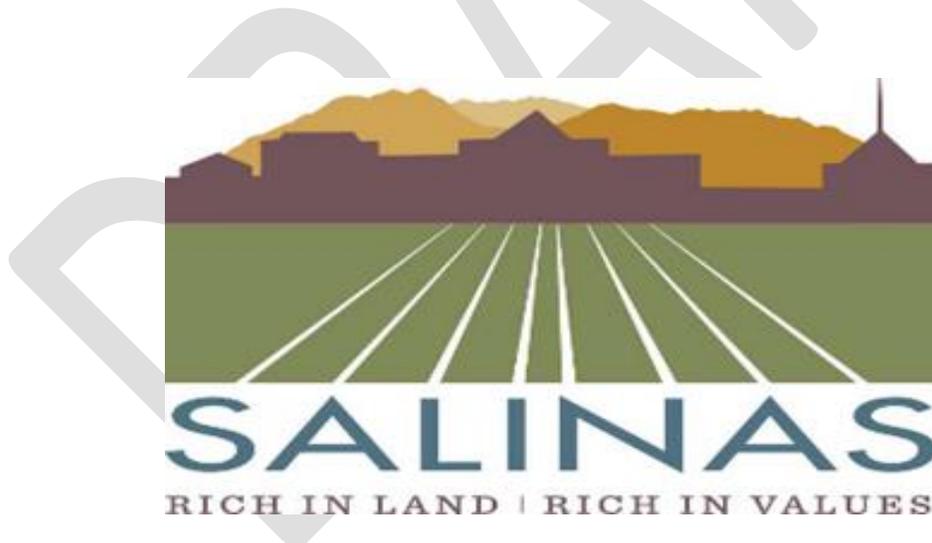


FISCAL YEAR 2022-23  
MOTEL MASTER LEASE  
FUNDING AGREEMENT BETWEEN  
THE CITY OF SALINAS AND  
MARINA HOTELS CI LLC



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**FISCAL YEAR 2022-23  
MOTEL MASTER LEASE  
FUNDING AGREEMENT BETWEEN CITY OF SALINAS  
AND  
MARINA HOTELS CI LLC  
FOR THE  
CITY OF SALINAS ARPA/PRK MOTEL PROGRAM**

**Agreement Number:**

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THIS ROOM RENTAL AGREEMENT (“Agreement”), made for reference purposes only as of July 1, 2022, is by and between **Marina Hotels Ci, LLC**, dba Country Inn & Suites (“**Owner**”), and the **City of Salinas** (the “**City**”). Owner and City are sometimes referred to herein as “Party” or collectively as “Parties.”

**This Agreement is entered into in connection with the City of Salinas ARPA/PRK Emergency Shelter program to provide emergency shelter during the COVID-19 epidemic.**

#### **AGREEMENT**

The Owner hereby authorizes the City and Subrecipients the right to use those certain “**Premises**” located at 3280 Dunes Road, Marina, CA 93933, and more particularly described as follows:

Rent of up to twenty (20) rooms at The Country Inn & Suites located at 3280 Dunes Road, Marina, CA 93933, and potentially maintaining up to sixty (60) rooms upon availability and the need of the program.

#### **TERM**

The term of this Agreement shall commence on July 1 ,2022 and shall continue until December 31, 2022, with a potential extension.

#### **RENT**

Rent shall be ninety-six dollars (\$73) per daily room for up to 20 rooms, while maintaining current room occupancy but not exceeding up to sixty (60) rooms upon availability and the need of the program. Maximum Rent amount for the term shall be no more than One Million Fifty-Four Thousand and Eighty Dollars (\$801,540.00).

#### **AMENDMENT OF LEASE**

This Lease may only be amended by a written agreement signed by both parties.

#### **PARKING**

The City shall be entitled to use parking spaces located within the Premises. No abandoned or non-operating vehicles or hazardous materials shall be stored in the parking area or anywhere on the Premises.

