

RESPONSE TO COUNCIL QUESTIONS RE: 3/23/21 CITY COUNCIL AGENDA

Agenda Item #3.A (21-07)

Board, Commissions and Committee Minutes

Council Question: The TID approved the July 7th minutes at their August 13th meeting so why are we seeing the minutes 7 months after the Aug 13th approval? Getting timely minutes is important to the Council and the public.

Staff Response: Staff agrees that the TID meeting minutes should be provided to Council and the public in a timely manner.

The preparation of TID meeting minutes and providing them publicly had not been a practice of the TID since it was established in 2005. The TAP International audit of the TID completed and presented to Council on November 27, 2018 reported that the TID Advisory Board reported meetings were held, but there was no documentation of meeting agendas or meeting minutes. One of the audit recommendations was for the City Manager to work with the TID Advisory Board to update the TID bylaws and to ensure procedures were in place - including the TID conducting at least yearly board meetings with minutes prepared in sufficient detail to document discussion points, decisions and commitments. The City Manager hired additional staffing in March 2019 to work directly with the TID.

Staff has been working diligently with the TID and currently coordinates all TID monthly meetings; manages TID agendas; prepares, distributes and notices TID agenda packets; and prepares TID minutes. The monthly TID agenda packet (including the draft meeting minutes from the previous meeting) are publicly available and posted per the Brown Act on the City website. For further public disclosure, staff has been working on bringing forward a backlog of TID meeting minutes and have been doing so in a phased approach so as not to overwhelm the City Council agenda packets. TID meeting minutes have been on the following Council agendas:

January 12, 2021

January 26, 2021

February 9, 2021

February 23, 2021

March 9, 2021

Staff anticipates that the backlog will be cleared in April and meeting minutes can be brought forward as they are approved by the TID Advisory Board.

Agenda Item #6 (21-271)

Public Hearing: FY 2021-2022 DRAFT Annual Action Plan for the use of Federal Housing and Urban Development Grant Funds, and CDBG Guidelines

Council Question: I would like to know roughly what the City's cost for administering and monitoring each of these CDBG grants is:

Introduction

The activities that the City will undertake in FY 2020-2021 using CDBG and HOME funds include: promoting affordable housing, homeowner housing rehabilitation, remove barriers to the handicapped, funding public services for low and moderate-income residents; and program administration, as shown below. All these activities meet one or more priority needs as identified through the citizen participation process.

AP-35 – Project Information Summary					
#	Project Name	National Objective To Benefit	Code	# of Households or Persons	Funding
1	Bill Wilson Center – Family Therapy/ School Outreach/Grief Counseling	LMC	5D	140	\$35,000
2	Bill Wilson Center – Family Advocacy Services	LMC	5A	107	\$35,000
3	The Health Trust – Meals on Wheels	LMC	5A	20	\$27,825
4	Santa Clara Senior Nutrition Program	LMC	5A	300	\$24,000
5	Silicon Valley Independent Living Center – Housing Programs for Person w/Disabilities	LMC	5B	57	\$18,000
6	Next Door Solutions – Home Safe Santa Clara	LMC	5G	63	\$19,177
7	Live Oak Adult Day Services – Senior Day Services	LMC	5A	11	\$15,000
8	Catholic Charities – Long-Term Care Ombudsman	LMC	5A	375	\$10,000
9	Heart of The Valley – Senior Transportation Serv.	LMC	5A	249	\$15,000
10	Senior Adult Legal Assistance (SALA)	LMC	5C	90	\$16,500
11	HOPE Services – Employment, Media & Community Connections	LMC	5B	60	\$36,504

Staff Response: The administrative cost is comparable for each PSA. City staff (Housing, Finance, and Legal) spend roughly 60 hours per calendar year administering the PSA agreements. This includes 12 hours to prepare and execute an agreement for each PSA and 12 hours per quarter to process invoices and conduct audits as required by HUD. At an average staffing cost of approximately \$125 per hour, this results in an administrative cost of \$7,500 per PSA. This is in line with our HUD requirements for administrative costs.

Agenda Item #7 (21-497)

Discussion on Consideration of the Sale of the Loyalton Ranch Property (Continued from March 16, 2021)

Council Question: I had asked before and was told that the caretaker didn't cost the City any money but now I see the following:

In the past, the City had a caretaker on the property to manage the facility. However, over time it became difficult to hire a facility caretaker and the structures were under significant disrepair and slated for removal.

Staff Response: The caretaker agreement was at no cost to the City, and the lease required no payments by the caretaker for monthly rent, late payment or security deposit. The lease/agreement has a clause that the City would reimburse the caretaker for the cost of materials for repair and maintenance of the Ranch house property. Attached is the expired lease/agreement.

Council Question: Have we had any discussions with the current grazing tenant?

Staff Response: Yes, we have had recent discussions with the grazing lessee. The grazing lessee would like relief on the rent payments as he has not been able to access the property for grazing since the Loyaltan fire. The grazing lessee has been making his payments on time. Staff and the lessee have identified an approximate mile stretch of fencing that would need to be restored to allow for grazing.

Council Question: I saw earlier that it will cost \$20,000 to reassess demolition of the burned structures and \$24,000 for drone assessment. How much will it cost to repair fence and what is our obligation to repair?

Earlier Staff Response: Demolition and fence replacement. Prior to the damage, the engineers estimate for demolition was \$206,000. The projects will be redesigned (approximately \$20,000) to account for the fire and a new demolition estimate will be developed. Design work will be needed to determine the level of fence replacement required and estimated cost. The first step will be an assessment that will include an aerial drone assessment (estimated at \$24,000).

