

MANAGEMENT AND DISBURSEMENT AGREEMENT

by and between

**CITY OF SALINAS,
a California Charter City and Municipal Corporation,**

and

**SALINAS CITY CENTER IMPROVEMENT ASSOCIATION INC.
a California Non-Profit Public Benefit Corporation**

November 17th 2015

Amended December 14, 2015

This Management and Disbursement Agreement ("Agreement") between the City of Salinas, California charter city and a municipal corporation, (the "**City**") and the Salinas City Center Improvement Association, a California Non-Profit Public Benefit Corporation, (the "**SCCIA**") is entered into this 17th day of November 2015 ("Effective Date"). City and SCCIA shall respectively be referred to as the "Party" or collectively as the "Parties."

RECITALS

WHEREAS, on December 16, 2014, the City Council adopted Ordinance 2556, the City of Salinas' Community Benefit District Ordinance, that authorizes the City to establish a Community Benefit District("CBD") for up to 20-years to enhance security, safety appearance and economic viability within such districts; and

WHEREAS, consistent with the process defined in Article 4, Chapter 21D of the Salinas City Code, (Ordinance 2556), on July 21st, 2015, the City Council adopted Resolution No. 20808 approving the creation of the Downtown Salinas Community Benefit District of 2015 ("District"); and

WHEREAS, the Management District Plan for the District ("District Plan") and Engineer's Report that provide the legal basis for the District describe and set forth the intended particular and special benefit the property owners in the District will receive from new security, sidewalk maintenance, beautification, promotional, and marketing activities and improvements to be provided by the SCCIA through implementation of the District Plan (the "District Plan Improvements"); and

WHEREAS, the City through a District ballot held on July 21st, 2015 received more than 50% weighted approval to levy and collect the property assessments for use and administration pursuant to the District Plan; and

WHEREAS, the District Plan Improvements will be funded through an annual levy of special assessments upon real property within the District (the "Assessments"), commencing on December 1st 2015, and continuing for fifteen (15) consecutive years through December 31, 2030; and

WHEREAS, SCCIA is responsible for implementing the District Plan; for creating a District budget and policies to comply with the District Plan; for preparing and filing quarterly and annual reports with the City reflecting compliance with the District Plan; and for overseeing the day-to-day implementation of the District Plan Improvements; and

WHEREAS, the Parties desire to enter into an Agreement in order to coordinate their respective activities necessary for the successful operation, administration and implementation of the District Plan and District Plan Improvements.

NOW THEREFORE, the Parties to this Agreement do hereby covenant and agree as follows:

1. Scope of Disbursement Duties. SCCIA agrees to promptly perform all duties specified in the District Plan, attached hereto as **Exhibit A** and on file with the City Clerk. SCCIA and the City shall each respectively designate an individual or individuals who shall be responsible for communications with each other for the duration of this Agreement. Nothing in this Agreement shall be construed to require SCCIA to perform as specified in the District Plan if funds are not available from Assessments or other revenues from operation of the District (the "District Revenues"). SCCIA shall notify City in writing as soon as SCCIA is aware that District Revenues are insufficient or not available to perform duties specified in the District Plan.
2. Method of Performing Disbursement Duties. The method, details and means of performing the disbursement of District Revenues shall be as described in the District Plan attached hereto as **Exhibit A**, and as set forth herein (the "Disbursement Duties"). In the event of any conflict between the District Plan and this Agreement, disbursement of District Revenues shall be for the special benefits described in the District Plan.
3. District Term. SCCIA's Disbursement Duties shall begin on December 1st 2015, or as soon as the first year Assessments have been transferred by the City to the SCCIA. SCCIA shall complete their Disbursement Duties by December 31, 2030, subject to the annual review and termination provisions in Section 13 of this Agreement.
4. SCCIA Responsibilities.
 - 4.1. Program Implementation and Operation. SCCIA shall be fully responsible for developing, implementing, directing and operating the District Plan. SCCIA assumes all responsibility for completing activities required to implement the District Plan and its programs.
 - 4.2. Competitive Bidding. SCCIA shall competitively bid all contracts over \$25,000 and shall keep and provide copies of all bids submitted for review to any affected property owners or to the City upon request. The lowest bidder will not necessarily receive the contract that is bid. The quality, performance and experience of bidding contractor shall be taken into consideration prior to the awarding of that contract. The maximum contract term shall be three years for competitively bid projects. Employment contracts are exempt from this provision.
 - 4.3. Separate Bank Account for District Revenues. All District Revenues received by SCCIA pursuant to this Agreement shall be held in a bank account separate and apart from any other funds managed or administered by SCCIA, and shall not be co-mingled with any other funds (the "Account"). Copies of all SCCIA District Revenue Account statements shall be made available to the City upon request. SCCIA shall provide the City with evidence of the establishment of the required District Revenue Account prior to the City transferring any Assessments to the SCCIA.
 - 4.4. Use of Downtown Salinas Community Benefit District or SCCIA Name. The name "Downtown Salinas Community Benefit District" or the "Salinas City Center Improvement Association" as its management corporation, or an appropriate

