested speak to the Mayor or himself or look it up for more information. He reported that the Wine Country Rodeo was a success and a great crowd and fun event. He updated on the Salinas Solid Waste Authority and Salinas refusing to release their report and it continues.

Mayor LeBarre stated he had a conversation with save South County 101 and he will be attending their local agency meeting in the next week. CHP is reaching out to try to get more people licensed. Attended the Bright Futures/Salinas Valley Promise Recognition. Having Census Kick-off Party on 22nd of March. Aera Soccer Park Ribbon cutting on the 28th of March. He is happy to see us moving forward with Rail project.

8. CITY STAFF REPORTS AND COMMENTS:

City Manager Steven Adams stated staff is working on emergency planning in case of an outbreak in the coronavirus and meeting with the hospital on the coronavirus and getting information out on the virus.

City Attorney Roy Santos stated they continue to monitor the State changing impact fees on low to moderate income housing.

9. CONSENT AGENDA

- A. Meeting Minutes of February 25, 2020 Council Meeting
- B. City of King Check Register February 16 thru February 29, 2020
- C. Consideration: Amendment to Master Fee Schedule
- D. Consideration: Cannabis Retail Storefront Dispensary Pre-Application Process Package
- E. Consideration: King City Police Station Remodel Project – Proposed Project Award

Action: Motion to approve consent agenda items A-E by Cullen and seconded by Victoria.

AYES: Council Members: LeBarre, Acosta, Cullen, DeLeon and Victoria

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

10. PUBLIC HEARINGS:

- A. Consideration: Downtown Addition Specific Plan Amendment and Zoning Amendment (Jerry Rava II, Fresh Food Inc.)

Community Development Director Doreen Liberto introduced this item.

Claude Hoover, Project Manager for Rava Project, further introduced this item with a slide presentation 3-minute video. He stated that the project vision is to provide needed King City workforce housing to support agricultural and related economic sustainability. It is also to support the Downtown Addition opportunities.

Mayor LeBarre opened the public hearing.

Jill Logar spoke in favor of this project.

Mayor LeBarre closed the public hearing.

Council is in support of this project.

Action: Motion to adopt a Resolution which certifies the Supplemental Environmental Impact Report and approves the Mitigation Monitoring Report, by Cullen and seconded by Victoria.

AYES: Council Members: LeBarre, Acosta, Cullen, DeLeon and Victoria

NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

Mayor LeBarre read the Ordinance into the record.

Action: Motion to introduce and conduct the first reading of an Ordinance approving the Specific Plan Amendment and Zoning Amendment, by title only, and set the second reading and adoption for the next regularly scheduled Council meeting of March 24, 2020 by Cullen and seconded by LeBarre.

AYES: Council Members: LeBarre, Acosta, Cullen, DeLeon and Victoria
NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

11. REGULAR BUSINESS:

- A. Consideration: Acceptance of the City and CDA Successor Agency's Audited Financial Statements for the Fiscal Year 2018-2019

Finance Director Mike Howard presented this item.

Action: Motion to accept the City and CDA Successor Agency's Audited Financial Statements for Fiscal Year Ended June 30, 2019 by Victoria and seconded by DeLeon.

AYES: Council Members: LeBarre, Acosta, Cullen, DeLeon and Victoria
NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

- B. Consideration: Expansion of Social Host Ordinance to Include Cannabis and Illicit Drugs

Council directed staff to draft an Ordinance to expand the Social Host Ordinance to include cannabis and illicit drugs by Victoria and seconded by DeLeon.

AYES: Council Members: LeBarre, Acosta, Cullen, DeLeon and Victoria
NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

12. CITY COUNCIL CLOSED SESSION

None

ADJOURNMENT:

Mayor LeBarre adjourned the meeting 7:20p.m. by motion of Victoria and 2nd by DeLeon.

Approved Signatures:

Mayor, Michael LeBarre
City of King

City Clerk, Steven Adams
City of King



Item No. 9(B)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: MIKE HOWARD, FINANCE DIRECTOR

**RE: CONSIDERATION OF CITY OF KING CHECK REGISTER
MARCH 1 THRU MARCH 15, 2020**

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the invoices paid for the previous month.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/CITY
CONSIDERATION OF CITY OF KING CHECK REGISTER MARCH 1THRU
MARCH 15, 2020
MARCH 24, 2020
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by:



Mike Howard, Finance Director

Approved by:



Steven Adams, City Manager

Check Register Report

March 1 - March 15, 2020

Date: 03/06/2020

Time: 1:57 pm

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
WELLS FARGO BANK Checks							
63466	03/01/2020	Printed			DIVISION	DIVISION OF STATE ARCHITECT	326.00
63467	03/01/2020	Printed			TAB PRODUC	TAB PRODUCTS CO. LLC	1,598.63
63468	03/06/2020	Printed			A T T	A T & T	80.25
63469	03/06/2020	Printed			ADSTARR	A.D. STARR	335.74
63470	03/06/2020	Printed			ACEHIGH	ACE HIGH DESIGNS INC	500.15
63471	03/06/2020	Void	03/06/2020			Void Check	0.00
63472	03/06/2020	Void	03/06/2020			Void Check	0.00
63473	03/06/2020	Printed			KCTVHARD	ALCANTAR HARDWARE INC	1,278.53
63474	03/06/2020	Printed			A & W	ALESHIRE & WYNDER LLP	21,282.65
63475	03/06/2020	Printed			ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	3,228.50
63476	03/06/2020	Printed			AT & T	AT & T	294.49
63477	03/06/2020	Printed			AT&T - C	AT&T	58.66
63478	03/06/2020	Printed			BSN	BSN SPORTS	2,226.66
63479	03/06/2020	Printed			CAL-WESTL	CAL-WEST LIGHTING AND	1,548.52
63480	03/06/2020	Printed			CALIFOR	CALIFORNIA BUILDING STANDARDS	1,471.05
63481	03/06/2020	Printed			CAL WATER	CALIFORNIA WATER SERVICE CO.	8,767.02
63482	03/06/2020	Printed			GONZALES	CITY OF GONZALES	30,000.00
63483	03/06/2020	Printed			COASTL	COASTLINE MARKETING GROUP INC	125.00
63484	03/06/2020	Printed			CORTEZR	ROSENDO CORTEZ	350.00
63485	03/06/2020	Printed			CORTEZR	ROSENDO CORTEZ	325.00
63486	03/06/2020	Printed			COFM-PRO	COUNTY OF MONTEREY	13,396.41
63487	03/06/2020	Printed			CSGCON	CSG CONSULTANTS INC	28,815.00
63488	03/06/2020	Void	03/06/2020			Void Check	0.00
63489	03/06/2020	Printed			EARTH DESI	EARTH DESIGN, INC.	29,117.68
63490	03/06/2020	Printed			EIKHOF	EIKHOF DESIGN GROUP INC	2,940.00
63491	03/06/2020	Printed			FAIL	FAILSAFE TESTING	588.05
63492	03/06/2020	Printed			FEHR	FEHR & PEERS	6,114.81
63493	03/06/2020	Printed			GREEN'S	GREEN'S ACCOUNTING	24,799.00
63494	03/06/2020	Printed			HINDERLITE	HINDERLITER, DELLAMAS & ASSOC	150.00
63495	03/06/2020	Printed			TIRE KING	JOSE RODRIGUEZ	1,074.60
63496	03/06/2020	Printed			KENEDY	RYAN KENEDY	162.50
63497	03/06/2020	Printed			KIMLEY-HOR	KIMLEY-HORN & ASSOCIATES, INC.	27,240.30
63498	03/06/2020	Printed			KRKC	KING CITY COMMUNICATIONS CORP	166.66
63499	03/06/2020	Printed			KC IND	KING CITY INDUSTRIAL SUPPLY	20.39
63500	03/06/2020	Printed			KOBOUTI	KOBO UTILITY CONSTRUCTION CORP	166,620.37
63501	03/06/2020	Printed			LINCOLN	LINCOLN AQUATICS	259.59
63502	03/06/2020	Printed			LOCCMO	LOCC-MONTEREY BAY DIVISION	80.00
63503	03/06/2020	Printed			XTEL	LS DE LLC	1,010.56
63504	03/06/2020	Printed			NEWSV	NEW SV MEDIA, INC	1,168.00
63505	03/06/2020	Printed			OFFICE DEP	OFFICE DEPOT	235.95
63506	03/06/2020	Printed			PARTS & SE	PARTS & SERVICE CTR- NAPA, INC	14.34
63507	03/06/2020	Printed			PURE WATER	PENINSULA PURE WATER INC.	35.95
63508	03/06/2020	Printed			PAC	PG&E	30,079.39
63509	03/06/2020	Printed			RED SHIFT	RED SHIFT INTERNET SERVICES	30.90
63510	03/06/2020	Printed			ROSSI BROS	ROSSI BROS TIRE & AUTO SERVICE	61.77
63511	03/06/2020	Printed			SMCJUHS	SOUTH MONTEREY COUNTY JUHS	375.00
63512	03/06/2020	Printed			TGARCIA	TERESITA GARCIA ZANCHEZ	191.99
63513	03/06/2020	Printed			TORO	TORO PETROLEUM CORP.	3,728.68
63514	03/06/2020	Printed			UNDERGROU	UNDERGROUND SERVICE ALERT	241.49
63515	03/06/2020	Printed			VERIZON WI	VERIZON WIRELESS	994.84

Check Register Report

March 1 - March 15, 2020

Date: 03/06/2020

Time: 1:57 pm

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KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
				Total Checks: 50	Checks Total (excluding void checks):		413,511.07
				Total Payments: 50	Bank Total (excluding void checks):		413,511.07
				Total Payments: 50	Grand Total (excluding void checks):		413,511.07



Item No. 9(C)

REPORT TO THE SUCCESSOR AGENCY TO THE FORMER KING CITY CDA

DATE: MARCH 24, 2020

TO: HONORABLE CHAIR AND MEMBERS OF THE BOARD

FROM: MIKE HOWARD, FINANCE DIRECTOR

RE: CONSIDERATION OF SUCCESSOR AGENCY CHECK REGISTER FOR MARCH 1 THRU MARCH 15, 2020

RECOMMENDATION:

It is recommended the City Council acting as the Successor Agency Board receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the Successor Agency Board, a copy of the invoices paid for the previous month.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/SUCCESSOR AGENCY
CONSIDERATION OF SUCCESSOR AGENCY CHECK REGISTER MARCH 1
THRU MARCH 15, 2020
MARCH 24, 2020
PAGE 2 OF 2**

Exhibits:

1. Check Register Report

Submitted by: 
Mike Howard, Finance Director

Approved by: 
Steven Adams, City Manager

Check Register Report

March 1 - March 15, 2020

Date: 03/06/2020

Time: 1:57 pm

Page: 1

KING CITY CITY HALL

BANK: SUCCESSOR AGENCY OF

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
SUCCESSOR AGENCY OF Checks							
273	03/06/2020	Printed		GREEN'S	GREEN'S ACCOUNTING	RDA Successor Agency	1,607.50
Total Checks: 1						Checks Total (excluding void checks):	1,607.50
Total Payments: 1						Bank Total (excluding void checks):	1,607.50
Total Payments: 1						Grand Total (excluding void checks):	1,607.50



Item No. 9(D)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: MIKE HOWARD, FINANCE DIRECTOR
RE: CONSIDERATION OF CITY OF KING KCCP PAYMENTS FOR THE MONTH OF JANUARY & FEBRUARY 2020

RECOMMENDATION:

It is recommended City Council receive and file.

BACKGROUND:

At least once a month, the City Treasurer shall submit to the City Council, a copy of the invoices paid for the previous month.

DISCUSSION:

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

COST ANALYSIS:

There is no fiscal impact as a result of this action.

ENVIRONMENTAL REVIEW:

No Environmental Review required for this item.

ALTERNATIVES:

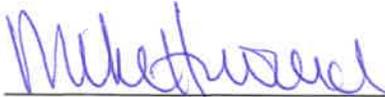
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL
CONSIDERATION OF CITY OF KING KCCP PAYMENTS FOR THE MONTH
OF JANUARY & FEBRUARY 2020
MARCH 24, 2020
PAGE 2 OF 2**

Exhibits:

1. Listing of ACH payments

Submitted by: 
Mike Howard, Finance Director

Approved by: 
Steven Adams, City Manager

City of King

King City Community Power

ACH Payments through Pilot Power For Month of January & February 2020

Date	Vendor	Description	Amount
1/20/2020	Pilot Power Group	Q4 ERS Liability Payment	\$ 2,787.68
1/6/2020	California ISO	Purchase Power from Grid	\$ 7,550.00
1/6/2020	California ISO	Purchase Power from Grid	\$ 12,168.75
1/7/2020	California ISO	Purchase Power from Grid	\$ 2,618.90
1/7/2020	Pilot Power Group	Administrative Fees & Loan Repayment	\$ 62,867.25
1/14/2020	California ISO	Purchase Power from Grid	\$ 2,452.92
1/17/2020	Shell	Purchase Power	\$ 109,485.52
1/21/2020	California ISO	Purchase Power from Grid	\$ 334.48
1/27/2020	Pilot Power Group	UUT Payment	\$ 38,328.11
1/28/2020	Pilot Power Group	True up payment	\$ 10,813.50
1/31/2020	California ISO	Purchase Power from Grid	\$ 508.95
1/31/2020	PG&E	Transmission payment	\$ 18,480.00
1/31/2020	City National	Bank Fee	\$ 100.00
2/4/2020	California ISO	Purchase Power from Grid	\$ 6,253.57
2/7/2020	Pilot Power Group	Administrative Fees & Loan Repayment	\$ 65,990.35
2/10/2020	California ISO	Purchase Power from Grid	\$ 2,009.14
2/18/2020	California ISO	Purchase Power from Grid	\$ 4,085.47
2/19/2020	Shell	Purchase Power	\$ 121,855.28
2/25/2020	California ISO	Purchase Power from Grid	\$ 454.36
2/29/2020	City National	Bank Fee	\$ 100.00
		TOTAL	<u>\$ 469,244.23</u>



Item No. 9(E)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: STEVEN ADAMS, CITY MANAGER
RE: CONSIDERATION OF PET WASTE STATION SPONSORSHIP IN CITY PARKS

RECOMMENDATION:

It is recommended the City Council approve a sponsorship of pet waste stations at City parks by King City Veterinary Hospital.

BACKGROUND:

Staff has identified a need for pet waste stations at the park facilities to encourage dog owners to pick up after their pets. A need for signage to instruct park patrons that dogs must be on a leash also exists. Last year, the City Council adopted revisions to the City's leash law to address loopholes in the prior law that resulted in public safety concerns.

DISCUSSION:

King City Veterinary Hospital has offered to install pet waste stations at the following parks:

- San Antonio Park
- City Park
- Creek Bridge Baseball Park
- Forden Park

The units will include bags, disposal container, and signage educating the public to clean up after pets and maintain all dogs on a leash. An example of the unit is provided in Exhibit 1. King City Veterinary Hospital has proposed to maintain the units, stock them with bags on a regular basis, and empty the container. In recognition, the unit would also display the name and logo of the King City Veterinary Hospital.

**CITY COUNCIL
CONSIDERATION OF PET WASTE STATION SPONSORSHIP IN CITY
PARKS
MARCH 24, 2020
PAGE 2 OF 2**

Since this constitutes a sponsorship at a public park facility, it requires Council approval. Staff believes it presents an excellent value to the community. One of the most significant challenges regarding the pet waste station units is the staff time involved in keeping the units stocked with the bags. Therefore, staff believes this is a generous offer and recommends approval. The Parks and Recreation Commission will be reviewing the proposal at their March 23rd meeting and their recommendation will be communicated to the City Council prior to consideration of the item.

COST ANALYSIS:

There will be no cost to the City associated with this item.

ENVIRONMENTAL REVIEW:

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in Section 15301, which exempts minor alterations to existing structures and facilities because this is a minor change to the parks that will not expand existing uses. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Approve the sponsorship;
2. Approve and direct staff to modify the unit and/or signage;
3. Do not approve the sponsorship; or
4. Provide other direction to staff.

Exhibits:

1. Proposed pet waste station and signage

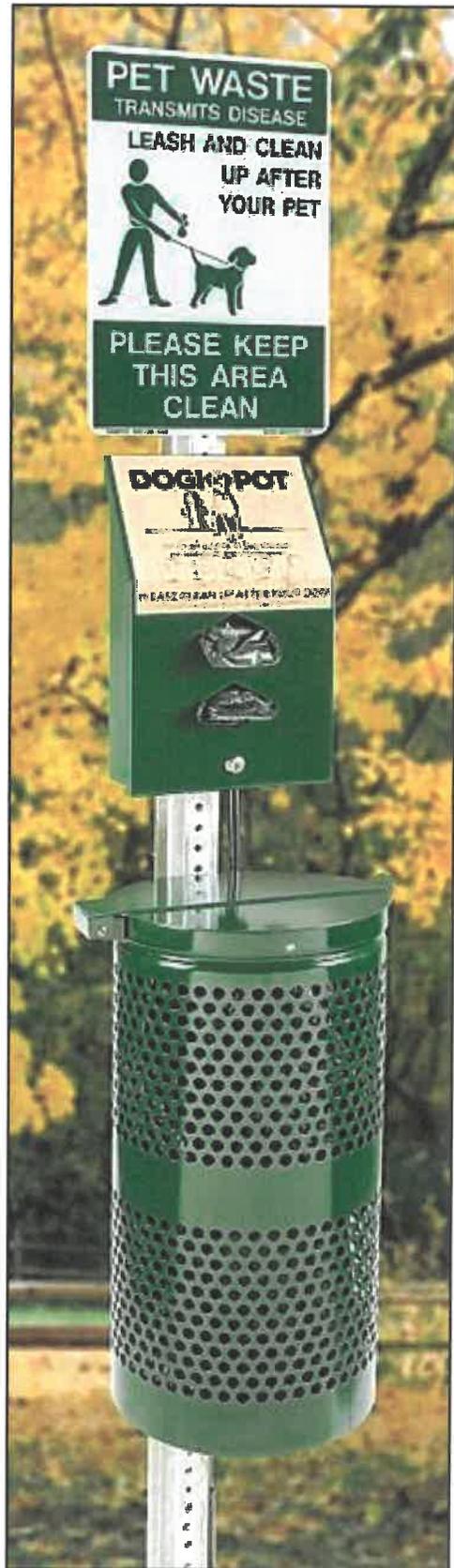
Prepared and Approved by: _____


Steven Adams, City Manager

Proposed King City Pet Waste Station Signage Design



Proposed Pet Waste Station Model



ALL PETS MUST BE ON A LEASH

**TODAS LAS MASCOTAS DEBEN ESTAR
CON CORREA**



PLEASE CLEAN UP AFTER YOUR PET

**PORFAVOR LIMPIAR LOS DESECHOS DE
SU MASCOTA**



Item No. 9(F)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: DOREEN LIBERTO, AICP, COMMUNITY DEVELOPMENT DIRECTOR

RE: CONSIDERATION OF DOWNTOWN ADDITION SPECIFIC PLAN AMENDMENT AND ZONING AMENDMENT (JERRY RAVA II, FRESH FOOD INC.)

RECOMMENDATION:

It is recommended that the City Council conduct the second reading, by title only, and adopt the Ordinance approving the Specific Plan Amendment and Zoning Amendment.

BACKGROUND:

In 2019, Jerry Rava II ("**Applicant**") submitted a number of applications, including a Downtown Addition Specific Plan Amendment ("**SPA**"), Zoning Amendment ("**ZA**"), Conditional Use Permit ("**CUP**"), Architectural Review ("**AR**") and a Tentative Parcel Map ("**TPM**"). On March 3rd, the Planning Commission approved the CUP, AR, and TPM, and recommended to the City Council that they certify the Supplemental Environmental Impact Report ("**S-EIR**"), approve the Mitigation Monitoring Report, and approve the SPA and ZA applications. On March 10, 2020, the City Council adopted a Resolution certifying the S-EIR and conducted the first reading of an Ordinance to amend the Downtown Addition Specific Plan and Zoning Ordinance to designate the Jayne Street Block as R-4 and C-2 Zoning Districts.

DISCUSSION:

Following staff's presentation at the March 10, 2020 meeting, the City Council opened the public hearing. The applicant's representative described the history and vision of the project and showed illustrations of the project, including an animated video. One member of the public representing the commercial lot in the Jayne Street Area (to be

**CITY COUNCIL
CONSIDERATION OF DOWNTOWN ADDITION SPECIFIC PLAN AMENDMENT
AND ZONING AMENDMENT (JERRY RAVA II, FRESH FOOD INC.)
PAGE 2 OF 3**

rezoned) spoke and expressed support for the project. No other members of the public spoke on the item.

The City Council expressed support for the project and unanimously voted to certify the S-EIR and introduce the Ordinance.

ENVIRONMENTAL REVIEW:

In 2019, the current project to amend the DTA-SP and construct a housing project on the Bitterwater Road/Chestnut Avenue Site was proposed. The City determined that the Project could result in significant adverse environmental impacts. A S-EIR was prepared, pursuant to the CEQA Guidelines Section 15163. According to CEQA, an S-EIR should be prepared to evaluate these potential significant adverse environmental impacts if conditions would require the preparation of an S-EIR and if only minor additions or changes would be necessary to make the previous EIR adequate.

It was determined that with mitigation measures, impacts can be reduced to a less than significant level. When a specific project is proposed on the Jayne Street site, the City will analyze the project to determine the appropriate environmental review process. Mitigation measures included in the S-EIR are attached to the COA.

COST ANALYSIS:

There are no costs associated with this action.

ALTERNATIVES:

The following recommendations are provided for City Council consideration:

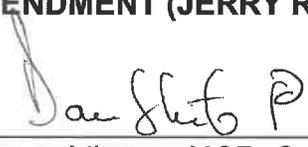
1. Conduct the second reading of the Ordinance;
2. Direct staff to modify the Ordinance;
3. Do not conduct the second reading of the Ordinance;
4. Request additional information; or
5. Provide staff other direction.

Exhibits:

- Exhibit 1: Ordinance No. 2020-787
Exhibit 2: March 10, 2020 Staff Report

**CITY COUNCIL
CONSIDERATION OF DOWNTOWN ADDITION SPECIFIC PLAN AMENDMENT
AND ZONING AMENDMENT (JERRY RAVA II, FRESH FOOD INC.)
PAGE 3 OF 3**

Submitted by:



Doreen Liberto, AICP, Community Development Director

Approved by:



Steven Adams, City Manager

ORDINANCE NO. 2020-787**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING APPROVING DTA-SP AMENDMENT CASE NO. 2019-002 AND ZONING AMENDMENT CASE NO. 2019-002, SUBMITTED BY JERRY RAVA II, FRESH FOODS, INC.**

WHEREAS, on May 24, 2011, the City Council (“Council”) certified a full Environmental Impact Report (“EIR”) (State Clearinghouse No. 2006041150), adopted Statements of Overriding Consideration, approved a Mitigation Monitoring Program (Resolution No. 2011-4355), and conducted the first reading of the ordinance approving the Downtown Addition Specific Plan (“DTA-SP”), including expanding the property along Jayne Street (“Jayne Street Block”) submitted by Smith-Monterey KC, LLC; and

WHEREAS, on June 14, 2011 the Council approved the DTA-SP (Ordinance No. 2011-697); and

WHEREAS, on January 28, 2014, the Council amended the DTA-SP and on February 19, 2014 the Council approved a Vesting Tentative Map (“VTM”) allowing 376 lots; and

WHEREAS, in 2019 Jerry Rava. II, Fresh Foods (“Applicant”) submitted DTA-SP Amendment Case No. 2019-002, Zoning Amendment Case No. 2019-002, Conditional Use Permit Case No. 190-254, Architectural Review Case No. 2019-004 and Tentative Parcel Map Case No. 2019-002, (“Project”); and

WHEREAS, a Supplemental Environmental Impact Report (“S-EIR”) was prepared in accordance with the California Environmental Quality Act (“CEQA”) Guidelines Section 15163, received by the State Clearinghouse on November 20, 2019. (State Clearinghouse No. 2006041150) with a public review period from November 20, 2019 to January 3, 2020; and

WHEREAS, the City’s Project Review Committee (“PRC”) met several times to review the Project, S-EIR and prepare conditions of approval (“COA”) and mitigation measures (“MM”); and

WHEREAS, on February 4, 2020, February 18, 2020 and March 3, 2020 the Planning Commission met at the duly noticed public hearing as prescribed by law to review and consider the information provided in the staff report, S-EIR, and all relevant information and testimony provided during the public hearing; and

WHEREAS, on March 3, 2020, the Planning Commission made findings and recommended the City Council certify the S-EIR and adopt a Mitigation Monitoring Report for the Project; and

WHEREAS, on March 3, 2020, the Planning Commission also recommended the City Council adopt or approve DTA-SP Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002; and

WHEREAS, on March 3, 2020, the Planning Commission approved Conditional Use Permit Case No. 190-254, Architectural Review Case No. 2019-004 and Tentative Parcel Map Case No. 2019-002; and

WHEREAS, on March 10, 2020, the City Council met at the duly noticed public hearing as prescribed by law to review and consider the information provided in the staff report, S-EIR, all relevant information and testimony provided during the public hearing, and the findings and recommendations of the Planning Commission; and

WHEREAS, at that meeting the City Council concurrently considered DTA-SP Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002, as well as the S-EIR for the Project; and

WHEREAS, the City Council now desires to i) adopt a separate resolution certifying the S-EIR and adopt a Mitigation Monitoring Report for the Project; and ii) adopt this Ordinance approving DTA-SP Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred; and

NOW THEREFORE, the people of the chartered City of King City do ordain as follows:

1. Recitals. The City Council hereby specifically finds that all of the facts set forth in the recitals above are true and correct and incorporated herein.
2. CEQA. The City Council has concurrently certified a supplemental EIR and adopted a Mitigation Monitoring Report for the Project, consistent with the California Environmental Quality Act (CEQA). As such, the requirements of CEQA have been satisfied for this Project.
3. General Plan Consistency: The City Council finds and determines that the proposed DTA-SP Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002 are consistent with the adopted General Plan's objectives, policies and programs, for reasons including:
 - a. The Project implements the goal of the Planned Development General Plan Designation established for the property through the use of a Specific Plan. The Downtown Addition Specific Plan Amendment carefully balances the density and mix of land uses in relationship to the existing Historic Downtown while maintaining an appropriate balance of housing types, commercial development and open space.
 - b. The Project addresses the need for additional housing for a variety of incomes, while promoting strong urban design standards.
 - c. The Project will create an economic anchor consistent with the General Plan.
 - d. There is no evidence that DTA-SP Amendment Case No. 2019-002 or Zoning Amendment Case No. 2019-002 are inconsistent with the intent of General Plan or the Specific Plan as amended.
 - e. The Project will locate high-density employee housing near the future Multimodal Transit Center ("MMTC") and anchor the eastern end of the historic downtown core of the City of King with higher density housing, which is consistent with the intent of the General Plan
 - f. The subject property consists of undeveloped/underdeveloped parcels and industrial

uses. The Project would transform an area that is underutilized, separated and fragmented from the rest of the City into an addition to the historic downtown which is cohesive, compatible, and that provides an attractive environment for the enjoyment of the public and future residents.