Staff Response: The \$20,000 is to update the engineering bid documents for the demolition and restoration of the ranch property. The original plan to access the fence using a drone was originally estimated at \$24,000, but the quotes came back higher at around \$30,000 (presumably due to the drone's line-of-sight requirements in working in a wooded area). A conventional plane was found to be less expensive and will provide aerial photogrammetry with the estimated cost of \$23,000 for aerial photogrammetry and the consultant engineers review of fencing and gaps. The plane will fly the perimeter of the property (roughly 50+ miles) to determine extent of fencing damage.

We have a rough estimate of \$21,000 of fencing for that limited one-mile area to restart grazing. The consultant will be preparing a cost estimate for repairing the fencing, access gates and corrals. We are budgeting for several hundred thousand dollars and will have a better estimate once the design work is completed. In an effort to manage costs, staff will also review and limit how much fencing is needed for access, safety, and grazing.

Council Question: On average how much staff time has Loyaltan consumed per year for the past 5 years?

Staff Response: A rough estimate is 5% of an Electric Utility Engineer. We could complete a timecard search (requires additional time) but that would include all remote properties (not remote generation – those are separate), not just Loyaltan.

From/Department Originating: Electric Date Submitted: 10/27/08 Return To: Diana Shiles
Dept Contract Extension Code: PT Sharon

BLUE ROUTE SHEET
CITY COUNCIL APPROVAL NOT REQUIRED

(1) Indicate signature authority:

- ☐ City Manager Signature Authority per Ordinance 1784 (CC Action - September 16, 2003)
[Service Agreements with a Value of \$50,000 or Less]
- ☒ City Manager Signature Authority per Resolution 6603 (CC Action - July 13, 1999)
[Miscellaneous Agreements]
- ☐ City Manager Signature Authority per Council Motion (Approved - June 3, 1986)
[Electric Department Mini Service Agreements]
- ☐ Chief of Police Signature Authority per Resolution 6000 (CC Action - April 4, 1995)
[Miscellaneous Police Agreements]
- ☐ Other See attached Council Agenda dated _____

CITY OF SANTA CLARA

NOV 6 - 2008

ELECTRIC RESOURCES DEPT.

(2) Agreement with: Sixto & Angela Guzman
[NAME OF CONTRACTOR]

(3) For the following services: Caretaker Lease for Property at Loyaltan Property
[BRIEFLY DESCRIBE THE SERVICES TO BE PROVIDED TO THE CITY]

(4) Department head originating agreement: *John R. Perkins*
[SIGNATURE]

(5) As to Environmental Impact Requirements (If Applicable) NA
[DIRECTOR OF PLANNING & INSPECTION]

(6) Finance Department - Certified as to availability of funds: NA
[PLEASE INDICATE IF NOT APPLICABLE]

Account Number: _____
[INSERT ACCOUNT TO BE CHARGED]

Contract Amount: \$ _____
[INSERT NOT-TO-EXCEED CONTRACT DOLLAR AMOUNT]

(7) Approved as to form: *Judith Spack* Date: 10-30-08
[CITY ATTORNEY]

City Attorney's Office Assignment Number: **08-1361**

(8) Please route to the City Clerk's Office

Attached: 2 original(s) _____ copy(ies)

- ☒ Transmit the attached original to contractor
- ☒ Fully executed original on file in City Clerk's Office

11/4/08

**REAL PROPERTY LEASE AND CARETAKER AGREEMENT
BY AND BETWEEN
SIXTO & ANGELA GUZMAN
AND THE
CITY OF SANTA CLARA, CALIFORNIA**

(Loyalton Ranch Property)

PREAMBLE

This Lease and Caretaker Agreement (herein "Agreement") is made and entered into on this 31st day of October, 2008 (the "Effective Date"), by and between Sixto & Angela Guzman, with their primary business address at P.O. Box 22, Chilcoot, CA 96105 (herein collectively referred to as the "Lessee or Tenant"), and the City of Santa Clara, California, a chartered California municipal corporation, with its primary business address at 1500 Warburton Avenue, Santa Clara, California 95050 (herein "City"). City and Lessee may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

These recitals are a substantive portion of this Agreement:

- A. City owns a parcel of real property, which primarily consists of ranch land, located near Loyalton, California, as shown in [Exhibit "A"](#) attached hereto and incorporated herein; and,
- B. City desires to have Lessee assist the City in maintaining the Property in good and usable condition, and sustain its value by preserving and maintaining the residential living quarters and other buildings on the Property, and by providing oversight of the ranching operations on the Property; and,
- C. Lessee has occupied a portion of the property at the end of Dutchman Road, Loyalton, California 96105 for a number of years and all previous lease agreements signed by the Parties have either expired or terminated; and,
- D. City and Lessee desire to enter into a new lease on the residential portion of the property.

In consideration of the above referenced recitals and the following mutual covenants, commitments, and obligations of the Parties, Lessee and City agree as follows:

LEASE PROVISIONS

1. LEASE: DESCRIPTION OF PREMISES

City hereby leases to Lessee and Lessee hires from City, on the terms and conditions set forth in this Agreement, certain real property with the appurtenances situated on a portion of a 12,000 acre ranch Owned by the City, known as the former Trosi Ranch, located near the town of Loyalton, in Lassen and Sierra Counties, in the State of California (herein the "Property") as

further described in [Exhibit A](#), attached and incorporated by this reference. The portion of the Property which is the subject of this Lease is described as follows:

A single family residential ranch house (herein the "House") located in Sierra County California at the end of Dutchman Road, Loyalton, California, 96105, including the immediate lawn and garden area, a domestic spring/pump, various ranch buildings and ground around the House, the barnyard, and the surrounding fenced areas located on the upper portion of the Ranch, encompassing approximately two (2) acres (herein referred to as the "Premises"), as further described in [Exhibit B](#), attached hereto and incorporated by this reference.

