

**CONTRACT FOR CONSULTANT SERVICES BETWEEN
THE CITY OF WATSONVILLE AND MAIN ST. ENTERPRISE, INC.**

THIS CONTRACT, (the "Contract") is made and entered into this 5TH day of April, 2021, by and between the **City of Watsonville**, a municipal corporation, hereinafter called "City," and **Main St. Enterprise, Inc.**, hereinafter called "Consultant."

WITNESSETH

WHEREAS, the City needs to obtain certain professional, technical and/or specialized services of an independent contractor to assist the City in the most economical manner; and

WHEREAS, Consultant has represented that consultant has appropriate skill, training, qualifications, and experience to render such services called for under this Contract to City.

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. SCOPE OF SERVICES. Consultant shall perform those services described in detail in Exhibit "A," entitled "SCOPE OF SERVICES" which exhibit is attached hereto and incorporated herein.

SECTION 2. TERM OF CONTRACT. The term of this Contract shall be for two (2) years which term shall commence on April 5, 2021 and expire on April 30, 2023, unless sooner terminated under the provisions of this Contract.

If Consultant has substantially and satisfactorily complied with the terms of both this Contract and the Lease entered into between the City and the Consultant on or about April 5, 2021, and fully incorporated herein (referred to as the "Lease" and attached as Exhibit "E") and subject to termination under Section 12 hereof, Consultant shall thereafter have one (1) option to renew this Contract for two (2) years (the "Option Term"). The City may refuse the Option Term or to otherwise renew this Contract if the City has notified the Consultant of any breach of either this Contract or the Lease during the prior term.

Such option may be exercised by written notice delivered to the City Clerk by November 1, 2022. Other than the fees during the Option Term, such option to renew this Contract is on the same terms and subject to the same conditions. If the City does not agree as to the fees for the Option Term within sixty (60) days, then the exercise of the option to renew shall become void and of no further force or effect.

SECTION 3. CITY MAY TERMINATE THE CONTRACT IF CONSULTANT IS NO LONGER OCCUPYING THE MODULAR HOME AT PINTO LAKE PARK PURSUANT TO RESIDENTIAL LEASE. This Contract and all conditions, covenants, and provisions contained in this Contract may, at the sole discretion of the City, be terminated without prior written notice if, for any reason, the Consultant, his agents, employees, or officers are no occupying the modular home at Pinto Lake Park pursuant to the Lease.

Violation of any condition, covenant, or provision of the Lease will also serve as a violation of this Contract and may, at the sole discretion of the City, result in the immediate termination of this Contract. No prior written notice of termination will be necessary if the City chooses to terminate this Contract as a result of any violation of the Lease.

SECTION 4. SCHEDULE OF PERFORMANCE. The services of Consultant are to be completed according to the schedule set out in Exhibit "B," entitled "SCHEDULE OF PERFORMANCE," which is attached hereto and incorporated herein. Consultant will diligently proceed with the agreed Scope of Services and will provide such services in a timely manner in accordance with the "SCHEDULE OF PERFORMANCE."

SECTION 5. COMPENSATION. The compensation to be paid to Consultant including both payment for professional services as well as the rate and schedule of payment are set out in Exhibit "C" entitled "COMPENSATION," which is attached hereto and incorporated herein.

SECTION 6. METHOD OF PAYMENT. Method of payment shall be as set out in Exhibit C.

SECTION 7. INDEPENDENT CONSULTANT. It is understood and agreed that Consultant, in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent Consultant and not an agent or employee of City, and as an independent Consultant, shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

SECTION 8. ASSIGNABILITY. Consultant shall not assign or transfer any interest in this Contract nor the performance of any of Consultant's obligations hereunder, without the prior written consent of City, and any attempt by Consultant to so assign this Contract or any rights, duties or obligations arising hereunder shall be void and of no effect.

SECTION 9. INDEMNIFICATION. Consultant represents that Consultant has the expertise and experience necessary to perform the services and duties agreed to be performed by Consultant under this Contract, and City is relying upon the skill and knowledge of Consultant to perform said services and duties. Consultant agrees to defend, indemnify and hold harmless City, its officers, agents, and employees, against

any loss or liability arising out of or resulting in any way from work performed by or on behalf of Consultant under this Contract or the errors or omissions by Consultant.

SECTION 10. INSURANCE.

A. Auto and Commercial General Liability Insurance. Consultant shall also maintain in full force and effect for the term of this Contract, automobile insurance and commercial general liability insurance with an insurance carrier satisfactory to City, which insurance shall include protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from any actual occurrence arising out of the performance of this Contract. The amounts of insurance shall not be less than the following:

(1) Commercial general liability insurance, or equivalent form, with a combined single limit of not less than \$2,000,000.00 per occurrence. If such insurance contains a general aggregate limit, such limit shall apply separately to each project Consultant performs for City. Such insurance shall (a) name City, its appointed and elected officials, and its employees as insureds; and (b) be primary with respect to insurance or self-insurance programs maintained by City and (c) contain standard separation of insured's provisions.

(2) Business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

B. Workers' Compensation Insurance. In accordance with the provisions of Section 3700 of the Labor Code, Consultant shall be insured against liability for Workers' Compensation or undertake self-insurance. Consultant agrees to comply with such provisions before commencing performance of any work under this Contract.

C. Proof of Insurance to City before Notice to Proceed to Work. Consultant shall satisfactorily provide certificates and endorsements of insurance to the City Clerk before Notice to Proceed to Work of this Contract will be issued. Certificates and policies shall state that the policy shall not be canceled or reduced in coverage without thirty (30) days written notice to City. Approval of insurance by City shall not relieve or decrease the extent to which Consultant may be held responsible for payment of damages resulting from services or operations performed pursuant to this Contract. Consultant shall not perform any work under this Contract until Consultant has obtained the required insurance and until the required certificates have been submitted to the City and approved by the City Attorney. If Consultant fails or refuses to produce or maintain the insurance required by these provisions, or fails or refuses to furnish City required proof that insurance has been procured and is in force and paid for, City shall have the right at City's election to forthwith terminate this Contract immediately without any financial or contractual obligation to the City. As a result of such termination, the City reserves the right to employ another consultant to complete the project.