- g. The Project would facilitate redevelopment according to principles of transit-oriented development and urban design identified in the DTA-SP and King City Historic Corridor Revitalization Plan.
 - h. The State of California, through the Housing and Community Development Department ("HCD"), issues the Regional Housing Needs Allocation? ("RHNA") to regions within the state. The Regional Housing Needs Plan ("RHNP") allocates to AMBAG cities and counties their "fair share" of the region's projected housing needs. In July 2016, HCD certified the City's Housing Element noting that the Project would contribute to the RHNA. Approval of DTA-SP Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002 would assist in meeting the General Plan's RHNA requirements for housing.
 - i. The City Council adopted the Housing Element on March 29, 2016. The Housing Element identifies policies to provide housing for Special Housing Needs populations, including housing for agricultural workers. The Bitterwater Road/Chestnut Avenue housing project is designed to accommodate employee housing, and the Jayne Street property will support future H-2A Visa Housing.
4. Public Health, Safety and Welfare: The City Council finds and determines that DTA-SP Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002, will not adversely affect public health, safety or welfare, for reasons including:
- a. There is no substantial evidence in the record that the design of the Project will cause serious public health problems. The Project will efficiently extend governmental services to the Project Area. Every new lot will be connected to City water, sewer and storm drainage systems which will minimize public health concerns. Mitigation has been imposed on the project to address potential environmental impacts, including those related to hazardous wastes, etc. As such, design of the subdivision maps or the type of improvements is not likely to cause serious public health problems.
 - b. The Project will create new housing opportunities for employees and residents of the City of King.
 - c. The Project would provide the infusion of new investment needed to stimulate the local economy.
 - d. The Project would establish housing projects in close proximity to a proposed King City MMTC. Locating more residential and commercial near the new transit center would increase transit ridership and reduce automobile dependence. The result is reduced gasoline consumption, greenhouse gas ("GHG") emissions and emissions of other pollutants associated with automobile use, which can pollute creeks and the Salinas River. Fewer automobile trips as a result of increased transit ridership also reduces noise pollution and improves congestion on local roadways.
 - e. Land use patterns influence transportation needs; and motor vehicles are the

primary source of air pollution. California is a substantial contributor of global greenhouse gases, emitting over 400 million tons of carbon dioxide ("CO₂") a year. The transit-oriented design of the Project would help achieve reductions in greenhouse gas emissions set by the State of California in AB 32.

- f. The Project site is one of the remaining in-fill areas to build in the City of King and has been designed as Planned Development for a number of years. The site has eighteen (18) legal non-conforming lots (i.e., antiquated subdivision) that will be merged and re-subdivided into two (2) parcels.
 - g. The Project includes dedicated and improved public roads. SB 375 was adopted to reduce GHG by decreasing the amount of CO₂ that spews into the air from vehicles and other emissions. The primary goal of SB 375 is to significantly reduce vehicle miles traveled ("VMT") by implementing a series of Sustainable Community Strategies. SB 375 places considerable emphasis on tying new housing development with access to public transit, and has caused an increased focus on transit-oriented development ("TOD") as a key method for reducing daily use of private vehicles. Additionally, it emphasizes infill development to take the development stress off of land (e.g., agricultural land) miles from existing services and infrastructure.
5. Additional Specific Plan Findings: In addition to the findings noted above, the City Council finds and determines DTA-SP Amendment Case No. 2019-002 is consistent with Government Code §65450 *et seq.*, for the adoption of a Specific Plan, for reasons including the following:
- a. The Project only makes amendments to the DTA-SP and does not remove critical requirements under State law and is consistent with the intent of DTA-SP.
 - b. Removing the portion of the Project known as the Jayne Street property from the DTA-SP and rezoning it to R-4 and C-2 with the Seasonal Employee Dual Land Use Category (Municipal Code Chapter 17.79) will help to provide additional agricultural employee housing.
 - c. Increasing the number of units allowed in the DTA-SP is in line with the State's Affordable Housing Legislation passed in 2019, especially encouraging agricultural employee housing.
 - d. Text and diagrams are included which adequately address the following issues in detail:
 - i. The distribution, location, and extent of the land uses are included in Chapter 3 of the Downtown Addition Specific Plan. Figure 3.5 provides the land uses, including open space, frontage types allowed by zone, and building types allowed by zone.
 - ii. The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area is included in the DTA-SP. Chapter 4 Infrastructure and Public Services, provides information on existing and future infrastructure, including Programs to service future residents.

- iii. Standards and criteria by which development will proceed and standards for the conservation, development, and utilization of natural resources are located throughout the document, depending on the topic. For example, Chapter 3.7 (6) includes energy conservation standards for signage; Chapter 3.9.7 identifies principles for conservation preservation and to enhance and balance the natural environment with the economy; and Chapter 4 provides infrastructure conservation standards.
 - iv. A program of implementation measures including regulations, programs, public works projects, and financing measures necessary to carry out its build out. Chapter 5 provides the implementation schedule for phasing of infrastructure.
 - v. A proposed Financing Plan, and methods and procedures for implementation is included in the DTA-SP, and therefore, a condition of approval (“COA”) regarding Fiscal Neutrality is not needed. Additionally, the COAs and mitigation measures (“MM”) attached to the Project specify the type of financing mechanisms needed for future buildout of the DTA-SP area.
 - vi. Removal of the Fiscal Neutrality requirement will help to facilitate the construction of employee and agricultural employee housing.
6. Additional Zoning Amendment Findings: In addition to the findings previously made, the City Council finds and determine, based on the information contained in the staff report and other items in the record, that all the findings contained in the Municipal Code for approval of Zoning Amendment Case No. 2019-002 can be made, for reasons including as follows:
- a. The Zoning Amendment will not result in a significant adverse effect on the environment and will not affect public health, safety, or welfare because it will be consistent with the goals, policies and objectives established by the General Plan, as amended, and requires the Project to participate in the extension of the First Street by-pass.
 - b. The Zoning Amendment is consistent with the General Plan Land Use Map and applicable General Plan objectives, policies and programs including because the Jayne Street Project area is within the Planned Development land use designation, and is consistent with the DTA-SP as amended.
 - c. The Zoning Amendment is compatible with adjacent land uses because it allows commercial and residential land uses, which are similar to surrounding areas.
 - d. The Zoning Amendment is a logical extension of the Historic Downtown Corridor area and First Street Corridor.
 - e. The Zoning Amendment includes overlaying the seasonal employee housing designation to properties at the southwest corner of Pearl Street and Jayne Street, which will encourage the construction of H2-A Visa employee housing.
 - f. The Zoning Amendment will help to facilitate the construction of employee and agricultural housing and allow a small commercial development to serve the employee and agricultural housing occupants.
7. Approval. Given the forgoing findings and determinations, the City Council approves

DTA-SP Amendment Case No. 2019-002 as set forth in Exhibit A hereto, and approves Zoning Amendment Case No. 2019-002 as set forth in Exhibit B.

- 8. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction such portion shall be deemed a separate, distinct and independent provision of such Ordinance and shall not affect the validity of the remaining portions thereof.
- 9. Effective Date. This ordinance shall take effect and be in full force and effect from and after thirty (30) calendar days after its final passage and adoption. Within fifteen (15) calendar days after its adoption, the ordinance, or a summary of the ordinance, shall be published once in a newspaper of general circulation by the City Clerk.

I **HEREBY CERTIFY** that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the _____ day of _____ 2020, and adopted the Ordinance after the second reading at a regular meeting held on the _____ day of _____ 2020, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST

STEVE ADAMS, City Clerk

CITY OF KING

By: _____
MIKE LEBARRE, Mayor

APPROVED AS TO FORM:

By: _____
ROY C. SANTOS, City Attorney
Aleshire & Wynder, LLP

I, _____, City Clerk of the City of King, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Ordinance passed and adopted by the City Council of the City of King on the date and by the vote indicated herein.

Exhibit A: DTA-SP Amendment Case No. 2019-002

Exhibit B: Zoning Amendment Case No. 2019-002

Exhibit A

DTA-SP Amendment Case No. 2019-002

This Exhibit is available on the City website as well as City Hall.

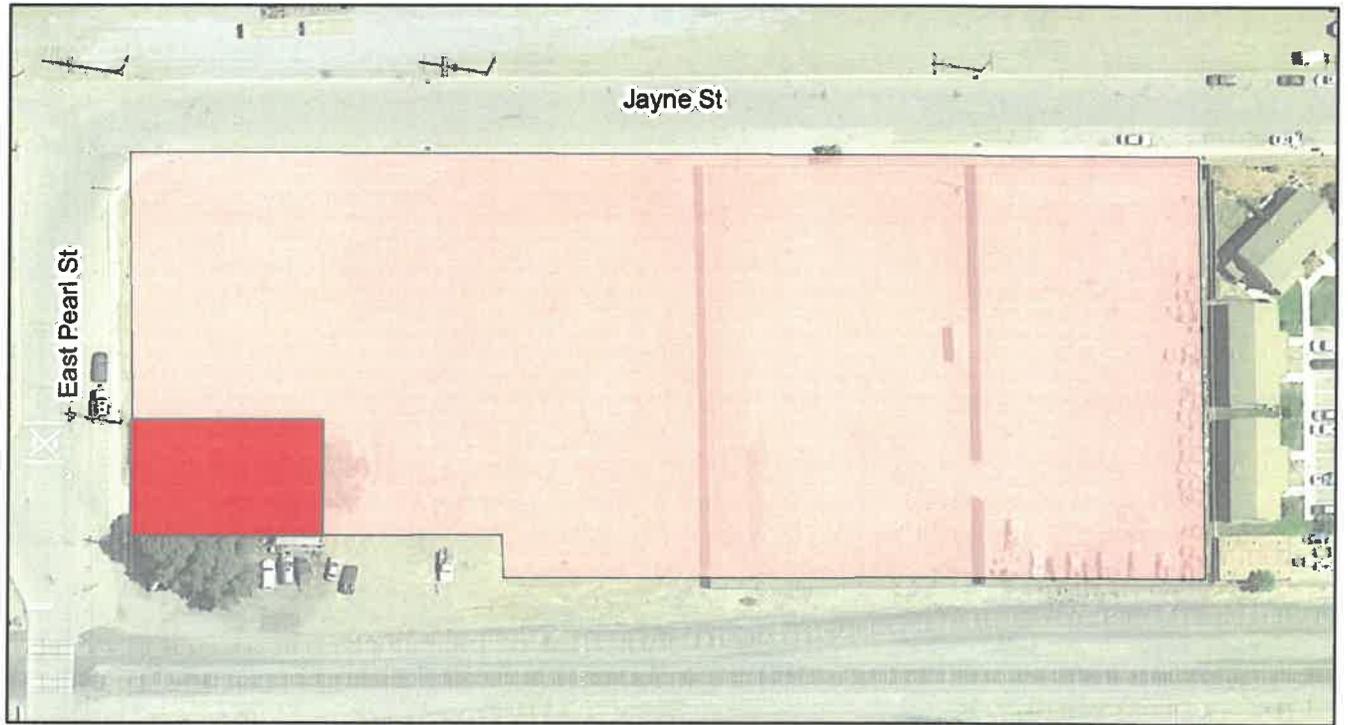
Exhibit B
Zoning Amendment Case No. 2019-002



0 100 feet

Existing Zoning -
Neighborhood Center (NC)

Existing Zoning -
Neighborhood General 3 (NG-3)



0 100 feet

Proposed (Dual) Zoning -
Multi-Family Residential and
Professional Offices (R-4) and
Seasonal Employee Housing

Proposed Zoning -
General Commercial (C-2)

Source: Monterey County GIS 2018, ESRI 2019

Figure 3-2
Zone Change





Item No. 10(A)

 REPORT TO THE CITY COUNCIL

DATE: MARCH 10, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: DOREEN LIBERTO, AICP, COMMUNITY DEVELOPMENT DIRECTOR

RE: CONSIDERATION OF DOWNTOWN ADDITION SPECIFIC PLAN AMENDMENT AND ZONING AMENDMENT (JERRY RAVA II, FRESH FOOD INC.)

RECOMMENDATION

It is recommended that the City Council open the public hearing, consider public testimony, adopt a Resolution which certifies the Supplemental Environmental Impact Report and approves the Mitigation Monitoring Report, and introduce and conduct the first reading of an Ordinance approving the Specific Plan Amendment and Zoning Amendment, by title only, and set the second reading and adoption for the next regularly scheduled Council meeting of March 24, 2020.

BACKGROUND

The City has been working with applicants on affordable housing and employee housing projects over the last several years in accordance with the City's Housing Element of the General Plan. The State of California has also mandated that local jurisdictions approve more housing units. One project that the City has worked on with Jerry Rava II and his team is to build employee housing within the Downtown Addition Specific Plan. In 2019, Jerry Rava II ("**Applicant**") submitted a number of applications, including a Downtown Addition Specific Plan Amendment ("**SPA**"), Zoning Amendment ("**ZA**"), Conditional Use Permit ("**CUP**"), Architectural Review ("**AR**") and a Tentative Parcel Map ("**TPM**"). The applications propose to build 118 employee housing units on the Bitterwater Road/Chestnut Avenue site, remove the Jayne Street Block from the DTA-SP (and eventually construct an H-2A employee housing project on a portion of the Jayne Street Block), and make numerous changes to the DTA-SP, including increasing the number of units from 650 to 710, reduce the commercial square footage from 190,060 square feet to

148,060 square feet, and allow three (3) stories as part of the employee housing project. (*Reference Exhibit 1.*)

Pursuant to the Municipal Code, the Planning Commission makes decisions on CUPs, AR and TPMs, and makes recommendations on SPAs and ZAs. On **March 3, 2020**, the Planning Commission adopted: (1) Resolution No. 2020-276 which recommends the City Council certify the Supplemental Environmental Impact Report ("**S-EIR**") and approve the Mitigation Monitoring Report; and (2) Resolution No. 2020-275 which recommends the City Council approve SPA Case No. 2019-002 and ZA Case No. 2019-002. The Planning Commission also approved CUP No. 190-254, AR Case No. 2019-004, and TPM Case No. 2019-002 subject to the City Council's affirmative actions. The Planning Commission did not have any major concerns with the project and did not request any design modifications.

On **May 24, 2011**, the City Council certified a Full-Environmental Impact Report ("**F-EIR**") (State Clearinghouse No. 2006041150), adopted Statements of Overriding Consideration, approved a Mitigation Monitoring Program (Resolution No. 2011-4355), and conducted first reading of the ordinance approving the DTA-SP. On **June 14, 2011** the City Council conducted the second reading of the ordinance approving the DTA-SP (Ordinance No. 2011-697), submitted by Smith-Monterey KC, LLC. The area was expanded to include property along Jayne Street ("**Jayne Street Block**").

The DTA-SP, including associated entitlements, authorized the phased construction, use, occupancy and habitation of: (1) up to 650 dwelling units in various configurations of attached and detached forms; (2) up to 190,060 square feet of commercial space; (3) 23.99 acres of open space and parks; and (4) associated public improvements and infrastructure. The entire DTA-SP area is approximately 110 acres and is located at the eastern edge of the existing historic downtown area.

In **May of 2013**, New Urban Reality Advisors (on behalf of Smith-Monterey) submitted a Vesting Tentative Map ("**VTM**") for four-hundred and seventeen (417) lots. The number of lots was eventually reduced to three-hundred and seventy-six (376) lots on approximately one-hundred acres (100). In **September 2013**, an SPA application was submitted to address details identified during processing the VTM, and ensure the VTM was consistent with the Specific Plan. On **December 10, 2013**, the City Council found that CEQA guidelines Section 15162 was applicable to the application (Resolution No. 2013-4428).

On **January 28, 2014**, the City Council amended the DTA-SP. On **February 19, 2014** the City Council approved the VTM allowing 376 lots. An initial study was prepared to determine whether the 2014 amendment required a subsequent or S-EIR, and the City determined that none of the findings had occurred that would require preparation of a subsequent or S-EIR.

The current proposed project includes:

1. SPA to accommodate a 118-apartment-style employee housing project near Bitterwater Road/Chestnut Avenue, allow three (3) stories within certain areas of the DTA-SP, increase the total number of DTA-SP dwelling units from 640 to 710, decrease the commercial square footage from 190,060 to 148,060, remove the Jayne Street Site from the DTA-SP, and various other changes. **(Reference Exhibits 8 and 9.)**
2. Zoning District Amendment to change the zoning of the area removed from the DTA-SP. Proposed zoning is primarily Multiple Family Residential and Professional Offices District ("**R-4**") with a Seasonal Employee Housing overlay. A small portion (lot with existing auto repair show) will be rezoned to General Commercial District ("**C-2**"). CUP and AR applications will be required when a specific project is proposed on the Jayne Street site. **(Reference Exhibit 10.)**
3. CUP to allow 118 employee housing units in the NC Zone on the Bitterwater Road/Chestnut Avenue site (approximately 5.2 acres). The density is 22.7 dwelling units/acre. The DTA-SP allows residential uses in the NC zone if a CUP is approved. **(Reference DTA-SP Figure 3-1 Downtown Addition Regulating Plan.) (Reference Exhibit 5.)**
4. AR to determine proposed structures to accommodate 118 residential units on the Bitterwater Road/Chestnut Avenue Site meet the DTA-SP site and building design standards. **(Reference Exhibit 6.)**
5. TPM to merge 18 lots into two (2) lots on the Bitterwater Road/Chestnut Avenue site. **(Reference Exhibit 7.)**

An S-EIR has been prepared which was received by the State Clearinghouse on November 20, 2019. (State Clearinghouse No. 2006041150.) The public review period was from **November 20, 2019 to January 3, 2020**. Comments were received from the following interested parties:

- County of Monterey Health Department
- Monterey Bay Air Resources District (MBARD)
- Transportation Agency for Monterey County (TAMC)
- Central Coast Regional Water Quality Control Board

The comments have been addressed in the Final S-EIR. **(Reference Exhibit 11.)**

The proposed Project was brought before the King City Airport Advisory Committee ("**Committee**") on **December 9, 2019**. The Committee had no notable

concerns and granted their approval of the project. The Project was also brought before the Monterey County Airport Land Use Commission (“ALUC”) on December 16, 2019. The ALUC found that the project was consistent with the Comprehensive Land Use Plan for the Mesa del Rey Airport. The ALUC imposed two standard conditions (ALUC-1 and ALUC-6) on the project, which are incorporated in the recommended COA for the Bitterwater Road/Chestnut Avenue project and eventual Jayne Street project.

The DTA-SP area is adjacent to the eastern edge of the existing historic downtown area and is separated from it by First Street and the Union Pacific (“UPRR”) railroad tracks. The site boundaries are roughly Bitterwater Road to the north, the UPRR right-of-way to the west, a portion of San Lorenzo Creek to the south and southeast, and the City’s municipal boundary to the east. The DTA-SP included property owned by other property owners in addition to Smith-Monterey KC, LLC. All property owners were contacted to gain their consent to be part of the DTA-SP prior to its adoption. No property owner contested being part of the DTA-SP.

The Bitterwater Road/Chestnut Avenue Employee Housing project site is in the northwest corner of the DTA-SP area. The site is bounded by Bitterwater Road to the north, and the UPRR railroad tracks to the west.

The Jayne Street site that is expected to support a future farmworker housing project (e.g., H2-A Housing) is located in the southwest corner of the DTA-SP area. The proposal is to remove this site from the DTA-SP. (Reference Exhibit 1.)

Table 1 General Plan Designation/Zoning/Land Uses		
	Bitterwater Road/Chestnut Avenue Site:	Jayne Street Block:
Existing General Plan Designation	Planned Development (PD)	Planned Development (PD)
Proposed General Plan Designation	No Change	No Change
Existing Zoning	PD/SP 2010-001 (Base Zone) NC (DTA-SP Zone)	PD/SP 2010-001 (Base Zone) NG-3 & NC (DTA-SP Zone)
Proposed Zoning	No Change	R-4 with Employee Housing Overlay (remove DTA-SP Zones) and C-2 where the auto repair shop is located
Existing Land Use	Warehouses, houses and vacant lands	Primarily vacant lands with auto repair shop

Proposed Land Use	118-unit employee housing units	No changes at this time, but plans for future farmworker housing
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** R-4 = Multiple Family Residential and Professional Offices District; C-2 = General Commercial District; NC = Neighborhood Commercial; NG-3 = Neighborhood General 3

DISCUSSION

The Applicant proposes an SPA and ZA to facilitate development of the Bitterwater Road/Chestnut Avenue site and to prepare the Jayne Street site for a future H2-A farmworker housing project.

Analysis: 2020 DTA-SP Amendment

The Applicant determined that amendments to the DTA-SP were necessary in order to accommodate the development of an employee housing project on the Bitterwater Road/Chestnut Avenue site. **Table 2** below summarizes some of the notable proposed amendments. More minor proposed amendments are not summarized in the table, but are detailed in the "Summary of Changes" included as **Exhibit 8. (Reference Exhibit 3 for proposed COA/MM.)**

Table 2 Summary of Notable DTA-SP Changes		
Feature	Current	Proposed
No. of Dwelling Units	650	710
Max. SF Commercial Space	190,060	148,060
Total Area (acres)	110.18	101.1
Area of Street ROW (acres)	30.70	29.72
Street Connection	Includes Metz – Ellis Extension	Removes Metz – Ellis Extension
Building Height	Two Stories Max (41')	Three Stories Max (51')
Project Fiscal Neutrality	Required	Not Required
Jayne Street Site	Within DASP	Removed from DASP
Sound Attenuation Wall	Not explicitly permitted	Permitted on properties adjacent to railroad
Implementation Schedule	Specific time periods	Conceptual, according to market demand

Building Height. The existing DTA-SP allows a building height of forty-one (41') feet in the NC zone. The allowed maximum height of a building is based on the architectural style of the building. The amendment proposes an increase to the maximum height in the NC zone to fifty-one (51') feet.

The proposed amendments would allow three (3) story buildings where buildings are currently limited to two (2) stories (however the existing DTA-SP allowed for three (3) story "architectural elements"). The purpose of allowing three (3) story

buildings is to help promote construction of both affordable and market rate housing within the DTA-SP (this is the first development project proposed since adoption of the DTA-SP in 2011). It will also increase design flexibility and economic feasibility of mixed-use and commercial projects in the future.

The primary reason for the current limit of two stories city-wide was the potential impact on the City's Fire ISO rating due to the absence of a ladder apparatus. The City Council recently approved a development impact fee on any buildings higher than two-story, which will help fund the differential cost required to add a ladder attachment when the Fire Department replaces its next engine. Therefore, a strategy is in place to mitigate the cause for this restriction. Staff is currently assessing where else in the City three (3) story buildings may be appropriate. At this time, it is recommended to limit them only to hotels, and within the DTA-SP as part of this proposed amendment. On **May 14, 2019**, the City Council adopted a fire truck fee (Ordinance No. 2019-774). A COA is included which requires the Applicant to pay the fee.

Increase in Total DTA-SP Residential Units. Due to the fact the proposed Bitterwater Road/Chestnut Avenue housing project is located in a zone that originally contemplated a mix of commercial and residential development, the implementation of this project alters the overall residential projections for the entire DTA-SP from 650 to 710 units. In turn, this reduces the projected commercial square footage from 190,060 SF to 148,060 SF. The State of California has been encouraging local jurisdictions to increase the number of units to address the housing crisis. An increase in the number of units is in alignment with State direction regarding providing more housing.

Staff finds that this change is consistent with the purpose and goals of the DTA-SP. In fact, bringing additional residents into the neighborhood will work to stimulate commercial growth in the DTA-SP. Creating dwelling units on the site, which is close to the existing downtown core, will also benefit the economic health of the downtown.

Fiscal Neutrality. The Applicant has requested elimination of a requirement requiring evidence that all projects within the DTA-SP area will be fiscally neutral. The City understands that this requirement may create an undue barrier to development within the DTA-SP area. In an effort to support the current proposed Bitterwater Road/Chestnut Avenue Employee Housing project, and incentivize other future projects within the DTA-SP, staff supports the removal of the requirement for fiscal neutrality. Accordingly, COA No. 28, which was readopted in 2014, will be removed. It is important to know that it is very difficult to accurately project fiscal neutrality given constantly changing economic conditions. Therefore, such a requirement is costly and provides little benefit.

Development Agreement. On August 8, 2014, the City entered into a Development Agreement with Smith-Monterey, KC, LLC. on portions of the area included in the DTA-SP. Cal Government Code §65864 *et. seq.* allows a local jurisdiction and developer to enter into an agreement whereby the developer is insulated from future land use actions by the city that might otherwise prevent the developer from completing the approval. The Project has no impact on the Development Agreement.

Inclusionary Housing. The DTA-SP was conditioned to provide ninety-eight (98) affordable housing units, or pay an in-lieu fee, based on the Inclusionary Housing Ordinance in place at the time. (The increase in the total number of units from 640 to 710 will proportionately increase the number of inclusionary housing units.)

The proposed Project has an independent requirement to provide inclusionary housing. Since the adoption of the DTA-SP in 2011, the City updated the Inclusionary Housing Ordinance. Municipal Code Chapter 17.19 (Inclusionary Housing) now requires private developers of housing of twenty or more units, including division of property for residential purposes, to contribute to the City's housing goal by constructing housing for very low income and low-income households. Alternatively, developers can pay a fee in-lieu of developing all or some of the required affordable units. (COA No. 8 requires the Applicant to meet the inclusionary housing requirement prior to finalizing the first occupancy permit.)

Development Impact Fees. The project has been conditioned to pay development impact fees, including a fire truck fee. On May 14, 2019, the City Council adopted a fire truck development impact fee on any buildings higher than two-story, which will help fund the differential cost required to add a ladder attachment when the Fire Department replaces its next engine (Ordinance No. 2019-774). The applicant has also requested that impact fees be deferred until occupancy, which is allowed under with Council approval under a recent ordinance adopted by Council. Staff will present an agreement regarding fee deferral recommendations for consideration at the next meeting.

Zoning District Amendment – Jayne Street Site. No zoning change is proposed on the Bitterwater Road/Chestnut Avenue site. However, a zone change is proposed on the Jayne Street Block. As indicated in **Table 1** above, the existing zoning consists of PD/SP 2010-001 (Base Zone) and NG-3 & NC (DTA-SP Zone). The proposed zoning is R-4 with Employee Housing Overlay (remove DTA-SP Zones).

The following General Plan sections detail the purpose of the proposed High Density Residential and General Commercial Zones.

- **High Density Residential:** *The high-density residential designation applies to a mixture of uses. Residential uses range from single-family residential units to*

multiple-family dwellings, including boarding houses. Certain commercial uses are permitted, including professional offices, hotel services, convalescent hospitals, and child nurseries. The land use density for this designation is ≤ 24 du/gross acre.

- **General Commercial:** *The General Commercial designation applies to low-scale commercial, service, and office uses located along the City's arterials and collector streets. Some of these areas were developed as auto-oriented "strip" shopping centers while others are freestanding offices, commercial uses, or clusters of businesses meeting the day-to-day needs of the city's residents. Multiple zoning designations apply within this category to distinguish their different physical characteristics and uses. Typical retail commercial uses might include supermarkets, drug stores, restaurants, and miscellaneous small local-serving stores and services. Typical office commercial uses might include banks, finance, real estate, medical and dental offices, and professional services. Typical service commercial uses might include hotels, gas stations, fast food restaurants, used car sales, and minor auto repair businesses. In some zones, mixed uses are allowed, along with agricultural employee housing and affordable housing.*

(LUE, Chapter 7)

The Land Use Element also includes an Objective related to the dual land use designation for employee housing. The Objective is as follows:

- **Objective/Dual Land Use Designation:** *Allow employee housing construction along portions of First Street to help support the needs of the agricultural community.*

Policy 7.1.1 supports this Objective:

- *The City shall allow a broad range of housing types for seasonal employee housing, including group living quarters, such as barracks and bunkhouses, multiply family units, such as apartments and multi-generational housing, and single-family units, that are the same architectural and design standards as for regular housing projects.*

The proposal to remove the Jayne Street Area from the DTA-SP and rezone the properties in preparation for a seasonal employee housing project is consistent with the above General Plan objective and policy. In summary, the current proposal will work to promote development of needed farmworker/employee housing within King City in an area that is close to existing schools, shops, and transportation options.