abbreviation, shall appear on all marketing and promotional materials funded in part or in whole by District Revenues.

4.5. Annual Reports, Annual Preparation, Financial Statements, Audits, Budgets and Reporting to Property Owners within the District.

4.5.1. The **Annual Report**, as defined in Article 9, Section 6 of the SCCIA Bylaws, shall be prepared within sixty days (60) of the end of the SCCIA's fiscal year (November 30th) but not later than one-hundred and twenty days (120) of the close of each fiscal year.

4.5.2 Annual Financial Statement

- a. In conjunction with the Annual Report, the SCCIA shall prepare an Annual Financial Statement that documents the disposition, commitment and line item expenditures of all SCCIA Revenues received during the previous calendar year (the "Financial Statement"). The Financial Statement shall be prepared by a Certified Public Accountant (CPA).
- b. The Financial Statement shall be delivered to the City at the same time as the Annual Report.
- c. The City's review of the Financial Statement shall be conducted in accordance with Government Auditing Standards (2003 and subsequent revisions) prescribed by the Comptroller General of the United States.
- d. Any District Revenues necessary to pay for the SCCIA's portion of the Financial Statement shall be set aside in its annual Budget.

4.5.3 Audit. Consistent with Article 7, Section 2, and addressing those requirements described in Article 9 Sections 6 and 7, and if required by law, an annual Audit will be performed and made available to the City and other stakeholders as a part of the Annual Report described in 4.5.1 above. If not required by law, the City may request a full audit of the Financial Statement, if in its sole and absolute discretion, the City believes such an audit is necessary. A member of the public may also request an audit. Those who request an audit must be willing and able to pay for it. The SCCIA will only pay for an audit if its Board agrees to conduct one. All audits shall be prepared in accordance with Generally Accepted Accounting Principles in the United States of America.

4.5.4 Annual Assessment Preparation and Assessment Records. Annually, assuming there are no proposed changes to the existing Engineer's Report, Assessment Records as described in Section 4.5.9 of this Agreement will be updated and verified. The Assessment Records will be provided to the City Clerk with a copy to the City's Finance Director for the subsequent tax year (July 1- June 30) in a format prescribed by the City no later than June 1st of each year through-out the Term of this Agreement.

4.5.5 Annual Work Plan and Budget. Assuming there are no proposed changes to the existing Engineer's Report, no later than 30-days prior to the end of the SCCIA's fiscal year (by November 30), the SCCIA will make available to the property owners within the District, the City and other interested stakeholders a draft Annual Work Plan and Budget for each fiscal year for which Assessments are to be levied and collected. The Annual Work Plan shall be prepared in accordance with State Property based Improvement District Law Streets and Highway Code Section 36000 et seq., Article XIII.D of the California Constitution, Article 4 Chapter 21D of the Salinas City Code and include a description of the anticipated programs and activities to occur in the new fiscal year. The Budget will describe by line-item detail how these activities will be funded. Any obligations or expenditures not specifically budgeted shall not be paid from District Revenues. The Annual Work Plan and Budget will be approved by the SCCIA in final form prior to December 1 (the first day of the fiscal year).