#### **CLEANING**

The City and its onsite partners shall coordinate weekly cleanings with the motel manager so that clients will vacate their rooms during the time of cleaning.

#### **MAINTENANCE AND REPAIRS**

Except as provided elsewhere in this Agreement, the City shall perform, at its own cost and expense, all repair, and replacement of damages caused to rooms by the occupants of the program. City shall reimburse owner, the cost of any damage to the rooms caused by City’s occupants within thirty (30) days of receipt of an invoice from owner

## **SURRENDER**

The City agrees on the last day of the Term or on sooner termination of this Agreement to surrender the premises with appurtenances, in the same condition as when received, ordinary wear and tear excepted.

## **NOTICES**

Any notices under this Agreement shall be sent to the parties by personal delivery, e-mail, or by certified mail, return receipt requested, postage prepared in the United States Postal Service at the addresses set forth below. Notice shall be deemed effective upon delivery or transmission if delivered or sent by e-mail and on the third (3rd) day after mailing. The parties designate the following names, titles, addresses, and telephone numbers:

### **Owner**

Country Inn & Suites  
3280 Dunes Road  
Marina, California 93933  
Phone: 831-917-4463  
Email: [ronald.prasad@marinahotelgroup.com](mailto:ronald.prasad@marinahotelgroup.com)

### **City of Salinas**

Community Development Director  
City of Salinas  
200 Lincoln Ave., Salinas, CA 93901  
Direct: 831-758-7334  
Fax: 831-775-4258  
Email: [housingwebmail@ci.salinas.ca.us](mailto:housingwebmail@ci.salinas.ca.us)

## **HOLDING OVER**

In the event the City remains in possession of the Premises after the expiration of the Agreement term, or any extension or renewal thereof, this Agreement shall be automatically continued to a month-to-month basis and otherwise on the terms and conditions herein specified, so far as applicable.

## **INSURANCE**

- A. *Self-Insurance Coverage.*** Owner understands and acknowledges that the City is self-insured for all forms of legal liability and the City shall, throughout the entire Term of this Lease Agreement, maintain such self-insurance covering all its operations and use and occupancy of the Leased Premises, and that of its agents and employees, performed in connection with this Lease Agreement.
- B. *Evidence of Self-Insurance Coverage.*** The City shall provide evidence of compliance with the insurance requirements listed above by providing a letter of self-insurance concurrently with the submittal of this Lease Agreement.

- C. *Owner's Maintenance of Insurance*. Maintenance of insurance by the City, as specified in this Lease Agreement, shall in no way be interpreted as relieving Owner of any responsibility whatever and Owner may carry, at its own expense, such additional insurance as it deems necessary
- D. The hotel has full property insurance for such things like natural disasters. I.E. Fire, Earthquake, etc.

### **COMPLIANCE WITH LAWS**

City agrees that, in using the Premises, it will comply with all laws of the United States of America and the State of California, and any ordinances of the County or City in which the Premises is located, including without limitation laws, regulations or orders of any federal, state, county or local agency or office (collectively, "Laws").

City agrees that it will not conduct or operate any business upon said Premises in violation of any Laws.

City further agrees that it will comply with all Laws related to (i) occupancy taxes for the Premises due during the Term, as extended hereunder, including without limitation Revenue & Taxation Code §7280.

Any such violation on the part of the City shall constitute a breach of the Lease at Owner's option; provided, however, City will not be required to make any structural changes to the Premises or the Building unless such structural change is required due to City's act, alterations or occupancy or use of the Premises.

City agrees to indemnify and hold Owner harmless from any and all costs, expenses, claims and liability, including without limitation attorney fees, arising from City's failure to perform such compliance with law obligations. This indemnity shall survive the expiration or sooner termination of this Lease.