Advantages

The proposed SPA would be beneficial to the City for a number of reasons. First, the revisions facilitate the proposed employee housing on the Bitterwater Road/Chestnut Avenue Site. This will help address an important seasonal employee housing need and reduce the impact of that need on other housing stock in the community. The City has established addressing housing needs as one of its major priorities. The current housing shortage results in overcrowding, substandard housing conditions, and has negative economic impacts due to the difficulty it creates for local business and organizations to hire needed employees. Second, following construction, the nearby downtown businesses would benefit having new residential units within walking distance and the building and open space areas will enhance the area aesthetically through its design and landscaping. Third, the proposal to remove the Jayne Street Site from the DTA-SP and rezoning it will also be beneficial for similar reasons because it will facilitate development of additional housing units near the downtown core. Fourth, staff believes the project is well designed and will improve the appearance of what was formerly a blighted property.

Disadvantages

The project will reduce land currently available for potential commercial project. However, staff believes the remainder of the DTA – SP maintains sufficient area to meet future retail needs. It also establishes a need for the City to upgrade its Fire apparatus.

Project Review Committee (“PRC”) Comments and Review by Agencies

Since the project was proposed, the PRC has been meeting on a regular basis to provide comments. PRC reviewed the COA and MM from the previous 2011 and 2014 DTA-SP amendments. These COA and MM continue to apply to the current proposal. However, some are being revised as appropriate to accommodate the proposed DTA-SP amendments and to facilitate development of the Bitterwater Road/Chestnut Avenue site. All previously approved COA and MM and related applications are applicable unless otherwise modified.

Public Notice and Input

Public notice was published in the local newspaper on **January 22, 2020**. Public notice was mailed to property owners within three-hundred (300') feet on **January 17, 2020**. One comment letter in support of the project from Smith Monterey KC, LLC was received.

Notice for the **March 10, 2020** meeting was published in the local newspaper on **February 26, 2020**. Public notice was mailed to property owners within three-hundred (300') feet on **February 20, 2020**.

COST ANALYSIS

The Applicant pays for the cost to process the project applications.

ENVIRONMENTAL REVIEW

A Full Environmental Impact Report ("**F-EIR**") prepared in accordance with the California Environmental Quality Act ("**CEQA**") was certified by the City Council on **May 24, 2011**. The F-EIR analyzed several aspects of the project, including submittal of a VTM. The City Council adopted Statements of Overriding Considerations, which acknowledged that although adverse impacts may result, specific project benefits outweighed the project's unavoidable adverse environmental impacts on agriculture (conversion of Prime Farmland), noise, and traffic.

In 2013, an application for an amendment to the specific plan was filed with the City of King that affected approximately 100 acres of the specific plan area. Staff prepared an initial study on the amended DTA-SP and VTM and determined they would not have potential significant adverse environmental impacts. Therefore, the issues associated with the amended VTM were adequately addressed in the 2011 certified EIR. On **December 10, 2013** the City Council found that CEQA guidelines Section 15162 was applicable to the application (Resolution No. 2013-4428).

In 2019, the current project to amend the DTA-SP and construct a housing project on the Bitterwater Road/Chestnut Avenue Site was proposed. The City determined that the Project could result in significant adverse environmental impacts. An S-EIR was prepared, pursuant to the CEQA Guidelines Section 15163. According to CEQA, an S-EIR should be prepared to evaluate these potential significant adverse environmental impacts if conditions would require the preparation of an S-EIR and if only minor additions or changes would be necessary to make the previous EIR adequate.

EMC Planning Group Inc. prepared the S-EIR and worked with the City to accomplish the noticing requirements. The S-EIR finds that while there are existing significant impacts identified in the 2011 EIR, the proposed DTA-SP amendments and the proposed housing projects will not create new significant impacts (after mitigation). The S-EIR also proposes revisions to some of the existing mitigation measures to ensure they can be appropriately applied to the Bitterwater Road/Chestnut Avenue Employee Housing Project. (NOTE: since Statements of Overriding Consideration were made on the 2011 approval, they do not need to be made on subsequent approvals).

One significant "Hydrology and Water Quality" impact related to the Jayne Street site was identified. However, with a mitigation measure this impact can be reduced

to a less than significant level. When a specific project is proposed on the Jayne Street site, the City will analyze the project to determine the appropriate environmental review process. Mitigation measures included in the S-EIR are attached to the COA.

ALTERNATIVES

The following alternatives are provided for City Council consideration:

1. Certify the S-EIR and Approve Specific Plan Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002.
2. Certify the S-EIR and Approve Specific Plan Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002 with specific modifications.
3. Do Not Certify the S-EIR Deny Specific Plan Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002.
4. Provide other direction to staff.

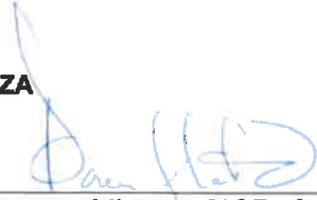
Exhibits:

- Exhibit 1 – Site Location Map
- Exhibit 2 – Comment Letter from Smith-Monterey KC, LLC
- Exhibit 3 – 2020 Amended Conditions of Approval/Mitigation Measures
- Exhibit 4 – 2011 and 2014 Conditions of Approval/Mitigation Measures
- Exhibit 5 – CUP Site Plans and Elevations
- Exhibit 6 – Architectural Site Plan and Detail Sheets
- Exhibit 7 – Tentative Parcel Map
- Exhibit 8 – Proposed Summary of DTA-SP Amendments
- Exhibit 9 – Proposed Amended DTA-SP
- Exhibit 10 – Proposed Zoning Amendment Map
- Exhibit 11 – Public Review S-EIR, Appendices, and Final S-EIR
- Exhibit 12 – Ordinance: Approval of Specific Plan Amendment and Zoning Amendment Applications
- Exhibit 13 – Resolution: Certification of S-EIR and Mitigation/Monitoring Plan

Exhibits are available on the website under the March 10th Meeting Agenda

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Submitted by:



Doreen Liberto, AICP, Community Development Director

Approved by:



Steven Adams, City Manager



Item No. 9(G)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF AMENDMENT TO LEASE WITH THE SALINAS VALLEY FAIR, INC.

RECOMMENDATION:

It is recommended the City Council 1) approve a new lease agreement with the Salinas Valley Fair, Inc. for the arena property; and 2) authorize the City Manager to execute the lease amendment and make any non-substantive changes necessary as approved to form by the City Attorney.

BACKGROUND:

The City entered into an agreement with the Salinas Valley Fair, Inc. ("Fair") on March 2, 2009 to lease City-owned property, including the arena and a portion of property adjacent to the tennis courts referred to as the Andrus property. The lease was due to expire on March 2, 2019 with an option to extend for an additional 10-year period provided rent shall be mutually agreed upon. The Fair notified the City of its intent to exercise the option to extend the lease within the time prescribed by the provisions of the agreement. On February 26, 2019, the City Council approved a six-month extension in order to provide time to negotiate the terms of the lease extension and/or sale of the property. An additional extension was approved on September 10, 2019. Negotiations have been extended in order to resolve issues involved with sale of the Andrus property portion of the lease.

DISCUSSION:

The City and representatives of the Fair have reached agreement on sale of the Andrus property. Meanwhile, it is proposed to extend the lease for the Arena for the additional option period of 10 years. Therefore, the City Attorney's Office has drafted a new lease, which includes the same terms, but eliminates the Andrus

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property. The document has been reviewed by the Fair and is now being presented to the City Council for consideration.

COST ANALYSIS:

The current rent for these properties results in \$2,000 annual revenue for the City.

ENVIRONMENTAL REVIEW:

Staff has performed a preliminary environmental assessment of this action and has determined that it falls within the Categorical Exemption set forth in Section 15301, which includes leases for public structures and facilities. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Approve staff's recommendations;
2. Modify the proposed lease terms and approve;
3. Do not approve the lease amendment; or
4. Provide staff with other direction.

Exhibits:

1. Lease Agreement

Prepared and Approved by:



Steven Adams, City Manager

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Attention: City Clerk
212 So. Vanderhurst Ave.
King City, California 93930

APN.023-141-09 and 026-141-096

[SPACE ABOVE FOR RECORDER'S USE ONLY]
Exempt from filing/recording fees per Govt. Code §27383

LEASE AGREEMENT

This Lease Agreement ("**Lease**") is made and entered into on this ____ day of _____, 2019 ("**Lease Date**"), by and between the CITY OF KING, a municipal corporation ("**Landlord**") and SALINAS VALLEY FAIR, INC., a California nonprofit Corporation, hereinafter ("**Tenant**"). Landlord and Tenant are sometimes individually referred to as a "**Party**" and jointly as the "**Parties.**"

RECITALS:

A. Landlord owns that certain real property situated in the City of King, County of Monterey, State of California, designated as a portion of Assessor's Parcel Numbers 023-141-095 and 026-141-096 commonly known as the Arena more particularly described in **Exhibit A** attached hereto and incorporated herein by reference and shown on the map attached hereto as **Exhibit B**, excluding the public restroom facilities open to City's Municipal Park property adjacent to the Arena. ("**Real Property**").

B. With respect to the Real Property, Landlord previously entered into a lease agreement with Salinas Valley Fair, Inc. dated March 2, 2009, which was set to expire on March 2, 2019. That 2009 Lease Agreement was amended and extended the terms of the lease for an additional six months and then a subsequent three months to facilitate the negotiations of a lease extension.

C. The Tenant desires to continue to lease the designated Real Property from Landlord and Landlord desires to continue to lease to Tenant the designated Real Property herein pursuant to the terms set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. Lease Premises.

1.1. Lease Premises. Subject to the terms of this Lease, Landlord hereby Leases to Tenant and Tenant hereby leases from Landlord, the portions of the property commonly known as the Arena described in **Exhibit A**, and shown on the map in **Exhibit B**, excluding the public restroom facilities open to City's Municipal Park property adjacent to the Arena. ("**Leased Premises**")

1.1.1. Disclosure. Tenant is advised as follows: The Leased Premises have not undergone an inspection by a certified accessibility specialist as defined in Civil Code section 1938.

2. Term; Right to Terminate.

- 2.1. Effective Date:** This Lease shall be effective upon recordation in the Official Records in California ("**Effective Date**")
- 2.2. Lease Term:** This Lease shall commence on the Effective Date and terminate ten (10) years thereafter, unless terminated earlier as set forth in this Lease. ("**Term**")
- 2.3. Recordation.** Within ten (10) business days of the execution and acknowledgement of this Lease by both parties, Landlord shall cause a copy of this Lease to be recorded in the Official Records of Monterey County ("**Official Records**") pursuant to Government Code Section 37393. Upon termination or exercise of any rights under this Lease or an amendment of this Lease, the parties shall record a copy thereof in the Official Records. Upon termination of the Lease, Tenant shall promptly execute, acknowledge and deliver to Landlord any documents reasonably requested by Landlord in order to terminate the Lease in the Official Records.

3. Rent and Other Consideration.

- 3.1. Basic Rent.** On the Effective Date and thereafter, the Tenant shall pay to the Landlord an annual rent of two thousand dollars (\$2,000) payable in two equal semi annual installments. The first installment is due and payable on the 1st day of January each year during the term of the lease. The second installment is due and payable on the first day of July each year during the term of the lease.

Payment shall be made to the City of King, 212 So. Vanderhurst Ave., King City California 93930.

- 3.2. Rent Increase.** The annual rent shall be increased by one hundred dollars (\$100.00) on the first day of January each year, beginning with January 2020.
- 3.3. Late Charge.** If Rent is not received by Landlord within ten (10) days of the due date, Tenant shall pay to Landlord an additional sum of ten percent (10%) of the overdue amount as a late charge, which is agreed to represent a reasonable estimate of the costs incurred by Landlord on account of such delinquency. Acceptance of a late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

- 3.4. Conditions.** Payment of said rents and the performance by the Tenant of all agreements herein set forth shall be a condition precedent to the Tenant's right to occupy the Leased Premises.
- 4. Security Deposit.** Tenant is not required to provide, and has not provided, a security deposit to Landlord.
- 5. Use of Premises.**
- 5.1. Use.** Tenant shall use the Leased Premises for the following purposes: stadium, a park, recreational event, fair, exhibitions, rodeo, livestock and show events, short term rental of Leased Premises for such events, and other purposes incidental thereto. In addition, the keeping of animals overnight during the Fair and other interim events and the temporary raising of livestock by 4-H and FFA members for exhibition at the fair, as described in paragraph 5.2, shall be a permitted use of the Leased Premises. Tenant agrees that it will not at any time during the term of this Lease use the Leased Premises for any other purpose or purposes without prior written consent of the Landlord, which consent the Landlord shall not unreasonably withhold. The parties agree that the Tenant shall have the right to use a portion of the Softball League Park located on City's Municipal Park property adjacent to and easterly of the Arena for motor vehicle parking during the Fair without prior consent of the Landlord, and during other interim events, provided Tenant obtains Landlord's prior written approval, which Landlord shall not unreasonably withhold. In the event Tenant utilizes that portion of the Softball League Park located on the City's Municipal Park property for parking, Tenant shall repair any damage to the property caused by such use and use its best efforts to return the property to as near original condition as possible following such use.
- 5.2. Livestock on Premises.** Tenant, event participants, and tenant stock contractors shall be permitted to keep Livestock on the Leased Premises overnight during the fair and during other permitted uses. The temporary raising of animals by 4-H and FFA members for exhibition at the Fair shall be permitted on the Leased Premises from January 1st to May 31st
- 5.3. Surplus City Water.** Tenant shall have free access to and use of that portion of water from Landlord's well and pump that is not required by the City for its park, golf course and recreational facilities presently existing or that may exist in the future, such water to be supplied by City in adequate amounts, however, for the sole use and benefit of the Leased Premises.
- 5.4. Landlord's Use of Fair Building and Facilities.** Subject to its own requirements, Tenant shall permit Landlord to occupy one of the Fair's buildings located upon the Fair's adjoining said premises, at no cost to the Landlord, one time per year during the Lease Term and any extension thereof for any public purpose, provided such building is not being used or occupied for another Fair approved user. Landlord is not permitted to sublet said building. The Tenant

agrees to rent Fair's buildings to the Landlord, during the Lease term, at a special at-cost rental rate, established by the Fair which will cover its administrative, set-up, clean up and other costs related to said rental, provided the Fair shall not be obligated to rent any building to the Landlord that is otherwise scheduled to be occupied by an other approved Fair use.

5.5. Compliance with Law. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and other governmental rules, regulations or requirements now in force or which may hereinafter be enacted or promulgated, relating to, or affecting Tenant's use or occupancy of the Leased Premises.

5.6. Prohibitions. Tenant shall not cause, maintain or permit any nuisance in or about the Leased Premises, nor commit or suffer to be committed any waste or storage of any environmental hazardous materials in or upon the Leased Premises. Tenant shall not do or permit anything to be done in or about the Leased Premises, nor bring or keep anything therein, which will in any way increase the existing rate of or affect any fire or other insurance upon the Leased Premises, or part thereof, or the contents of the Leased Premises, or cause cancellation of any insurance policy covering the Leased Premises, or part thereof, or its contents.

Tenant and their employees are expressly prohibited from using, allowing to be used or bringing any illegal drug or narcotic (under either Federal or state law) onto Leased Premises. In the interest of safety, anyone known to be under the influence of drugs and/or alcohol must be asked to, and shall, leave the Leased Premises immediately.

5.7. AS-IS. Tenant has had an opportunity to inspect the Leased Premise prior to the Effective Date and accepts it in AS-IS condition without any representations or warranties of any nature or kind whatsoever from Landlord. Tenant assumes all responsibility and expense of repairing, restoring or fixing the premises so that they are suitable for the permitted uses.

6. Maintenance and Repairs.

6.1. Tenant's Duties. Tenant shall, at Tenant's sole cost and expense, operate and maintain the Leased Premises, in good, clean, safe and sanitary condition and repair, including, but not limited to, all facilities, personal property, fences and equipment on the Leased Premises, in accordance with all applicable laws, rules, regulations and permits. Tenant shall promptly remedy any defective, dangerous or unsanitary conditions. Tenant shall promptly repair any area damaged by Tenant, Tenant's agents, employees, invitees or visitors. Tenant waives any right to repair the Leased Premises at the expense of the Landlord under any applicable law. Tenant further agrees that upon the expiration or sooner termination of this Lease, Tenant will surrender the Leased Premises in good condition and repair. Should Tenant fail to vacate the Leased Premises in

a clean and undamaged condition, Landlord may arrange for the cleaning and/or repair of the Leased Premises, the cost of which will promptly be reimbursed by Tenant.

6.2. Street Improvements. In the event either of the parties wish to make improvements to San Lorenzo Avenue at said parties sole cost and expense, the parties agree to work in a cooperative manner to ensure the continued operation of the City's and Fair's facilities impacted by such improvements. Nothing contained herein shall obligate either party to make a financial contribution to the other party for the improvements to San Lorenzo Avenue.

6.3. Landlord's Duties.

6.3.1. No duty. Landlord has no duty to maintain or repair the Leased Premises except as specifically otherwise specified in this Lease.

6.3.2. Right to Repair. Should Tenant fail to comply with its obligations to maintain and repair the Leased Premises, Landlord shall have the right, but not the obligation, to perform such maintenance and repairs for Tenant's account and Tenant agrees to promptly reimburse Landlord for the cost thereof.

6.3.3. Right to Enter and Inspect. Landlord reserves the right to inspect the Leased Premises as deemed necessary by Landlord, and the right (but not obligation) to do any and all work of any nature necessary for preservation, maintenance and operation of the Leased Premises. Tenant shall be given reasonable notice when any such work may become necessary and will adjust its operations to permit Landlord to proceed expeditiously with such work. Landlord shall not be liable to Tenant for injury or damage that may result from any defect in the construction or condition of the Leased Premises, nor for any damage that may result from interruption of Tenant's use of the Leased Premises during any repairs by Landlord.

7. Closure of San Lorenzo Avenue. Tenant may close San Lorenzo Avenue south of the existing gates to public access and vehicular traffic during the fair. Tenant may also close San Lorenzo Avenue to public access and vehicular traffic during other events, provided Tenant obtains Landlord's written approval, which the Landlord shall not unreasonably withhold.

8. Alterations and Additions. Tenant shall be permitted to make any improvements or alteration on all or part of the Leased Premises without consent of the Landlord. All improvements installed by Tenant shall be accomplished in a good, workman like manner, pursuant to any applicable laws, regulations or permit requirements and at the Tenant's sole expense. Upon expiration of this Lease, all improvements constructed by Tenant shall become the exclusive property of the Landlord.

9. Safety and Security

9.1. General. While normal public services will be available to the Leased Premises, Tenant shall be responsible to provide adequately trained personnel at the Leased Premises as reasonably required to provide and maintain orderly and safe operation, protecting both humans and animals and providing emergency response in the event of accident, including first-aid assistance on the Leased Premises. Tenant agrees to instruct its personnel to use all reasonable efforts to immediately notify the local fire department or the Police Department in the event of emergencies or other significant disturbances.

9.2. No Duty by Landlord. Landlord and its officers, employees and agents (individually a "Landlord Party" and collectively the "Landlord Parties") shall have no responsibility to safeguard the Leased Premises or any of the equipment and property of Tenant or its employees, customers, invitees, agents or contractors (individually "Tenant Party" and collectively as the "Tenant Parties"). Landlord Parties shall have no responsibility to safeguard or protect Tenant Parties from bodily injury (including death) or personal injury.

10. Claims Against Premises. Tenant shall not suffer or permit to be enforced against the Lease Premises, or any part thereof, any mechanic's, materialman's, contractor's or subcontractor's liens arising from any claim for any work of construction, repair, restoration, replacement or improvement of or to the Leased Premises or any other claim or demand how ever the same may arise, but Tenant shall pay or cause to be paid any and all such claims or demands before any action is brought to enforce the same against the Leased Premises. Tenant agrees to indemnify and hold Landlord and the Leased Premises free and harmless of all liability for any and all such claims and demands, together with Landlord's reasonable attorneys' fees and all costs and expenses in connection with any such claims or liens.

11. Real and Personal Property Taxes. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon all of Tenant's possessory interest in and to the Lease Premises, leasehold improvements, equipment, furniture fixtures and personal property located in or about the Lease Premises. Tenant specifically acknowledges that the interest granted under this Lease may be subject to possessory interest taxes. Tenant agrees that, without prior demand or notice by Landlord, Tenant shall, not less than fifteen (15) days prior to the day upon which any such possessory interest or other such tax is due, provide Landlord with proof of payment of such tax.

12. Rules and Regulations. Tenant shall faithfully observe and comply with all the rules and regulations promulgated by Landlord from time to time. Any additions and modifications to those rules and regulations shall be binding upon Tenant upon delivery of a copy thereof to Tenant.

13. Holding Over. Tenant has no right to retain possession of the Leased Premises or any part thereof beyond the expiration or earlier termination of this Lease. Any

holding over after the expiration of the term of this Lease, with the consent of the Landlord shall be a tenancy from month-to-month with Base Rent payable each month. The tenancy is cancelable upon thirty (30) days' written notice upon the terms and conditions that existed during the last year of the Term.

14. **Repair of Damage.** In the event the Leased Premises are destroyed or damaged by fire or other casualty or act of God as to be rendered uninhabitable ("**Casualty**"), this Lease may be terminated by either party in its sole discretion upon written notice within thirty (30) days of such occurrence. If the Lease is not terminated by Landlord or Tenant, Tenant may, at its sole expense, elect to restore the Leased Premises and improvements, to the condition existing prior to the occurrence of the fire or other casualty, subject to legal requirements and this Lease shall remain in full force and effect without abatement of rent or termination of the Lease; or terminate this Lease and release and turn over to the Landlord all insurance proceeds for the replacement cost of any damaged improvements resulting from such casualty, within one hundred and eighty (180) days of such damage, whereupon the parties shall be released from further obligation to each other under the Lease. .

15. **Waiver of Relocation, Goodwill and Condemnation.** Tenant knowingly and voluntarily acknowledges and agrees upon its vacation of the Leased Premises at the end of the Lease term, upon the sooner termination thereof, for any reason or vacation of the Leased Premises under any circumstances, in no event shall Tenant be entitled or shall Landlord, including its employees, agents and assignees, be required to provide any relocation benefits, compensation for loss of goodwill, or assistance under any applicable federal, state or local laws or regulations including without limitation, Uniform Relocation Assistance Laws, California Government Code section 7260, et seq. Further, Tenant being fully informed of any and all of its rights and obligations and all laws and regulations (including without limitation, the Uniform Relocation Assistance Laws, California Government Code section 7260, et seq.) in connection therewith fully waives, releases and rejects any all relocation assistance and benefits relating to or in any respect connected with Tenant vacating the Lease Premises.

Tenant knowingly and voluntarily acknowledges and agrees upon its vacation of the Leased Premises at the end of the Term, upon the sooner termination thereof for any reason, or vacation of the Leased Premises under any circumstances, in no event shall Tenant be entitled or shall Landlord be required to provide any compensation or consideration to Tenant for the leasehold interest of Tenant, improvements pertaining to realty, personal property, fixtures and equipment, pre-condemnation damages, severance damages or interest and litigation expenses, whether based on condemnation, inverse condemnation or any other reason. Upon vacation of the Leased Premises or termination of the Lease, Tenant knowingly waives and surrenders any claims or rights to the leasehold interest, improvements pertaining to realty, personal property, fixtures and equipment, precondemnation damages, severance damages or interest and litigation expenses.

16. **Assignment and Subletting.** Tenant shall not assign or transfer this Lease or any right hereunder to any other party or parties, except short term rental of the Leased Premises as permitted in paragraph 5.1 above. Nor shall Tenant sublet all or any portion of the Leased Premises without first obtaining the written consent of Landlord which Landlord may withhold in its sole and absolute discretion. Any transfer, assignment or subletting of the Leased Premises without such prior written consent shall be void for all purposes. Consent to any such transfer, assignment or subletting shall be at Landlord's sole discretion.
17. **Indemnification.** Tenant shall defend, indemnify, and hold Landlord harmless from, and reimburse Landlord for, any loss, cost, expense, liability, or damages of every kind or nature, including but not limited to injury to or death of any person or destruction of the Leased Premises in connection with or related to, the use by Tenant or any third party (including officers, directors, employees and invitees) of the Leased Premises or any facilities located thereon in connection with the business being conducted by Tenant. In addition, Tenant shall defend, indemnify, and hold Landlord harmless from any breach or default in the performance of any obligation to be performed by Tenant under this Lease, any violation of governmental law or regulation, or any intentional misconduct or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, regardless of whether such intentional misconduct or negligence was active or passive.

In the event of the occurrence of any event which is an indemnifiable event pursuant to this Section, Tenant shall notify Landlord promptly and, if such event involves the claim of any third person, Tenant shall assume all expenses with respect to the defense, settlement, adjustment, or compromise of any claim; provided that Landlord may, if it so desires, employ counsel at its own expense to assist in the handling of such claim. Tenant shall obtain the prior written approval of Landlord before entering into any settlement, adjustment or compromise of such claim. Tenant shall reimburse Landlord or any third party (including officers, directors, and employees of Landlord) for any legal expenses and costs incurred in connection with or in enforcing the indemnity herein provided. All indemnification obligations hereunder shall survive the expiration or termination of this Lease. Notwithstanding the generality of the foregoing, Tenant's obligation to indemnify Landlord shall not extend to liability solely caused by the gross negligence or willful misconduct of Landlord, its officers, employees or agents on the Lease Premises, or events or activities conducted by Landlord.

18. **Insurance.** Tenant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to Landlord during the entire Term, and any extension thereof, the following policies of insurance:
- a. **Personal Property Insurance.** Throughout the Term, and any extensions thereof, Tenant shall, at its sole cost and expense, maintain fire and extended coverage insurance written on a per occurrence basis on its trade fixtures, equipment, personal property and inventory within the Leased Premises from loss or damage to the extent of their full replacement value.

- b. Commercial General Liability Insurance.** Throughout the Term, at Tenant's sole cost and expense, Tenant shall keep or cause to be kept in full force and effect, for the mutual benefit of Landlord and Tenant, comprehensive broad form commercial general public liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) general aggregate, for bodily injury, personal injury, and property damage arising from the use, occupancy, disuse, or condition of the Lease Premises, improvement, adjoining areas or ways, including without limitation, blanket contractual liability.
- c. Worker's Compensation Insurance.** Tenant shall, at its sole cost and expense, maintain a policy of Worker's Compensation Insurance in such amount as will fully comply with the laws of the State of California.
- d. Policy Form, Contents and Insurer.** All insurance required by express provision of this Lease shall be carried only in responsible insurance companies licensed to do business in the State of California. All such policies shall contain language to the effect that: (1) the policies are primary and noncontributing with any insurance that may be carried by Landlord; (2) they cannot be canceled or materially altered except after thirty (30) days' notice by the insurer to Landlord; and (3) shall list Landlord, its officers, agents and employees as additional insureds. The insurers shall waive all rights of contribution they may have against Landlord, its officers, employees and agents and their respective insurers. Prior to the Effective Date, Tenant shall provide Landlord with certificates of insurance or appropriate insurance binders together with full copy of the policies evidencing the above insurance coverages written by insurance companies with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide. In the event any of said policies of insurance are cancelled or expire, Tenant shall, prior to the cancellation or expiration date, submit new evidence of insurance in conformance with this Section to Landlord. Tenant may effect for its own account any insurance not required under this Lease. Upon thirty (30) days prior written notice, Landlord may modify or add additional requirements and may increase the amount of coverage required.
- e. Failure to Maintain Insurance; Proof of Compliance.** If Tenant fails or refuses to procure or maintain insurance required by this Lease, or fails or refuses to furnish Landlord with required proof that the insurance has been procured and is in full force and paid for, Landlord shall have the right but not the obligation, at Landlord's election and on ten (10) days' notice, to procure and maintain such insurance. The premiums paid by Landlord shall be treated as added rent due from Tenant with interest at the rate of ten percent (10%) per year or the maximum allowable legal rate in effect in the State of California on the date when the premium is paid, whichever is higher, to be paid on the first day of the month following the date on which the premium was paid.

Landlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the day of the notice. Notwithstanding that Landlord may secure policies under this Section, the failure of Tenant to obtain and maintain insurance under this Lease shall also constitute a material default by Tenant.

22. Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. The failure by Tenant to make any payment of Base Rent or any other payment required hereunder to Landlord within five (5) days after written notice from Landlord of Tenant's failure to pay any such obligation when due under this Lease.
- b. Use of Leased Premises for any purpose other than as authorized in this Lease;
- c. Vacating or abandonment of the Leased Premises by Tenant;
- d. Failure to provide insurance as set forth in this Lease Agreement;
- e. A failure by Tenant to observe or perform any covenants, conditions or provisions of this Lease (other than payment of money), if the failure to perform is not cured within thirty (30) days of receiving written notice of the default from the Landlord. If the default cannot be reasonably cured within thirty (30) days, Tenant shall not be in default of this Lease if Tenant commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.
- f. The making by Tenant of any general assignment for the benefit of creditors,
- g. Filing of a voluntary petition in bankruptcy or the adjudication of Tenant as bankrupt.
- h. Appointment of a receiver to take possession of all or substantially all the assets of Tenant located at the Leased Premises or of Tenant's leasehold interest in the Leased Premises.
- i. Filing by any creditor of the Tenant of an involuntary petition in bankruptcy which is not dismissed within sixty (60) days after filing.
- j. Attachment, execution or other judicial seizure of all or substantially all of the assets of Tenant or Tenant's leasehold where such an attachment, execution or seizure is not discharged within sixty (60) days.

Any notice required to be given by Landlord under this Section 22 shall be in lieu of and not in addition to any notice required under Section 1161 of the California Code of Civil Procedure.

23. Remedies on Default. In the event of any such material default or breach by Tenant, Landlord may at any time thereafter and without notice or demand and, without limiting Landlord in the exercise of a right or remedy Landlord may have by reason of such default or breach:

- a. Termination of Lease Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Leased Premises, expenses of reletting, including necessary renovation and alteration of the Leased Premises, for reasonable attorneys' fees and costs, any real estate commission actually paid, or the worth at the time of the award of the unpaid rent which had been earned at the time of the termination; the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rent that Lessee proves could have been reasonably avoided; and any other amount necessary to compensate the Landlord for all the detriment proximately caused by the Tenant's failure to perform Tenant's obligations under this Lease.
- b. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due hereunder.
- c. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of California. Furthermore, Tenant agrees that no election by Landlord as to any rights or remedies available hereunder or pursuant to any law or judicial decisions of the State of California shall be binding upon Landlord until the time of trial of any such action or proceeding.
- d. Take custody of all personal property owned by Tenant on the Premises and to dispose of the personal property and to apply the proceeds from any sale of that property to Tenant's obligations under this Lease.

24. Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. Acceptance of late payment of Base Rent by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Base Rent.

25. Surrender of Leased Premises. Upon expiration or termination of this Lease, Tenant shall deliver to Landlord physical possession of the Leased Premises and the Leased Personal Property in good condition and repair, reasonable wear and tear.

26. Time. Time is of the essence of this Lease and each and all of its provisions.

27. Inability to Perform. This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, war, civil insurrection, acts of God, or any other cause beyond the reasonable control of Landlord.

28. Sale of Premises by Landlord. In the event of any sale of the Leased Premises, Landlord shall be and hereby is entirely freed and relieved of all liability under any and all of the covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale. The purchaser, at such sale or any subsequent sale of the Leased Premises, shall be deemed, without any further agreements between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out each and all of the covenants and obligations of Landlord under this Lease.

29. Successors. The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the Parties hereto, and each and all, including the Party making the assignment, shall be jointly and severally liable hereunder.

30. Notices. Any notices, demands or communications under this Agreement between the parties shall be in writing, and may be given by (i) personal service, (ii) overnight delivery, or (iii) mailing via United States mail, certified mail, postage prepaid, return receipt requested, addressed to each party as set forth below or such other address as may be furnished in writing by a party, and such notice or communication shall, if properly addressed, be deemed to have been given (a) as of the date so delivered under delivery methods (i) or (ii) above, or (b) three (3) business days after deposit into the U.S. Mail.

Tenant: Salinas Valley Fair, Inc.
 625 Division St.
 King City, California 93930

Landlord: City of King
 212 Si, Vanderhurst Ave,
 King City, California 93930
 Attention: City Manager

Copy to: Aleshire & Wynder, LLP
Attn: Roy Santos
2440 Tulare Street, Suite 410
Fresno, California 93721

31. Execution by Landlord Not a Waiver. Tenant understands and agrees that Landlord, by entering into and executing this Lease, shall not have waived any right, duty, privilege, obligation or authority vested in Landlord with respect to the Leased Premises to approve, disapprove or conditionally approve any application which Tenant may be required to make under any laws, rules, ordinances or regulations now or hereafter in effect which said Landlord may be empowered to apply including, but not limited to, any use permit or approval, whether similar in nature or not.

32. Entire Agreement. This Lease contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either party. Each party has relied on his own examination of this Lease, the counsel of his own advisors, and the warranties, representations, and covenants in the Lease itself. The failure or refusal of either party to inspect the Lease Premises or improvements, to read the Lease or other documents or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

33. Construction. This Lease shall be construed according to its fair meaning as if prepared by both parties. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

34. Attorneys' Fees. In the event that any action or proceeding is brought by either party to enforce any term or provision of this Lease, the prevailing party shall recover its reasonable attorneys' fees and costs incurred with respect thereto.

35. Authority of Parties. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is fully authorized to execute and deliver this Lease on behalf of Tenant and that this Lease is binding upon Tenant in accordance with its terms.

36. Governing Law. This Lease shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

37. Jurisdiction. If any legal action is necessary to enforce the terms and conditions of this Agreement, the parties agree that a court of competent jurisdiction in the County of Monterey shall be the sole venue and jurisdiction for the bringing of such action.

38. Severability. If any paragraph, section, sentence, clause, or phrase contained in this Lease shall become illegal, null or void, against public policy, or otherwise unenforceable, for any reason, or held by any court of competent jurisdiction to be illegal, null or void, against public policy, or otherwise unenforceable, the remaining paragraphs,

sections, sentences, clauses or phrases contained in the Lease shall not be affected thereby.

39. Recordation of Lease. In accordance with Government Code Section 37393, this Lease shall be recorded in the Official Records of Monterey. Upon extension of the Term or any exercise of rights under this Lease to terminate, the parties shall execute and record an amendment to this Lease. Tenant shall cooperate with executing any documents reasonably required to effect this provision. Upon termination of the Lease, Tenant shall execute and acknowledge any documents reasonably requested by Landlord in order to terminate the Lease of record. This obligation shall survive termination of this Lease for any reason.

40. Interest. Any sum due to the Landlord under this Lease shall bear simple interest from and after its due date at a rate equal to ten percent (10%) per month until paid to Landlord, but no in excess of the maximum rate permitted by law.

41. Amendment or Modification. Any modification or amendment of any provision of this Agreement must be in writing executed by both Parties and approved by the Landlord in accordance with applicable law.

42. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile copy of such execution shall be deemed an original.

43. Non-Discrimination: Tenant herein covenants by and for Tenant, Tenant's successors, heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the use, occupancy, tenure or enjoyment of the Lease Premises.

44. Acknowledgment: Each Party acknowledges that they have read and fully understand the contents of this Lease and have had an opportunity to consult with an attorney regarding the same. This Lease represents the entire and integrated agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements, either written or oral.

NOW, THEREFORE, the parties hereto have entered into the Lease as of the Lease Date.

TENANT:

Salinas Valley Fair, Inc., a non-profit corporation of California.

By: _____

LANDLORD:

City of King, a Municipal Corporation of California

By: _____

Dated: _____, 2019

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Roy Santos
City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF ARENA PROPERTY

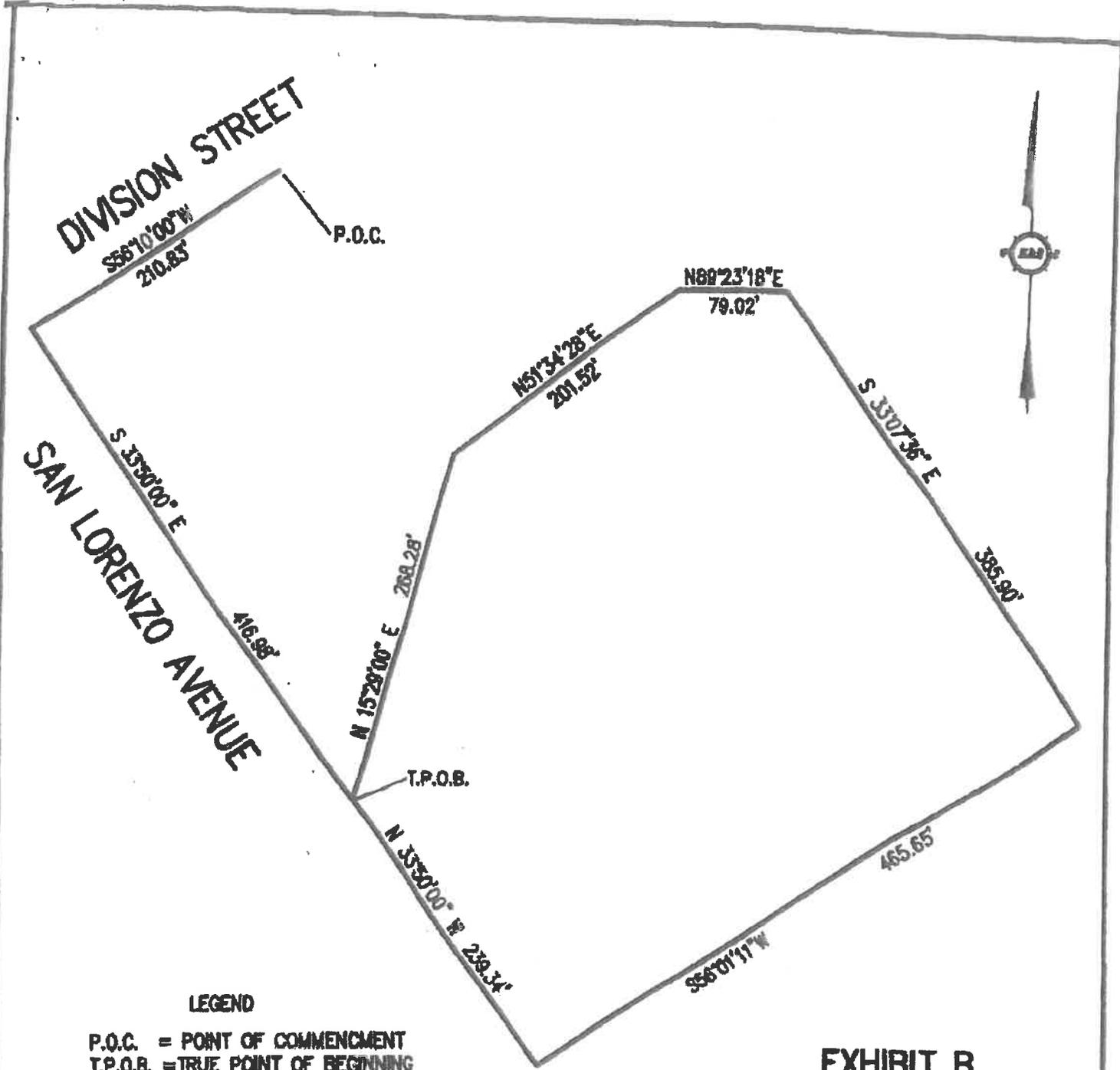
SITUATE in the City of King, County of Monterey, State of California and more particularly bounded and described as:

BEGINNING at a point which bears South 56°10' West 210.83 feet, along the northerly right of way line of Division Street, and South 33°50' East 416.98 feet, along the northerly right-of-way line of San Lorenzo Avenue, from the most southerly corner of lands shown on that Map of Tract No. 348 Entitled "Bengard Sub. No. 2" Recorded in Volume 6 at Page 161, Monterey County Official Records; thence, leaving said northerly right-of-way line of San Lorenzo Avenue, North 15°29'0" East 268.28 feet; thence North 51°34'28" East 201.52 feet; thence North 89°23'18" East 79.02 feet; thence South 33°7'36" East 385.90 feet; thence South 56°1'11" West 465.65 feet; to a point on the Northerly line of San Lorenzo Avenue; thence, along said northerly line of San Lorenzo Avenue North 33°50'0" West 239.34 feet to the point of beginning.

APN: a Portion of 026-1412-092 and 026-141-096
Commonly known as Arena Property
King City Fairgrounds

EXHIBIT B

MAP OF ARENA PROPERTY



LEGEND

P.O.C. = POINT OF COMMENCEMENT
 T.P.O.B. = TRUE POINT OF BEGINNING

**EXHIBIT B
 PLAT TO ACCOMPANY**

LEGAL DESCRIPTION
 OF ARENA

A PORTION OF
 APN 026-141-092
 AND 026-141-096

MONTEREY COUNTY, CALIFORNIA



Hanna Brunetti
 • Civil Engineers • Land Surveyors •
 • Construction Managers •
 Gilroy California (408) 842-2173

PROJECT: ARENA PROPERTY, KING CITY FAIRGROUNDS		
LOCATION: MONTEREY COUNTY, CA	DATE: 2/04/09	
JOB NUMBER: 062110	SCALE: 1"=100'	SHEET: 1 OF 1



Item No. 9(H)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: DOREEN LIBERTO-BLANCK, AICP, MDR, COMMUNITY DEVELOPMENT DIRECTOR

RE: CONSIDERATION OF ANNUAL GENERAL PLAN REPORT AND HOUSING ELEMENT ANNUAL REPORT FOR 2019

RECOMMENDATION:

It is recommended City Council review and accept the 2019 Annual General Plan Progress and Housing Element Annual Reports.

BACKGROUND:

California Government Code Section 65400(a) (2) requires an annual report on the status of the General Plan and the City's progress in its implementation, including progress in meeting its share of regional housing needs. This annual General Plan Progress Report (Progress Report) is submitted to the City Council, Housing and Community Development Department (HCD) and the Office of Planning and Research (OPR). This is an opportunity to review activities and projects of the prior year in the areas of development and other programs that work toward implementing the City's General Plan.

DISCUSSION:

The purpose of the Progress Report is twofold. First, it informs the State of California of the City's planning activities and assists in facilitating the legislative process as it pertains to land use and local planning issues. Second, the Progress Report serves to update the decision makers on progress toward implementation of policies of the City of King General Plan and assists in formulating future implementation priorities.

**CITY COUNCIL
CONSIDERATION OF ANNUAL GENERAL PLAN REPORT AND HOUSING
ELEMENT ANNUAL REPORT FOR 2019
MARCH 24, 2020
PAGE 2 OF 3**

The State of California requires each county and city to adopt a General Plan for long-term growth. The general plan consists of a statement of development policies and includes a map or maps and text setting forth goals and policies. It is a comprehensive long-term plan for the physical development of the county. In this sense, it is a "blueprint" for development.

The seven (7) State mandated elements of the General Plan include:

1. Land Use
2. Circulation
3. Housing
4. Safety
5. Open Space
6. Noise
7. Conservation

The City of King's General Plan consists of the mandated elements and an optional element called economic development. A comprehensive General Plan update occurred in 1998. Modifications to the land use, housing, safety, open space and conservation elements were adopted by the City Council in 2016.

A housing element is the one element of the General Plan that requires State review and approval. The most recent housing element update was adopted by the City Council on March 22, 2016 and covers the reporting period from 2015-2023. (The Housing Element includes policies, programs, and quantified objectives to guide the City's development decisions and is designed to implement the removal of governmental constraints to the maintenance, improvement and development of housing in the City of King.)

In 2019, the City received \$160,000 to update the Land Use Element of the General Plan. A General Plan Community Survey was sent on March 20, 2020. Responses are due April 7, 2020. The survey is in English and Spanish and can be returned by mail or completed online. The City is applying for a \$65,000 LEAP Grant to update the Housing Element.

COST ANALYSIS:

The cost associated with the Progress Report includes staff time preparing and distributing it.

**CITY COUNCIL
CONSIDERATION OF ANNUAL GENERAL PLAN REPORT AND HOUSING
ELEMENT ANNUAL REPORT FOR 2019
MARCH 24, 2020
PAGE 3 OF 3**

ALTERNATIVES:

The following alternatives are provided for Council consideration:

1. Review and accept the Report;
2. Amend and accept the Report;
3. Do not accept the Report, or
4. Provide other direction to staff.

Exhibit:

1. 2018/2019 General Plan Progress Report and Annual Housing Element Report

Submitted by:



Doreen Liberto, AICP, Community Development Director

Approved by:



Steven Adams, City Manager



KING CITY
CALIFORNIA

CITY OF KING

**2019 GENERAL PLAN ANNUAL PROGRESS REPORT/HOUSING ELEMENT
ANNUAL REPORT**

March 24, 2020



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- D. Noise Element
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III. Development Review Process Projects

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- C. Project Review

IV. Conclusion

Appendix

Attachment A – 2019 Housing Element Annual Progress Report

Introduction

California Government Code Section 65400(a) (2) requires an annual report on the status of the General Plan and the City's progress in its implementation, including progress in meeting its share of regional housing needs. This Annual Report is being submitted to the City Council, State Housing and Community Development Department (HCD) and the Office of Planning and Research (OPR).

This is an opportunity to review activities and projects of the prior year in the areas of development and other programs that work toward implementing the City's General Plan.

A. Background

California State law establishes a framework for local planning procedures. The California Government Code (§65000 et seq.) establishes the laws pertaining to the regulation of land uses by all local governments including: the general plan requirement, specific plans, subdivisions, and zoning. The City of King is mandated by the State to conform to the California Government Code. (It should be noted that since the City is a Charter City, some provisions of the Government Code do not apply.) Since its adoption (and subsequent amendments), the City has worked to implement the policies outlined in the General Plan. The various departments that make up the City of King work together to implement various aspects of the General Plan. These departments include the City Manager's office, Parks and Recreation, Fire, Public Safety, Public Works, and Community Development. This report is organized to comply with OPR's General Plan Guidelines.

B. Informational Document (CEQA Review)

This document is a reporting document and does not create or alter policy. The content is provided for informational purposes only and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15306.

II. General Plan Implementation, Projects and Accomplishments

This Progress Report discusses specific projects and policies that demonstrate the implementation of the goals outlined in the General Plan.

A. Land Use Element

The Land Use Element establishes the type and density of land uses and guides growth and development by presenting a plan that reflects the community's desire to maintain and enhance an enjoyable, balanced quality of life. The City's Land Use Map identifies specified land use areas, including Agriculture, Residential, Commercial, industrial and Open Space/Recreation.

This basic tenet is expressed in the community's goal:

Land Use Element Overall Goal: To provide for the orderly growth and development; to maintain a balanced community; to assure an adequate supply of suitable land for residential, commercial, industrial and other uses in order to meet

projected demand; to minimize land conflicts; channel new development into those areas that are consistent with the City's resources.

The Land Use Element also establishes goals and policies to:

- Provide agricultural employee housing.
- Work on a multi-modal transit center which will be surrounded by mixed use developments.

ACCOMPLISHMENTS

- *The City received a \$1.5 ml grant to begin designing a temporary rail platform and begin negotiations with Union Pacific Railroad on the MMTC. The work should be completed in 2021.*
- *The City worked with Rava Ranch on an employee housing project in the Downtown Addition Specific Plan.*

Land Use Element Program No. 4.1.1.1: The City shall encourage development of new businesses that will offer year-round employment in order to reduce the season unemployment that is characteristic of the current local employment.

ACCOMPLISHMENTS

- *The City continues to work closely with businesses in the East Ranch Business Park to provide local employment.*

Land Use Element Program No. 8.1.1.2: The City shall pursue available revenues to fund the multimodal transit center (MMTC).

ACCOMPLISHMENTS

- *In 2019, the City received a \$1.5 ml State Rail Assistance Grant to prepare the engineering and design specification for a temporary rail platform, negotiate an agreement with Union Pacific Railroad, and conduct the environmental review of the temporary rail platform. City staff is in the process of reviewing proposals submitted on the City's Request for Proposal. The City is also working with AMTRAK in negotiation an agreement with Union Pacific Railroad.*

B Conservation, Open Space & Safety Element

The City amended the conservation, open space and safety elements in 2016, and combined the three (3) elements. Updates and amendments to these elements were primarily to make corrections and ensure consistency with the updated housing and land use elements. The open space, conservation and safety elements incorporates goals, policies and programs that protect residents from flooding hazards by updating flood maps that incorporate the most recent Federal Emergency Management Agency flood mapping. Amendments also recommend the development of a proposed MMTC near First Street. The changes will help provide better housing, reducing vehicular

trips, reducing energy consumption, reducing use of fossil fuels and improving air quality.

Amendments also addressed future stream and river restoration programs with State Fish and Wildlife Department, Federal Fish and Wildlife Service, Army Corps, Central Coast Regional Water Quality Control Board, Natural Resources Conservation Service and other agencies as appropriate. These changes will result in positive environmental impacts by improving the habitat conditions as well as improving stream function.

Conservation, Open Space & Safety Element Program 2.4.1.2: The City will encourage property owners of poorly maintained buildings and properties to upgrade the appearance of their buildings and to improve the landscaping including, but not limited to, the addition of drought tolerant trees and shrubs, removal of debris, painting of faded or peeling surfaces, repair of structures and other improvements and maintenance.

ACCOMPLISHMENTS

- *The City continued to allocated grant funding to improve building facades including replacing signs in the historic downtown area. The City worked on a total of eight (8) façade improvements grants of which four (4) are complete. The City also worked on ten (10) sign improvement grants of which five (5) are complete.*



C. Circulation Element

The circulation element provides goals, objectives and policies to service future transportation needs. One goal is to provide an integrated transportation system to adequately serve residential, commercial, industrial and recreation uses. The City

has been working with the Transportation Agency for Monterey County (TAMC) and applying for funding for the proposed multi-modal transit center and installation of bike lanes.

Circulation Element Policy 1.4: The City shall coordinate its transportation planning efforts with TAMC and Caltrans. City staff shall attend TAMC technical meetings as needed and shall maintain regular contact with state and regional transportation planning officials.

ACCOMPLISHMENTS

The City worked with TAMC and Caltrans on the design and eventual construction of a round-about at West Broadway Street, San Antonio Drive and Highway 101



D. Noise Element

The noise element provides noise compatibility levels. Municipal Code section 7.25 addresses prohibited noise conduct.

ACCOMPLISHMENTS

- *The City used the code enforcement process to enforce noise standards.*

E. Housing Element

The Housing Element establishes housing objectives, policies and programs in response to community housing conditions and needs. Some of the goals and policies met during 2018 are identified below.

Housing Element Goals

Housing Element Goal No. 2: Preserve and Rehabilitate Existing Housing Stock to Meet Health and Safety Requirements.

Housing Element Policies

Housing Element Policy No. 3: Meet the housing needs of special groups of City residents, including the growing farmworker and senior populations, large families, single mothers, homeless, and the disabled.

Housing Element Policy No. 3.1 The City shall encourage the development of housing for agricultural workers, seniors, congregate care facilities and similar special housing needs population.

Housing Element Policy No. 3.5 The City will collaborate with farmers/ranchers and developers to construct farmworker housing.

The Housing Element also calls for the City to reduce water usage to achieve efficiency and conservation.

ACCOMPLISHMENTS

- *The City's Staff Code Enforcement Committee meets monthly and the City's Citizen Code Enforcement Committee meets quarterly to address code enforcement issues including housing violations. The Code Enforcement office, in cooperation with the various City departments, works on enforcing local and state laws. In particular, the City has conducted the following code enforcement cases:*
- *The City has begun negotiations with the Local Agency Formation Commission, County Resource Management Department staff and property owner (David Gill) to extend a sewer main to a proposed agricultural employee housing facility located in the unincorporated area along Lonoak Road.*

F. Economic Development Element

An Economic Development Element is not a State-mandated element of the General Plan, but the City has long realized its importance in the strategic planning of the community. The City's Economic Development Element includes the following vision:

To facilitate a stable community economy and high quality of life by fostering new investment to generate new and improved property values, municipal revenue and employment opportunities.

Economic Development Element Vision: To facilitate a stable community economy and high quality of life by fostering new investment to generate new and improved property values, municipal revenue, and employment opportunities.

ACCOMPLISHMENTS

- *In 2019, a series of business workshops were sponsored by King City Chamber of Commerce & Agriculture and City of King. The workshops were presented by Cindy Merzon, Cal Coastal, SBDC. In May 2019, the first workshop was focused on how to Grow Your Business to Maximize Sales.*



In September, the second workshop was planned in a 1 out of 4 workshop series which focused on Records Keeping for Small Businesses, Managing Cash Flow, and Is Owning a Business a Good Fit for You. In October, the last workshop was a 2-part series that focused on Business Start-ups.

III. Development Review Process Projects

During 2018, the City reviewed numerous projects through the development review process and participated in numerous planning efforts. The following summaries provide a general overview of the projects, programs and permits that were reviewed. These summaries are general and are not intended to be exhaustive.

A. Buildings Permits Issued 201

The Building Department issued 273 building permits during 2019. Of these, approximately 83, or 31% of the building permits were routed for reviewed by the Community Development Department for Zoning and General Plan consistency. Building permits were issued for 52 new single-family dwellings and 1 new commercial building, 7 commercial remodels, 2 multi-family remodels, 12 single family remodels, 42 residential roof-mount solar panel installations, 1 solar commercial and various other projects.

B. Planning Permits

The Community Development Department processed a variety of planning permits during 2019, including but not limited to general plan amendments, rezones, conditional use permits, parcel maps, sign permits and associated environmental review documents, as needed.

During 2019, the Planning Commission reviewed the following application types:

- 2 Conditional Use Permits
- 1 CUP amendment for cannabis
- 1 Conditional Use Permit Amendment/Revisions
- 1 Tentative Tract/Parcel Maps
- 1 Lot Line Adjustment
- 0 General Plan Amendment
- 1 Rezone/Zone Change
- 0 Lot Mergers
- 2 Architectural Review

- 24 Miscellaneous projects such as home occupation permits (6), plot plan reviews (3), landscape review (2), pre-application reviews (3), sign permits (9), temporary use permits (1), variance permits (2) and 1 mural permit.



The City Council reviewed the following application types: General Plan Amendment and Zone Changes. Mention ordinance amendments

During 2019, the Community Development Department was involved in 8 new code enforcement violation cases. These cases included non-permitted uses on the property, uses that were not complying with their conditions of approval, property research/records research for cases that the Building Department and Police Department were working on. There were also a total of 27 code enforcement cases closed by December 2019. The Community Development Department coordinates Staff Code Enforcement Meetings once a month and Citizen Code Enforcement Advisory Committee quarterly and prepares agendas for both meetings. The Community Development Department also assists with meetings with the Airport Advisory Commission every other month and assists with grant management for Airport Capital Improvement Projects and reporting to the Federal Aviation Administration.

C. Project Review

The City has reviewed a variety of projects that impact land use, community design and other elements of the General Plan. The following is a summary of projects and plans, both City-sponsored and privately driven, that were reviewed by the City Council and Planning Commission during 2019.

- Ordinance to Amend Title 17, Chapter 17.19 Inclusionary Housing Requirements
- Condominium Conversion and Construction of New Condominium Ordinance
- Amendment of the City's Zoning Ordinance pertaining to Commercial Cannabis Activities and Associated CEQA Determination on number of manufacturing permits and cannabis deliveries.
- Creekbridge/Arboleda Specific Plan Amendment No. 4 related to the renaming of the parks.