4.5.6 Proposed Changes to the Engineer's Report Six-months written notice to the City is required in the event the SCCIA Board of Directors decides to alter in anyway the Engineer's Report on file with the City Clerk that describes the geographic boundary of the District and/or the prescribed formulas for assessing properties or the use of the revenues collected, and these changes will require either a Public Hearing or a petition process to alter the benefit district. For changes of this magnitude to be considered for the upcoming fiscal year, this notice has to be provided by January 31 of each year. Changes need to be vetted and approved by the community via the State and City Council's prescribed process, consistent with State Property Based Improvement District Law, Streets and Highway Code Section 36000 et seq., Article XIII.D of the California Constitution, Article 4 Chapter 21D of the Salinas City Code, in time to meet the Tax Collector's deadline of July 31 of each year.

4.5.7 All reports required by this Section 4.5 et al, are to be made available at no cost to all property owners within the District and other District stakeholders upon request.

4.6. Open Meetings Laws. SCCIA shall comply with the open meeting requirements of the Ralph M. Brown Act with regard to its performance of this Agreement.

4.7 City's General Fund Not Liable. Neither the City's General Fund, nor any other City fund, revenue source, or any other City monies, except the actual Assessment for property the City owns in the District under the conditions of Article 4, Section 21D of the Salinas City Code shall be collected from the County and transferred to the SCCIA. The City shall only be responsible for payment of its property assessment as a property owner in the District. All Parties acknowledge and agree that any unpaid Assessments in the District are not a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any City property or upon City income, receipts or revenues.

than its own, and shall not be obligated to pursue any action against the Tax Collector to obtain any adjustment or recalculation.

5.3 Disbursements. The annual District Assessments will be collected through the County property tax collection procedures and will be transmitted to the City pursuant to agreements between the City and County. Except for the costs defined in Paragraph 5.4, below, City shall disburse the collected Assessments to SCCIA pursuant to the terms and conditions of this Agreement. The City shall not be obligated to disburse Assessments which have not been collected. Upon request by SCCIA and with approval of the City subject to compliance with this Agreement, any Assessments received by the City that are in excess of the annual Assessment (penalties, late-payments, etc.) shall be disbursed to the SCCIA upon receipt.

5.4 Assessment Disbursement Schedule. Contingent upon receipt of District Assessment funds from the County as well as collected by the City for those parcels that are tax-exempt and contingent upon SCCIA's compliance with this Agreement and the District Plan, the City shall disburse to the SCCIA the Assessments received from the County on or about the following dates and in accordance with the following percentages. Said disbursements shall include an accounting of the property Assessments paid per parcel. On or about:

December 28 th	Fifty percent (50%) of annual Assessment received from the County, or the full amount transferred by the County to the City in the December installment, whichever is greater. Plus 50% of the annual Assessments received and collected by the City for tax-exempt and publicly owned parcels within the District.
April 30 th	Fifty per cent (50%) of the annual Assessment received from the County, or the full amount transferred by the County to the City in the April installment, whichever is greater. Plus 50% of the annual Assessments received and collected by the City for tax-exempt and publicly owned parcels within the District.
June 30 th	Any additional Assessment amounts transferred to the City that were collected during the fiscal year (terminating on June 30 th) and transferred to the City, shall be forwarded to SCCIA based on the schedule set forth in 5.4 herein above. Said additional amounts may include any delinquency or penalty amounts from the late or non-payment of Assessments by any property owner in the District.