D. Consultant shall obtain and maintain a Blanket Fidelity bond in the principal sum of twenty-five thousand dollars (\$25,000) which shall cover the acts and conduct of Consultant and its agents and employees. Consultant shall satisfactorily provide proof of bond to the City Clerk on an annual basis and in advance of each year of the Contract term.

E. Consultant shall obtain a City of Watsonville Business License on an annual basis. Consultant shall satisfactorily provide proof of license to the Clerk on an annual basis and in advance of each year of the Contract term.

F. Written notice. Contractor shall provide immediate written notice if (1) any insurance policy required by this Contract is terminated; (2) any policy limit is reduced; (3) or any deductible or self-insured retention is increased.

SECTION 11. NON-DISCRIMINATION. Consultant shall not discriminate, in any way, against any person on the basis of age, sex, race, color, creed, national origin, or disability in connection with or related to the performance of this Contract.

SECTION 12. TERMINATION.

A. If Consultant fails to perform any of its material obligations under this Contract, in addition to all other remedies provided by law, the City may send written notice of the breach to the Consultant at the address identified in Section 22 of this Contract. Material obligations include, but are not limited to, (1) paying all sums owed to the City under this Contract; (2) performing work professionally, courteously, and respectfully; (3) providing high quality customer service; (4) obtaining and maintaining all permits or licenses that may be required in connection with the operation of the concessions; (5) implementing established City Council approved fees for the Park; (6) collecting, receiving, and depositing all Park fees into a separate business account, including day use fees, camping fees, picnic reservations use and deposit fees, boat inspection fees, launch fees; (7) submitting all documents and reports to the city as detailed in Exhibit "B"; (8) maintaining the Park and all equipment in a clean, safe and usable condition; (9) developing and implementing a public relations and marketing program; (10) causing, to the best of Consultant's ability, all rules and regulations of the City of Watsonville, County of Santa Cruz, or State of California to be obeyed, particularly as they apply to boating and water safety, as they now or hereafter may exist relating to boating on the lake and use of the Park for such purposes; (11) paying all debts incurred for the purchase of supplies, materials, office equipment and supplies for use in, or in connection with the operation and maintenance of concessions; (12) complying with all conditions, covenants, and provisions contained within the Lease; (13) complying with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. (14) Consultant shall obtain and maintain a City of Watsonville business license during the term of this Contract.

If it is a monetary breach of this Contract, the Consultant shall have ten (10) days to cure the breach. In addition to all other remedies provided by law, the City may

terminate this Contract immediately upon written notice if the monetary breach is not cured prior to the expiration of that period.

If it is a non-monetary breach of the Contract, the Consultant shall have ten (10) days to cure the breach. However, if the nature of the non-monetary breach is such that the same cannot reasonably be cured within said ten (10) day period, Consultant shall not be deemed to be in default if Consultant shall within such period commence such cure and thereafter diligently prosecute the same in completion. In addition to all other remedies provided by law, the City may terminate this Contract immediately upon written notice if the non-monetary breach is not cured within said ten (10) day period or, if the nature of the breach is such that it cannot reasonably be cured in within said ten (10) day period, if efforts to cure the non-monetary breach have not begun within said ten (10) day period and thereafter diligently prosecuted the same to completion.

The Residential Lease attached hereto as Exhibit "E", shall immediately terminate upon termination of this Contract.

B. If Consultant fails to perform any of its obligations under the Lease, in addition to all other remedies provided by law, City may terminate this Contract immediately without notice.

C. The City Manager is empowered to terminate this Contract on behalf of City.

D. In the event of termination, Consultant shall deliver to City copies of all ledgers and books of account, invoices, vouchers, canceled checks and other records or documents evidencing or related to the Park fees and revenue collected and shall include the corresponding park activities, work papers, schedules, reports and other work performed by Consultant and upon receipt thereof.

SECTION 13. COMPLIANCE WITH LAWS. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. Consultant shall obtain and maintain a City of Watsonville business license during the term of this Contract.

SECTION 14. GOVERNING LAW. City and Consultant agree that the law governing this Contract shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Contract shall be filed and maintained in the Courts of the County of Santa Cruz.

SECTION 15. PRIOR CONTRACTS AND AMENDMENTS. This Contract represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Contract may only be modified by a written amendment.

Notwithstanding these facts, this Contract is executed in conjunction with the Lease and any violation of the Lease shall be deemed a violation of the Contract and may be grounds for termination of the Lease.

SECTION 16. CONFIDENTIAL INFORMATION. Except as may be required by law, all data, documents, discussions, or other information developed or received by or for Consultant in performance of this Contract are confidential and not to be disclosed to any person except as authorized by the City Manager.

SECTION 17. OWNERSHIP OF MATERIALS. All reports, documents or other materials developed or received by Consultant or any other person engaged directly by Consultant to perform the services required hereunder shall be and remain the property of City without restriction or limitation upon their use.

SECTION 18. COVENANT AGAINST CONTINGENT FEES. The Consultant covenants that Consultant has not employed or retained any company or person to solicit or secure the Contract, and that Consultant has not paid or agreed to pay any company or person, any fees, commissions, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making of this Contract. For breach or violation of this covenant, the City shall have the right to annul this Contract without liability, or in its discretion, to deduct from the contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage fee, gift, or contingency.

SECTION 19. WAIVER. Consultant agrees that waiver by City or any one or more of the conditions of performance under this Contract shall not be construed as waiver of any other condition of performance under this Contract.

SECTION 20. CONFLICT OF INTEREST.

A. A Consultant shall avoid all conflict of interest or appearance of conflict of interest in performance of this Contract. Consultant shall file a FPPC Form 700 disclosure statement, which form shall be filed with the City Clerk within thirty (30) days from the effective date of this Contract as applicable.

B. No member, officer, or employee of the City, during their tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in this Contract or the proceeds thereof and Consultant agrees not to allow, permit, grant, transfer, or otherwise do anything which will result in such member, officer, or employee of the City from having such interest.