- Arboleda Linear Park Substantial Conformance Determination approving an updated Linear Park Master Plan.
- Amendment to the Municipal Codes to establish and regulate hemp within the City Limits.
- Amendment to the Municipal Code and the and Historic Corridor Revitalization Plan for Fences/Walls/Hedges, Hotels/Motels, Night Clubs, Cocktail Lounges, Private Parties, Offensive Substances Including Yard Debris, Sign Language Outside of Chapter 17.55 Signs

IV. Conclusion

The General Plan Progress Report illustrates activities undertaken by the City of King in 2019 that worked toward implementing the City's General Plan. The City has worked to progressively implement the policies outlined in each element of the City's guiding planning document as outlined in the various sections of this Progress Report. The General Plan represents the community's collective vision for preserving and improving the quality of life in the City. As noted by the accomplishments set forth in this document over the course of 2019, the City has implemented many of the collective goals and policies identified in the General Plan. The ideas, proposals and suggestions that have come to the City have all furthered the City's goal to preserve important local resources, improve the local economy, provide a variety of housing and improve the quality of life for the community.

ATTACHMENT A
(HOUSING ELEMENT PROGRESS REPORT)



Item No. 9(1)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF AN AMENDMENT TO THE AGREEMENT
FOR MANAGEMENT OF THE KING CITY MUNICIPAL GOLF
COURSE**

RECOMMENDATION:

It is recommended the City Council approve and authorize the City Manager to execute an amendment to the Agreement with Frudden Fairways, LLC for management of the King City Municipal Golf Course in a form approved by the City Attorney to provide for a payment of \$2,000 per month for forced closure of the Golf Course due to a proclaimed Local Emergency.

BACKGROUND:

On September 10, 2019, the City Council approved an extension of the Agreement with Frudden Fairways, LLC to operate the King City Golf Course. Due to the "Shelter in Place" order issued by the County of Monterey Health Officer, the Golf Course is now closed through at least April 7th. There are no provisions in the existing agreement to address financial loss due to a closure caused by this type of circumstances.

DISCUSSION:

Staff believes it is important to provide financial compensation for lost revenues due to a forced closure out of the control of the manager in order to maintain an agreement for management of the Golf Course. The existing agreement does require the City to pay the operator \$2,000 per month for a minimum of 5 months in the case of a flood at the Golf Course. Therefore, staff recommends the same amount be used, but only for the period closed. The amount would be prorated for number of days during a month closed.

**CITY COUNCIL
CONSIDERATION OF AN AMENDMENT TO THE AGREEMENT FOR
MANAGEMENT OF THE KING CITY MUNICIPAL GOLF COURSE
MARCH 24, 2020
PAGE 2 OF 2**

COST ANALYSIS:

Staff estimates the cost to the City will likely be in the range of \$1,320 to \$4,000 depending on the length of the Shelter in Place order. Staff will attempt to seek FEMA reimbursement for this cost.

ENVIRONMENTAL REVIEW:

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in Section 15301, which exempts operation of existing facilities not expanding existing uses. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this plan.

ALTERNATIVES:

The following alternatives have been identified for City Council consideration:

1. Approve staff's recommendation;
2. Modify the recommended amount and approve staff's recommendation;
3. Do not approve any amendment to the agreement; or
4. Provide staff other direction.

Prepared and Approved by:



Steven Adams, City Manager



Item No. 9(J)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

**RE: CONSIDERATION OF AGREEMENT FOR DEVELOPMENT
IMPACT FEE DEFERRAL WITH JERRY RAVA II, FRESH
FOODS, INC.**

RECOMMENDATION:

It is recommended the City Council: 1) approve an Agreement for Development Impact Fee Deferral with Jerry Rava II, Fresh Foods, Inc.; and 2) authorize the City Manager to execute the agreement and make non-substantive changes in a form approved by the City Attorney.

BACKGROUND:

On May 14, 2020, the City Council adopted an ordinance that enables the City to defer payment of development impact fees to issuance of an occupancy permit rather than building permit if agreed to by the City Council. At the March 24, 2020 meeting, the City Council will also consider adoption of an amendment to the Downtown Specific Plan requested by Jerry Rava II, Fresh Foods, Inc. in order to construct a 118-unit apartment complex for seasonal workers. On March 3, 2020, the Planning Commission approved the conditional use permit and recommended City Council approve the specific plan amendment.

The applicant has requested the City Council approve an agreement to defer development impact fees per the provisions allowed in the May 14th ordinance. An agreement drafted by the City Attorney is presented for City Council consideration.

DISCUSSION:

Staff has reviewed the request and recommends deferral of all development impact fees until the time of occupancy with the exception of the Fire Protection Facilities Fee, including the 3-Stories and Above Fee. Revenue from this fee will

**CITY COUNCIL
CONSIDERATION OF AGREEMENT FOR DEVELOPMENT IMPACT FEE
DEFERRAL WITH JERRY RAVA II, FRESH FOODS, INC.
MARCH 24, 2020
PAGE 2 OF 2**

be needed as soon as possible to assist the City in funding acquisition of a new fire engine with a ladder attachment. The new apparatus is necessary to mitigate the impact of allowing 3-story buildings in the project. The impacts related to the other development impact fees will not occur until the project is completed and are more cumulative in nature. Therefore, revenue for projects needed to mitigate the impacts will not be needed until after the project is occupied.

Staff believes the application is for a quality project and will help address a critical housing need. The fee deferral agreement will assist in increasing economic viability of the project. Therefore, staff has recommended approval of the project and agreement. The agreement will defer only City and Transportation Agency of Monterey County (TAMC) fees. The City has no authority over payment of school district fees.

COST ANALYSIS:

The total cost of City development impact fees for the project is \$1,520,768.50, including \$760,384.25 for Phase I. All fees will still be paid within the timeframe needed. Therefore, staff believes the financial impact is minimal.

ENVIRONMENTAL REVIEW:

The environmental review for the project and specific plan amendment have already been approved. Therefore, the development fee impact deferral agreement is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as they do not have the potential for resulting in either a direct physical change to the environment or a reasonably foreseeable indirect physical change in the environment. No further action is required under CEQA for City Council action.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Approve the agreement;
2. Modify the terms of the agreement to reduce the fees deferred and approve;
3. Do not approve deferring fees; or
4. Provide staff with other direction.

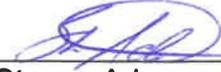
Prepared and Approved by:



Steven Adams, City Manager

**CITY COUNCIL
CONSIDERATION OF AGREEMENT FOR DEVELOPMENT IMPACT FEE
DEFERRAL WITH JERRY RAVA II, FRESH FOODS, INC.
MARCH 24, 2020
PAGE 3 OF 3**

Prepared and Approved by:



Steven Adams, City Manager

COMPLIMENTARY RECORDING
REQUESTED PURSUANT TO
GOVERNMENT CODE SECTION
27383.

RECORDING REQUESTED BY:
CITY OF KING

AND WHEN RECORDED, MAIL TO:

CITY OF KING
ATTN: City Clerk
212 S. Vanderhurst Avenue
King City, CA 93930

AGREEMENT FOR DEVELOPMENT IMPACT FEE DEFERRAL

Government Code §66007(c)(1)

This Agreement for Development Impact Fee Deferral (“**Agreement**”) is entered into this ___ day of _____ 2020 by and between Jerry Rava II, Fresh Food, Inc. (“**Developer**”) and the City of King (“**City**”).

RECITALS

- A. Developer is the owner of the property located in City of King, California bearing County Assessor's Parcel Number(s) 026-285-001, 026-285-002, 026-285-003, 026-285-004, 026-285-005, 026-285-006, 026-285-007, and 026-285-008 (the “**Property**”).
- B. On March 24, 2020, the City Council certified a Supplemental Environmental Impact Report and approved a Specific Plan Amendment and Zoning Amendment, and on March 3, 2020 the Planning Commission approved a conditional use permit, architectural review and tentative parcel map for development of the Bitterwater Road/Chestnut Avenue Employee Housing Project, a 118-unit apartment project, on the Property (the “**Project**”). (City Council Resolution No. 2020-4752, Supplemental Environmental Impact Report; City Council Ordinance No. 2020-787, Specific Plan Amendment Case No. 2019-002 and Zoning Amendment Case No. 2019-002; Planning Commission Resolution No.2020-277, CUP Case No. 190-254, Architectural Review Case No. 2019-004 and Tentative Parcel Map Case No. 2019-002.)
- C. Government Code Section 66007 (particularly subsections 66007(b) and (c)) authorizes the City to collect specified development impact fees at the time of building permit issuance so long as the specified conditions have been met, but allows deferral of payment until final inspection/certificate of occupancy, subject to the execution of a contract under terms as set forth herein.
- D. Developer is in the process of obtaining City approval of building permits for the Project for which Developer still owes certain development impact fees, as more particularly identified in Exhibit “A”, attached hereto and incorporated herein by reference (“**Fees**”).

- E. City and Developer wish to provide for the deferred payment of the Fees, under the terms set forth in this Agreement, except for the Fire Protection Facilities Fee, including the 3-Stories and Above Fee, which will be charged at the time a Building Permit is issued to the Developer. Developer shall not receive a Building Permit until the Fire Protection Facilities Fee, including the 3-Stories and Above Fee, is paid in full.

NOW, THEREFORE, the City and the Developer, for the mutual consideration described herein, agree as follows:

1. Payment of Fees. Developer shall pay the Fees, as established within this Agreement and its exhibits, before and as a condition to the issuance of any final inspection/certificate of occupancy for each phase of the Project. Provided, however, if the City issues any final inspection/certificate of occupancy for the Project prior to the Developer's full payment of the Fees, (a) the Developer shall pay the Fees no later than fourteen (14) calendar days after the City provides written notice to the Developer, and (b) the Developer's failure to make timely payment following written notice from the City shall be deemed to be a violation of a condition of a permit, subject to the enforcement remedies set forth in the King City Municipal Code. Developer shall pay the Fees for Phase One in the amount of \$760,384.25; and Phase Two in the amount of \$760,384.25 as established within Exhibit A to this Agreement.
2. Certificate of Completion. City shall not issue any final inspection/certificate of occupancy for the Project until Developer pays the Fees as required by this Agreement.
3. Recordation. This Agreement shall be recorded to provide notice that payment of the Fees is a condition to the issuance of any final inspection/certificate of occupancy for the Project. The obligations of this Agreement run with the land and are binding on successors in interest. The recordation of this Agreement shall constitute a lien for the Developer's obligation to pay the Fees in accordance with the terms of this Agreement.
4. General Provisions.
 - 4.1. Severability. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement will be construed as not containing that term, and the remainder of this Agreement will remain in full force and effect; provided, however, this section will not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement.
 - 4.2. Governing Law, Jurisdiction, and Venue. The interpretation, validity, and enforcement of this Agreement will be governed, and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement will be filed and heard in a court of competent jurisdiction in the County of Monterey.

4.3. Attorney's Fees. If any litigation is commenced to enforce or interpret this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

4.4. Time of Essence. Time is of the essence.

4.5. Modifications. This Agreement may not be amended or modified orally. No amendment or modification of this Agreement is binding unless it is in a writing signed by both parties.

4.6. Waivers. No waiver of a breach, default, or duty under this Agreement will be effective unless it is in writing and signed by the party waiving the breach, default, or duty. Waiver of a breach, default, or duty under this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach, default, or duty under this Agreement.

4.7. Entire Agreement. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the parties concerning the Services. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all. If any provision in any document attached or incorporated into this Agreement conflicts or is inconsistent with a provision in the body of this Agreement, the provisions in the body of this Agreement will control over any such conflicting or inconsistent provisions.

4.8. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Developer and the City.

[Signatures Next Page]

IN WITNESS WHEREOF, this Agreement is executed by the Developer and the City as of the date first set forth above.

CITY OF KING,
a Municipal Corporation

By: _____

Date: _____

ATTEST:

By: _____
Erica Sonne, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR CITY OF KING:

By: _____
Roy C. Santos, City Attorney
Aleshire & Wynder, LLP

DEVELOPER

Fresh Food, Inc.
a California Corporation

By: _____
Jerry Rava II, President

(Attach Notary Acknowledgments)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2020 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

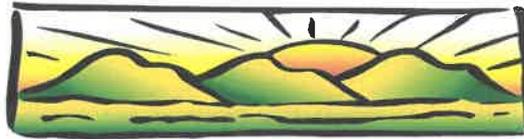
Notary Public

SEAL:

EXHIBIT A

DEVELOPMENT IMPACT FEES

FEE	AMOUNT
Law Enforcement	\$ 15,915.84
Bridges, Signals & Thoroughfares	\$ 301,655.20
Storm Drainage	\$ 56,050.00
General Governmental Facilities	\$ 68,735.00
Public Meeting Facilities	\$ 121,186.00
Aquatic Center Facilities	\$ 43,778.00
Park & Open Space Acquisition	\$ 425,095.00
Waste Water Collection	\$ 172,130.14
Waste Water Treatment	\$ 316,223.48
TOTAL- 118 UNITS	\$1,520,768.50
TOTAL PHASE 1 (59 units)	\$ 760,384.25
TOTAL PHASE 2 (59 units)	\$ 760,384.25



KING CITY
C A L I F O R N I A

Item No. 11(A)

REPORT TO THE CITY COUNCIL

DATE: MARCH 24, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER

RE: CONSIDERATION OF PURCHASE AND SALE AGREEMENT WITH SALINAS VALLEY FAIR, INC. FOR THE SALE OF THE ANDRUS PROPERTY AND FINDING OF A CLASS 12 CEQA CATEGORICAL EXEMPTION

RECOMMENDATION:

It is recommended the City Council adopt a Resolution: 1) approving a purchase and sale agreement with Salinas Valley Fair, Inc. for sale of a portion of APN No. 026-131-005 referred to as the Andrus Property; 2) authorizing the City Manager to execute the Purchase and Sale Agreement and make any non-substantive changes as necessary as approved as to form by the City Attorney; 3) authorizing the City Manager to execute any other documents necessary to finalize the sale and create the new parcel; and 4) adopting a finding of a Class 12 CEQA Categorical Exemption.

BACKGROUND:

The City entered into an agreement with the Salinas Valley Fair, Inc. ("Fair") on March 2, 2009 to lease City-owned property, including the arena and a portion of property adjacent to the tennis courts referred to as the Andrus property. The lease was due to expire on March 2, 2019 with an option to extend for an additional 10-year period provided rent shall be mutually agreed upon. The Fair notified the City of its intent to exercise the option to extend the lease within the time prescribed by the provisions of the agreement. On February 26, 2019, the City Council approved a six-month extension in order to provide time to negotiate the terms of the lease extension and/or sale of the property. An additional extension was approved on September 10, 2019. Negotiations have continued in order to resolve a number of issues.

**CITY COUNCIL
CONSIDERATION OF PURCHASE AND SALE AGREEMENT WITH SALINAS
VALLEY FAIR, INC. FOR THE SALE OF THE ANDRUS PROPERTY AND
FINDING OF A CLASS 12 CEQA CATEGORICAL EXEMPTION
MARCH 10, 2020
PAGE 2 OF 3**

The existing lease provides the Fair a first right of refusal to purchase the property if the City decides to sell. After a lengthy period of negotiations, the City and the Fair have reached agreement to sell the Andrus property to the Fair, which is approximately 1.59 acres. A purchase and sale agreement has been prepared for Council consideration. Under a separate Council agenda item, the lease has concurrently been revised to continue to lease the Arena portion of the property to the Fair for the remainder of the 10-year option.

DISCUSSION:

Staff believes the agreement reached is a significant “win-win” opportunity for both parties. The City receives minimal revenue from the lease. The City supports the Fair’s activities that serve the public, which would make it unlikely for the City to discontinue use of the property by the Fair in the future. Therefore, it is in the City’s financial interest to sell rather than continue to lease the property. It is beneficial for the Fair to purchase the property in order to ensure they will maintain control in the future, and it will provide them increased flexibility.

In addition, the parties have agreed that all revenue from the sale will be used by the City to improve the City Park restroom, which has been closed for several years to a deteriorated condition and Americans with Disabilities Act (ADA) violations. This restroom serves both the City Park and activities held in the Arena by the Fair.

The City and Fair agreed to jointly contract for an appraisal. However, the appraiser determined it was not possible to assign a market value due to lack of comparable sales since the property is zoned open space. Therefore, the sale price was determined through negotiations. Staff believes it is a fair sales price given that there are limited allowed uses and the Fair has a first right of refusal for purchase for a 10-year period.

The use of the property is anticipated to remain consistent with the current zoning. The purchase and sale agreement also includes creation of an access easement to maintain public access to the tennis courts.

Section 65402 (a) of the California Government Code prohibits the sale of City property until the Planning Commission determines the sale is consistent with the General Plan. The Planning Commission adopted a Resolution at their January 21, 2020 meeting making this consistency finding.

**CITY COUNCIL
CONSIDERATION OF PURCHASE AND SALE AGREEMENT WITH SALINAS
VALLEY FAIR, INC. FOR THE SALE OF THE ANDRUS PROPERTY AND
FINDING OF A CLASS 12 CEQA CATEGORICAL EXEMPTION
MARCH 10, 2020
PAGE 3 OF 3**

COST ANALYSIS:

The purchase price for the property is \$85,000. The City has agreed to fund any costs associated with creating the parcel. The majority of that work has been completed. Both parties will share the cost of escrow fees.

ENVIRONMENTAL REVIEW:

Staff performed a preliminary environmental assessment of this project and determined that it falls within the Categorical Exemption set forth in Section 15312 of CEQA Guidelines, which exempts sale of surplus government property, except in environmentally sensitive areas. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Adopt the Resolution;
2. Direct staff to pursue changes to the Purchase and Sale Agreement and terms;
3. Do not approve the sale of the property; or
4. Provide staff with other direction.

Prepared and Approved by:



Steven Adams, City Manager

RESOLUTION NO. 2020-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING
APPROVING THE SALE OF A PORTION OF APN #026-131-005 TO
SALINAS VALLEY FAIR, INC.**

WHEREAS, the City of King ("City") owns a certain approximately 1.989 acre parcel of land identifiable as APN No. 026-131-005; and

WHEREAS, the City Council desires to sell an approximately 1.59 acre portion of said property to the Salinas Valley Fair, Inc. ("Fair"); and

WHEREAS, the City currently leases said property to Fair for uses that support the Fair's activities that serve the public and said lease provides Fair with a first right of refusal to purchase property if City decides to sell; and

WHEREAS, Fair intends to continue to use said property for such activities consistent with current zoning; and

WHEREAS, the revenue from said sale will be used by City to renovate a public restroom facility at the City Park to benefit the public.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of King as follows:

THAT an approximately 1.59 acre portion of APN #026-131-005 be sold to Salinas Valley Fair, Inc. for \$85,000 under the terms of the Agreement for Purchase and Sale attached as Exhibit A to this Resolution and incorporated by this reference; and

BE IT FURTHER RESOLVED THAT the City Manager, Steven Adams, is authorized to execute the Agreement and Deeds on behalf of the City of King, and any other documents necessary to complete this transaction; and

BE IT FURTHER RESOLVED THAT the City Manager is authorized to make non-substantive changes as necessary to the Agreement consistent with the agreed upon terms in a form approved by the City Attorney; and

BE IT FURTHER RESOLVED THAT a finding is made that the sale of property falls within the Categorical Exemption set forth in Section 15312 of CEQA Guidelines.

This resolution was passed and adopted this **10th** day of **March, 2020** by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Mike LeBarre, Mayor/Chair

ATTEST:

Steven Adams, City Clerk

APPROVED AS TO FORM:

Roy Santos, City Attorney

**AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is made this ___ day of _____, 2020 by and between SALINAS VALLEY FAIR, INC., a California nonprofit Corporation (“**Buyer**”), and THE CITY OF KING CITY, a public agency (“**Seller**”). FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation shall act as escrow (“**Escrow Holder**”) and title insurer (“**Title Company**”).

RECITALS:

A. Seller owns that certain unimproved real property consisting of a 1.989 acre parcel of land conveyed to the City of King by Individual Grant Deed, recorded on May 24, 1974 in Reel 915, at Page 389, in Official Records of said County, said 1.989 acre parcel also being shown on that Record of Survey map filed October 29, 1973 in Volume 11 of Surveys, at Page 17, Records of said County.

B. Seller wishes to sell and buyer wishes to buy a portion of that certain 1.989 acre parcel of land conveyed to the City of King by Individual Grant Deed, recorded on May 24, 1974 in Reel 915 at Page 389, in Official Records of Said County containing approximately 1.59 acres, more particularly described in Exhibit “A” attached hereto (“**Property**”), and shown on the Plat attached hereto as Exhibit “B”, subject to an easement for ingress/egress purposes and for the installation and maintenance of public service facilities and any appurtenances thereto shown on the Plat (“**Easement**”).

C. Seller and Buyer previously entered into a Lease Agreement dated March 2, 2009, which was set to expire on March 2, 2019. A copy of which is attached hereto as Exhibit “C” (“**Original Lease**”). The Original Lease was amended and extended. The Original Lease Agreement included the Property which is the subject of this Purchase and Sale Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and incorporating the Recitals, the parties hereto agree as follows:

TERMS AND CONDITIONS:

1. PURCHASE AND SALE OF PROPERTY. Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer the unimproved Property in AS-IS condition, upon the terms and conditions in this Agreement. Concurrently with the Closing (as defined below), the Original Lease shall be terminated, although all indemnity and payment obligations arising prior to Closing shall remain in full force and effect, and Buyer and Seller shall execute and enter into a new lease agreement for the balance of the leased premises, commonly known as the Stampede Grounds, a copy of which is attached hereto as Exhibit “D” (“**New Lease**”).

2. EFFECTIVE DATE; OPENING OF ESCROW.

2.1 *Effective Date.* This Agreement shall be deemed effective upon execution of this Agreement by Seller after the approval at a public meeting by the City Council as required by law. (“**Effective Date**”).

2.2 *Opening of Escrow.* Within five (5) days of the Effective Date, the parties shall open an escrow with Escrow Holder by causing an executed copy of this Agreement to be deposited with Fidelity National Title Insurance Escrow (“**Escrow Holder**”), located at Chicago Title Company (Kimberly Verania) at 250 Bonifacio Place, Monterey, CA, who shall sign and accept and provide copies thereof to each party. Escrow shall be deemed opened upon Escrow Holder’s receipt and acceptance of both an executed copy of this Agreement and the Initial Deposit (as defined in Section 3.2.a) by Buyer (“**Opening of Escrow**”). If, due to Buyer's failure to comply with this Agreement, Escrow is not opened (as defined above) within five (5) days after the Effective Date, Seller shall have the right to terminate this Agreement upon written notice to Buyer and Escrow Holder prior to the actual Opening of Escrow.

3. PURCHASE PRICE; PAYMENT OF PURCHASE PRICE.

3.1 *Purchase Price.* The purchase price for the Property shall be Eighty-Five Thousand Dollars (\$85,000) (“**Purchase Price**”).

3.2 *Payment of Purchase Price.*

a. *Deposits.* Upon Opening of Escrow, Buyer shall deliver the sum of Ten Thousand Dollars (\$10,000) Dollars to Escrow (“**Initial Deposit**”).

b. *Balance of Purchase Price.* Buyer shall deposit the Purchase Price less the Total Deposit with Escrow Holder in Good Funds (as defined below) at least one (1) business day prior to the Closing Date.

3.3 *Good Funds.* All funds deposited in Escrow shall be in “**Good Funds**” which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

3.4 *Additional Consideration.* As additional consideration of the sale, Buyer agrees that the Property will be Subject to the Easement to be granted to Seller at the Closing in the form attached hereto as of Exhibit “E” (“**Easement Agreement**”), which shall allow the owner of the Property to relocate the Easement, subject to the terms and restrictions set forth in the Easement Agreement. In addition, Seller agrees to use Purchase Price funds to renovate the public restrooms located on the Seller’s property directly adjacent to the Stampede Grounds that serves patrons of both the City Park and Stampede Grounds. Seller agrees to complete the restroom renovation improvements paid with proceeds from this sale within two (2) years of the close of escrow. Seller further agrees that the obligations set forth in this paragraph regarding the renovation of the public restrooms shall survive Closing, as hereinafter defined.

4. FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1 *Seller.* Seller agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments

(executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- i. An executed grant deed in the form attached hereto as Exhibit "F" ("**Grant Deed**") executed and acknowledged by Seller.
- ii. An executed New Lease agreement in the form attached hereto as Exhibit "D".
- iii. An executed and acknowledged Easement Agreement in the form attached hereto as Exhibit "E".
- iv. Any other documents as reasonably required by Title Company it reasonably requires to issue the Title Policy.
- v. An executed and acknowledged unconditional certificate of compliance ("**Certificate of Compliance**") confirming the Property complies with the applicable provisions of the Subdivision Map Act of the State of California, and other applicable laws of the State of California with respect to subdivisions and complies with the provisions of local ordinances enacted pursuant thereto.
- vi. A Non-Foreign Affidavit as required by federal law.
- vii. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.2 Buyer. Buyer agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- i. A Preliminary Change of Ownership Statement completed in the manner required by Monterey County ("**PCOR**").
- ii. An executed New Lease agreement in the form attached hereto as Exhibit "D".
- iii. An executed and acknowledged Easement Agreement in the form attached hereto as Exhibit "E".
- iv. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

5. CLOSING DATE; TIME IS OF ESSENCE.

5.1 Closing Date. Escrow shall close forty-five (45) days from the Opening of Escrow ("**Closing Date**"). Notwithstanding the foregoing if the specified Closing Date falls on a Monday it shall be extended to the next business day. The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the date that the Grant Deed is recorded in the Office of the County Recorder of Monterey County, California. At Closing Escrow Holder shall record the Grant Deed first, followed by the Certificate of Compliance and Easement Agreement.

5.2 Extension of Closing Date. Provided Buyer is not in default of this Agreement, Buyer may request that Seller agree to extend the Closing Date for an additional period not to exceed thirty (30) days. Buyer's request for the extension shall explain the reason for the extension and Seller shall not unreasonably withhold consent to the requested extension. Any extension of the Closing Date must be executed by both parties and delivered to Escrow Holder.

5.3 Possession. Upon the Close of Escrow, Seller shall deliver exclusive possession of the Property to Buyer.

5.4 Time is of Essence. Buyer and Seller specifically agree that time is of the essence under this Agreement. The parties agree that the specified dates under this Agreement are specifically enforceable and shall not be subject to substantial compliance arguments.

5.5 Authority of City Manager. The City Manager or his designee, in his sole and exclusive, on behalf of Seller, have the authority to extend any deadlines and execute all documents required to effect the transaction in this Agreement.

6. TITLE POLICY.

6.1 Approval of Title. Promptly following execution of this Agreement, but in no event later than five (5) days following Opening of Escrow, a preliminary title report shall be issued by Fidelity National Title ("Title Company"), describing the state of title of the Property, together with copies of all exceptions listed therein and a map plotting all easements specified therein. Within 10 (1) days after Buyer's receipt of the Preliminary Title Report, Buyer shall notify Seller in writing (Buyer's Title Notice") of Buyer's disapproval of any matters contained in the Preliminary Title Report which is not otherwise required to accept as specified in Section

In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of ten (10) days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("Seller's Notice"). If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow and the Total Deposit shall be returned to Buyer or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) days following receipt of notice of such additional exceptions.

6.2 Title Policy. At the Close of Escrow, Escrow Holder shall furnish Buyer with an ALTA owner's standard (non-extended) coverage Policy of Title Insurance insuring title to the Property vested in Buyer with coverage in the amount of the Purchase Price, containing only the exceptions to title (i) which have been approved or waived by Buyer in accordance with Section 6.1; (ii) any deeds or trust

securing loans against the leasehold interest of Buyer; (iii) easement created as part of this Purchase and Sale Agreement. The cost of the Title Policy to Buyer shall be paid by Seller, but Buyer shall be obligated to pay for any endorsements or extended coverage policy.