### **INDEMNIFICATION**

City and its successors and assigns (collectively, "City Indemnifying Party") hereby agree to defend, indemnify and hold Owner, including its past, present and future employees, agents, representatives, officers, directors, partners, attorneys, stockholders, parent companies, subsidiary companies, corporate affiliates, successors and assigns (collectively, "Owner Indemnified Parties") free and harmless for, from and against any and all claims, liabilities, obligations, losses, fines, license fees, costs, interest, amounts paid in settlement of claims or damages (including any out-of-pocket expenses and reasonable attorney fees and expenses incurred in the investigation or defense of any of the same or in asserting any of their respective rights hereunder), whether or not involving a third-party claim against the Owner Indemnified Party, resulting from or arising out of a City Indemnifying Party's activities, maintenance, repair, use or occupancy of the Premises or the actions or inactions of a City Indemnifying Party's employees, agents, representatives or contractors or other parties related thereto.

City Indemnifying Party's indemnification hereunder shall extend to and include without limitation—

Any claim for or amount due (including fines, penalties, and interest) for taxes owed under any state or federal law, including without limitation occupancy taxes due pursuant to Revenue & Taxation Code §7280 owed by City Indemnifying Parties but not any of the same owed by the Owner on account of its ownership of the Premises or the Rent paid to the Owner under this Lease.

Owner hereby agrees to defend, indemnify and hold City and its respective past, present and future employees, agents, representatives, officers, directors, partners, stockholders, parent companies, subsidiary companies, corporate affiliates, successors and assigns, an "City Indemnified Party") free and harmless for, from and against any and all claims, liabilities, obligations, losses, fines, license fees, costs, interest, amounts paid in settlement of claims or damages (including any out-of-pocket expenses and reasonable attorneys' fees and expenses incurred in the investigation or defense of any of the same or in asserting any of their respective rights hereunder), whether or not involving a third-party claim against an Indemnified Party, resulting from or arising out of Owner's negligence or intentional misconduct or that of its employees, agents, representatives, contractors, or parties related thereto.

City, as a material part of the consideration to be rendered to Owner, hereby waives, and releases all claims City may have against Owner for loss of business income and for damages to goods, wares, merchandise, supplies and inventory in, upon or about the Premises, unless such damage is solely caused by the intentional act or gross negligence of Owner. Further, City hereby waives and releases all claims against Owner for injury to City, its agents, employees, invitees or third persons in or about the Premises from any cause, unless such injury is solely caused by the intentional act or gross negligence of Owner. City shall have an affirmative duty to notify Owner, in writing, if possible, of any condition which Owner has a duty to repair which might result in injury to property or persons.

The indemnities described above shall survive the expiration or sooner termination of this Lease.

#### **ATTORNEY FEES AND COSTS**

It is mutually understood and agreed by and between the parties hereto that if suit be brought by the Owner against the City to recover any Rent or for breach of any agreement or condition herein contained to be performed by the said City or any summary action be brought by the said Owner for the forfeiture of this Lease or to recover possession of the said Premises or if either party should bring action to enforce any of the provisions of this Lease, reasonable attorney's fees and costs as fixed by the Court for commencing or prosecuting said action shall be allowed the prevailing party.

#### **ADA COMPLIANCE AND DISCLOSURE**

Owner represents warrants that the Premises (as of the Commencement Date of this Lease) shall be in conformance with the requirements of the Americans with Disabilities Act and all regulations issued by the U.S. Attorney General or other authorized agencies under the authority of the Americans with Disabilities Act ("ADA Laws"). Owner shall be responsible, at its sole expense, for making any alterations, modifications needed to comply with the requirements of the ADA and all related Laws, and to bear any expense during the Term to ensure the ongoing compliance with

any of these Laws. Owner shall reimburse and indemnify City for any expenses incurred because of the failure of the Premises to conform with the ADA Laws, including the costs of making any alterations, renovations or accommodations required by the ADA laws, any governmental enforcement agency or any court, any and all fines, civil penalties and damages awarded against City resulting from a violation or violations of the ADA Laws and all reasonable legal expenses incurred in defending claims made under the ADA Laws, including reasonable attorney's fees, so long as it is not caused by City's specific use.