SECTION 21. AUDIT BOOKS AND RECORDS. Consultant shall make available to City, its authorized agents, officers and employees, for examination any and all ledgers and books of account, invoices, vouchers, canceled checks and other records or documents evidencing or related to the Park fees and revenue collected and shall include corresponding park activities conducted in provided park management and concessionaire services, and shall furnish to City, its authorized agents and employees,

such other evidence or information as City may require with respect to any such revenue paid to Consultant. City shall have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers and files of Consultant relating to Gross Receipts and business transacted, and, on request by City, Consultant shall make all such matters available for examination. If City should have an audit made for any fiscal year or calendar year and the Gross Receipts and business transacted a shown by Consultants statement for such year should be found to be understated by more than three percent (3%), Consultant shall immediately pay to the CITY the cost of such audit as well as the additional percentage due and payable by Consultant to City.

SECTION 22. NOTICES. All notices shall be personally served or mailed, postage prepaid, to the following addresses, or to such other address as may be designated by written notice by the parties:

CITY

City Clerk's Office
275 Main Street, Suite 400
Watsonville, CA 95076
(831) 768-3040

CONSULTANT

Jesus Madrigal
419 Prospect Street
Watsonville, CA 95076
(831) 588-7366
chuymad@gmail.com

SECTION 22. EXHIBITS:

Exhibit A: Scope of Services
Exhibit B: Schedule of Performance
Exhibit C: Compensation
Exhibit D: List of City Assets available for use by Concessionaire
Exhibit E: Residential Lease

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WITNESS THE EXECUTION HEREOF, on the day and year first hereinabove written.

CITY

CONSULTANT

CITY OF WATSONVILLE

BY

Matthew D. Huffaker, City Manager

BY

Jesus Madrigal [Title]

ATTEST:

BY

Beatriz Vázquez Flores, City Clerk

APPROVED AS TO FORM:

BY

Alan J. Smith, City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

The Consultant will be responsible for the daily operations of Pinto Lake Park, herein called "Park," located at 451 Green Valley Road, Watsonville, CA 95076, to include the following:

I. MANAGEMENT OF THE PARK

- a. Hire, train and supervise all personnel required to supervise the Park on a twenty-four (24) hour basis and maintain continuous residence in the City-owned mobile home at the Park. to ensure the security of the Park to the public. Consultant will require, at Consultant's expense, criminal background checks for all employees at time of hire. Bilingual language skills highly desirable for all employees;
- b. Respond to any and all emergencies that threaten the life or safety of Park patrons or employees, to the extent affordable through staff training or as required by law, and report such emergencies to the Parks and Community Services Director and emergency medical services, law enforcement or other appropriate entities;
- c. Facilitate public access to the Park, open the Park to the public at 7:00 AM and lock gates and close the Park at sunset each day, provided however, that Consultant will make arrangements for reasonable ingress and egress for park patrons using the camping facilities;
- d. Post and collect Park fees (established by the City Council), including camping fees, boat inspection fees, picnic facility reservation fees, week-end parking fees, and others, while maintaining accurate financial records. All fees shall be deposited into a separate business account and shall not be comingled with any other business or personal funds.;
- e. Facilitate reservations for all amenities, including camping, pavilion and picnic rentals, ballfield rentals and rental of boat and other City-owned equipment in an efficient manner that provides excellent customer service;
- f. Provide personnel to serve as the "Camp Host" for the RV Park to oversee campers and assure compliance with Park and City regulations, provide customer service, identify problems, settle disputes, etc. to provide a safe and enjoyable customer experience;
- g. Provide personnel to serve as "Beach Master" and oversee boating operations and launching, in compliance with all local, State and Federal regulations, including the rental of Consultant-owned and City-owned equipment, including but not limited to rowboats and peddle boats, life-jackets, etc. to provide a safe and enjoyable customer experience;
- h. Supervise and maintain responsibility for any events (except for events hosted by the City of Watsonville) that take place at the Park, with approval and permit from City's Parks and Community Services Director or designee;
- i. Communicate policies and procedures, fees and other pertinent information for Park operations to Park users through signage, website, brochures, handouts, etc. in English and Spanish to maximize Park use and ensure customer compliance;

- j. Maintain all City-owned equipment and facilities (listed in Exhibit “D”) and Consultant-owned equipment, so they remain clean and can be used safely by the public and staff and is consistent with the provision of a high level of service. Consultant shall be solely responsible for the maintenance of Consultant-owned equipment and facilities. Consultant shall be responsible for maintenance or replacement required of City-owned equipment and facilities caused by general wear and tear, up to the amount of \$500. The City shall be responsible for maintenance or replacement required of City-owned equipment and facilities caused by general wear and tear, for maintenance/replacement costs that exceed \$500. Equipment and facilities that are damaged, lost or stolen while under the care and use by Consultant or its agents shall be the responsibility of Consultant to replace lost or stolen equipment at Consultant's expense;
- k. Inspect restrooms, keep them supplied, and in an emergency clean them (all supplies for restrooms shall be furnished by City) to maintain their cleanliness;
- l. Perform work professionally, courteously, respectfully and provide high quality customer service in interactions with the public to create an environment whereby Park patrons are safe and have a good experience. Consultant shall routinely distribute a customer service feedback survey to park patrons; summarize results and forward surveys and results to the City;
- m. Submit park patron complaint forms within 24 hours upon Consultant's receipt of complaint to Parks and Community Director or his/her Designee.
- n. Ensure that Park and patrons and personnel, including those reserving the picnic areas, maintain the area clean of all papers, trash, and debris following use to maintain a clean environment;
- o. Maintain Park drains free from debris to prevent flooding;
- p. Obtain and maintain up to date, at Consultant's own expense, any and all permits or licenses that may be required in connection with the operation of the concessions;
- q. Pay all debts incurred for the purchase of supplies, materials, office equipment and supplies for use in, or in connection with the operation and maintenance of concessions.
- r. Optional:
 - i. Consultant may also choose to operate, with approval of the City's Parks and Community Services Director or designee, snack/beverage concessions or vending machines for the convenience of park users;
 - ii. Consultant may also choose to operate, with approval of the City's Parks and Community Services Director or designee, a bait concession, in compliance with CDFH regulations, for the convenience of fishermen

II. COMPLIANCE WITH RULES AND REGULATIONS

- a. In the use and occupancy of the Park and in the conduct of all business, activities and transactions thereon, Consultant will comply with and enforce all applicable laws, ordinances, rules, regulations, and orders of the City of