The Property is subject to a separate grazing lease, and the right to use and occupy the Premises is subject to access rights specifically set and implied forth in the grazing lease.

2. OBLIGATIONS OF LESSEE

As a condition of this Agreement, and in exchange for the right to use and occupy the Premises, Lessee agrees to do the following:

- a) Act as caretaker for the Premises and the Property, oversee the conditions on the Property to determine if the grazing lease lessee is abiding by the terms of that lease agreement and report any and all discrepancies to City;
- b) Perform general upkeep of buildings and grounds on the Premises (excluding the bunkhouse which is to be razed);
- c) Maintain sufficient watch over the Property and Premises as caretaker to prevent trespassers and vandalism, take immediate steps to prevent damage to all City owned property, and report any abnormal conditions to the Remote Property Manager or his/her designee at (408)615-6694, or in case of an emergency, John Schwartz at (408)640-7692, as soon as practical;
- d) Maintain the inside and outside of the House, garage, and the other buildings on the Premises (excluding bunkhouse) in good repair, including but not limited to, maintenance of all plumbing, heating systems, roof areas, and electrical wiring;
- e) Maintain the water residential water spring and system in a fully operable condition;
- f) Maintain the Premises area in clean and good order, including weed control;
- g) Maximum number of vehicles, including but not limited to non-operable, trailers, recreational vehicles, and boats on premises is five (5);
- h) The portion of the ranch access road which tenant is solely responsible for maintaining extends for 600 feet north of the Ranch entrance gate, along Dutchman Road. The portion of the access road referenced in this Lease is more fully described in [Exhibit B](#). Any other maintenance work beyond the access road 600 feet north of the Ranch House is not subject to Lessee's obligations under this agreement; and

- i) Prepare a list that includes a schedule for accomplishing the tasks set forth in this paragraph and submit the list in written form to the Remote Property Manager within sixty (60) days of the effective date of this Agreement.

Lessee also agrees to perform all other related duties as requested by City Manager or his/her designee from time to time. Failure to comply with the above conditions by Lessee shall each constitute cause for termination of this Agreement. In rendering the services and performances for City under this Agreement, Lessee shall be acting as an independent contractor of City regarding all work under his or her sole control. The only control City will have will be as to the result of the work and not the means by which Lessee shall perform such work.

3. PROPOSED USE OF THE PREMISES

The House shall only be used for residential purposes by no more than three (3) adults, two (2) dogs, and a one (1) cat. No additional animals, may occupy the Premises without City's prior written consent.

Lessee may keep no more than two (2) horses on the Premises. No additional farm animals such as chickens, livestock, cats, or dogs shall be kept on the Premises without City's prior written consent. Any animals owned by Lessee and allowed on the Premises by City must be confined to the Premises area.

4. TERM AND TERMINATION

The term of this Agreement shall be one (1) year. The term shall commence on the Effective Date of this Agreement, as set forth in the Preamble, above. Unless extended by written agreement of the Parties, upon the expiration of the initial (one (1) year) term of this Lease, the term of this Lease shall revert to a month to month tenancy.

Either Party may terminate this lease upon sixty (60) days written notice to the other party.

Upon termination of this Agreement, Lessee covenants and agrees to peacefully and quietly quit and surrender possession of the Premises and all appurtenances to City in a good order and condition as the Premises were delivered to Lessee, reasonable wear and tear accepted, and subject to all other covenants, conditions and terms of this Agreement. Upon termination, and Lessee agrees to pay all monies then due and owing to City at such time, provided for in this Agreement, or as a result of operations under this Agreement by Lessee, or in consequence thereof. To effectuate a no fault termination, a Party shall give written notice of termination to the other Party at least sixty (60) days in advance of such termination.

In the event Lessee fails to make a monthly rent payment (as provided in paragraph 5 below) within thirty (30) days of the due date, said breach of this lease shall constitute cause entitling the City to immediate termination of this Agreement, subject to applicable law.

5. PAYMENT TO CITY

Rent payable to the City by Lessee shall be administered as follows:

- a) Monthly Rent. In consideration for the benefits granted to Lessee by this Agreement, Lessees hereby agrees to pay monthly rent for the Property in lawful money of the United States to the City at 1500 Warburton Avenue, Santa Clara, California, or at such other address indicated to Lessees by City, City hereby acknowledges the receipt of the sum zero (\$0.00). Lessees agrees to pay City the sum of (\$0.00) per month base rent, as adjusted pursuant to the Special Provisions (see Paragraph 31) of this Lease, on or before the first day of each successive month following the Effective Date of this Lease.
- b) Late Payment. Lessee acknowledges late payment by Lessee to City of rent will cause City to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing, accounting and late charges that may be imposed on City. Therefore, if any installment of rent due from Lessee is not received by City within ten (10) days after the date such rent is due, Lessee shall pay to City an additional sum often percent (10%) of the overdue rent as a late charge. The parties agree this late charge represents a fair and reasonable estimate of the costs City will incur by reason of late payment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent City from exercising any of the other rights and remedies available to City.
- c) Security Deposit. City hereby additionally acknowledges the receipt of the sum of zero (\$0.00) in the form of a personal check. Said sum represents a non-interest bearing security deposit. City may use therefrom such amounts as are reasonably necessary to remedy any Lessee default(s) in the payment of rent, to repair damages caused by Lessee, or expenses incurred to clean the Property upon termination of tenancy. If any portion of the security deposit is used towards rent or damages, Lessee agrees to reinstate said total security deposit upon receipt of five (5) days' written notice. The balance of security deposit, if any, shall be mailed to Lessee's last known address within fourteen (14) days of surrender of Property.

