

Attachment A

EXHIBIT A

TERMINATION OF PROJECT DELIVERY AND CONSTRUCTION AGREEMENT AND RIGHT OF ENTRY AGREEMENT

This TERMINATION OF PROJECT DELIVERY AND CONSTRUCTION AGREEMENT AND RIGHT OF ENTRY AGREEMENT (this “Termination Agreement”) is entered into as of January 20, 2023, (the “Effective Date”) by and among the STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA (the “SPWB”), an entity of state government of the State of California (the “State”), the DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA (the “Department”), an entity of state government of the State, the BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA (the “BSCC”), an entity of state government of the State, and the COUNTY OF MONTEREY (the “Participating County”), a Political Subdivision of the State. For purposes of this Agreement, the SPWB, the Department, the BSCC, and the Participating County are referred to collectively as the “Parties,” and individually as a “Party.” The SPWB, the Department, and the BSCC are referred to collectively herein, as the “Agencies” and individually as an “Agency.”

WHEREAS, pursuant to Chapter 3.12 of Part 10b of Division 3 of Title 2 of the California Government Code (commencing at Section 15820.91) (the “Law”), the SPWB is authorized to finance the acquisition, design, and construction of an adult local criminal justice facility approved by the BSCC pursuant to Section 15820.916 of the California Government Code (the “AB 900 Jail Financing Program”); and

WHEREAS, the Participating County has proposed to build a jail facility, as more particularly described in **EXHIBIT A** attached hereto (the “Project”), to be located at 1410 Natividad Road, Salinas, CA 93906, real property controlled by the Participating County through fee-simple ownership (the “Site”); and

WHEREAS, the Parties entered into a Project Delivery and Construction Agreement, dated October 31, 2014, (the “PDCA”) related to the method of delivery of the Project, the construction of the Project, and the financing of the Project; and

WHEREAS, in furtherance of the intended financing of the Project pursuant to the AB 900 Jail Financing Program and the PDCA, the Participating County and the Department entered into a ground lease, easement agreement, and right of entry agreement, all dated March 14, 2017 (the “Ground Lease,” “Easement,” and “Right of Entry,” respectively); and

WHEREAS, on June 12, 2017, the SPWB adopted a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions (the “Interim Financing Resolution”);

WHEREAS, interim loans in the amount of \$80,000,000 were made for the project pursuant to the Interim Financing Resolution;

WHEREAS, in the fall of 2021 the Participating County notified the Department and the SPWB of delays in Project completion;

WHEREAS, on or around July 1, 2022 the SPWB determined that the Project was no longer suitable for purposes of issuing bonds through the AB 900 Jail Financing Program;

WHEREAS, the SPWB repaid the interim loans in their entirety through the 2022 Budget Act, Item 5225-301-0001 and no interim loans remain outstanding for the Project, no bonds have been sold, and no other indebtedness has been incurred by the SPWB for the Project;

WHEREAS, on September 14, 2022, the Project was completed;

WHEREAS, pursuant to their terms, the PDCA terminated upon the completion of the construction of the Project and the Right of Entry terminated upon termination of the PDCA;

WHEREAS, due to the determination that the Project is not suitable for purposes of issuing bonds through the AB 900 Jail Financing Program and the repayment of the interim loans, the Parties desire to enter into this agreement to recognize termination of the PDCA and the Right of Entry; and

WHEREAS, concurrently with the execution of this Termination Agreement, the Department and the Participating County, with the approval of the SPWB, have executed an agreement to terminate the Ground Lease and Easement; and

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereto hereby agree as follows:

1. Party Representation. Each Party represents that its respective undersigned officer is duly authorized to execute this Termination Agreement on behalf of the Party.

2. Termination of PDCA and Right of Entry. The Parties acknowledge and agree that the PDCA and Right of Entry are terminated in accordance with their terms and the terms of this Termination Agreement. The Parties further acknowledge and agree that the PDCA and Right of Entry are of no further force or effect and the Participating County is not entitled to any additional financing or reimbursement by the State or Agencies for any costs associated with the Project beyond the difference between the amount of the Maximum State Financing, as that term is defined in the PDCA, and what has been received as of the date of this Termination Agreement.

3. Survival of Indemnity and Continuing Liability Obligations Under the PDCA and Right of Entry. Nothing in this Termination Agreement shall be interpreted to terminate or amend the Participating County's indemnification obligations or continuing liability and obligations under section 1.10 of the PDCA and sections 7 and 11 of the Right of Entry.

4. Notice and Waiver. The Parties acknowledge that they have received adequate notice of the termination of the PDCA and hereby waives the requirement in Section 2.2 (d) of the PDCA that the Parties provide each other at least thirty (30) calendar days written notice, stating the reasons for termination and the effective date thereof.

5. Counterparts. This Termination Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one agreement. The signature and acknowledgment pages from each counterpart may be removed and attached to a single document in order to create one original instrument.

IN WITNESS WHEREOF, the Parties have caused this Termination Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: _____
Koreen H. van Ravenhorst
Deputy Director

DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA

By: _____
Chris Lief
Director (Acting), Division of Facility Planning and Management

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: _____
Kathleen T. Howard
Executive Officer

COUNTY OF MONTEREY

By: _____
Sonia M. De La Rosa
County Administrative Officer

DEPARTMENT OF GENERAL SERVICES OF CALIFORNIA
(Pursuant to Government Code Section 11005.2)

By: _____
Michael P. Butler
Section Chief, Real Property Services Section

EXHIBIT A

PROJECT SCOPE, COST, AND SCHEDULE DESCRIPTION

Monterey County AB 900 Jail Facility Project

PROJECT SCOPE

This project includes the design and construct a new, approximately 135,000 square foot addition to the existing jail on approximately 2.6 acres of a greater approximate 9 acres of county-owned land located in the city of Salinas. The expansion will include housing and program space and provide approximately 576 beds.

This project will include eight two-tiered housing units, providing approximately 280 double-occupancy cells and 16 single-occupancy cells. The housing area will also include day rooms; control rooms; recreation yards; and program, treatment, interview and storage space. This building will also include a support area which will provide visitation space; a central control room; a sallyport; interview rooms; and training, storage, and staff support and administrative space.

This project will also include, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems; as well as an area of refuge and pathways, and all necessary appurtenances.