

Attachment B

EXHIBIT B

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

County of Monterey)
168 W. Alisal Street)
Salinas, CA 93901)
Attention: Architectural Services Manager)
Resource Management Agency)

EXEMPT FROM RECORDING FEES PER)
GOVERNMENT CODE §§ 6103, 27383)

[Space above for Recorder's use.]

TERMINATION OF GROUND LEASE AND EASEMENT AGREEMENT

by and between the

COUNTY OF MONTEREY

and

**DEPARTMENT OF CORRECTIONS AND REHABILITATION
OF THE STATE OF CALIFORNIA**

Dated January 20, 2023

**(FOR A JAIL FACILITY
LOCATED IN THE COUNTY OF MONTEREY)**

**TERMINATION OF GROUND LEASE AND EASEMENT AGREEMENT FOR GRANTS
OF ACCESS, UTILITIES AND REPAIRS**

THIS TERMINATION OF GROUND LEASE AND EASEMENT AGREEMENT FOR GRANTS OF ACCESS, UTILITIES AND REPAIRS (this “Agreement”) is dated January 20, 2023 and is effective as of the date hereof, by and between the COUNTY OF MONTEREY (the “Participating County”), a Political Subdivision of the State of California (the “State”), and DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA (the “Department”), an entity of state government of the State of California. The Participating County and the Department are sometimes referred to collectively as the “Parties,” and individually as a “Party.”

RECITALS:

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 State Public Works Board (the “SPWB”) is authorized to finance the acquisition, design, and construction of jail facility approved by the Board of State and Community Corrections of the State of California (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 or renovate jail facility, as more particularly described in Exhibit A attached hereto (the “Project”), to be funded through the AB 900 Jail Financing Program and to be located at 1410 Natividad Road, Salinas, CA 93906, and more particularly described and depicted in Exhibit B (the “Site”), real property controlled by the Participating County through fee-simple ownership; and

WHEREAS, the Parties, the SPWB, and the BSCC 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 the Participating County, as landlord, and the Department, as tenant, entered into that certain Ground Lease, dated as of March 14, 2017, and recorded in the official records of the County of Monterey on September 13, 2017 as Document No. 2017049349 (the “Ground Lease”), pursuant to which the Participating County leased the Site to the Department; and

WHEREAS, in furtherance of the intended financing the Participating County, as grantor, and the Department, as grantee, entered to that certain Easement Agreement for Grants of Access, Utilities and Repairs, dated as of March 14, 2017, and recorded in the official records of the County of Monterey on September 13, 2017 as Document No. 2017049348 (the “Easement Agreement”), pursuant to which the Participating County granted easements for access, utilities and repairs over certain real property described in Exhibit B (the “Easement Property”) to the Department and the SPWB; and

WHEREAS, in furtherance of the intended financing the Department, as licensor, and the Participating County, as licensee, entered into that certain Right of Entry For Construction And Operation Agreement, dated March 14, 2017, (the “Right of Entry”) pursuant to which the Department

granted a license to the Participating County, its employees, consultants, representatives and contractors a non-exclusive, temporary license to enter the Site for site analysis, Project construction related activities, and for the operation of the Project upon substantial completion of construction; 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"); and

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

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

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; and

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; and

WHEREAS, due to the determination that the Project is not suitable for purposes of issuing bonds through the AB 900 Jail Financing Program, the Parties desires to terminate the Ground Lease and Easement Agreement; and

WHEREAS, the Participating County and the Department desire to provide recorded notice of the fact of the termination of the Ground Lease and Easement Agreement;

WHEREAS, concurrently with the execution of this Agreement, the Parties, the SPWB, and the BSCC have executed an agreement to terminate the PDCA and Right of Entry; and

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

1. **Participating County Representation.** The undersigned officer of the Participating County is duly authorized to execute this Agreement on behalf of the Participating County, in its capacity as lessor under the Ground Lease and as grantor under the Easement Agreement.

2. **Department Representation.** The undersigned officer of the Department is duly authorized to execute this Agreement on behalf of the Department, in its capacity as lessee under the Ground Lease and grantee under the Easement Agreement.

3. **Termination of Ground Lease and Easement Agreement.** The Department and the Participating County hereby acknowledge and agree that the Ground Lease and Easement Agreement have been terminated and discharged in accordance with their terms and the terms of this Agreement. The Department and the Participating County hereby further acknowledge and agree that the Ground Lease and the Easement Agreement are of no further force or effect and the Department has no further interest in the Site and Easement Property pursuant to the terms of the Ground Lease and the Easement Agreement.

4. **Survival of Indemnity.** Nothing in this Agreement shall be interpreted to terminate or amend the Participating County's indemnification obligations under section 24 of the Ground Lease.

5. **Further Assurances.** By executing this Agreement, the Department and the Participating County intend to remove evidence of each of the Ground Lease and the Easement Agreement from the title of the Site and confirm title to the Site is vested with the Participating County. The Department and the Participating County agree to execute any other documentation that may be reasonably necessary to effectuate this purpose.

6. **Counterparts.** This 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Participating County and the BSCC have caused this Termination of Site Lease and Facility Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

DEPARTMENT OF CORRECTIONS AND
REHABILITATION OF THE STATE OF
CALIFORNIA

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

COUNTY OF MONTEREY

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

APPROVAL:
STATE PUBLIC WORKS BOARD OF
THE STATE OF CALIFORNIA

By: _____
Koreen H. van Ravenhorst
Deputy Director

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

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

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 SACRAMENTO)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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

SIGNATURE OF NOTARY PUBLIC

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 SACRAMENTO)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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

SIGNATURE OF NOTARY PUBLIC

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.

EXHIBIT B

MAP OF SITE AND LEGAL DESCRIPTION

(to be inserted)