6. PROVISIONS ARE BINDING ON SUCCESSORS

The covenants, conditions, terms and agreements contained in this Agreement shall, apply to and bind the heirs, successors in interest, executors, administrators and assigns of all the Parties.

7. WATER

Lessees acknowledge that Lessor assumes no responsibility for, and does not warrant, the quality or quantity of the water supply on or to the Property from the spring or any other source. Lessees shall be responsible for obtaining potable water.

8. UTILITY CHARGES

Lessees agree to pay, when due, all utility charges including, but not limited to, those for electricity, gas, garbage, heat, water, light, power, refuse, telephone service and all other service charges accruing or payable in connection with the use of the Property as well as the domestic water pump supplying water to the residence and other buildings during the term of this Lease unless expressly provided otherwise hereinafter.

9. ENTRY BY CITY

Lessee shall permit City and its agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the Premises or any other purpose that does not unreasonably interfere with the lawful use of the Premises by Lessee.

10. ASSIGNMENTS; SUBLETTING

Lessee shall not assign this Agreement or any interest therein, and shall not sublet or encumber the Premises or any part thereof, nor any right or privilege appurtenant thereto, nor allow, permit or suffer any other person(s) to occupy or use the Premises, or any portion thereof.

Consent to one assignment, subletting, occupation or use by another person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. No assignment, subletting, or encumbrance by Lessee shall release it from any of its obligations under this Agreement. Any assignment, subletting, encumbrances, occupation or use contrary to the provisions of this Agreement shall be void and shall constitute a breach of this Agreement.

11. COMPLIANCE WITH LAW

Lessee shall, at his sole cost and expense, comply with all requirements of all governmental authorities, including but not limited to, city, county, state, federal, or district, or any subdivision thereof, in force now, or which may hereafter be in force, affecting the Premises and the use thereof. Such requirements include, but are not limited to, laws, statutes, ordinances, regulations, rules and resolutions of such governmental authorities. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether City is a party thereto or not, that Lessee has violated any such law, ordinance, or statute in the use of the Premises shall be conclusive of that fact as between City and Lessee.

12. WASTE; USE OF THE PREMISES FOR ILLEGAL PURPOSES

Lessee shall not commit, suffer, allow or permit any waste or any nuisance on the Premises and not use, suffer, allow or permit the use of the Premises for any illegal or immoral purpose.

13. NOTICE TO PARTIES

All notices herein provided to be given or which may be given by either party to the other shall be deemed to have been fully given to City or to Lessee when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To City: City of Santa Clara
 Attention: Electric Department
 1500 Warburton Avenue
 Santa Clara, California 95050

To Lessee: Sixto & Angela Guzman
 P.O. Box 22
 Chilcoat, CA96105

The address to which the notices shall be mailed as set forth above to either party may be changed by written notice given by such party to the other, as hereinbefore provided, and nothing herein contained shall preclude the giving of any such notice by personal service.

14. FREEDOM FROM LIENS

Lessee shall keep the Premises free from any liens, charges or claims arising out of any work performed on the Premises, material furnished, or any other type of obligation incurred by Lessee, whether relating to the Premises or otherwise.

15. ALTERATIONS AND IMPROVEMENTS

Lessee shall not make, or suffer to make, any alteration or improvement in or on the Premises, or any part thereof, for any purpose, without the prior written consent of City.

16. LEASEHOLD IMPROVEMENTS

At the sole discretion of City, all buildings, improvements, equipment and other properties constructed, installed, or placed on the Premises after the effective date of this Agreement (herein "Leasehold Improvements") shall be, become, and remain City property, except for any personal property owned by Lessee. Lessee shall have the right to remove any or all of its personal property, including identification signs, from the Premises at any time during and within thirty (30) days after notification of termination of this Lease to City. If City should decline ownership and direct removal of Leasehold Improvement, it shall be done at Lessee's sole expense. If damage is caused by such removal, Lessee agrees to repair such damage at its own cost within thirty (30) days following receipt of notice from the City.

17. REPAIR AND MAINTENANCE OF THE PREMISES

Lessee shall keep and maintain the Premises in good condition and repair, reasonable wear and tear, accepted. Lessee shall, throughout the term of this Agreement, provide City with receipts and documentation supporting expenditures for such materials. City shall reimburse Lessee for the cost of materials incurred by Lessee for repairs or authorized by City in writing, prior to the expenditure of such funds.

18. LIABILITY FOR TAXES

Lessees recognize and understand that, in accepting this Lease, a possessory interest in the Property may be created and that such interest therein may be subject to taxation if created, and that the Lessees or other persons in whom the possessory interest are vested are responsible for, the payment of any taxes levied on such interest. Any tax payment shall not reduce any rent due to City.

19. SURRENDER OF LEASE AGREEMENT NOT MERGER

The voluntary or other surrender of this Lease Agreement by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of City, terminate all or any existing subleases or subtenancies, or may, at the option of City, operate as an assignment to it of any and all such sub-leases or subtenancies.

20. WAIVER

The waiver by City of a breach of any covenant, condition, term or agreement herein contained shall not be deemed to be a waiver of the same or other covenant, condition, term or agreement contained herein, or any subsequent breach of the same or any other covenant, condition, term or agreement herein contained. Subsequent acceptance by City or any performance shall not be deemed to be said waiver regardless of City's knowledge of such preceding breach at the time of the acceptance of such performance.

21. INSURANCE REQUIREMENTS

During the term of this Agreement and for any required time thereafter as set forth below, Contractor shall purchase and maintain in full force and effect, at no cost to City, the following insurance policies:

- a) commercial general liability policy (bodily injury and property damage);
- b) comprehensive automobile liability policy; and
- c) workers' compensation and employer's liability policy (if applicable).