7. **NHD Report.** Within ten (10) days of Opening of Escrow, Escrow shall order and deliver to Buyer and Seller a Natural Hazards Disclosure report for the Property issued by Disclosure Source (“NHD Report”). The cost of the NHD Report shall be paid by Buyer.

8. **CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

8.1 Conditions to Buyer’s Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent (“Buyer’s Conditions Precedent”):

- i. Title Company will issue the Title Policy as specified in Section 6.2.
- ii. Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- iii. Seller is not in default of its obligations under this Agreement.

8.2 Conditions to Seller’s Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- i. Buyer has delivered the balance of the Purchase Price to Escrow Holder.
- ii. Title Company will issue the Title Policy as specified in Section 6.2.
- iii. Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- iv. Seller shall have complied with Government Code section 37420 and adopts a resolution in accordance therewith authorizing the sale.
- v. Buyer is not in default of its obligations under this Agreement.

9. **LIQUIDATED DAMAGES.**

IF BUYER SHOULD MATERIALLY DEFAULT UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. THEREFORE, BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER’S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE TOTAL DEPOSIT SHALL CONSTITUTE A REASONABLE ESTIMATE OF SELLER’S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671 AND 1677 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE FOR A BREACH PRIOR TO THE CLOSING. IF BUYER FAILS TO PROMPTLY DELIVER THE SUM SPECIFIED ABOVE TO SELLER, SUCH FAILURE

SHALL CONSTITUTE A MATERIAL BREACH OF THIS PROVISION AND SELLER MAY ELECT TO SUE BUYER UNDER THIS PROVISION OR TO WAIVE THIS PROVISION AND PROCEED AGAINST BUYER FOR ALL APPLICABLE DAMAGES RESULTING FROM BUYER'S DEFAULT. THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF BUYER UNDER THIS AGREEMENT, THE OBLIGATIONS OF BUYER UNDER SECTION 7.5, AND ANY CHALLENGE TO THE ENFORCEABILITY OF SECTION 3.2(a)(vi).

Seller's Initials

Buyer's Initials

10. CONDITION OF THE PROPERTY.

10.1 *Disclaimer of Warranties.* Upon the Close of Escrow, Buyer shall acquire the Property in its "AS-IS" condition and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Property, and Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under Section 1542 of the California Civil Code which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Seller's Initials

Buyer's Initials

11. ESCROW PROVISIONS.

11.1 *Escrow Instructions.* Sections 1 through 8, inclusive, 11, 14 and 15 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

11.2 General Escrow Provisions. Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Monterey County Recorder to mail the Grant Deed to Buyer and the Easement Agreement and Certificate of Compliance to Seller at the addresses set forth in Section 15 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Monterey County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

11.3 Real Property Taxes. The Property has been assessed real property taxes, so the taxes shall be prorated as part of this transaction.

11.4 Payment of Costs.

- a. **Cost Allocation.** Seller shall pay the costs for the Title Policy (standard coverage ALTA owner's policy), documentary transfer taxes and one-half (1/2) of the escrow costs and the recording charges for the Easement Agreement and Certificate of Compliance ("**Seller's Charges**"). Buyer shall pay the cost of any additional endorsements to the Title Policy requested by Buyer (including any ALTA extended coverage owner's policy and the necessary survey), one-half (1/2) of the escrow fees, the recording charges for the Grant Deed and any charges incurred by Buyer's acts ("**Buyer's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.
- b. **Closing Statement.** At least three (3) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary Escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

11.5 Termination and Cancellation of Escrow. If Escrow fails to close due to a failure of a condition precedent, then the party in whose favor the condition precedent runs may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return (i) the Deposit to Buyer (less any cancellation fees) unless Seller is entitled to same pursuant to Section 9, (ii) all documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from Escrow or this Agreement.

11.6 Documents. Upon recordation of the Grant Deed, Escrow Holder will deliver a conformed copy of the Grant Deed, Easement Agreement and Certificate of Compliance and a fully executed copy of the New Lease to each party.

11.7 Information Report. Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045I regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or

hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045I, and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

11.8 *No Withholding as Foreign Seller.* Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

11.9 *Brokerage Commissions.* Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorney's fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a brokers' commission and/or finder's fee.

12. RISK OF PHYSICAL LOSS. Prior to Closing, risk of physical loss to the Property shall be borne pursuant to the Original Lease.

13. NON-COLLUSION. No official, officer, or employee of the City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non-interest" pursuant to California Government Code Sections 1091 and 1091.5. Seller warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, and City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Seller further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Seller is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Seller's Initials

Buyer's Initials

14. NOTICES. Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given (i) by personal delivery (including reputable overnight courier (such as Federal Express, UPS or DHL) which will be deemed received the following day, or (ii)

by mailing the same by registered or certified mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail, addressed to the party to whom the notice is directed as set forth below, or such other address and to such other persons as the parties may hereafter designate:

To Seller: 212 South Vanderhurst Avenue
King City, CA 93930
Attention: Executive Director

With a Copy to: Aleshire & Wynder, LLP
2440 Tulare Street Suite 410
Fresno, CA 93721
Attention: Roy C. Santos, Esq.

To Buyer: Salinas Valley Fair, Inc.
625 Division St.
King City, California 93930

To Escrow Holder: Fidelity National Title Insurance Escrow
located at Chicago Title Company at
250 Bonifacio Place,
Monterey, California 93940
Escrow Office, Kimberly Verania

15. GENERAL PROVISIONS.

15.1 *Assignment.* Buyer has no right to assign this Agreement without the prior written consent of Seller in its sole discretion. Seller agrees to not unreasonably withhold its consent for a transfer by Buyer to an entity in which Buyer holds a majority ownership interest and is the manager. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

15.2 *Attorney's Fees.* In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, including any defense of any such action, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

15.3 *Interpretation; Governing Law; Venue.* This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. The venue for any dispute shall be Monterey County.

15.4 *No Waiver.* No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this

Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

15.5 *Modifications.* Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

15.6 *Severability.* If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15.7 *Merger.* This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written are merged herein and shall be of no further force or effect.

15.8 *Construction.* In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

15.9 *Qualification and Authority.* Each individual executing this Agreement on behalf of Buyer represents, warrants and covenants to the Authority that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Buyer in accordance with authority granted under the organizational documents of such entity, and (b) Buyer is bound under the terms of this Agreement.

15.10 *No Third-Party Beneficiaries.* This Agreement is only between the parties and is not intended to be nor shall it be construed as being for the benefit of any third party.

15.11 *Execution in Counterparts.* This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

15.12 Exhibits. Exhibits A through Exhibit F attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

Each of Sections 9, 10 & 13 must also be initialed by the designated party.

BUYER:

Salinas Valley Fair, Inc.

SELLER:

THE CITY OF KING CITY, a public agency

By: _____
Its: _____

By: _____
Steve Adams

By: _____
Its: _____

_____, 2020

ATTEST:

ACCEPTED BY ESCROW HOLDER:

FIDELITY NATIONAL TITLE
INSURANCE COMPANY, a California
corporation

Erica Sonne, Deputy Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Kimberly Verania, Escrow Officer

By: _____
Roy C. Santos, City Attorney

Dated: _____, 2020

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

**EXHIBIT A
LEGAL DESCRIPTION**

All that real property lying within the City of King, County of Monterey, State of California, being a portion of that certain 1.989 acre parcel of land conveyed to the City of King by Individual Grant Deed, recorded May 24, 1974 in Reel 915, at Page 389, of Official Records of said County, said 1.989 acre parcel also being shown on that Record of Survey map filed October 29, 1973 in Volume 11 of Surveys, at Page 17, Records of said County, being more particularly described as follows:

Beginning at the most southerly corner of said parcel as shown on said map; thence along the southwesterly boundary line of said parcel North 33°50'00" West 453.51 feet to the most northwesterly corner thereof; thence along the northerly boundary lines of said parcel the following courses:

- 1) North 56°10'00" East 5.00 feet to a point; thence
- 2) along a non-tangent curve to the left, the radius point of said curve bearing North 43°38'25" East, with a radius of 210.00 feet, through a central angle of 58°32'55", an arc distance of 214.59 feet to a point of tangency; thence
- 3) North 75°05'30" East 19.14 feet to a point of curvature; thence
- 4) along a tangent curve to the left, with a radius of 370.00 feet, through a central angle of 8°51'47", an arc distance of 57.24 feet to a point; thence

leaving said northerly boundary, along a line being parallel to said southwesterly boundary line South 33°50'00" East 258.97 feet to a point on the southeasterly boundary line of said parcel; thence along said southeasterly boundary line South 50°37'08" West 216.37 feet to the **Point of Beginning**.

Containing 1.59 acres of land, more or less.

Reserving therefrom an easement for ingress/egress purposes and for the installation and maintenance of public service facilities and any appurtenances thereto, lying under, over, on and across a portion of said 1.59 acre parcel described above and as shown on '**Exhibit B**' (plat) attached hereto.

End of Description

This description was prepared by me or under my direction pursuant to the requirements of the Professional Land Surveyor's Act.

John K. King, P.L.S. 6809

Date

EXHIBIT B

PLAT OF THE PROPERTY

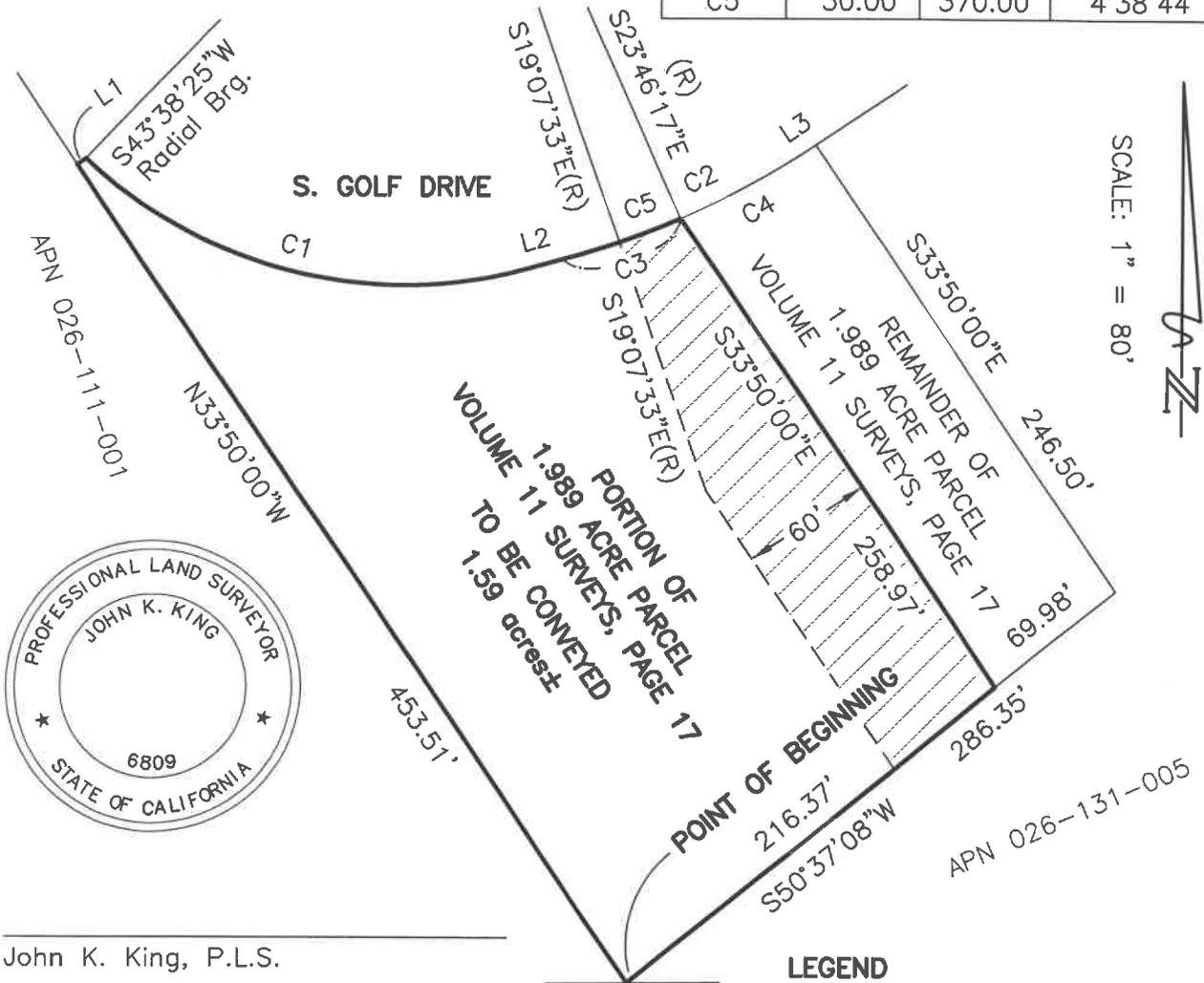
EXHIBIT B

PLAT TO ACCOMPANY A LEGAL DESCRIPTION IN THE CITY OF KING

BEING A PORTION OF THAT 1.989 ACRE PARCEL SHOWN ON THAT RECORD OF SURVEY FILED
IN VOLUME 11 OF SURVEYS, AT PAGE 17, RECORDS OF MONTEREY COUNTY, CALIFORNIA

LINE TABLE		
LINE	LENGTH	BEARING
L1	5.00'	N56°10'00"E
L2	19.14'	N75°05'30"E
L3	5.00'	N56°10'00"E

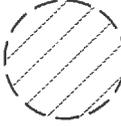
CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	214.59'	210.00'	58°32'55"
C2	122.21'	370.00'	18°55'30"
C3	57.24'	370.00'	8°51'47"
C4	64.98'	370.00'	10°03'43"
C5	30.00'	370.00'	4°38'44"



John K. King, P.L.S.

Date _____

LEGEND

-  BOUNDARY OF LOT TO BE CONVEYED
-  AREA OF INGRESS/EGRESS AND PUBLIC SERVICE EASEMENT BEING RESERVED
-  RADIAL BEARING

HANNA-BRUNETTI
EST. 1910

CIVIL ENGINEERS • LAND SURVEYORS
CONSTRUCTION MANAGERS

EXHIBIT "C"

ORIGINAL LEASE

RESOLUTION NO. 1267

A RESOLUTION AUTHORIZING MAYOR AND/OR CITY MANAGER TO SIGN LEASE BETWEEN THE CITY OF KING AND SALINAS VALLEY FAIR, INC.

WHEREAS, a lease has been made between the City of King, a California Municipal Corporation, hereinafter called "City", and Salinas Valley Fair, Inc., an agent of the County of Monterey, a political division of the State of California, hereinafter called "Fair"

WHEREAS, the City Council has heard read said Lease in full and is familiar with the contents thereof.

NOW THEREFORE, be it resolved by the City Council of the City of King that said Lease be and it hereby approved, and the Mayor and/or City Manager are hereby authorized to sign same on behalf of said City of King.

PASSED AND ADOPTED this 25th day of April, 1974, by the following vote:

AYES, COUNCILMEN: Morga, Tavernetti, Pope, Frudden

NOES, COUNCILMEN:

ABSENT, COUNCILMEN: Lonnie Silva

APPROVED:

Ed Morga

MAYOR

ATTEST:

Marjorie Sarina

DEPUTY CITY CLERK

L E A S E

THIS LEASE made and entered into this 25th day of April, 1974, by and between the CITY OF KING, a California Municipal Corporation, hereinafter called "City", and MONTEREY COUNTY FAIR (SALINAS VALLEY FAIR, INC.), an agent of the COUNTY OF MONTEREY, a political division of the State of California, hereinafter called "Fair".

W I T N E S S E T H

City hereby leases to Fair, and Fair hires from City, on the terms and conditions hereinafter set forth, the demised premises hereafter described.

1. Description. The demised premises are those certain premises, together with improvements thereon situate in the City of King, County of Monterey, State of California, more particularly described in Exhibit A attached hereto and made a part hereof.

2. Term. The term of the within lease shall be for twenty-five (25) years, commencing July 1, 1974.

3. Rent. Fair agrees to pay each year during the term of this lease, or extension thereof, an amount equal to one-third (1/3) of the gross annual receipts derived from the use of the leased premises (during periods other than the annual Salinas Valley Fair) said payments to be due and payable each year on the 1st day of July commencing July 1, 1974.

In the event that the city acquires the property referred to in paragraph 20 hereof, Fair agrees to pay each year, during the term of this lease, the following rent, starting with the sum of one thousand five-hundred dollars (\$1,500) per year for the first five years, to be increased in the amount of one hundred dollars (\$100) per year at the conclusion of each five year increment thereafter up to a maximum of nineteen hundred dollars (\$1,900), or an amount equal to one-third (1/3) of the gross annual receipts derived from the use of the leased premises (for periods other than during the annual Salinas Valley Fair) whichever sum is greater, said payments to be due and payable each year on the 1st day of July commencing July 1, 1974.

4. Use. The demised premises are leased to Fair for the purpose of stadium, park, recreational, fair, exhibition or related purposes, except that uses other than livestock or show events including, but not limited to those set forth in paragraph 18 shall be subject to city approval. Fair shall not use, or permit said demised premises, or any part thereof, to be used for any purpose other than the purpose or purposes for which said demised premises are hereby leased. City and Fair shall cooperate to create the greatest possible use of the demised premises for income producing purposes.

5. Conditions. Payment of said rentals and the performance by Fair of all the agreements hereinafter set forth shall be a condition precedent to Fair's right to occupy the said premises or to claim any interest therein.

6. Repairs and Maintenance. Fair shall, at its sole cost, keep and maintain said demised premises, appurtenances and improvements and every part thereof, including fences, in good, clean and sanitary order, condition, and repair, hereby waiving all right to make repairs at the expense of City as provided in Section 1942 of the Civil Code of the State of California and all rights provided for by Section 1941 of said Civil Code.

7. Alterations. Fair shall not make, or suffer to be made, any alterations of the said leased premises, or any part thereof, without the written consent of City first had and obtained. The City agrees that such consent shall not be unreasonably withheld. Any additions to, or alterations of, said premises, except movable equipment, shall become at once a part of the realty and belong to City. Fair shall keep the demised premises and the property in which the demised premises are situated free from any liens arising out of any work performed, material furnished, or obligations incurred by Fair.

8. Assignment or Subletting. Fair will not assign this lease or any interest therein, either voluntarily or involuntarily, not let or underlet the premises or any part thereof, without the consent in writing of City first being had and obtained. Such consent shall not be unreasonably withheld.

9. Remedies on Default. If default shall be made by Fair in the payment of the rent herein reserved or any part thereof, or if Fair shall commit any breach

of any of the terms herein contained on its part to be completed with or performed and shall fail to remedy such breach after thirty (30) days' notice served personally or by registered mail on Fair, the Fair's right to possession of the demised premises, at the option of City, shall terminate to be forfeited, and it shall then be lawful for City of re-enter the demised premises and remove therefrom the Fair and all persons claiming through or under it. If Fair breaches this lease and abandons the demised premises before the end of the term, or if Fair's right to possession of the demised premises is terminated by City because of a breach of this lease, this lease shall terminate and City may recover from Fair all damages provided by Section 1951.2 of the California Civil Code. Such damages shall include the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of the award, exceeds the amount of such rental loss for the same period that Fair proves could be reasonably avoided. Nothing herein contained shall be deemed to prevent or prohibit City from reletting the demised premises in an effort to mitigate damages.

10. Compliance with Law. Fair shall comply with all requirements of all governmental authorities, in force either now or in the future, at Fair's sole cost and expense.

11. Destruction of Premises. In the event of damage to or destruction of the leased property by fire or other casualty, the Fair, at its sole expense, shall promptly restore the leased property as nearly as possible to its condition prior to such damage or destruction. City shall have no duty, obligation, or liability whatsoever in such event.

12. Liability for Injuries. Unless caused by its own negligence, City shall not be liable for any injury to property either of the Fair or employees or customers of the Fair, or of any other person, or for any injury to or for the death of any employee or customer of the Fair, or of any other person in or about the demised premises, from whatever cause occurring, and the Fair will indemnify and save harmless the City from any and all claims and demands which may be made against the City by reason of such injury or death, and will immediately take out and carry, at its own expense a policy insuring City against public liability

and property damage with policy limits of not less than \$300,000.00 for the death of or injury to one person and \$500,000.00 for the death of or injury to more than one person arising out of a single occurrence, and property damage insurance with policy limits of not less than \$50,000.00. City shall be named as a co-insured and all such policies shall provide for ten (10) days' written notice to City prior to cancellation for any reason.

13. Mechanics' Liens. Fair agrees to keep the demised premises free of any mechanics' or materialman's liens or other lien of any kind or nature for any work done, labor performed, or material furnished thereon at the instance or occasion of Fair. Fair further agrees to indemnify and save harmless City from and against any and all claims, liens, demands, costs, and expenses of whatsoever nature for any such work done, labor performed, or materials furnished.

14. Inspection and Entry by City. City, its officials, employees and agents shall have the right at all reasonable times to enter the leased premises for any purpose deemed necessary by City.

15. Waiver. The waiver by City of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any preceding breach by City or any terms, covenant, or condition of this lease, other than the failure of Fair to pay the particular rental so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent.

16. Surrender of Premises. On termination of this lease, Fair shall redeliver possession of said demised premises to City.

17. Condition of Premises. Fair has examined the premises, is satisfied with the physical condition and its taking possession is conclusive evidence of receipt of them in good order and repair; and it agrees that no promises to decorate, alter, repair or improve the premises has been made.

18. Livestock on Premises. Fair agrees that no horses or livestock of any kind whatsoever shall be kept in, permitted in, or allowed to remain in, said demised premises or any part thereof, other than during daylight hours, with the

exception of stock used in horse show events to be conducted upon the demised premises. Such horse show events shall be those normally or customarily performed and including, but not limited to, rodeo, gymkana, jackpot and practice roping and horse shows.

19. Street Improvements. Provided City acquires that certain real property generally referred to as the "Andrus" property City agrees to utilize the rental payment referred to in Paragraph 3 hereof, for the purpose described in Paragraph 21 of this lease.

20. Acquisition of "Andrus" Property. City agrees to take all reasonable steps within its sound financial planning to acquire by purchase the above described "Andrus" property.

21. City's Use of Fair's Rental Payments. City agrees to apply Fair's annual rental payments for the following purposes and in the following priority:

1. Fair's share of street improvements.
2. Acquisition and improvement of the "Andrus" property.
- 7 3. All remaining funds from said rental to be used by City for any purpose the City may choose.

22. Turf to be Planted by Fair. Fair agrees to forthwith, and upon demand by City, to plant and maintain the turf within the demised premises, except in arena area, at its sole cost and expense.

23. Surplus City Water. Fair shall have free access to and use of that portion of water from City's well and pump that is not required by City for its park, golf course and recreational facilities presently existing or that may exist in the future, such water to be supplied by City in adequate amounts, however, for the sole use and benefit of said demised premises.

24. Sanitary Facilities. Should any governmental authority, law, rule or regulation, require the construction of sanitary facilities for the use of persons in or about the demised premises, city and fair subject to budgetary problems jointly construct such facilities in accordance with and subject to architectural design and site control approved by city.

25. City Use of Fair Buildings and Facilities. Subject to its own requirement fair shall permit city to use and occupy fair's buildings and facilities adjoining said demised premises, at no cost to city, for any private or public purpose, provided such buildings and facilities are not being used or occupied by any other fair approved user. The city shall not sublet said buildings and facilities.

26. Recreational Equestrian Riding. The Fair agrees to allow recreational, equestrian riding within the premises on Saturdays, Sundays, Holidays and summer school vacation periods during daylight hours when the facilities are not in use for organized activities or events authorized by the Fair. Such use shall be unrestricted to residents of King City except for such rules and regulations and protective measures as may be mutually agreed upon between the Fair and the City.

27. Accounting. Fair shall furnish City each year, on or before _____ of each year, a statement of Fair's gross
(month) (day)
annual receipts derived from its operations under this lease, covering the period each year from _____ to _____
(month) (day) (month)

(day)

28. Fair's Use of "Andrus" Property. In the event the City acquires and improves the "Andrus" property and the improvements are suitable for Fair's use and compatible to City laws, rules and regulations, City shall permit Fair to use and occupy such improvements and facilities on the same basis as this lease provides for City use of Fair facilities as set forth in Paragraph 25 hereinabove.

29. Time. Time is of the essence to this lease.

30. Option to Renew. Fair may extend the term of this lease for one separate and successive period of five (5) years subject to such reasonable terms and conditions which may be negotiated by the City and Fair, except that any rent for said extension period shall not exceed nineteen hundred dollars, (\$1900) for each year thereof.

IN WITNESS WHEREOF, the parties have executed this lease on the day
and year first above written.

CITY OF KING

By Ed Moya
Mayor

By _____
Clerk

MONTEREY COUNTY FAIR (SALINAS VALLEY
FAIR, INC.)

By J.M. Trepony
President

By Melan
Secretary

CHARLES A. FISHER
CIVIL ENGINEER - SURVEYOR
7971 SOQUEL DRIVE
APTOS, CALIFORNIA 95003
PHONE (408) 688-3398

TITLE	FOR
LEGAL DESCRIPTION	CITY OF KING
FAIRGROUNDS	212 S. VANDERHURST
PROPERTY	KING CITY, CA 95020

SHEET NO. 1
OF 1 SHEETS
DATE 5/13/74
JOB NO. 74043

SITUATE in the City of King, County of Monterey State of California and more particularly bounded and described as follows: BEGINNING at a point which bears South $56^{\circ}10'$ West 210.83 feet, along the northerly right of way line of Division Street, and South $33^{\circ}50'$ East 416.98 feet, along the northerly right of way line of San Lorenzo Avenue, from the most southerly corner of lands shown on that Map of Tract No. 348 Entitled "Bengard Sub. No. 2" Recorded in Volume 6 at Page 161, Monterey County Official Records; thence, leaving said northerly right of way line of San Lorenzo Avenue, North $15^{\circ}29'19''$ East 268.28 feet; thence North $51^{\circ}34'28''$ East 201.52 feet; thence North $89^{\circ}23'18''$ East 79.02 feet; thence South $33^{\circ}7'36''$ East 385.90 feet; thence South $56^{\circ}1'11''$ West 465.65 feet; to a point on the Northerly line of San Lorenzo Avenue; thence, along said northerly line of San Lorenzo Avenue North $33^{\circ}50'0''$ West 239.34 feet to the point of beginning.

EXHIBIT A

Resolution No. 2055

LEASE AMENDMENT

For and in consideration of the promises, covenants and agreements herein contained, it is hereby agreed by and between the CITY OF KING, a municipal corporation, hereinafter called "CITY", and MONTEREY COUNTY FAIR (SALINAS VALLEY FAIR, INC.), an agent of the County of Monterey, a political subdivision of the State of California, hereinafter called "FAIR", that the lease dated April 25, 1974, by and between the parties hereto (marked Exhibit A and by reference made a part hereof) be amended as follows:

RENT. Item No. 3 (RENT) is amended to delete therefrom the requirement that FAIR shall pay any percentage or fraction of its gross annual receipts as rental to CITY. From and after the effective date hereof, the basic cash rental payable by FAIR to CITY shall be reduced by one-half ($\frac{1}{2}$) the amounts provided in Item No. 3.