- Watsonville, County of Santa Cruz, or any governmental subdivision, body or authority, including all Federal, State, and municipal laws and ordinances;
- b. Consultant shall not use or permit the Park, or any part thereof to be used, for any other purpose or purposes for which the Park is approved without first obtaining the written consent of the City's Parks and Community Services Director or designee;
 - c. Enforce Park rules and regulations as set forth in Chapter 10.1.01 of City's Municipal Code for Pinto Lake Park and as set forth in Chapter 10.2.01 for City Parks;
 - d. Comply with the rules and regulations of the City of Watsonville and the State of California, as they apply to boating and water safety, and as they now or hereafter may exist relating to boating on the lake and use of the Park for such purposes. Rules and regulations governing boating and water safety must be strictly enforced at all times;
 - e. Implement and manage the Park Boat Inspection Program, Prevention Strategies and boat inspection fees to prevent Zebra and Quagga Mussel infestation as approved by City Council.
 - f. Regularly inspect and record inspection of all boating and safety equipment to ensure it meets all State boat safety standards and laws. Any equipment not passing such inspection shall be immediately removed from service;
 - g. In the conduct of concession operations, Consultant shall not unreasonably interfere with the property, interests, operations or activities of the City;
 - h. Acquire all necessary permits for special events, except for those sponsored by the City, that take place at the Park.

III. CARETAKER RESIDENCE

- a. The Consultant shall maintain continuous residence for a caretaker in a mobile home at the park. A Residential Lease has been entered into between the Consultant and the City and is attached as Exhibit "E" and incorporated fully herein (the "Lease"). The Lease and all conditions, and provisions contained in the Lease are contingent upon the Consultant continuing, without interruption, to serve as the Consultant for Pinto Lake Park pursuant to this Consultant Contract. The Lease shall be automatically terminated upon termination of this Contract.
- b. City, without charge to Consultant, shall furnish gas, electricity, water, solid waste service and sewer service for Consultant's mobile home.
- c. Consultant shall be charged a lease fee for occupancy of City-owned mobile home in the amount agreed upon by the City, as part of the Consultant's Contract. Consultant shall be required to provide refundable mobile home security deposit of \$500. A separate Lease will be required for occupancy of City-owned mobile home.

IV. CITY SPONSORED AND CO-SPONSORED PROGRAMS

- a. Consultant shall cooperate with City to accommodate the seasonal use of the baseball field by the Watsonville American Little League by City Council-approved Contract. Shall meet annually with League President or designee and the City's Parks and Recreation Director to determine appropriate operational responsibilities of the League and Consultant. Discussion items shall include

issues of scheduling including pre-season practices, regular season and post-season tournaments, cleaning of league generated trash, parking and facility use fees.

- b. Consultant shall cooperate with City and its designated Departments to develop additional programs, activities, and special events at the Park, including but not limited to sailing and fishing programs, day camps, field trips and others as may be developed from time to time, and will collaborate on development of storage facilities for program-required supplies and equipment. Special event permit fees shall be waived for events hosted by Consultant.

V. DOCUMENTS AND RECORDS

- a. Keep accurate and complete records and accounts of all receipts, collections, fees, sales and business transacted and provide City access to such records and accounts to ensure financial accountability;
- b. Keep and preserve for at least eighteen months (18) after the end of each month all cash register tape readings, bank books, or duplicate deposit slips, and other evidence of Gross Receipts and business transacted. "Gross Receipts" shall include the entire amount of the fee collected and prices charged, whether wholly or partly for cash or on credit, or otherwise, for all receipts, collection fees, sales and rentals of every kind and description, made in, upon, or resulting from the conduct of business;
- c. Maintain regular communication with City's Parks and Community Services Director, or designee, regarding issues, incidents and emergencies;
- d. By the 10th of each month, prepare and submit to the City's Parks and Community Services Director
 - i. A detailed report summarizing the previous month's activities, including usage numbers, programs, problems and incidents and other information pertinent to the achievement of the goals listed in this RFP.
 - ii. A detailed financial report, summarizing revenue collected in the previous month for each fee category.
- e. At the City's request (not more than annually), and at the Consultant's expense, conduct a financial audit of Consultant's operations of the Park.

VI. RESPONSIBILITIES OF THE CITY

The City maintains the general park and recreation areas including the care of lawns, trees, vegetation, parking area, buildings, restrooms, camping area, and Little League ball field. The City will consider proposals that include the maintenance of the park, although this is not required. Entities interested in assuming these maintenance responsibilities should indicate this in their proposal.

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

Services shall commence immediately upon execution of this Contract. All services performed under the provisions of this Contract shall be completed in accordance with the following schedule:

Service	Schedule
I. Management of Park	Duration of Contract
<ul style="list-style-type: none"> l. Consultant shall routinely distribute a customer service feedback survey to park patrons; summarize results and forward surveys and results to the City; m. Submit park patron complaint forms to Parks and Community Director or his/her Designee. 	<ul style="list-style-type: none"> l. By the 10th of the month for the previous month m. Within 24 hours upon Consultant's receipt of complaint
II. Compliance with Rules, Regulations, and Laws	Duration of Contract
III. Caretaker Residence	Duration of Contract
IV. City Sponsored and Co-Sponsored Programs	Duration of Contract
V. Documentation and Records	
<ul style="list-style-type: none"> d. Prepare and submit to the City's Parks and Community Services Director: <ul style="list-style-type: none"> i. <i>Monthly</i> <ul style="list-style-type: none"> i. A detailed report summarizing the previous month's activities, including usage numbers, programs, problems and incidents and other information pertinent to the achievement of the goals listed in this RFP. ii. A detailed financial report, summarizing revenue collected in the previous month for each fee category. ii. <i>Quarterly</i> <ul style="list-style-type: none"> i. A quarterly Profit and Loss Statement produced by a Certified Public Accountant, commissioned by Consultant. Certified Public Account fees shall be the responsibility of the Consultant. <p>Should any discrepancies arise in the monthly activity and financial summary reports and payment to the City by Consultant, such discrepancies will be reviewed and mutually resolved in a reasonable period of time by City and Consultant not to exceed 14 days.</p>	<p><i>Monthly Reports:</i> By the 10th of the month for the previous month.</p> <p><i>Quarterly Reports:</i> By the 20th day of the months of January, April, July, September for the previous quarter</p>

EXHIBIT "C"

COMPENSATION

1. **TOTAL COMPENSATION TO CONSULTANT.** The Consultant shall collect and retain all Park fees and revenue collected including day use fees, concession revenue, camping fees, picnic reservations use and deposit fees, boat inspection fees, launch fees, boat trailer parking fees, boat rental fees, permit fees, and week-end parking fees.