Said policies shall be maintained with respect to any employees and/or vehicles assigned to the performance of work under this Agreement with coverage amounts, required endorsements, certificates of insurance, and coverage verifications as defined in [Exhibit C](#) entitled "INSURANCE REQUIREMENTS," attached and incorporated by this reference.

City will purchase and maintain fire and casualty insurance on the buildings located on the Premises, however it is the sole responsibility of the Lessee to purchase and maintain insurance on Lessees' personal property and contents. Lessees agree that, if Lessees do not keep the required insurance policies in force, City may take out the necessary insurance and pay the premium. Lessees agree to reimburse City for such insurance premiums.

22. EXERCISE OF CITY'S PREROGATIVES

The exercise of any remedy, right, option or privilege hereunder by City shall not preclude City from exercising the same or any and all other remedies, rights, options and privileges hereunder and City's failure to exercise any remedy, right, option or privilege hereunder shall not be deemed a waiver of that or any other remedy, right, option, or privilege, at law or equity, or otherwise which City may have. Subsequent acceptance by City of any performance including rent shall not be deemed to be said waiver.

23. EXPENSE OF LEGAL ACTIONS

Lessee agrees to pay City all costs and expenses, including reasonable attorney's fees in any action brought by City, to recover any payment due and unpaid hereunder, or for the breach of any of the covenants, conditions, terms, or agreements contained in this Agreement, or to recover possession of the Premises, whether such action progresses to judgment or not, except that Lessee shall not be required to pay any of the above in the event of any action which progresses to a judgment in favor of Lessee. All covenants, terms, and agreements in this Agreement are expressly made conditions thereof.

24. WAIVER OF RESPONSIBILITY - HOLD HARMLESS/INDEMNIFICATION

Lessee, as a material part of the consideration to be rendered to City, hereby expressly waives all claims against City, its City Council, or any officer or employee of said City for damages to material, goods, wares, merchandise or equipment in, upon or about the Premises; or for injury or damage to any person or persons, either Lessee, its agents, or third persons in or about the Premises from any cause arising at any time; or for damage to adjoining property from any cause whatsoever, except for claims arising out of the sole negligence of City or any City officer, employee or agent.

Lessee shall indemnify, defend and hold harmless City, its officers, employees, agents, successors, and assigns from all claims, liability, cost, loss, obligations and expenses arising out of this Agreement, or in consequence thereof, except for the sole negligence of any City officer, employee or agent.

25. DESTRUCTION OF THE PREMISES

If a partial destruction of the Premises has occurred, from any cause, during the term of this Agreement, other than by the acts or omissions of Lessee, negligent or not, City shall either make necessary repairs or declare this Agreement to be terminated by notice to Lessee.

26. AMENDMENT

This Agreement may be amended only by duly executed written document, signed by the Parties to this Agreement, and subject to approval by the City Council if needed, and any amendment shall not be effective unless and until all steps herein, which are hereby declared to be conditions precedent, are completed.

27. WAIVER OF DAMAGE

Lessee hereby waives the right to claim damages from City for any damages resulting to property of City, Lessee, occupants, or others in the event such property was damaged or destroyed by fire or other causes.

28. INSOLVENCY; RECEIVER

Any one of more of the following events shall constitute a breach of this Lease by Lessees:

- a) the appointment of a receiver (except a receiver appointed at the insistence of City in any action against Lessees) to take possession of all or substantially all of the estate of Lessees, OR
- b) a general assignment by Lessees for the benefit of creditors, OR
- c) any action taken or suffered by Lessees under any insolvency or bankruptcy act.

29. REMEDIES OF CITY

In addition to any other remedy provided herein, City shall have all remedies provided by law and equity.

30. REPORTS

Lessee shall prepare written reports, not less than quarterly, but more often if directed by the City Manager, or his/her designee, advising City of pertinent activities relating to caretaking, grazing lease overseeing, conditions of roads, fences and springs, condition of buildings and grounds, status of maintaining property, proposed repairs and/or improvements, and other items of significance to City.

31. SPECIAL PROVISIONS

Monthly rent will be increased on **January 1** of each year based on annual COLA increases.

(continued on Page 10 of 10)

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32. SECTION HEADINGS


All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this contract.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date first set forth above.


**CITY OF SANTA CLARA, CALIFORNIA,
A chartered California municipal corporation**

APPROVED AS TO FORM:

On 
HELENE LEICHTER
City Attorney


JENNIFER SPARACINO
City Manager

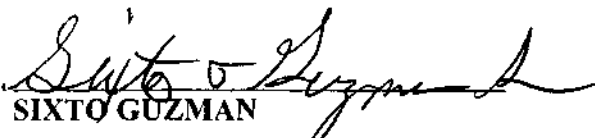
ATTEST:


ROD DIRIDON, JR.
City Clerk

1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax Number: (408) 241-6771

“City”

**SIXTO AND ANGELA GUZMAN
Individuals**


SIXTO GUZMAN


ANGELA GUZMAN

Address: P.O. Box 22
Chilcoat, CA 96105
Telephone (530) 993-6073

“Lessee/Tenant”

**REAL PROPERTY LEASE AND CARETAKER AGREEMENT
BY AND BETWEEN
SIXTO & ANGELA GUZMAN
AND THE
CITY OF SANTA CLARA, CALIFORNIA**

(Loyalton Ranch Property)