- 5.5 Subsequent Adjustments. If there is an adjustment in the Disbursement due to changes in receipts of the District, such Disbursement may be adjusted in the following year. The City shall not be responsible for delays in payments due to delays in transmittal by the County.
- 5.6 City Review of Financial Summary. The City reserves the right at any time to request a current financial summary of all District Revenues committed and/or spent during the previous quarter(s) from SCCIA. SCCIA shall submit such financial summary to the City within thirty (30) business days of the City's request. The City reserves the right to review the summary and to refuse to disburse any further installments if it is not satisfied with the statement or with regard to the propriety of SCCIA's commitment or expenditure during the previous quarter(s).
- 6 Costs and Expenses. The Parties acknowledge that the County will deduct one quarter of one percent from the funds collected on behalf of the District the County's administrative costs for the collection and distribution of Assessments to the City (the "County Administrative Costs").
- 7 Ownership of Documents. The designs, plans, reports, files, invoices, investigation materials, documents prepared or acquired by or for SCCIA pursuant to this Agreement become the joint property of the City and SCCIA. SCCIA agrees to exercise due diligence in providing for the secure storage of all such materials and to provide copies for official City records upon the request of City.
- 8 Independent Contractor. It is expressly agreed that in the performance of this Agreement, SCCIA is an independent contractor and is not an employee of City. SCCIA retains the right to control and supervise its activities, and employment, direction, compensation and discharge of all persons assisting SCCIA in the performance of this Agreement. SCCIA shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security, withholding and all other regulations governing such matters, and shall be solely responsible for SCCIA's own acts and those of SCCIA's subordinates and employees.
- 9 SCCIA Not Agent of City. Neither SCCIA nor any of its employees, agents, representatives or subcontractors are or shall be deemed to be agents of the City or public officials for any purpose, including fulfillment of SCCIA's obligations pursuant to this Agreement. Nor are the funds generated by the Downtown Salinas Community Benefit District to be considered as "public funds" as defined or controlled by the City of Salinas.
- 10 SCCIA's Qualifications. SCCIA represents that it has the qualifications and skills necessary to perform the Disbursement Duties under this Agreement in a competent and professional manner without the advice or direction of City. Failure to perform all of the Disbursement Duties constitutes a material breach of this Agreement, and is cause for termination.

11 Non-Exclusive Relationship. SCCIA may perform services for, and contract with other clients, persons or companies in its sole discretion so long as such services and contracts do not breach this Agreement.

12 The SCCIA shall comply with all requirements of the City of Salinas Community Benefit District Ordinance under Salinas Chapter 21D of the Salinas City Code

13 Term and Termination

13.1 Term and Termination. This Agreement shall become effective on the Effective Date and terminate on December 31, 2030 (the "Term"); unless it is otherwise extended by mutual written agreement of the Parties in compliance with Community Benefit District Ordinance Chapter 21D of the Salinas Municipal Code as the same may be amended from time to time.

13.2 Early Termination. Either Party may terminate this Agreement at any time upon giving the other party sixty (60) days written notice.

13.3 Termination for Default. If either Party defaults in the performance of any of the terms and/or provisions to be performed by a Party pursuant to this Agreement, then the non-defaulting Party shall provide written notice to the defaulting Party describing the default and requesting a cure ("Default Notice"). If such default is not cured within thirty (30) days (or if the default is not susceptible to cure within said thirty-day period) after the Default Notice is mailed or delivered, then the non-defaulting Party may terminate this Agreement. To the extent the alleged default concerns or relates to the use or expenditures of District Revenues, SCCIA shall hold all unencumbered District Revenues in an escrow account until the default is cured.

14. Inspection of Books and Records. During the Term, and for a period of four (4) years after the Term, or two (2) years after the closure of any disputed matter, whichever occurs later, (the "Audit Period"), SCCIA shall maintain financial and operational records related to this Agreement, which include, but are not limited to the Annual Financial Statements, the Annual Reports and Budgets and any audits (the "Books and Records"). At the request of the City, SCCIA shall make all Books and Records open to inspection by the City, or its designee during normal business hours.

15. Non-Discrimination in Employment. SCCIA certifies and agrees not to discriminate against any employee or person who is subject to this Agreement because of race, color, religion, religious belief, national origin, ancestry, citizenship, age, sex, sexual orientation, marital status, pregnancy, parenthood, medical condition, or physical or mental disability. Evidence of discrimination shall be sufficient cause for termination of this Agreement.