The Consultant, its agents, or employees shall occupy the modular home located at Pinto Lake at a discounted rental amount pursuant to the Lease attached hereto as Exhibit "E". The discounted rental amount is part of the compensation available as part of this Contract.

2. **PAYMENT TO CITY BY CONSULTANT.** Payment(s) to City for use of Park as performed under this contract shall be made as follows:

- a. **Park Use Fee Paid to City:** \$800.00 paid each month

- i. The Park Use Fee shall be paid monthly in advance on the First day of each month, free from all claims and demands against Consultant of any kind or nature or description whatsoever and without deduction or offset, except as provided in subsection (iv) below, commencing on the date the Contract term commences, and continuing for the term. In the event the Contract term does not commence on the first day of the month, then the Park Use Fee shall be prorated to the first of the month so as to provide for subsequent payments on the first of the month.
- ii. The Park Use Fee shall be paid in form of cash, check, or money order and made payable to the City of Watsonville at the following address:

250 Main Street, Watsonville, CA 95076, or at any other place designated by the City from time to time.
- iii. Park Use Fees not received by the City by the tenth (10th) of the month shall bear a late payment fee of ten percent (10%) per annum of the amount due.
- iv. Should revenue generating Park operations (including both the RV Park and activities associated with water access) be forced to close due to local, State or Federal mandates, flooding or other catastrophic events, and due to no fault of the Consultant, the Park Use Fee shall be waived and/or pro-rated during such closure.

- b. **Telephone Service Fee:** Fee is based upon Consultant's use of the City phone number and phone service. The fee shall be based upon costs paid by the City as charged by the phone company. The Consultant shall pay fees on an annual basis for a twelve-month period of telephone services. This fee shall be paid to the City within fifteen days upon receipt of invoice from the City. Payments not received by the due date shall bear a late payment fee of ten percent (10%) of the amount due.

- c. **Bonus Payment Fee:** Fee is based upon annual Gross Receipts.

Gross Revenue	Fee
\$0-\$49,999	3%
\$50,000-\$99,999	10%
Over \$100,000	14%

- i. The percentages referenced above shall be due on the thirty-fifth day following the end of the calendar year and shall be paid within ten (10) days after the due date; and, shall be determined on the basis of the sales and business transacted for such year.
 - ii. "Gross Receipts" shall include the entire amount of the fee collected and prices charged, whether wholly or partly for cash or on credit, or otherwise, for all receipts, collections fees, sales and rental of every kind and description, made in, upon, or resulting from the conduct of business.
 - iii. "Gross Receipts" shall not include, or if included, there shall be deducted (but only to the extent they have been included), as the case may be, the amount of any sales tax due the City, County, and State on sales from the Park where such taxes are both added to the selling price or absorbed therein and paid to the taxing authority by Concessionaire (but not by any vendor or Consultant).
 - iv. Payments not received by the due date shall bear a late payment fee of ten percent (10%) of the amount due.
- d. **Annual Periodic Cost of Living Adjustment.** The Park Use Fee shall be adjusted annually, every July 1st, beginning July 1, 2022 and each July 1st thereafter using the rate of April to April change in Consumer Price Index (CPI) for All Urban Consumers San Francisco-Oakland-San Jose, California. If the index published nearest the adjustment date ("extension index") has increased over the "beginning index", the Park Use Fee for the following year shall be set by multiplying the Park Use Fee by a fraction, the numerator of which is the extension index and the denominator of which is the beginning index. The "beginning index" is defined as the first monthly Park Use Fee as set forth in this Exhibit C, Paragraph 1, for the first adjustment to be made after one (1) year, and is thereafter defined as the new monthly Park Use Fee thereafter established, after each adjustment date for each year of the remaining Contract term.
- e. **Bonus Payment Fee Increase.** Notwithstanding subsection 2(d) above, and commencing with calendar year 2022, the Fee for Gross Revenue over \$100,000 shall increase to 15%.

EXHIBIT "D"

LIST OF CITY ASSETS AVAILABLE FOR USE BY CONCESSIONAIRE

The City acquired the following assets and are available for use by the Concessionaire during the term of the Contract.

- A. 1 Mobile Home (3 bedroom-2 bath)
- B. 1 Office
- C. 1 Storage Shed
- D. 4 Pedal Boats
- E. 5 Aluminum, 5 Fiberglass Rowboats & 1 Boat Trailer
- F. 2 Electric Motors & Gas Motor, 8 boat batteries
- G. 114 Life vests & Boating Jackets
- H. 6 set of Oars
- I. 1 Gas Generator
- J. 16 Gallon Shop Vacuum
- K. 1 Four Bank Battery Charger
- L. 2 Lounge Chairs & 1 Fire Pit
- M. 1 Tent (10'x'20')
- N. Tool shed/Workshop (8' x 20')
- O. Boathouse (10' x 12')
- P. Power, water hookups and sewer service to RV sites
- Q. 1 dump station
- R. Website www.pintolake.com
- S. Park phone line and number (monthly bill to be paid for by Concessionaire)

EXHIBIT "E"

RESIDENTIAL LEASE

This Residential Lease ("Lease") is made this fifth day of April, 2021 by and between the City of Watsonville, a municipal corporation, (referred to as "Landlord"), and Main St. Enterprise, Inc., a California corporation (referred to as "Tenant").

Section 1. Lease

Tenant leases from Landlord a three (3) bedroom and two (2) bathroom modular home located at Pinto Lake Park in the City of Watsonville, subject to the terms and conditions contained in this Lease. (referred to as "Leased Premises").

Section 2. Term

The term of this Lease shall commence on 12:01 a.m. on the fifth (5th) day of April 2021 and shall be for a tenancy from month-to-month. Notwithstanding the stated term, as detailed in section three (3) of the Lease, the Tenant continuing to be in contractual service with the Landlord as Concessionaire of Pinto Lake Park is a condition concurrent to this Lease and this Lease will terminate on the date that Tenant ceases serving as Concessionaire of Pinto Lake Park.