**EXHIBIT A
PROPERTY MAP**


EXHIBIT A

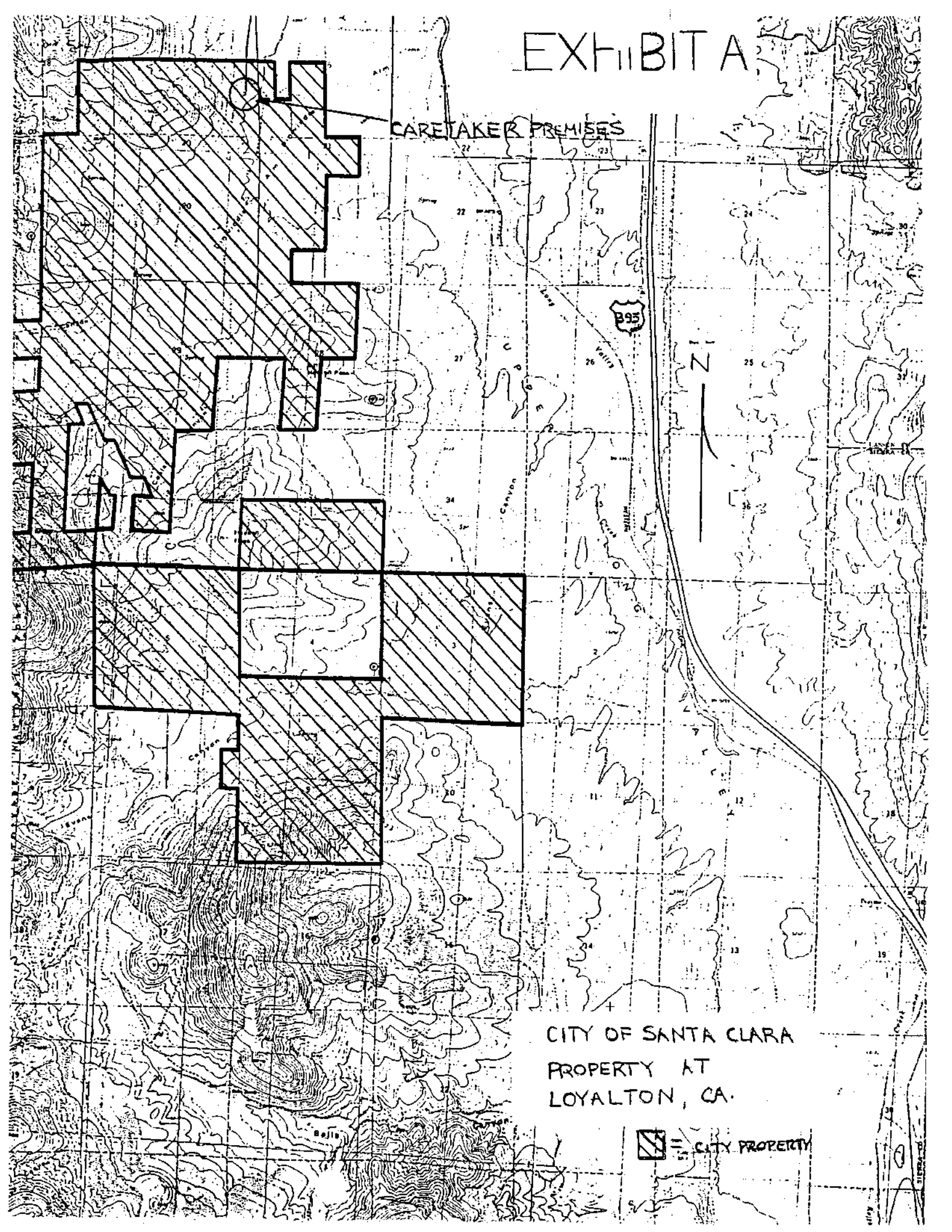
CARETAKER PREMISES

395

N

CITY OF SANTA CLARA
PROPERTY AT
LOYALTON, CA.

 CITY PROPERTY



**REAL PROPERTY LEASE AND CARETAKER AGREEMENT
BY AND BETWEEN
SIXTO & ANGELA GUZMAN
AND THE
CITY OF SANTA CLARA, CALIFORNIA**

(Loyalton Ranch Property)