USE. Item No. 4 (USE) is amended to add the following: CITY shall have the right to use a portion of the demised premises for a Little League Park to be located partially on the demised premises and partially on the Municipal Park property adjacent to and northerly, easterly and southerly of the demised premises. The Little League Park shall be at least thirty feet (30') from the existing arena on the demised premises. CITY shall provide to FAIR a parking area on CITY's Municipal Park property lying adjacent to and southerly of the proposed Little League Park for motor vehicle parking, said area to be the same size as the portion of the stampede grounds to be occupied by the Little League Park. The parties have identified said parking area on the ground and

are in agreement as to its dimensions and the location of its boundaries, which shall be enclosed with a fence. FAIR shall permit parking in FAIR parking areas for Little League games and other events in the Little League Park. The Little League shall have the right to use the existing Little League Park located on FAIR property off Division Street for two (2) more years from the effective date hereof.

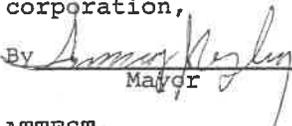
DELETE ITEM NO. 22. Item No. 22 (TURF TO BE PLANTED BY FAIR) is deleted in its entirety.

CITY USE OF FAIR BUILDINGS AND FACILITIES. Item No. 25 (CITY USE OF FAIR BUILDINGS AND FACILITIES) is amended to provide as follows: Subject to its own requirements, FAIR shall allow CITY free use of its buildings and facilities for the Mayor's Appreciation Dinner, meetings of municipal and city leagues of which CITY is or may become a member, and other special dinner meetings sponsored by CITY.

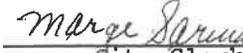
DELETE ITEM NO. 28. Item No. 28 (FAIR'S USE OF ANDRUS PROPERTY) is deleted in its entirety.

Save and except as thus expressly hereinbefore amended, said Lease of April 25, 1974, shall be and remain in full force and effect. The effective date of this amendment shall be Sept. 18, 1984.

CITY OF KING, a municipal corporation,

By 
Mayor

ATTEST:


City Clerk

MONTEREY COUNTY FAIR (SALINAS VALLEY FAIR, INC.)

By 
President

By 
Secretary

LEASE

Section 1. Premises. This lease is made by and between Lessor the City of King, a Municipal corporation of the State of California, and Lessee Salinas Valley Fair, Inc., a non-profit corporation of the State of California, operator of the fairgrounds located in King City, which fairgrounds belong to the County of Monterey. Hereinafter the parties for convenience will be referred to as "City" and "Fair." The premises leased by City to Fair, by means of this lease, belong to City, and consist of the Arena and grandstands located on Division Street and the easterly side of South San Lorenzo Avenue. The term "Arena" includes the grandstands and the right to access the Arena, and this lease gives Fair the right to use the City's public restrooms and snack bar at City's Municipal Park and livestock pens appurtenant to the Arena itself. Fair shall also have the right to use City's property immediately south of the southerly end of San Lorenzo Avenue (but not on the City golf course) for the parking of patrons' vehicles during fair time and other special events scheduled for the fairgrounds or the Arena, so long as such parking does not interfere with use of City's golf course.

Section 2. Term. The term of this lease is 10 years, commencing July 1, 2001, and ending June 30, 2011. The lease term is subject to cancellation if the Fair is relocated to property other than its present location.

Section 3. Rent. Rent is \$2800 per year, payable in one lump sum on July 1st of each year of the lease term, unless the City Manager of City and the Fair Manager agree to more frequent installments (but not less frequently than quarterly) by an instrument in writing signed by both the City Manager and the Fair Manager. Rent shall be increased each year after 2001, by an annual amount equal to the percentage increase in the Consumer Price Index (CPI) for the San Francisco-Oakland Bay Area, all items, all urban consumers. Said increase to be effective July 1st of each year, after 2001. Rent shall be payable without deduction or offset. City shall notify Fair by June 15th of the amount of the CPI adjusted rental which shall be due and payable as of July 1st of that year.

Section 4. Use. The Arena is leased to Fair for the purpose of stadium, park, recreational, fair, exhibition and related purposes, except that uses other than livestock, roping or gymkana events shall be subject to City approval. City and Fair shall cooperate to maximize revenue and to make the greatest possible use of the leased premises, consistent with the provisions of this Section 4. The leased premises shall not be used for any event that produces loud and raucous noise at levels that cause undue disturbance to the residential neighborhoods in the vicinity of the Fairgrounds.

Section 5. Conditions. Payment of rental and the performance by Fair of all agreements set forth in this lease shall be a condition precedent to Fair's right to use the Arena for any purpose.

Section 6. Repairs and Maintenance. Fair shall, at its sole cost, keep and maintain the leased premises, appurtenances and improvements and every part thereof, including the grandstands and fences, in good, clean and sanitary order, condition and repair, and free from litter, weeds and debris. Fair shall be responsible for cleaning the restrooms and snack bar after any public event sponsored by, or under the auspices of, the Fair. The cost of repairs and improvements to the restrooms and snack bar shall be shared by City and Fair equally.

Section 7. Alterations. Fair shall not make, allow, or suffer any alterations of the leased premises, or any part thereof, without the written consent of City first had and obtained. Such consent shall not be unreasonably withheld. Any additions to, or alterations of, said premises, except movable equipment, shall become at once a part of the realty and belong to the City. Fair shall keep the leased premises free from any liens arising out of any work performed, material furnished, or obligations created or incurred by Fair.

Section 8. Assignment and Subletting. Fair will not assign this lease or any interest therein, nor let or underlet the premises or any part thereof without the written consent of City first had and obtained. Provided, however, that the provisions of this section shall not preclude Fair from short term agreements for the use of the Arena facilities by third parties for entertainment and exhibition events not inconsistent with the provisions of Section 4 hereof.

Section 9. Remedies on Breach. If Fair breaches any of the terms of this lease, City may, at its option, terminate this lease by means of a written notice of termination to be served upon Fair. Provided, however, that any breach in the covenant to pay rent, make repairs, perform maintenance, or carry insurance as provided in this lease shall not entitle City to terminate this lease until the expiration of 60 days from the date of notice in writing given by City to Fair specifying the nature of the breach and giving Fair the opportunity within said 60 days' period to remedy such breach. Upon the expiration of said 60 days' period, the City may re-enter the leased premises and remove therefrom any property belonging to Fair and property of any persons claiming through or under Fair.

Section 10. Compliance with Law. Fair shall comply with all requirements of all governmental authorities in force now or in the future, at Fair's sole cost and expense.

Section 11. Destruction of Premises. In the event any of the structures on the leased premises are damaged or destroyed by fire or other casualty, the Fair, at its sole expense, shall promptly restore the damaged property as nearly as possible to its condition prior to such damage or destruction. City shall have no duty, obligation, or liability whatsoever in such event.

Section 12. Indemnity and Insurance. Fair shall indemnify and hold harmless City, its Council Members, Boards and Commissions, employees and agents from and against all claims, loss, liability, suits and damages, including attorneys fees, for

bodily injury or death and property damage occurring on the leased premises. Fair shall carry a policy of public liability insurance in an amount not less than \$1,000,000, showing City as an additional insured. Such policy shall cover liability for personal injury and property damage occurring on the leased premises, and shall be on an occurrence basis. Fair shall provide to City a certificate of insurance evidencing such coverage, and it shall provide that such insurance shall not be cancelled or modified in any way without at least 30 days' prior notice to City.

Fair shall also insure the Arena (including the grandstands and fences) with a policy of fire and extended coverage, with City named as an additional insured in such policy. Fair shall provide to City a certificate of insurance evidencing such coverage, and it shall provide that such insurance shall not be cancelled or modified in any way without at least 30 days' prior notice to City.

Section 14. Inspection and Entry by City. City, and its officials, employees and agents shall have the right at all reasonable times to enter the leased premises for any purpose deemed necessary by City.

Section 15. Waiver. The waiver by City of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition herein contained. The acceptance of any rent payment under this lease by City shall not be deemed to be a waiver of any preceding or subsequent breach of any term, covenant, or condition of this lease, other than the failure of Fair to pay the particular rental so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent.

Section 16. Condition of Premises. Fair has examined the premises, and is satisfied with the condition thereof, including the safety of all facilities of which the leased premises consist. City makes no warranty or representations regarding the safety of the premises, or the absence of hazardous substances (including asbestos), and the taking of possession of these premises by Fair is conclusive evidence of receipt of the premises in good order, condition and repair. Fair agrees that no promise to decorate, alter, repair or improve the premises has been made.

Section 17. Livestock. Fair agrees that no horses or other livestock of any kind shall be kept in, permitted in or on, or allowed to remain in or on said premises, or any part thereof, other than during daylight hours, with the exception of stock used in horse shows, rodeo, gymkana or roping events.

Section 18. City Water. Fair shall have access to water from City's well and pump, at the Arena, subject to requirements of City to utilize the water supply on City's golf course. Provided, however, that it is understood and agreed that City does not at any time warrant the adequacy of quantity or quality of said water supply to meet Fair's needs at the Arena.

Section 19. City's Use of Fair Buildings. City shall have the right to use Fair's buildings and facilities on the fairgrounds free of charge for Mayor's recognition dinners, so long as such use does not unreasonably conflict with use of such facilities by Fair, or any Fair approved user.

Section 20. Recreational Horseback Riding. Fair agrees to allow the use of the Arena for recreational horseback riding by King City residents, provided that such use does not conflict with events scheduled by Fair for the Arena.

Section 21. Time of the Essence. Time is of the essence of this lease, and each and every provision hereof..

Section 22. Option to Renew. Fair not being in default of any term, covenant or condition of this lease, shall have the right and option to renew this lease for an additional term of 5 years, upon giving City not less than 60 days' written notice of Fair's intent to renew prior to the expiration of the initial term hereof. Rent shall be subject to renegotiation by and between the parties.

In Witness Whereof the parties have executed this lease this ____ day of July, 2001.

City of King

By: _____

By: _____

Salinas Valley Fair

By: _____

By: _____

D2 6/27/01

EXHIBIT “D”

NEW LEASE

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Attention: City Clerk
212 So. Vanderhurst Ave.
King City, California 93930

APN.023-141-09 and 026-141-096

[SPACE ABOVE FOR RECORDER'S USE ONLY]
Exempt from filing/recording fees per Govt. Code §27383

LEASE AGREEMENT

This Lease Agreement ("**Lease**") is made and entered into on this ____ day of _____, 2019 ("**Lease Date**"), by and between the CITY OF KING, a municipal corporation ("**Landlord**") and SALINAS VALLEY FAIR, INC., a California nonprofit Corporation, hereinafter ("**Tenant**"). Landlord and Tenant are sometimes individually referred to as a "**Party**" and jointly as the "**Parties.**"

RECITALS:

A. Landlord owns that certain real property situated in the City of King, County of Monterey, State of California, designated as a portion of Assessor's Parcel Numbers 023-141-095 and 026-141-096 commonly known as the Arena more particularly described in **Exhibit A** attached hereto and incorporated herein by reference and shown on the map attached hereto as **Exhibit B**, excluding the public restroom facilities open to City's Municipal Park property adjacent to the Arena. ("**Real Property**").

B. With respect to the Real Property, Landlord previously entered into a lease agreement with Salinas Valley Fair, Inc. dated March 2, 2009, which was set to expire on March 2, 2019. That 2009 Lease Agreement was amended and extended the terms of the lease for an additional six months and then a subsequent three months to facilitate the negotiations of a lease extension.

C. The Tenant desires to continue to lease the designated Real Property from Landlord and Landlord desires to continue to lease to Tenant the designated Real Property herein pursuant to the terms set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. Lease Premises.

1.1. Lease Premises. Subject to the terms of this Lease, Landlord hereby Leases to Tenant and Tenant hereby leases from Landlord, the portions of the property commonly known as the Arena described in **Exhibit A**, and shown on the map in **Exhibit B**, excluding the public restroom facilities open to City's Municipal Park property adjacent to the Arena. ("**Leased Premises**")

1.1.1. Disclosure. Tenant is advised as follows: The Leased Premises have not undergone an inspection by a certified accessibility specialist as defined in Civil Code section 1938.

2. Term; Right to Terminate.

- 2.1. Effective Date:** This Lease shall be effective upon recordation in the Official Records in California ("**Effective Date**")
- 2.2. Lease Term:** This Lease shall commence on the Effective Date and terminate ten (10) years thereafter, unless terminated earlier as set forth in this Lease. ("**Term**")
- 2.3. Recordation.** Within ten (10) business days of the execution and acknowledgement of this Lease by both parties, Landlord shall cause a copy of this Lease to be recorded in the Official Records of Monterey County ("**Official Records**") pursuant to Government Code Section 37393. Upon termination or exercise of any rights under this Lease or an amendment of this Lease, the parties shall record a copy thereof in the Official Records. Upon termination of the Lease, Tenant shall promptly execute, acknowledge and deliver to Landlord any documents reasonably requested by Landlord in order to terminate the Lease in the Official Records.

3. Rent and Other Consideration.

- 3.1. Basic Rent.** On the Effective Date and thereafter, the Tenant shall pay to the Landlord an annual rent of two thousand dollars (\$2,000) payable in two equal semi annual installments. The first installment is due and payable on the 1st day of January each year during the term of the lease. The second installment is due and payable on the first day of July each year during the term of the lease.

Payment shall be made to the City of King, 212 So. Vanderhurst Ave., King City California 93930.

- 3.2. Rent Increase.** The annual rent shall be increased by one hundred dollars (\$100.00) on the first day of January each year, beginning with January 2020.
- 3.3. Late Charge.** If Rent is not received by Landlord within ten (10) days of the due date, Tenant shall pay to Landlord an additional sum of ten percent (10%) of the overdue amount as a late charge, which is agreed to represent a reasonable estimate of the costs incurred by Landlord on account of such delinquency. Acceptance of a late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

- 3.4. **Conditions.** Payment of said rents and the performance by the Tenant of all agreements herein set forth shall be a condition precedent to the Tenant's right to occupy the Leased Premises.
4. **Security Deposit.** Tenant is not required to provide, and has not provided, a security deposit to Landlord.
5. **Use of Premises.**
- 5.1. **Use.** Tenant shall use the Leased Premises for the following purposes: stadium, a park, recreational event, fair, exhibitions, rodeo, livestock and show events, short term rental of Leased Premises for such events, and other purposes incidental thereto. In addition, the keeping of animals overnight during the Fair and other interim events and the temporary raising of livestock by 4-H and FFA members for exhibition at the fair, as described in paragraph 5.2, shall be a permitted use of the Leased Premises. Tenant agrees that it will not at any time during the term of this Lease use the Leased Premises for any other purpose or purposes without prior written consent of the Landlord, which consent the Landlord shall not unreasonably withhold. The parties agree that the Tenant shall have the right to use a portion of the Softball League Park located on City's Municipal Park property adjacent to and easterly of the Arena for motor vehicle parking during the Fair without prior consent of the Landlord, and during other interim events, provided Tenant obtains Landlord's prior written approval, which Landlord shall not unreasonably withhold. In the event Tenant utilizes that portion of the Softball League Park located on the City's Municipal Park property for parking, Tenant shall repair any damage to the property caused by such use and use its best efforts to return the property to as near original condition as possible following such use.
- 5.2. **Livestock on Premises.** Tenant, event participants, and tenant stock contractors shall be permitted to keep Livestock on the Leased Premises overnight during the fair and during other permitted uses. The temporary raising of animals by 4-H and FFA members for exhibition at the Fair shall be permitted on the Leased Premises from January 1st to May 31st
- 5.3. **Surplus City Water.** Tenant shall have free access to and use of that portion of water from Landlord's well and pump that is not required by the City for its park, golf course and recreational facilities presently existing or that may exist in the future, such water to be supplied by City in adequate amounts, however, for the sole use and benefit of the Leased Premises.
- 5.4. **Landlord's Use of Fair Building and Facilities.** Subject to its own requirements, Tenant shall permit Landlord to occupy one of the Fair's buildings located upon the Fair's adjoining said premises, at no cost to the Landlord, one time per year during the Lease Term and any extension thereof for any public purpose, provided such building is not being used or occupied for another Fair approved user. Landlord is not permitted to sublet said building. The Tenant

agrees to rent Fair's buildings to the Landlord, during the Lease term, at a special at-cost rental rate, established by the Fair which will cover its administrative, set-up, clean up and other costs related to said rental, provided the Fair shall not be obligated to rent any building to the Landlord that is otherwise scheduled to be occupied by an other approved Fair use.

5.5. Compliance with Law. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and other governmental rules, regulations or requirements now in force or which may hereinafter be enacted or promulgated, relating to, or affecting Tenant's use or occupancy of the Leased Premises.

5.6. Prohibitions. Tenant shall not cause, maintain or permit any nuisance in or about the Leased Premises, nor commit or suffer to be committed any waste or storage of any environmental hazardous materials in or upon the Leased Premises. Tenant shall not do or permit anything to be done in or about the Leased Premises, nor bring or keep anything therein, which will in any way increase the existing rate of or affect any fire or other insurance upon the Leased Premises, or part thereof, or the contents of the Leased Premises, or cause cancellation of any insurance policy covering the Leased Premises, or part thereof, or its contents.

Tenant and their employees are expressly prohibited from using, allowing to be used or bringing any illegal drug or narcotic (under either Federal or state law) onto Leased Premises. In the interest of safety, anyone known to be under the influence of drugs and/or alcohol must be asked to, and shall, leave the Leased Premises immediately.

5.7. AS-IS. Tenant has had an opportunity to inspect the Leased Premise prior to the Effective Date and accepts it in AS-IS condition without any representations or warranties of any nature or kind whatsoever from Landlord. Tenant assumes all responsibility and expense of repairing, restoring or fixing the premises so that they are suitable for the permitted uses.

6. Maintenance and Repairs.

6.1. Tenant's Duties. Tenant shall, at Tenant's sole cost and expense, operate and maintain the Leased Premises, in good, clean, safe and sanitary condition and repair, including, but not limited to, all facilities, personal property, fences and equipment on the Leased Premises, in accordance with all applicable laws, rules, regulations and permits. Tenant shall promptly remedy any defective, dangerous or unsanitary conditions. Tenant shall promptly repair any area damaged by Tenant, Tenant's agents, employees, invitees or visitors. Tenant waives any right to repair the Leased Premises at the expense of the Landlord under any applicable law. Tenant further agrees that upon the expiration or sooner termination of this Lease, Tenant will surrender the Leased Premises in good condition and repair. Should Tenant fail to vacate the Leased Premises in

a clean and undamaged condition, Landlord may arrange for the cleaning and/or repair of the Leased Premises, the cost of which will promptly be reimbursed by Tenant.

6.2. Street Improvements. In the event either of the parties wish to make improvements to San Lorenzo Avenue at said parties sole cost and expense, the parties agree to work in a cooperative manner to ensure the continued operation of the City's and Fair's facilities impacted by such improvements. Nothing contained herein shall obligate either party to make a financial contribution to the other party for the improvements to San Lorenzo Avenue.

6.3. Landlord's Duties.

6.3.1. No duty. Landlord has no duty to maintain or repair the Leased Premises except as specifically otherwise specified in this Lease.

6.3.2. Right to Repair. Should Tenant fail to comply with its obligations to maintain and repair the Leased Premises, Landlord shall have the right, but not the obligation, to perform such maintenance and repairs for Tenant's account and Tenant agrees to promptly reimburse Landlord for the cost thereof.

6.3.3. Right to Enter and Inspect. Landlord reserves the right to inspect the Leased Premises as deemed necessary by Landlord, and the right (but not obligation) to do any and all work of any nature necessary for preservation, maintenance and operation of the Leased Premises. Tenant shall be given reasonable notice when any such work may become necessary and will adjust its operations to permit Landlord to proceed expeditiously with such work. Landlord shall not be liable to Tenant for injury or damage that may result from any defect in the construction or condition of the Leased Premises, nor for any damage that may result from interruption of Tenant's use of the Leased Premises during any repairs by Landlord.

7. Closure of San Lorenzo Avenue. Tenant may close San Lorenzo Avenue south of the existing gates to public access and vehicular traffic during the fair. Tenant may also close San Lorenzo Avenue to public access and vehicular traffic during other events, provided Tenant obtains Landlord's written approval, which the Landlord shall not unreasonably withhold.

8. Alterations and Additions. Tenant shall be permitted to make any improvements or alteration on all or part of the Leased Premises without consent of the Landlord. All improvements installed by Tenant shall be accomplished in a good, workman like manner, pursuant to any applicable laws, regulations or permit requirements and at the Tenant's sole expense. Upon expiration of this Lease, all improvements constructed by Tenant shall become the exclusive property of the Landlord.

9. Safety and Security

9.1. General. While normal public services will be available to the Leased Premises, Tenant shall be responsible to provide adequately trained personnel at the Leased Premises as reasonably required to provide and maintain orderly and safe operation, protecting both humans and animals and providing emergency response in the event of accident, including first-aid assistance on the Leased Premises. Tenant agrees to instruct its personnel to use all reasonable efforts to immediately notify the local fire department or the Police Department in the event of emergencies or other significant disturbances.

9.2. No Duty by Landlord. Landlord and its officers, employees and agents (individually a "Landlord Party" and collectively the "Landlord Parties") shall have no responsibility to safeguard the Leased Premises or any of the equipment and property of Tenant or its employees, customers, invitees, agents or contractors (individually "Tenant Party" and collectively as the "Tenant Parties"). Landlord Parties shall have no responsibility to safeguard or protect Tenant Parties from bodily injury (including death) or personal injury.

10. Claims Against Premises. Tenant shall not suffer or permit to be enforced against the Lease Premises, or any part thereof, any mechanic's, materialman's, contractor's or subcontractor's liens arising from any claim for any work of construction, repair, restoration, replacement or improvement of or to the Leased Premises or any other claim or demand how ever the same may arise, but Tenant shall pay or cause to be paid any and all such claims or demands before any action is brought to enforce the same against the Leased Premises. Tenant agrees to indemnify and hold Landlord and the Leased Premises free and harmless of all liability for any and all such claims and demands, together with Landlord's reasonable attorneys' fees and all costs and expenses in connection with any such claims or liens.

11. Real and Personal Property Taxes. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon all of Tenant's possessory interest in and to the Lease Premises, leasehold improvements, equipment, furniture fixtures and personal property located in or about the Lease Premises. Tenant specifically acknowledges that the interest granted under this Lease may be subject to possessory interest taxes. Tenant agrees that, without prior demand or notice by Landlord, Tenant shall, not less than fifteen (15) days prior to the day upon which any such possessory interest or other such tax is due, provide Landlord with proof of payment of such tax.

12. Rules and Regulations. Tenant shall faithfully observe and comply with all the rules and regulations promulgated by Landlord from time to time. Any additions and modifications to those rules and regulations shall be binding upon Tenant upon delivery of a copy thereof to Tenant.

13. Holding Over. Tenant has no right to retain possession of the Leased Premises or any part thereof beyond the expiration or earlier termination of this Lease. Any

holding over after the expiration of the term of this Lease, with the consent of the Landlord shall be a tenancy from month-to-month with Base Rent payable each month. The tenancy is cancelable upon thirty (30) days' written notice upon the terms and conditions that existed during the last year of the Term.

14. **Repair of Damage.** In the event the Leased Premises are destroyed or damaged by fire or other casualty or act of God as to be rendered uninhabitable ("**Casualty**"), this Lease may be terminated by either party in its sole discretion upon written notice within thirty (30) days of such occurrence. If the Lease is not terminated by Landlord or Tenant, Tenant may, at its sole expense, elect to restore the Leased Premises and improvements, to the condition existing prior to the occurrence of the fire or other casualty, subject to legal requirements and this Lease shall remain in full force and effect without abatement of rent or termination of the Lease; or terminate this Lease and release and turn over to the Landlord all insurance proceeds for the replacement cost of any damaged improvements resulting from such casualty, within one hundred and eighty (180) days of such damage, whereupon the parties shall be released from further obligation to each other under the Lease. .
15. **Waiver of Relocation, Goodwill and Condemnation.** Tenant knowingly and voluntarily acknowledges and agrees upon its vacation of the Leased Premises at the end of the Lease term, upon the sooner termination thereof, for any reason or vacation of the Leased Premises under any circumstances, in no event shall Tenant be entitled or shall Landlord, including its employees, agents and assignees, be required to provide any relocation benefits, compensation for loss of goodwill, or assistance under any applicable federal, state or local laws or regulations including without limitation, Uniform Relocation Assistance Laws, California Government Code section 7260, et seq. Further, Tenant being fully informed of any and all of its rights and obligations and all laws and regulations (including without limitation, the Uniform Relocation Assistance Laws, California Government Code section 7260, et seq.) in connection therewith fully waives, releases and rejects any all relocation assistance and benefits relating to or in any respect connected with Tenant vacating the Lease Premises.

Tenant knowingly and voluntarily acknowledges and agrees upon its vacation of the Leased Premises at the end of the Term, upon the sooner termination thereof for any reason, or vacation of the Leased Premises under any circumstances, in no event shall Tenant be entitled or shall Landlord be required to provide any compensation or consideration to Tenant for the leasehold interest of Tenant, improvements pertaining to realty, personal property, fixtures and equipment, pre-condemnation damages, severance damages or interest and litigation expenses, whether based on condemnation, inverse condemnation or any other reason. Upon vacation of the Leased Premises or termination of the Lease, Tenant knowingly waives and surrenders any claims or rights to the leasehold interest, improvements pertaining to realty, personal property, fixtures and equipment, precondemnation damages, severance damages or interest and litigation expenses.

16. **Assignment and Subletting.** Tenant shall not assign or transfer this Lease or any right hereunder to any other party or parties, except short term rental of the Leased Premises as permitted in paragraph 5.1 above. Nor shall Tenant sublet all or any portion of the Leased Premises without first obtaining the written consent of Landlord which Landlord may withhold in its sole and absolute discretion. Any transfer, assignment or subletting of the Leased Premises without such prior written consent shall be void for all purposes. Consent to any such transfer, assignment or subletting shall be at Landlord's sole discretion.
17. **Indemnification.** Tenant shall defend, indemnify, and hold Landlord harmless from, and reimburse Landlord for, any loss, cost, expense, liability, or damages of every kind or nature, including but not limited to injury to or death of any person or destruction of the Leased Premises in connection with or related to, the use by Tenant or any third party (including officers, directors, employees and invitees) of the Leased Premises or any facilities located thereon in connection with the business being conducted by Tenant. In addition, Tenant shall defend, indemnify, and hold Landlord harmless from any breach or default in the performance of any obligation to be performed by Tenant under this Lease, any violation of governmental law or regulation, or any intentional misconduct or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, regardless of whether such intentional misconduct or negligence was active or passive.

In the event of the occurrence of any event which is an indemnifiable event pursuant to this Section, Tenant shall notify Landlord promptly and, if such event involves the claim of any third person, Tenant shall assume all expenses with respect to the defense, settlement, adjustment, or compromise of any claim; provided that Landlord may, if it so desires, employ counsel at its own expense to assist in the handling of such claim. Tenant shall obtain the prior written approval of Landlord before entering into any settlement, adjustment or compromise of such claim. Tenant shall reimburse Landlord or any third party (including officers, directors, and employees of Landlord) for any legal expenses and costs incurred in connection with or in enforcing the indemnity herein provided. All indemnification obligations hereunder shall survive the expiration or termination of this Lease. Notwithstanding the generality of the foregoing, Tenant's obligation to indemnify Landlord shall not extend to liability solely caused by the gross negligence or willful misconduct of Landlord, its officers, employees or agents on the Lease Premises, or events or activities conducted by Landlord.

18. **Insurance.** Tenant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to Landlord during the entire Term, and any extension thereof, the following policies of insurance:
- a. **Personal Property Insurance.** Throughout the Term, and any extensions thereof, Tenant shall, at its sole cost and expense, maintain fire and extended coverage insurance written on a per occurrence basis on its trade fixtures, equipment, personal property and inventory within the Leased Premises from loss or damage to the extent of their full replacement value.