Section 3. Lease Contingent upon Tenant Serving as Concessionaire of Pinto Lake Park

The Lease and all conditions, covenants, and provisions contained in the Lease are contingent upon the Tenant continuing, without interruption, to serve as the Concessionaire for Pinto Lake Park pursuant to the Contract for Consultant Services entered into between the Landlord and the Tenant on or about April 5, 2021 and fully incorporated herein (references to "Consultant" in the Contract shall mean the same party as "Concessionaire" and "Tenant" herein). It is a condition concurrent to this Lease that Tenant serve as Concessionaire of Pinto Lake Park and the Lease will be automatically terminated if, for any reason, the Tenant is no longer serving as Concessionaire of Pinto Lake Park and no prior notice will be necessary if Landlord chooses to initiate an unlawful detainer to regain possession of the Leased Premises.

An uncured violation of any material condition, covenant, or provision of the Contract will also serve as a violation of the Lease and may, at the sole discretion of the Landlord, result in the immediate termination of this Lease and no prior notice will be necessary if Landlord chooses to initiate an unlawful detainer to regain possession of the Leased Premises. Tenant is required vacate the premises within three (3) days from the termination of the Contract.

Section 4. Rent

A. Tenant shall pay to the Landlord monthly rent in the amount of Five Hundred dollars (\$500.00). The rental fee shall be paid monthly in advance on the first day of each month, free from all claims and demands against Landlord of any kind or nature or description whatsoever and without deduction or offset, commencing on the date the Lease commences, and continuing for the term. In the event the Lease does not commence on the first day of the month then the rental fee shall be prorated to the first of the month so as to provide for subsequent payments on the first of the month. The rent shall be adjusted annually, every July 1st

beginning July 1, 2022, and each July 1st thereafter using the rate of April to April change in the Consumer Price Index (CPI) for All Urban Consumers San Francisco-Oakland-San Jose, California.

B. Rent shall be paid in the form of cash, check, or money order and made payable to the City of Watsonville.

C. The rental amount is a discounted sum offered as part of the compensation available to the Concessionaire of Pinto Lake. It is a condition concurrent to this Lease that Tenant serve as Concessionaire of Pinto Lake Park and the Lease will be automatically terminated if, for any reason, the Tenant is no longer serving as Concessionaire of Pinto Lake Park.

D. The Tenant has been advised in paragraph 39 of this Lease to seek independent Tax counsel regarding the effects of this lease, which include, but are not limited to, any effect(s) from receiving a discounted rental amount as part of the compensation available to him or her as Concessionaire of Pinto Lake Park.

E. The lease fee shall be paid to the Landlord at the following address: 250 Main Street, Watsonville, CA 95076, or at any other place designated by Landlord from time to time.

F. Lease fee not received by Landlord by the fifth (5th) of the month shall bear a late payment fee of ten per cent (10%) per annum of the amount due.

Section 5. Utilities

Landlord shall be responsible for the payment of all utilities and services to the Leased Premises other than telephone service. This includes, but is not limited to: One Hundred percent (100%) of the sewer, water, garbage, electricity, and gas. The landlord shall pay the telephone company for any and all charges incurred by the Tenant and, thereafter, shall seek reimbursement for all payments made from the Tenant. The Tenant shall reimburse the Landlord for all telephone charges within fifteen (15) days of the request for reimbursement being made. Payments not received by the due date shall bear a late payment fee of ten percent (10%) of the amount due.

Section 6. Security Deposit

On the date the Lease is executed, Tenant shall deposit \$500.00 with the Landlord. Deposit shall serve as security for Tenant's faithful performance of Tenant's obligations hereunder.

If Tenant fails to pay rent or other charges due hereunder or otherwise defaults with respect to any provision of this Lease, Landlord may use all or any portion of said security deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Landlord may become obligated by reason of Lessee's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If Landlord uses all or any portion of the deposit, Tenant shall within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore said security deposit to the full amount hereinabove stated. Landlord shall not be required to keep said security deposit separate from its

general accounts. If Tenant performs all of Tenant's obligations, said deposit, or so much thereof that has not been applied by Landlord, shall be returned to the Tenant within ten (10) days of termination of this Lease. Tenant is not entitled to any interest on said deposit.

Section 7. Credit Report

The Landlord shall have the right to require the Tenant to provide a credit report, at the Landlord's expense, prior to execution of the Lease Agreement. The Landlord shall have the right to require the Tenant to provide a credit report at any time during its tenancy at the Landlord's expense.

Section 8. Occupancy of Leased Premises

Except as otherwise provided in this section, only the Tenant may occupy the Leased Premises. Employees or agents of the Tenant may occupy the Leased Premises while they are working at Pinto Lake Park on the Tenant's behalf. The occupant of the Leased Premises may have up to two guests on the Leased Premises at any one time. A person shall be considered a "guest" for these purposes if he or she occupies the Leased Premises for 5 or fewer consecutive days or for a total of fewer than 20 calendar days in a year. No other person shall be permitted to occupy the Leased Premises except with the prior written approval of Landlord.

a. Use of an RV Space as a Second Night Caretaker's Residence

The Tenant may occupy one (1) RV space at Pinto Lake Park, RV space #_____, for use as an additional night caretaker's residence (the "Additional Caretaker's RV"), under the following conditions:

- (i) Tenant shall pay to the Landlord monthly rent in the amount of one hundred dollars (\$100.00). The rental fee shall be paid monthly in advance on the first day of each month, free from all claims and demands against Landlord of any kind or nature or description whatsoever and without deduction or offset, commencing on the date the Lease commences, and continuing for the term. In the event the Lease term does not commence on the first day of the month then the rental fee shall be prorated to the first of the month so as to provide for subsequent payments on the first of the month. The rent shall be adjusted annually, every July 1st beginning July 1, 2022, and each July 1st thereafter using the rate of April to April change in the Consumer Price Index (CPI) for All Urban Consumers San Francisco-Oakland-San Jose, California.
- (ii) The Additional Caretaker's RV at the above space must be in operational condition and maintain, and have for presentation to authorities, all current licenses and registration;
- (iii) The Additional Caretaker's RV must have Recreational Vehicle Industry Association (RVIA) certification and comply with all Park rules that apply to RV's, in addition to rent of one hundred dollars (\$100.00) per month;
- (iv) Vehicle must be maintained in "good" condition, which shall include, but

is not limited, to the following:

- a. Doors, shrouds, panels, windows and coverings, all of which, and the RV as a whole, shall be intact and not unsightly;
 - b. The entirety of the Additional Caretaker's RV shall not be unsightly and shall be free of any and all obvious, poorly-repaired damage (i.e., any repairs done using duct tape, repair tape, or excessive caulk); and,
 - c. All hoses, wires, and any other exterior lines, shall route through ports as originally designated and as further designated by the Park.
- (v) The names and contact information of the person(s) to occupy the Additional Caretaker's RV shall be provided below:

Name: _____ Phone: _____

Section 9. Use of Leased Premises

Tenant agrees that the Leased Premises are to be used exclusively as the living quarters of Tenant, his/her agents, or employees while he or she is serving as Concessionaire of Pinto Lake Park and shall not be used for any other purpose. Tenant may not use the Leased Premises for any other purpose without the prior written consent of the Landlord, which Landlord may withhold in Landlord's sole discretion.

Section 10. Pets

Unless otherwise provided in California Civil Code §54.2, no animal or pet shall be kept on or about the Leased Premises without Landlord's written consent.

Section 11. No Smoking

No smoking is allowed on the Leased Premises. If smoking does occur on the Leased Premises, (i) Tenant is responsible for all damage caused by the smoking including, but not limited to, stains, burns, odors and removal of debris; (ii) Tenant is in breach of this Lease; (iii) Tenant, Tenant's guests, and all others may be required to leave the Leased Premises; and (iv) Tenant acknowledges that in order to remove odor caused by smoking, Landlord may need to replace carpet and drapes and paint the entire Leased Premises regardless of when these items were last cleaned or replaced.

Section 12. Compliance with Law

Tenant shall comply with all laws, statutes, ordinances, and requirements of all city, county, state, and federal authorities now or later in force pertaining to the use of the Leased Premises.

Section 13. Maintenance and Alterations

Tenant is aware of the status of the Leased Premises, including the fixtures and furnishings, if any. Tenant agrees that the Leased Premises, fixtures, and furnishings, appliances, equipment and furniture are in good working order and repair and accept the Leased Premises "as is." Tenant shall, at Tenant's own expense and at all times, maintain the Leased

Premises in good working order (which shall include repairing and/or replacing of any appliances), including all equipment, appliances, furniture and fixtures, and shall surrender the Leased Premises at termination of this Lease in as good condition as received, normal wear and tear excepted. Tenant waives their rights under Civil Code Section 1942 to repair and deduct the expenses of repairs from the rent when due and agrees to improve, repair, or maintain all portions of the Leased Premises as part of the consideration for rental except as may otherwise be agreed by Landlord. Tenant shall be responsible for damages caused by Tenant's negligence and that of Tenant's family, invitees, and guests. Tenant shall not paint, paper, or otherwise redecorate or make alterations to the Leased Premises without the prior written consent of Landlord. Tenant shall not commit or allow any person to commit any act resulting in the destruction, defacement, damage, impairment, or removal of any part of the Leased Premises, including wall, ceiling, and floor coverings, and the furniture, fixtures, and furnishings of the Leased Premises.

Tenant shall maintain the plants, trees, bushes (referred to as "Yard") surrounding the perimeter of the Leased Premises and ensure that the Yard is properly maintained by Tenant, including proper watering, weeding and other maintenance related to the Yard.

Section 14. Entry

Landlord shall have the right to enter the Leased Premises for the purposes of emergencies and for showing the Leased Premises to prospective Tenants, purchasers, or mortgagees, provided that, except in the case of an emergency, such entry shall be made during normal business hours and upon at least twenty-four (24) hours' prior notice. In the case of an emergency or Tenant's abandonment or surrender of the Leased Premises, Landlord or Landlord's agent may enter the Leased Premises at any time, without obtaining Tenant's prior consent. Tenant agrees not to change the locks or add locks to the entrances of the Leased Premises without the prior consent of Landlord and without providing Landlord with a key to any locks.

Section 15. Indemnification

Landlord shall not be liable for any damage or injury to Tenant or any other person, or to any property, occurring on the Leased Premises or any part of the Leased Premises or in common areas, unless the damage is a proximate result of the gross negligence or willful conduct of Landlord, Landlord's agents, or Landlord's employees. Tenant agrees to indemnify, defend, and hold harmless Landlord, Landlord's agents, or Landlord's employees, from any liability, costs (including reasonable attorneys' fees), or claims for personal injuries or property damage arising out of or related to the use or occupancy of the Leased Premises by Tenant.

Section 16. Insurance

Tenant shall maintain in full force and effect during the term of this Lease a policy of Renter's Insurance to protect Tenant against any liability to any person or entity resulting from any accident occurring in or around the Leased Premises or for any damage to the Leased Premises. Such coverage shall be in an amount not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) against any claims for personal injury, or property damage occurring on or about

the Leased Premises. Landlord shall be named as an additional insured on the Renter's Insurance. A certificate of insurance shall be furnished to Landlord at the time of execution of this Lease.

Section 17. Subrogation Waiver

Landlord and Tenant agree that in the event of loss due to any of the perils for which they have agreed to provide insurance, each party shall look solely to its insurance for recovery. Landlord and Tenant hereby grant to each other, on behalf of any insurer providing insurance to either of them with respect to the leased premises, a waiver of any right of subrogation that any such insurer of one party may acquire against the other by virtue of payment of any loss under that insurance.

Section 18. Assignment and Subletting

Tenant shall not assign this Lease or any interests under this Lease or sublet the Leased Premises or any portion of the Leased Premises and any attempt by the Tenant to assign this Lease or any rights, duties, and obligations arising hereunder shall be void and of no effect.