**EXHIBIT B
PREMISES MAP**

EXHIBIT B - LOYALTON CARETAKER PREMISES

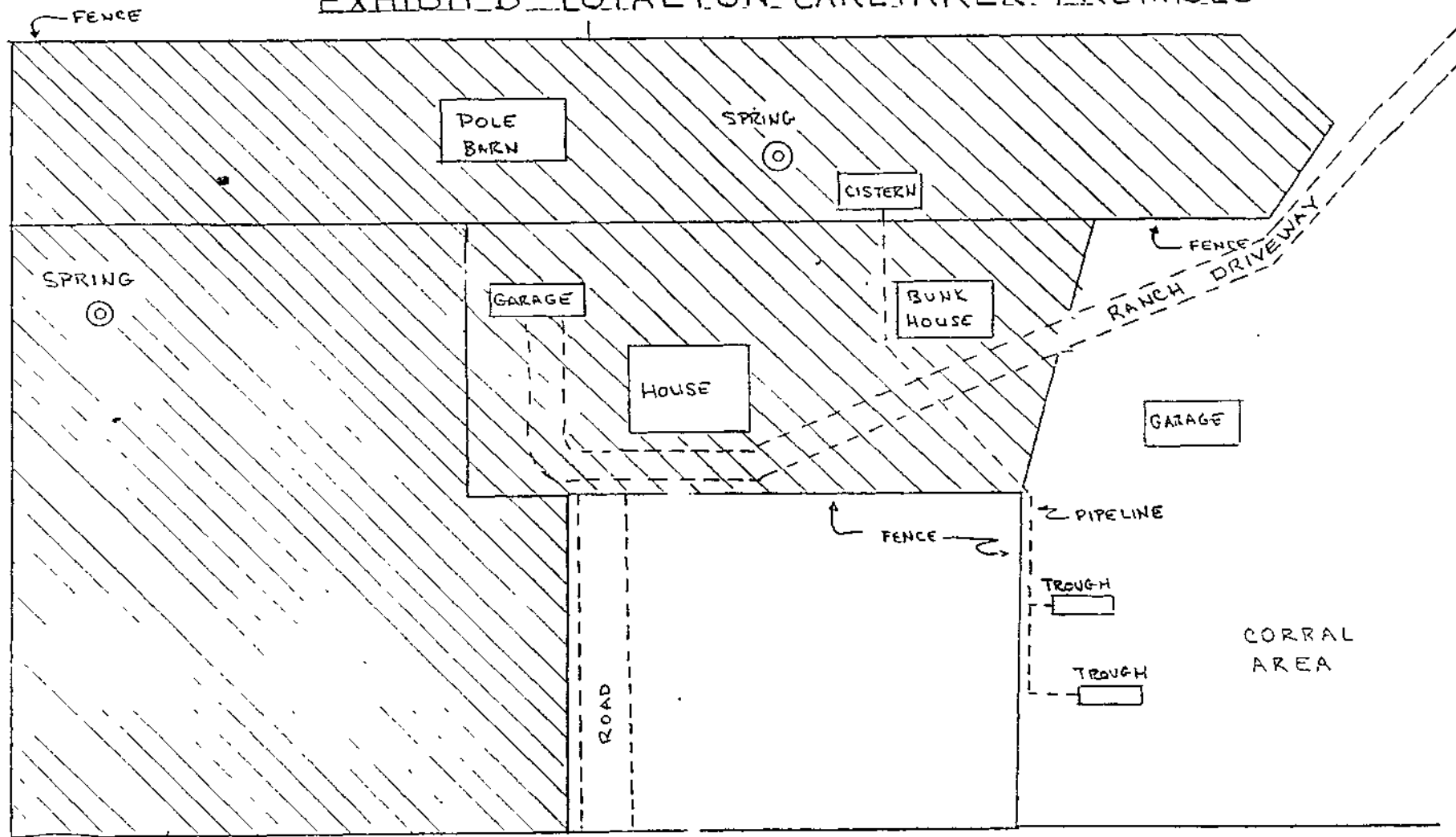
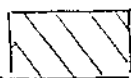


EXHIBIT B



= CARETAKER PREMISES

- NOT TO SCALE -

4/18/10

EXHIBIT C - LOYALTON PROPERTY

N

HIGHWAY 70

WESTERN PACIFIC RR
COUNTY ROAD #333

RANCH ROAD

RANCH HOUSE

//// = RANCH ROAD (APPROX. 3 MILES) TO BE MAINTAINED BY CARETAKER

- NOT TO SCALE -

4/18/90

EXHIBIT C

42 08 30 SHEETS 3 SQUARE
42 09 100 SHEETS 3 SQUARE
42 10 100 SHEETS 3 SQUARE
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42 100 100 SHEETS 3 SQUARE

**REAL PROPERTY LEASE AND CARETAKER AGREEMENT
BY AND BETWEEN
SIXTO & ANGELA GUZMAN
AND THE
CITY OF SANTA CLARA, CALIFORNIA
(Loyalton Ranch Property)
EXHIBIT C**

INSURANCE REQUIREMENTS

Without limiting the Tenant's indemnification of the City as set forth in this Lease, and prior to entry onto the Property which is the subject of this Lease and for the entire term of this Lease, Tenant shall purchase and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the identified coverages, provisions and endorsements:

A. GENERAL LIABILITY INSURANCE

A General Liability Insurance policy, which provides coverage at least as broad as Insurance Services Office ("ISO") "occurrence" form CG 00 01. (ed. 10/93) covering commercial general liability or its equivalent. Policy limits are subject to review, but shall in no event be less than, the following:

\$100,000 combined single limit per occurrence for bodily injury, personal and property damage;

\$100,000 minimum general aggregate which shall apply separately to the Property which is the subject of this Lease; and

The policy shall include broad form contractual liability and indemnity coverage, which shall insure performance by Tenant of the indemnity and defense provisions set forth in this Lease. The limits of said insurance shall not, however, be construed to limit the liability of Tenant under this Lease.

B. AUTOMOBILE LIABILITY INSURANCE

Automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01, with minimum policy limits of not less than one hundred thousand dollars **(\$100,000)** each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

C. WORKERS' COMPENSATION (Required if Lessee has employees working on the Property)

1. A Workers' Compensation Insurance Policy, as required by statute, and Employer's Liability, which provides the following limits: at least one million dollars **(\$1,000,000)** policy limit Illness/Injury by disease, and one million dollars **(\$1,000,000)** for each Accident/Bodily Injury.

2. The indemnification and hold harmless obligations of Tenant included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Tenant or any subtenant under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. The policy must include a Waiver of Subrogation in favor of the City, as well as the City, its City Council, commissions, officers, employees, volunteers and agents.
4. The workers' compensation insurance and the employer's liability coverage shall cover any person or entity employed directly or indirectly by Tenant, anyone whose acts Tenant may be liable for and/or any agent acting on behalf of Tenant.

D. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, are required to be part of the required commercial general liability policy, and any umbrella or excess policy(ies) which are intended to cover those risks:

1. **Additional Insureds.** The City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents as well as the Redevelopment Agency of the City of Santa Clara, where appropriate, are hereby added as additional insureds in respect to liability arising out of Tenant's maintenance and/or use of the Property using Insurance Services Office (ISO) Endorsement CG 20 26 11 85, CG 20 11 01 96 or an equivalent endorsement acceptable to the City.
2. **Primary and non-contributing.** Each insurance policy provided by Tenant in compliance with the requirements included in this Exhibit, shall either contain specific primary and non contributing language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Tenant's insurance.