- b. Commercial General Liability Insurance.** Throughout the Term, at Tenant's sole cost and expense, Tenant shall keep or cause to be kept in full force and effect, for the mutual benefit of Landlord and Tenant, comprehensive broad form commercial general public liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) general aggregate, for bodily injury, personal injury, and property damage arising from the use, occupancy, disuse, or condition of the Lease Premises, improvement, adjoining areas or ways, including without limitation, blanket contractual liability.
- c. Worker's Compensation Insurance.** Tenant shall, at its sole cost and expense, maintain a policy of Worker's Compensation Insurance in such amount as will fully comply with the laws of the State of California.
- d. Policy Form, Contents and Insurer.** All insurance required by express provision of this Lease shall be carried only in responsible insurance companies licensed to do business in the State of California. All such policies shall contain language to the effect that: (1) the policies are primary and noncontributing with any insurance that may be carried by Landlord; (2) they cannot be canceled or materially altered except after thirty (30) days' notice by the insurer to Landlord; and (3) shall list Landlord, its officers, agents and employees as additional insureds. The insurers shall waive all rights of contribution they may have against Landlord, its officers, employees and agents and their respective insurers. Prior to the Effective Date, Tenant shall provide Landlord with certificates of insurance or appropriate insurance binders together with full copy of the policies evidencing the above insurance coverages written by insurance companies with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide. In the event any of said policies of insurance are cancelled or expire, Tenant shall, prior to the cancellation or expiration date, submit new evidence of insurance in conformance with this Section to Landlord. Tenant may effect for its own account any insurance not required under this Lease. Upon thirty (30) days prior written notice, Landlord may modify or add additional requirements and may increase the amount of coverage required.
- e. Failure to Maintain Insurance; Proof of Compliance.** If Tenant fails or refuses to procure or maintain insurance required by this Lease, or fails or refuses to furnish Landlord with required proof that the insurance has been procured and is in full force and paid for, Landlord shall have the right but not the obligation, at Landlord's election and on ten (10) days' notice, to procure and maintain such insurance. The premiums paid by Landlord shall be treated as added rent due from Tenant with interest at the rate of ten percent (10%) per year or the maximum allowable legal rate in effect in the State of California on the date when the premium is paid, whichever is higher, to be paid on the first day of the month following the date on which the premium was paid.

Landlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the day of the notice. Notwithstanding that Landlord may secure policies under this Section, the failure of Tenant to obtain and maintain insurance under this Lease shall also constitute a material default by Tenant.

22. Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. The failure by Tenant to make any payment of Base Rent or any other payment required hereunder to Landlord within five (5) days after written notice from Landlord of Tenant's failure to pay any such obligation when due under this Lease.
- b. Use of Leased Premises for any purpose other than as authorized in this Lease;
- c. Vacating or abandonment of the Leased Premises by Tenant;
- d. Failure to provide insurance as set forth in this Lease Agreement;
- e. A failure by Tenant to observe or perform any covenants, conditions or provisions of this Lease (other than payment of money), if the failure to perform is not cured within thirty (30) days of receiving written notice of the default from the Landlord. If the default cannot be reasonably cured within thirty (30) days, Tenant shall not be in default of this Lease if Tenant commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.
- f. The making by Tenant of any general assignment for the benefit of creditors,
- g. Filing of a voluntary petition in bankruptcy or the adjudication of Tenant as bankrupt.
- h. Appointment of a receiver to take possession of all or substantially all the assets of Tenant located at the Leased Premises or of Tenant's leasehold interest in the Leased Premises.
- i. Filing by any creditor of the Tenant of an involuntary petition in bankruptcy which is not dismissed within sixty (60) days after filing.
- j. Attachment, execution or other judicial seizure of all or substantially all of the assets of Tenant or Tenant's leasehold where such an attachment, execution or seizure is not discharged within sixty (60) days.

Any notice required to be given by Landlord under this Section 22 shall be in lieu of and not in addition to any notice required under Section 1161 of the California Code of Civil Procedure.

23. Remedies on Default. In the event of any such material default or breach by Tenant, Landlord may at any time thereafter and without notice or demand and, without limiting Landlord in the exercise of a right or remedy Landlord may have by reason of such default or breach:

- a. Termination of Lease Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Leased Premises, expenses of reletting, including necessary renovation and alteration of the Leased Premises, for reasonable attorneys' fees and costs, any real estate commission actually paid, or the worth at the time of the award of the unpaid rent which had been earned at the time of the termination; the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rent that Lessee proves could have been reasonably avoided; and any other amount necessary to compensate the Landlord for all the detriment proximately caused by the Tenant's failure to perform Tenant's obligations under this Lease.
- b. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due hereunder.
- c. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of California. Furthermore, Tenant agrees that no election by Landlord as to any rights or remedies available hereunder or pursuant to any law or judicial decisions of the State of California shall be binding upon Landlord until the time of trial of any such action or proceeding.
- d. Take custody of all personal property owned by Tenant on the Premises and to dispose of the personal property and to apply the proceeds from any sale of that property to Tenant's obligations under this Lease.

24. Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. Acceptance of late payment of Base Rent by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Base Rent.

25. Surrender of Leased Premises. Upon expiration or termination of this Lease, Tenant shall deliver to Landlord physical possession of the Leased Premises and the Leased Personal Property in good condition and repair, reasonable wear and tear.

26. Time. Time is of the essence of this Lease and each and all of its provisions.

27. Inability to Perform. This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, war, civil insurrection, acts of God, or any other cause beyond the reasonable control of Landlord.

28. Sale of Premises by Landlord. In the event of any sale of the Leased Premises, Landlord shall be and hereby is entirely freed and relieved of all liability under any and all of the covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale. The purchaser, at such sale or any subsequent sale of the Leased Premises, shall be deemed, without any further agreements between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out each and all of the covenants and obligations of Landlord under this Lease.

29. Successors. The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the Parties hereto, and each and all, including the Party making the assignment, shall be jointly and severally liable hereunder.

30. Notices. Any notices, demands or communications under this Agreement between the parties shall be in writing, and may be given by (i) personal service, (ii) overnight delivery, or (iii) mailing via United States mail, certified mail, postage prepaid, return receipt requested, addressed to each party as set forth below or such other address as may be furnished in writing by a party, and such notice or communication shall, if properly addressed, be deemed to have been given (a) as of the date so delivered under delivery methods (i) or (ii) above, or (b) three (3) business days after deposit into the U.S. Mail.

Tenant: Salinas Valley Fair, Inc.
625 Division St.
King City, California 93930

Landlord: City of King
212 Si, Vanderhurst Ave,
King City, California 93930
Attention: City Manager

Copy to: Aleshire & Wynder, LLP
Attn: Roy Santos
2440 Tulare Street, Suite 410
Fresno, California 93721

31. Execution by Landlord Not a Waiver. Tenant understands and agrees that Landlord, by entering into and executing this Lease, shall not have waived any right, duty, privilege, obligation or authority vested in Landlord with respect to the Leased Premises to approve, disapprove or conditionally approve any application which Tenant may be required to make under any laws, rules, ordinances or regulations now or hereafter in effect which said Landlord may be empowered to apply including, but not limited to, any use permit or approval, whether similar in nature or not.

32. Entire Agreement. This Lease contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either party. Each party has relied on his own examination of this Lease, the counsel of his own advisors, and the warranties, representations, and covenants in the Lease itself. The failure or refusal of either party to inspect the Lease Premises or improvements, to read the Lease or other documents or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

33. Construction. This Lease shall be construed according to its fair meaning as if prepared by both parties. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

34. Attorneys' Fees. In the event that any action or proceeding is brought by either party to enforce any term or provision of this Lease, the prevailing party shall recover its reasonable attorneys' fees and costs incurred with respect thereto.

35. Authority of Parties. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is fully authorized to execute and deliver this Lease on behalf of Tenant and that this Lease is binding upon Tenant in accordance with its terms.

36. Governing Law. This Lease shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

37. Jurisdiction. If any legal action is necessary to enforce the terms and conditions of this Agreement, the parties agree that a court of competent jurisdiction in the County of Monterey shall be the sole venue and jurisdiction for the bringing of such action.

38. Severability. If any paragraph, section, sentence, clause, or phrase contained in this Lease shall become illegal, null or void, against public policy, or otherwise unenforceable, for any reason, or held by any court of competent jurisdiction to be illegal, null or void, against public policy, or otherwise unenforceable, the remaining paragraphs,

sections, sentences, clauses or phrases contained in the Lease shall not be affected thereby.

39. Recordation of Lease. In accordance with Government Code Section 37393, this Lease shall be recorded in the Official Records of Monterey. Upon extension of the Term or any exercise of rights under this Lease to terminate, the parties shall execute and record an amendment to this Lease. Tenant shall cooperate with executing any documents reasonably required to effect this provision. Upon termination of the Lease, Tenant shall execute and acknowledge any documents reasonably requested by Landlord in order to terminate the Lease of record. This obligation shall survive termination of this Lease for any reason.

40. Interest. Any sum due to the Landlord under this Lease shall bear simple interest from and after its due date at a rate equal to ten percent (10%) per month until paid to Landlord, but no in excess of the maximum rate permitted by law.

41. Amendment or Modification. Any modification or amendment of any provision of this Agreement must be in writing executed by both Parties and approved by the Landlord in accordance with applicable law.

42. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile copy of such execution shall be deemed an original.

43. Non-Discrimination: Tenant herein covenants by and for Tenant, Tenant's successors, heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the use, occupancy, tenure or enjoyment of the Lease Premises.

44. Acknowledgment: Each Party acknowledges that they have read and fully understand the contents of this Lease and have had an opportunity to consult with an attorney regarding the same. This Lease represents the entire and integrated agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements, either written or oral.

NOW, THEREFORE, the parties hereto have entered into the Lease as of the Lease Date.

TENANT:

Salinas Valley Fair, Inc., a non-profit corporation of California.

By: _____

LANDLORD:

City of King, a Municipal Corporation of California

By: _____

Dated: _____, 2019

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Roy Santos
City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF ARENA PROPERTY

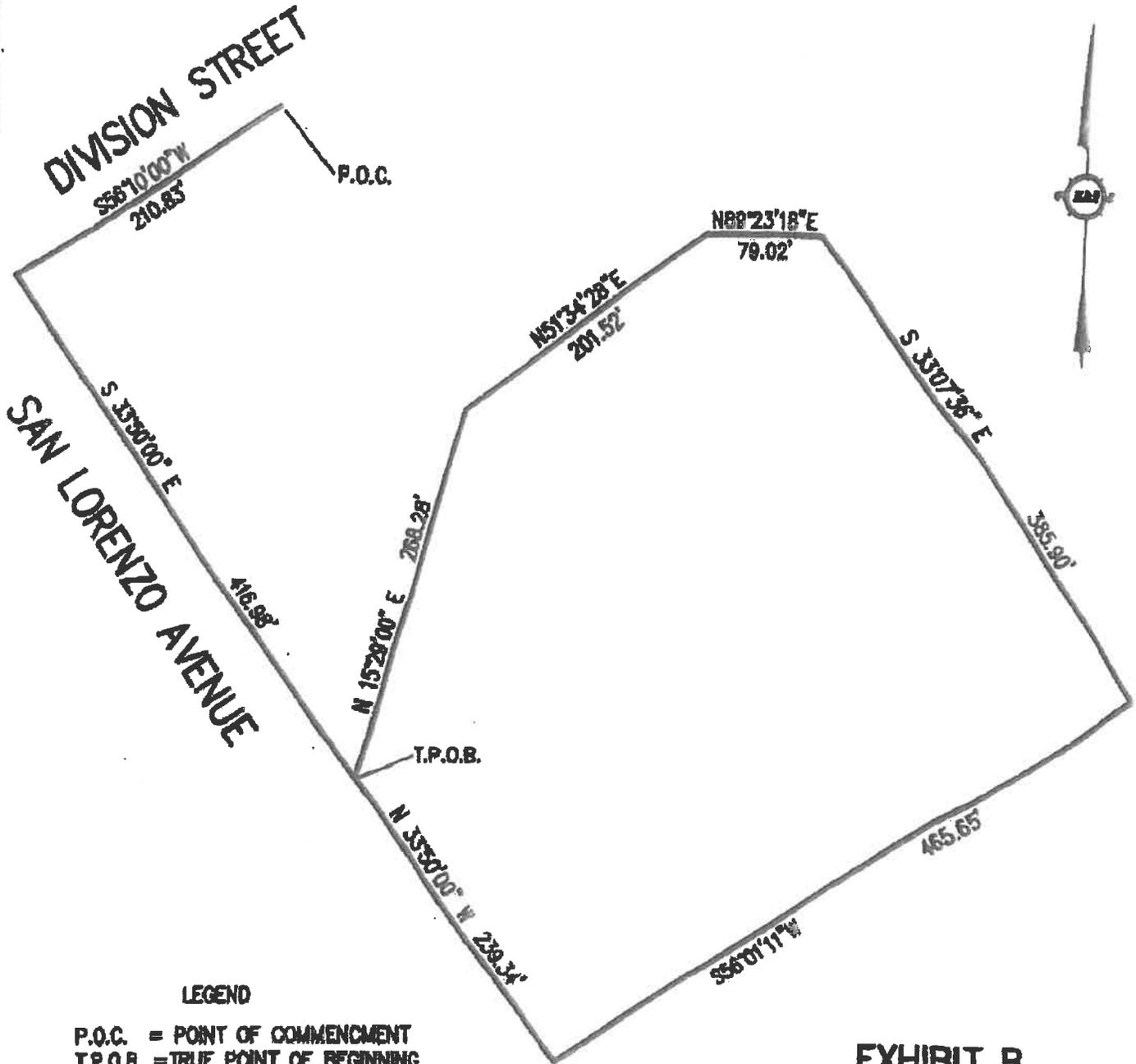
SITUATE in the City of King, County of Monterey, State of California and more particularly bounded and described as:

BEGINNING at a point which bears South 56°10' West 210.83 feet, along the northerly right of way line of Division Street, and South 33°50' East 416.98 feet, along the northerly right-of-way line of San Lorenzo Avenue, from the most southerly corner of lands shown on that Map of Tract No. 348 Entitled "Bengard Sub. No. 2" Recorded in Volume 6 at Page 161, Monterey County Official Records; thence, leaving said northerly right-of-way line of San Lorenzo Avenue, North 15°29'0" East 268.28 feet; thence North 51°34'28" East 201.52 feet; thence North 89°23'18" East 79.02 feet; thence South 33°7'36" East 385.90 feet; thence South 56°1'11" West 465.65 feet; to a point on the Northerly line of San Lorenzo Avenue; thence, along said northerly line of San Lorenzo Avenue North 33°50'0" West 239.34 feet to the point of beginning.

APN: a Portion of 026-1412-092 and 026-141-096
Commonly known as Arena Property
King City Fairgrounds

EXHIBIT B

MAP OF ARENA PROPERTY



LEGEND

P.O.C. = POINT OF COMMENCEMENT
 T.P.O.B. = TRUE POINT OF BEGINNING

EXHIBIT B
PLAT TO ACCOMPANY

LEGAL DESCRIPTION
 OF ARENA

A PORTION OF
 APN 026-141-092
 AND 026-141-096
 MONTEREY COUNTY, CALIFORNIA

Hanna Brunetti
 • Civil Engineers • Land Surveyors •
 • Construction Managers •
 Gilroy California (408) 842-2173

PROJECT: ARENA PROPERTY, KING CITY FAIRGROUNDS		
LOCATION: MONTEREY COUNTY, CA	DATE: 2/04/09	
JOB NUMBER: 062110	SCALE: 1"=100'	SHEET: 1 OF 1

EXHIBIT "E"
EASEMENT AGREEMENT

**FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of King
212 S. Vanderhurst Avenue
King City, CA 93930
Attn: City Clerk

(Space Above for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

APN. _____
Exempt from Documentary Transfer Taxes
under R&T Code 11922

**IRREVOCABLE GRANT OF EASEMENT
FOR RIGHT OF WAY, UTILITIES AND/OR ACCESS PURPOSES**

This Irrevocable Grant of Easement for Right of Way ("**Easement Agreement**") is made this ____ day of _____, 2020 by SALINAS VALLEY FAIR, INC., a California nonprofit Corporation ("**Grantor**"), in favor of the CITY OF KING, a municipal corporation ("**Grantee**").

RECITALS:

A. Grantor is the fee owner of that certain real property located in the City of King, County of Monterey, State of California (APN ____) legally described on **Exhibit A** attached hereto ("**Property**").

B. Upon the terms and conditions set forth in this Agreement Grantor is willing to irrevocable grant to Grantee of a semi-movable easement as legally described within **Exhibit A** and depicted on **Exhibit B** ("**Easement Area**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor agrees as follows:

1. Recitals Incorporated. The foregoing recitals are true and correct and incorporated herein.

2. Effective Date. Upon Grantee's execution of the Certificate of Acceptance attached hereto, this Easement Agreement shall effective upon recordation in the Official Records of Monterey County by the Grantee ("**Effective Date**").

3. Grant of Right of Way Easement. Grantor irrevocably grants to Grantee and its successor and assigns a semi-permanent nonexclusive easement over the Easement Area for right of way, utilities and/or access purposes. Any use of the Easement Area by Grantor shall not materially interfere with the rights of Grantee. Further, any damage to the Easement Area caused by the Grantor or anyone the Grantor authorized to utilize the Easement Area shall be repair at the sole expense of the Grantor.

- a. **Relocation of Easement.** Grantor shall have the right to relocate on its Parcel any such easement and the improvements therein, provided that such relocation is performed only after thirty (30) days' prior written notice of Grantor's intention so to relocate given to Grantee, and such relocation (i) does not interfere with or disrupt the provision of utilities services to the benefitted Grantee, except at times and in a manner reasonably approved by Grantee, (ii) does not diminish the enjoyment of the easement by Grantee, (iii) does not reduce or unreasonably impair the usefulness or function of any such easement, (iv) any relocation of the easement shall not block or prevent Grantee from accessing or utilizing its adjacent property, (v) the relocated easement shall not materially change Grantee's ability to access or utilize its adjacent property, and (vi) all costs associated with the relocation of the easement shall be paid by Grantor. Nothing contained herein shall be interpreted to permit Grantor from hereby burdening a Parcel or Parcels owned by Grantee, to diminish the enjoyment of such Parcel or Parcels or to reduce or unreasonably impair the usefulness or function of the Parcel or Parcels owned by Grantee.

4. Grantor's Representations and Warranties. As of the Effective Date, Grantor represents and warrants to Grantee that: (i) Grantor owns fee title to the Property; (ii) has full authority to execute this Easement Agreement which is binding on the Property; (iii) the Easement Area is not subject to any other easements or rights; and (iv) there is no mortgages, liens or deeds of trust on the Property. Grantee's acceptance of this Easement Agreement shall be in reliance of the foregoing representations and warranties and Grantor agrees to indemnify Grantee for any of same being untrue.

5. Temporary Construction Easement. Upon Grantee's written request, Grantor agrees to grant Grantee a temporary construction easement on portions of the Property adjacent to the Easement Area to permit Grantee to construct improvements within the Easement Area.

6. Miscellaneous.

6.1. Entire Agreement; Construction. This Easement Agreement, including all exhibits hereto (which are hereby incorporated herein by reference for all purposes), contains the full and final agreement of every kind and nature between the parties concerning the subject matter set forth herein and is binding on the successors and assigns of Grantor. The terms of this Easement Agreement shall be construed as if prepared by both parties.

6.2. Modification or Amendment. This Easement Agreement may not be amended, modified or changed in any way except by a written agreement executed by Grantor and Grantee and recorded in the Official Records of Monterey County.

6.3. Applicable Law; Jurisdiction. This Easement Agreement shall be governed by the laws of the State of California and jurisdiction for any action shall be Monterey County.

6.4. Attorney's Fees. If any legal or equitable action or proceeding is instituted by one party against the other to enforce or interpret any provision of this Agreement, the prevailing party in such action shall be entitled to recover from the other party its reasonable attorneys' fees and costs.

6.5. Exhibits. Exhibit A and B attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, Grantor has executed this Easement Agreement as of the day and year first above written.

"GRANTOR"

**CERTIFICATE OF ACCEPTANCE OF
IRREVOCABLE GRANT OF EASEMENT FOR RIGHT OF WAY, UTILITIES AND/OR
ACCESS PURPOSES**

Pursuant to Government Code Section 27281, this is to certify that the easement interest conveyed by THE SALINAS VALLEY FAIR, INC., a California nonprofit Corporation, (“Grantor”) by that certain Irrevocable Grant of Easement for Right of Way, Utilities and/or Access purposes (“Grant of Easement”) to the CITY OF KING, a municipal corporation (“City/Grantee”), is hereby accepted by the undersigned and duly authorized officer and agent of the City who hereby consents to the recording of the Grant of Easement.

Signed and dated in City of King, California on _____, 2020.

“City/Grantee”
CITY OF KING,
a municipal corporation

By: _____
Steven Adams,
City Manager

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of King, County of Monterey, State of California legally described as follows:

**EXHIBIT A
LEGAL DESCRIPTION**

All that real property lying within the City of King, County of Monterey, State of California, being a portion of that certain 1.989 acre parcel of land conveyed to the City of King by Individual Grant Deed, recorded May 24, 1974 in Reel 915, at Page 389, of Official Records of said County, said 1.989 acre parcel also being shown on that Record of Survey map filed October 29, 1973 in Volume 11 of Surveys, at Page 17, Records of said County, being more particularly described as follows:

Beginning at the most southerly corner of said parcel as shown on said map; thence along the southwesterly boundary line of said parcel North 33°50'00" West 453.51 feet to the most northwesterly corner thereof; thence along the northerly boundary lines of said parcel the following courses:

- 1) North 56°10'00" East 5.00 feet to a point; thence
- 2) along a non-tangent curve to the left, the radius point of said curve bearing North 43°38'25" East, with a radius of 210.00 feet, through a central angle of 58°32'55", an arc distance of 214.59 feet to a point of tangency; thence
- 3) North 75°05'30" East 19.14 feet to a point of curvature; thence
- 4) along a tangent curve to the left, with a radius of 370.00 feet, through a central angle of 8°51'47", an arc distance of 57.24 feet to a point; thence

leaving said northerly boundary, along a line being parallel to said southwesterly boundary line South 33°50'00" East 258.97 feet to a point on the southeasterly boundary line of said parcel; thence along said southeasterly boundary line South 50°37'08" West 216.37 feet to the **Point of Beginning**.

Containing 1.59 acres of land, more or less.

Reserving therefrom an easement for ingress/egress purposes and for the installation and maintenance of public service facilities and any appurtenances thereto, lying under, over, on and across a portion of said 1.59 acre parcel described above and as shown on 'Exhibit B' (plat) attached hereto.

End of Description

This description was prepared by me or under my direction pursuant to the requirements of the Professional Land Surveyor's Act.

John K. King, P.L.S. 6809

Date

EXHIBIT B
DEPICTION OF EASEMENT AREA

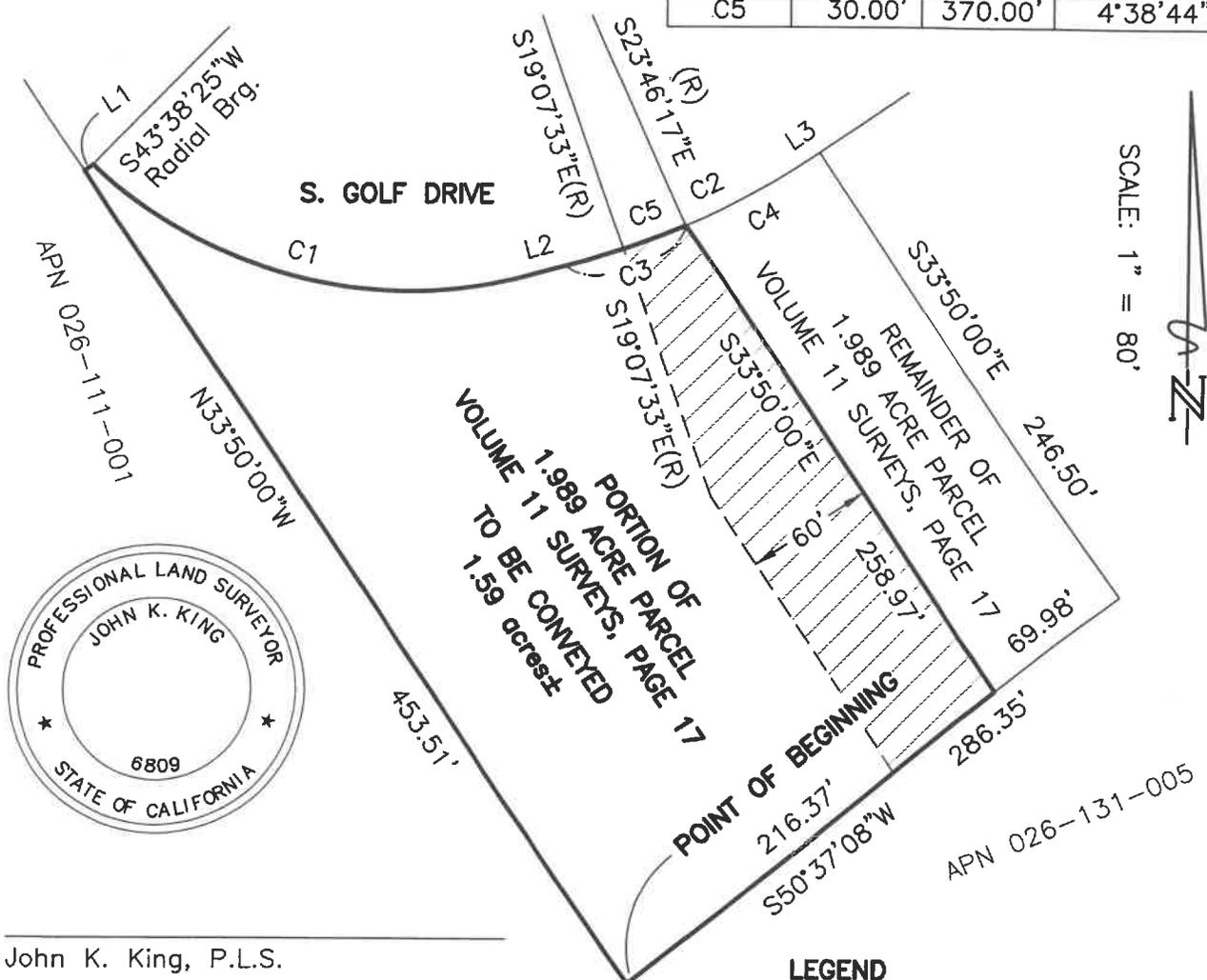
EXHIBIT B

PLAT TO ACCOMPANY A LEGAL DESCRIPTION IN THE CITY OF KING

BEING A PORTION OF THAT 1.989 ACRE PARCEL SHOWN ON THAT RECORD OF SURVEY FILED
IN VOLUME 11 OF SURVEYS, AT PAGE 17, RECORDS OF MONTEREY COUNTY, CALIFORNIA

LINE TABLE		
LINE	LENGTH	BEARING
L1	5.00'	N56°10'00"E
L2	19.14'	N75°05'30"E
L3	5.00'	N56°10'00"E

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	214.59'	210.00'	58°32'55"
C2	122.21'	370.00'	18°55'30"
C3	57.24'	370.00'	8°51'47"
C4	64.98'	370.00'	10°03'43"
C5	30.00'	370.00'	4°38'44"



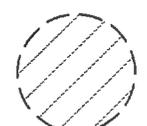
SCALE: 1" = 80'



John K. King, P.L.S.

Date _____

LEGEND

-  BOUNDARY OF LOT TO BE CONVEYED
-  AREA OF INGRESS/EGRESS AND PUBLIC SERVICE EASEMENT BEING RESERVED
-  RADIAL BEARING



HANNA-BRUNETTI
EST. 1910

**CIVIL ENGINEERS • LAND SURVEYORS
CONSTRUCTION MANAGERS**

EXHIBIT "F"

GRANT DEED