Section 19. Abandoned Property

If Tenant abandons or surrenders the Leased Premises, Landlord may consider any personal property left on the Leased Premises to be abandoned and may dispose of it in any manner allowed by law. If Landlord reasonably believes that the abandoned personal property has a total resale value of less than Three Hundred Dollars and 00/100 (\$300.00), Landlord may keep the personal property for Landlord's use or otherwise dispose of it in accordance with law. All personal property on the Leased Premises is made subject to a lien in favor of Landlord for the payment of all sums due under this Lease, to the maximum extent allowed by law.

Section 20. Default by Tenant

Landlord and Tenant agree that every condition, covenant, and provision of this Lease is material and reasonable. If Tenant fails to pay rent when due, or perform any condition, covenant, or provision of this Lease, Landlord, at Landlord's option, may terminate all rights of Tenant under this Lease and no prior notice will be necessary if Landlord chooses to initiate an unlawful detainer to regain possession of the Leased Premises.

Further, Landlord and Tenant agree that any violation of this Lease shall also be treated as a violation of the Contract and Landlord, at Landlord's option, may terminate all rights of Tenant under the Contract.

Further, Landlord and Tenant agree that if Tenant fails to comply with all material obligations of the Contract, Landlord, at Landlord's option, may terminate all rights of Tenant under this Lease and no prior notice will be necessary if Landlord chooses to initiate an unlawful detainer to regain possession of the Leased Premises.

Section 21. Remedies

If Tenant defaults, Landlord may elect to:

A. Continue the Lease in effect, and enforce all Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due; or

B. At any time, terminate all of Tenant's rights under this Lease, and recover from Tenant all damages Landlord may incur by reason of the breach of the Lease, including the cost of recovering the Leased Premises and including the worth at the time of the termination or at the time of an award if suit is instituted to enforce this provision, of the amount by which the unpaid rent for the balance of the term exceeds the amount of the rental loss that the Tenant proves could be reasonably avoided.

In addition to any other rights and remedies allowed by this Lease or by law, Landlord shall have the remedies as set forth in Civil Code §§ 1951.2 and 1951.4.

Section 22. Disclosure Pursuant to Civil Code §2079.10a (Proximity of Registered Sex Offenders)

Notice: The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

Section 23. Attorneys' Fees

In any legal action brought by either party to enforce the terms of this Lease or relating to the Leased Premises, the prevailing party shall be entitled to all costs incurred in connection with that action, including reasonable attorneys' fees.

Section 24. Waiver

No failure of Landlord to enforce any term of this Lease shall be deemed a waiver, nor shall any acceptance of a partial payment of rent be deemed a waiver of Landlord's right to the full amount of rent.

Section 25. Notices

Any notice that either party may or is required to give may be delivered in person or be given by mailing the notice, postage pre-paid, to Tenant at the Leased Premises or to Landlord at the address shown in Section 4, or at any other place designated by the parties from time to time.

Section 26. Time

Time is of the essence in this Lease.

Section 27. Holding Over

If Tenant remains in possession of all or any part of the Premises after the termination of the Lease with the consent of the Landlord, such possession shall be deemed to be a tenant at sufferance and not a renewal hereof or an extension for any further term. Such tenancy shall remain on a month to month basis and be subject to the same terms and conditions as were previously applicable.

Section 28. Construction

Headings at the beginning of each section are solely for the convenience of the parties and are not a part of and shall not be used to interpret this Lease. The singular form shall include plural, and vice-versa. This Lease shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it. Unless otherwise indicated, all references to Sections are to this Lease.

Section 29. Further Assurances

Whenever requested to do so by the other party, each party shall execute, acknowledge, and deliver any further conveyances, agreements, confirmations, satisfactions, releases, powers of attorneys, instruments of further assurance, approvals, consents, and any further instruments and documents as may be necessary, expedient, or proper to contemplate any conveyances, transfers, sales, and agreements contemplated by this Lease. Each party also agrees to do any other act and to execute, acknowledge, and deliver any documents requested to carry out the intent and purpose of this Lease.

Section 30. Third Party Rights

Nothing in this Lease, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies under or by reason of this Lease.

Section 31. Integration

This Lease and the attached exhibits contain the entire agreement between the parties regarding the subject matter of the Lease, and this Lease expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties regarding those matters. Notwithstanding these facts, this Lease is executed in conjunction with the Contract and any violation of the Contract shall be deemed a violation of the Lease and grounds for termination of the Lease.

Section 32. Counterparts

This Lease may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

Section 33. Amendment

This Lease may not be amended or altered except by an instrument in writing executed by Landlord and Tenant.

Section 34. Partial Invalidity

Any provision of this Lease that is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforcement of this Lease shall have no effect, but all the remaining provisions of the Lease shall remain in full force.

Section 35. Exhibits

All attached exhibits are incorporated in this Lease by reference.

Section 36. Joint and Several Liability

If Tenant is more than one person, each person shall be jointly and severally liable for the performance of Tenant's obligations under this Lease.

Section 37. Governing Law

The validity, meaning, and effect of this Lease shall be determined in accordance with California law.

Section 38. Waiver of Damages and Indemnification

Landlord shall not be liable to Tenant for any injury or damage that may result to any person or property by or from any cause whatsoever, except as results from acts of the sole negligence on the party of the Landlord, its agents, servants, employees or invitees. Without limiting the generality of the foregoing waiver, it is expressly extended to injury or damage caused by water leakage of any character from the roof(s), wall(s), or any part of the Leased Premises, or caused by gas, oil, electricity or any other cause in or about the Leased Premises. Tenant agrees to hold the Landlord harmless from, and to defend the Landlord against, any and all claims or liability for any death or for injury to any person or damage to any property, whatsoever occurring in, on or about the Premises.

Section 39. Independent Tax and Legal Counsel

Tenant acknowledges that it has been urged to seek independent tax and legal counsel with respect to the meaning and effect of this Lease.

Section 40. Modification

The Lease may not be modified except by a written agreement signed by both Landlord and Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this Lease as of the day and year first hereinabove written.

"City"

"Tenant"

CITY OF WATSONVILLE, a municipal corporation

Main St. Enterprise, Inc.,
a California corporation

By: _____
Matthew D. Huffaker, City Manager

By: _____
Jesus Madrigal

ATTEST:

Beatriz Vazquez Flores, City Clerk

APPROVED AS TO FORM:

Alan J. Smith, City Attorney

Watc11537/PintoLakePark/PintoLakeLease-03012021