Owner and City hereby acknowledge that pursuant to Section 1938 of the California Civil Code, if the Premises have not been inspected by a Certified Access Specialist (a "CASp") prior to the execution of the Lease, then the following disclosure shall be included in the Lease:

"A Certified Access Specialist (CASp) can inspect the subject Premises and determine whether the subject Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject Premises, the commercial property owner or Owner may not prohibit the City or City from obtaining a CASp inspection of the subject Premises for the occupancy or potential occupancy of the City or City, if requested by the City or City. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection."

Owner shall be responsible for the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises."

**Confidentiality.** By entering into this Lease, City agrees that at all times during or after or after the Term, it will keep confidential and not disclose to any third party or make use of the CASp Inspection Report unless it has obtained written approval by an officer of the Owner or unless disclosure is required under applicable law. City agrees and acknowledges that a breach of this provision will irreparably damage the Owner. Notwithstanding any provision in this Lease to the contrary, Owner may enforce this provision by an action in a court of competent jurisdiction, seeking injunctive relief, and City agrees that he shall pay Owner's attorney fees and costs of suit incurred thereby.

**Assignment or Subletting.** Except as expressly permitted in this Lease with respect to a Permitted Transfer (as defined below), City shall not directly or indirectly, voluntarily or by operation of law, assign transfer, hypothecate, mortgage or encumber City's interest in this Lease or sublet, franchise, license or permit the Premises or any part thereof to be used or occupied by others (a "Transfer") without Owner's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed. If City desires Owner's consent to any Transfer, City shall provide Owner with (i) notice of the terms of the proposed Transfer, including its proposed effective date, a description of the portion of the Premises to be transferred, and a copy of all existing executed and/or proposed documentation which materially pertains to the proposed Transfer, and (ii) current financial statements of the proposed transferee (subject to Owner's execution of a mutually agreeable confidentiality agreement) (collectively, the "Transfer Notice"). Owner agrees to respond to any request for consent within twenty (20) business days after receipt of the Transfer Notice by Owner. If Owner fails to respond to any request by City for consent within the twenty (20) business day period, Owner will be deemed to have consented to such

**Transfer.** Any Transfer made without Owner’s prior consent shall, at Owner’s option, be void and shall, at Owner’s option, constitute a default.

Notwithstanding any other provision of this Lease to the contrary, so long as there is no default under this Lease beyond any applicable cure periods, City may cause any of the following to occur without Owner’s consent, each of which will be deemed a “Permitted Transfer”):

The transfer of stock in connection with a merger or consolidation of City and another corporation, provided that City’s successor is, as a result of the reorganization, legally bound to pay and perform all of the terms of this Lease.

Transfers to any affiliate, firm, person, corporation, partnership, or other entity now or hereafter controlled by, in control of, or under common control with City, but in such event, City shall remain liable for the obligations set forth under this Lease; and

Transfers of not more than forty-nine percent (49%) of the direct or indirect ownership interests in City.

In the event of a proposed Transfer requiring Owner’s consent, City shall provide the transfer documents to Owner for review by Owner’s attorney and shall pay all of the Owner’s reasonable attorney’s fees in connection with any such review, not to exceed One Thousand Dollars (\$1,000.00).

IN WITNESS WHEREOF, as authorized representatives of the **CITY OF SALINAS** and **MARINA HOTELS CI, LLC**, a for profit corporation, have executed this Agreement.

**Marina Hotels CI, LLC**

**City of Salinas:**

By: \_\_\_\_\_  
Ronald Prasad, CHS General Manager

By: \_\_\_\_\_  
Steven S. Carrigan., City Manager r

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
[Name], [Title]

By: \_\_\_\_\_  
Christopher A. Callihan, City Attorney