16. Public Liability and Property Damage Insurance. SCCIA shall assume all responsibility for damages to property and injuries to persons, including accidental death, which may arise out of or may be caused by SCCIA's performance of this Agreement, by its subcontractors or by anyone SCCIA directly or indirectly employs, and whether such

damage or injury may accrue, or may be discovered, before or after termination of this Agreement. At its own expense, SCCIA shall obtain, pay for and maintain during the life of the Agreement an "occurrence" policy for Commercial General Liability (including Contractual Liability) and for Automobile Liability which shall protect it from claims for injuries and damages. The SCCIA shall demonstrate that it has such policies fully paid for and in place within 30 days of the transfer of the first installment of assessment funds from the City in December 2015. The policy shall name the "City of Salinas, its elected and appointed officials, officers, agents and employees" as additional insureds under the policy in the following amounts:

16.1 COMMERCIAL GENERAL LIABILITY INSURANCE in an amount not less than Two Million Dollars (\$2,000,000) per occurrence for personal injuries, including accidental death, to any one person; property damage insurance in an amount not less than Two Million Dollars (\$2,000,000) and subject to the above limits and combined single limit of insurance in an amount not less than Three Million Dollars (\$3,000,000); and

16.2 AUTOMOBILE LIABILITY INSURANCE endorsed for all vehicles (whether rented, leased, hired, scheduled, owned or non-owned), in an amount not less than One Million Dollars (\$1,000,000) per occurrence for personal injuries, including accidental death, to any one person; property damage insurance in an amount not less than One Million Dollars (\$1,000,000) and subject to the above limits and combined single limit of insurance in an amount not less than One Million Dollars (\$1,000,000).

16.3 At all times, the insurance company issuing said policy shall be an "admitted" insurer in the State of California and shall carry an A.M. Best & Company minimum rating of AA:VII.

16.4 All policies shall contain a "Severability of Interest" clause and a "Primary Coverage" clause for any loss arising out of or caused by SCCIA's performance of the Agreement. In addition, the policies shall contain a statement of obligation on the insurance carrier's part to notify City, by registered mail, at least thirty (30) days in advance of any policy cancellation, termination or reduction in the amount of coverage.

16.5 Within thirty (30) days of the first transfer of funds from the City, the SCCIA shall deliver to City a "certificate of insurance" and an "additional insured endorsement", both documents countersigned by the insurance carrier or its authorized representative, on forms satisfactory to the City Attorney, which set forth the above provisions.

16.6 The countersigned certificate, along with the additional insured endorsement, shall state: "The City of Salinas, its elected and appointed officials, officers, agents and employees are named as additional insureds under this policy. This insurance is primary to the coverage of the Salinas Successor Agency and the City of Salinas. Neither the Agency nor the City or any of their insurers shall be required to contribute to any loss. This policy contains a severability of interest clause. The issuing

company shall mail thirty (30) days advance notice to the City of any policy cancellation, termination or reduction in the amount of coverage.”

16.7 Additionally, the certificate of insurance shall state if any claim has been paid or is currently pending under the policy, and if so, the amount of the claim(s) and the amount of liability limits as lowered by the paid or pending claim(s). Any deductibles or self-insured retentions shall be set forth on the certificate and shall be subject to City’s review and approval.

16.8 **WORKERS’ COMPENSATION INSURANCE.** SCCIA understands and agrees that all persons furnishing services to SCCIA under this Agreement are, for the purpose of workers’ compensation liability, employees solely of SCCIA and not of City. SCCIA shall bear the sole responsibility and liability for furnishing workers’ compensation benefits to its employees, or anyone it directly or indirectly employs, for injuries arising out of or connected with services performed on behalf of SCCIA.

16.9 At its own expense, SCCIA shall obtain, pay for, and maintain for the duration of the Agreement, complete workers’ compensation insurance. SCCIA shall provide proof of workers’ compensation coverage by delivering to City either an insurance certificate or a certificate of consent to self-insure. The City shall not be responsible for any claims at law or in equity caused by SCCIA’s failure to comply with this paragraph. All workers’ compensation insurance policies shall bear an endorsement, or shall attach a rider, which provides that the insurer will notify City, by registered mail, at least thirty (30) days in advance of the policy’s expiration, termination or cancellation.