E. CANCELLATION.

Each insurance policy required under this Lease shall contain language or be endorsed to reflect that no cancellation, non renewal or modification of the coverage provided shall be effective until written notice has been given to the City's insurance compliance representative by Tenant or its insurer at least thirty (30) days prior to the effective date of such non-renewal, modification or cancellation. Tenant shall, within thirty (30) days prior to the expiration of any policy, furnish City's insurance compliance representative with renewals or binders for such policy. Tenant's failure to do so will give the City the right to secure such insurance policy and charge the cost to Tenant, which amount shall be payable by Tenant upon demand.

F. POLICY APPLICATION.

As applicable, the insurance required pursuant to this Lease shall provide that the interests and protections of the additional insureds shall not be affected by any misrepresentation, act or

omission of a named insured or any breach by a named insured of any provision in the policy which would otherwise result in forfeiture or reduction of coverage. All insurance proceeds payable from any policy of insurance (other than commercial general liability insurance) required by this Lease shall be paid to the City.

G. CITY'S RIGHT IN THE EVENT TENANT FAILS TO COMPLY WITH THESE INSURANCE REQUIREMENTS.

The purchase and maintenance of the required insurance policies and endorsements described in this Lease are of critical importance to the City as security for the protection of its assets. Therefore, if at any time during the term of this Lease, Tenant fails to purchase or maintain in good standing, all of the required insurance policies, purchases a policy from an insurance company which fails to maintain the required A.M. Best rating, or if Tenant fails to provide any of the required policy endorsements set forth in this Lease, Tenant shall be deemed to be in breach of this Lease and City shall have the right to immediately pursue all of its available rights and remedies under the law, including but not limited to, the right to either: 1) terminate this Lease for cause; or 2) secure the required insurance policies itself at Tenant's expense.

In the event Tenant fails to comply with the insurance requirements of this Lease, City shall provide notice to Tenant describing the material noncompliance with the insurance requirements set forth in this Lease. Tenant shall then have five (5) business days after the date of such notice to cure the identified non-compliance by providing City with adequate assurance that the insurance requirements have been fully met. If Tenant fails to provide City with such assurance within the specified cure period, City will have the immediate the right to pursue any of the above referenced remedies.

H. ADDITIONAL INSURANCE RELATED PROVISIONS

1. Tenant warrants that any subtenants, contractors, or any other party involved with the Lease who is brought onto the Property, or who is otherwise involved in the Lease by Tenant, shall provide the same minimum commercial general liability insurance coverage and the related endorsements which are required of Tenant. Tenant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Lease. Tenant agrees that it shall provide City with written copies of all agreements with, and insurance compliance documents provided by, such subtenants, contractors and others involved in this Lease before such subtenants, contractor or other person is allowed to enter onto the Property.
2. Tenant agrees to be responsible for ensuring that no contract used by any subtenant, contractor or party involved in any way with this Lease reserves the right to charge City for the cost of additional insurance coverage required by this Lease. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these insurance requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

I. EVIDENCE OF COVERAGE

Prior to commencement of this Lease, Tenant, and each and every subtenant and/or contractor (of every tier) shall, at its sole cost and expense, purchase and maintain not less than the minimum commercial general liability insurance coverage with the endorsements and deductibles indicated in this Lease and shall provide proof of such coverage as set forth in Section I, below. The amount of any deductibles shall be a business decision by Tenant. However, under no circumstances shall City be required to reimburse Tenant for the amount of any deductible incurred by Tenant in connection with any insured event, even if the event resulting in the claim was caused or contributed to by City or its agents, contractors, or employees.

Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and its insurance compliance representatives. Tenant shall file all insurance certificates and policy endorsements for the required insurance policies with the City's insurance compliance representatives for approval as to adequacy of the insurance protection. Tenant shall be fully responsible for similar compliance by each and every subtenant and contractor of every tier.

J. EVIDENCE OF COMPLIANCE

Prior to the Commencement Date of this Lease, Tenant, or its insurance broker, shall provide to the City's insurance compliance representatives with the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and an ACORD form certificate of insurance (or its equivalent), evidencing all required coverage. Prior to entry on the Property, Tenant shall deliver certificates of insurance evidencing the existence and amount of such insurance, and the required endorsements to City's insurance compliance representative showing City (and any other parties designated above) as an additional insured on all policies. In the event Tenant fails to procure and maintain such insurance policies or the required endorsements, City may exercise any of its rights and remedies for breach of this Lease as set forth above. Upon receipt of a request from City or its insurance compliance representative for more specific evidence, Tenant shall submit copies of the actual insurance policies or renewals or replacements.

K. NOTICE REQUIREMENTS

All insurance certificates, endorsements, coverage verifications and other items required pursuant to this Lease shall be mailed to the directly to the City's insurance compliance representative as follows:

City of Santa Clara - Electric Department
c/o Insurance Data Services - Insurance Compliance
P.O. 12010-S2 or 151 North Lyon Avenue
Hemet, CA 92546-8010 Hemet, CA 92543
Telephone: (951)766-2280; or
Fax: (951)766-2299

L. QUALIFYING INSURERS

In addition to the compliance documentation required under this Lease, Tenant shall provide written evidence that all of the insurance companies providing insurance for Tenant, its subtenants or contractor(s), have an A. M. Best rating of at least B+ or shall be an insurance company of equal financial stability. Failure of any insurance carrier to maintain this minimum rating shall provide the City the rights set forth above.

Modified Insurance Exhibit C-08