16.10 **SCCIA’ S FAILURE TO OBTAIN, PAY FOR, OR MAINTAIN INSURANCE.** SCCIA shall deliver to City the required certificate(s) of insurance and endorsement(s) to the City within thirty (30) days of the first transfer of funds under this Agreement. SCCIA’s failure to obtain, pay for, or maintain any required insurance shall constitute a material breach upon which City may immediately terminate or suspend this Agreement. In the event of any termination or suspension, City may use the services of another consultant or consultants, without City incurring any liability to SCCIA. At its sole discretion, City may obtain or renew SCCIA’s insurance, and City may pay all or part of the premiums. Upon demand, SCCIA shall pay City all monies paid to obtain or renew the insurance. City may offset the cost of the premium against any monies due SCCIA from City.

17. **Laws.** SCCIA shall comply with all laws, statutes, ordinances and rules of all applicable governmental authorities.

18. **Indemnification.** Throughout the term of this Agreement, as and from the date hereof, SCCIA agrees to defend, indemnify and hold harmless, the Salinas Successor Agency, the City of Salinas and its elected and appointed officials, officers agents and employees (“Indemnitees”), from and against any and all liabilities, suits, proceedings, judgments, claims, charges, damages, liens, causes of action, losses or injuries (whether in contract or in tort, including personal injury, accidental death or property damage, and regardless of whether the allegations are false, fraudulent or groundless), costs and

expenses (including attorney's fees, litigation, arbitration, mediation, appeal expenses) which in whole or in part arise out of or are connected with acts or omissions of, performance of, or breach of this Agreement by SCCIA or SCCIA's independent contractors, agents, employees or delegates except to the extent such is caused by the negligent acts or willful misconduct of City. In the event of any such claim, demand, proceeding or lawsuit against the Indemnitees, SCCIA agrees to assume the immediate defense of Indemnitees by hiring and paying for legal counsel acceptable to City.

19. Political Prohibition. Subject to applicable State and Federal laws, monies paid pursuant to this agreement shall not be used for political purposes, sponsoring or conducting candidate's meetings, engaging in voter registration activity, nor for publicity or propaganda purposes designed to support or defeat legislation pending before federal, state or local government.

20. Conflict of Interest

20.1 SCCIA certifies that no member, officer, or employee of the City who exercises any functions or responsibilities with respect to the programs or projects covered by this Agreement, shall have any interest, direct or indirect in this Agreement, or in its proceeds during his/her tenure or for one year thereafter.

20.2 SCCIA shall immediately notify the City of any real or possible conflict of interest between work performed for the City and for other clients served by SCCIA.

20.3 SCCIA warrants and represents, to the best of its present knowledge, that no employee of the City who has been involved in the making of this Agreement, or who is a member of a City board or commission which has been involved in the making of this Agreement whether in an advisory or decision-making capacity, has or will receive a direct or indirect financial interest in this Agreement in violation of the rules contained in California Government Code Section 1090 et seq., pertaining to conflicts of interest in public contracting. SCCIA shall exercise due diligence to ensure that no such employee will receive such an interest.

20.4 SCCIA further warrants and represents, to the best of its present knowledge and excepting any written disclosures as to these matters already made by SCCIA to City, that no employee of the City who has participated in decision-making concerning this Agreement or has used his or her official position to influence decisions regarding this Agreement, has an economic interest in SCCIA or this Agreement. For purposes of this paragraph, an official is deemed to have an "economic interest" in any (a) for-profit business entity in which the official has a direct or indirect investment worth \$2,000 or more, (b) any real property in which the official has a direct or indirect interest worth \$2,000 or more, (c) any for-profit business entity in which the official is a director, officer, partner, trustee, employee or manager, or (d) any source of income or donors of gifts to the official (including nonprofit entities) if the income or value of the gift totaled more than \$500 the previous year. SCCIA agrees to promptly disclose to City in writing any information it may receive concerning any such potential conflict of interest. SCCIA's attention is directed to the conflict of interest rules applicable to governmental decision-making contained in the Political Reform Act (California Government Code

Section 87100 et seq.) and its implementing regulations (California Code of Regulations, Title 2, Section 18700 et seq.).

20.5 SCCIA shall incorporate or cause to be incorporated into all subcontracts for work to be performed under this Agreement a provision governing conflict of interest in substantially the same form set forth herein as **Exhibit C** to this Agreement.

21. No Waiver. Nothing herein is intended to waive any applicable federal, state or local conflict of interest law or regulation.

22. Remedies and Sanctions. In addition to the rights and remedies otherwise available to the City under this Agreement and under federal, state and local law, SCCIA understands and agrees that, if the City reasonably determines that SCCIA has failed to make a good faith effort to avoid an improper conflict of interest situation or is responsible for the conflict situation, the City may (1) suspend payments under this Agreement, (2) terminate this Agreement, (3) require reimbursement by SCCIA to the City of any amounts disbursed under this Agreement. In addition, the City may suspend payments or terminate this Agreement whether or not SCCIA is responsible for the conflict of interest situation.

23. Assignment. SCCIA shall not assign or otherwise transfer any rights, duties, obligations or interest in this Agreement or arising hereunder to any person, persons, consultant or sub-consultant, entity or entities whatsoever without the prior written consent of City and any attempt to assign or transfer without such prior written consent shall be void. Consent to any single assignment or transfer shall not constitute consent to any further assignment or transfer.

24. Time of the Essence. Time is of the essence in the performance of this Agreement.

25. Commencement, Completion and Close Out. It shall be the responsibility of the SCCIA to coordinate and schedule the work to be performed so that commencement and completion take place in accordance with the provisions of this Agreement. Any time extension granted to SCCIA to enable SCCIA to complete the work must be in writing and shall not constitute a waiver of rights the City may have under this Agreement. Should the SCCIA not complete the work by the scheduled date or by an extended date, the City shall be released from all of its obligations under this Agreement.

26. Governing Law. This agreement shall be governed by the laws of the State of California.

27. Notices. If either party shall desire or be required to give notice to the other, such notice shall be given in writing, by prepaid U.S. certified or registered postage, addressed to recipient as follows:

For the City of Salinas:
City Manager
200 Lincoln Avenue
Salinas, CA 93901

With copies provided to:
City Attorney
200 Lincoln Avenue
Salinas CA 93901

Finance Director
200 Lincoln Avenue
Salinas CA 93901

For SCCIA
Ms. Catherine Kobrinsky Evans
President,
295 Main Street, Fifth Floor
Salinas, CA 93901

27. Entire Agreement of the Parties. This agreement supersedes any and all agreements, either oral or written, between the parties with respect to the rendering of disbursement duties by SCCIA for City with regard to the Downtown Salinas Community Benefit District of 2015 and contains all of the representations, covenants and agreements between the parties with respect to the rendering of those duties. Each party to this agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any parties, which are not contained in this agreement, and that no other agreement, statement or promise not contained in this agreement will be valid or binding.

28. Modification. Any alteration, change or modification of or to this Agreement shall not be effective unless made in writing in each instance signed on behalf of each Party.

29. Severability. If any term, provision, or covenant of this Agreement, or its application to any Party or circumstances shall be held by a court of competent jurisdiction, to be to any extent, invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the respective dates set forth below.

CITY:
City of Salinas,
a Municipal Corporation

SCCIA:
Salinas Improvement Partnership, Inc.,
a California Non-profit Public Benefit
Corporation

By: 
Ray Corpuz, City Manager

By: 
Catherine Kobrinsky Evans, President

December 17, 2015
(Date)

12/15/2015
(Date)

Approved as to form:
CITY ATTORNEY

By: Chris A. Callihan
Christopher Callihan, City Attorney

Exhibits:

Exhibit A: Downtown Salinas Community Benefit District Management Plan

Exhibit B: City of Salinas Business Improvement Management District Ordinance
SCCIA shall comply with all requirements of the City of Salinas Community
Benefit District Ordinance under Salinas Chapter 21D of the Salinas City
Code

Exhibit C: Sample Conflict of Interest Language for Service Contracts

EXHIBIT C
CONFLICT OF INTEREST LANGUAGE FOR SERVICE CONTRACTS

Conflict of Interest. Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. Contractor further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to Consultant as the result of Consultant's performance of the work or services pursuant to the terms of this Agreement.

