



MEMORANDUM

TO: CITY COUNCIL

FROM: TERESA MCCLISH, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: CONSIDERATION OF APPROVAL OF LEASE TERMINATION AGREEMENT WITH CALIFORNIA – PACIFIC ANNUAL CONFERENCE OF UNITED METHODIST CHURCH AND TWO (2) RELEASE OF EASEMENT DOCUMENTS AND AUTHORIZING THE MAYOR TO EXECUTE SAME

DATE: AUGUST 8, 2017

RECOMMENDATION:

It is recommended that the Council approve a Lease Termination Agreement with the California – Pacific Annual Conference of United Methodist Church ("United Methodist Church") and two (2) Release of Easement documents and authorize the Mayor to execute same.

SUMMARY OF ACTION:

Termination of the lease agreement and release of easements that are no longer needed by the City will remove encumbrances from the title of the property.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

None.

DISCUSSION:

As you are aware, the United Methodist Church is marketing the Methodist Campground property. As a part of that process they are trying to resolve and remove encumbrances affecting title to the property. The City owns a parcel immediately adjacent to the Methodist Campground property upon which Reservoir 1 is located. The City holds several water pipeline easements in the Methodist Campground property, two (2) of which were granted in 1929 and are no longer used or needed.

Additionally, the church's predecessor in interest to the property, the Coast Side Campmeeting Association of the Methodist Episcopal Church, leased a small portion of the Methodist Campground property to the City also in 1929 to enable construction of the original reservoir on the site. That 99 year lease was replaced with an Easement Agreement in 2003 when Reservoir 1 was reconstructed. Although the Easement Agreement references the termination of the lease, the church's title company, Fidelity Title, has requested a formal lease termination agreement be executed and recorded to clearly document the termination of the lease.

**CITY COUNCIL
CONSIDERATION OF APPROVAL OF LEASE TERMINATION AGREEMENT WITH
CALIFORNIA – PACIFIC ANNUAL CONFERENCE OF UNITED METHODIST
CHURCH AND TWO (2) RELEASE OF EASEMENT DOCUMENTS AND
AUTHORIZING THE MAYOR TO EXECUTE SAME
AUGUST 8, 2017
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Attached for your consideration is a Lease Termination Agreement and two (2) Release of Easement documents that will, when received, formally remove these encumbrances from title to the Methodist Campground property. It is recommended that the Council approve the Lease Termination Agreement and the two (2) Release of Easement documents and authorize the Mayor to execute same.

ADVANTAGES:

Executing and recording the Lease Termination Agreement and Releases of Easement will assist the United Methodist Church in clearing title to the Methodist Campground property.

DISADVANTAGES:

No disadvantages for this proposed action have been identified.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve the Lease Termination Agreement and Releases of Easement; or
2. Do not approve the Lease Termination Agreement and Releases of Easement;
or
3. Prove staff other direction.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

LEASE TERMINATION AGREEMENT

THIS LEASE TERMINATION AGREEMENT ("Agreement") is made as of August 8, 2017 between the City of Arroyo Grande ("Lessee") and California-Pacific Annual Conference of the United Methodist Church ("Lessor").

Recitals

A. On May 24, 1929, Lessor's predecessor in interest, the Coast Side Campmeeting Association of the Methodist Episcopal Church, and Lessee executed a lease ("Lease"), for certain real property ("Leased Premises"), which is more particularly described on Exhibit A, attached and incorporated in this Agreement, which was recorded on February 18, 1937 in Book 209, Page 250, of the official records of the County Recorder for San Luis Obispo, California; and

B. Said Lease was terminated by the parties and replaced with an Easement Agreement dated August 5, 2003 and recorded on December 2, 2003 in the official records of San Luis Obispo County as Document No. 2003137296; and

C. Lessor and Lessee desire to ratify and confirm termination of the Lease by this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged, Lessor and Lessee agree as follows:

Section 1. Incorporation of Recitals

The foregoing recitals are true and correct and incorporated by reference herein.

Section 2. Termination of Lease

Lessor and Lessee agree that the Lease was terminated effective as of August 5, 2003.

Section 3. Attorney Fees

If any legal action is taken to enforce the terms of this Agreement by any party, the prevailing party shall be entitled to recover reasonable attorney's fees and other costs and expenses incurred in connection with that legal action.

Section 4. Entire Agreement

This Agreement contains the entire agreement between the parties regarding the matters covered in this Agreement. There have been no other statements, promises, or representations made by the parties that are intended to alter, modify, or complement this Agreement.

Section 5. Amendment

This Agreement may not be altered, amended, modified, or otherwise changed in any respect, except by a writing executed by an authorized representative of each party.

Section 6. Counterparts

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

Section 7. Authorization

The undersigned, by their signatures, represent and warrant that they are authorized agents of their respective entities and are authorized to execute this Agreement.

Section 8. Successors and Assigns

This Agreement shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns.

Section 8. Governing Law

This Agreement is governed and construed in accordance with California law.

Executed on the date first above written.

LESSOR:

California Pacific Annual Conference of the United
Methodist Church

By: _____
Name: _____
Its: _____

LESSEE:

City of Arroyo Grande

By: _____
Jim Hill, Mayor

EXHIBIT A

Leased Premises

All that certain lot, piece or parcel of land situate in the County of San Luis Obispo, State of California, and bounded and described as follows: to-wit:

Beginning at a point in Lot 29 of Harris' Resubdivisions of part of the Ranchos Corral de Piedra, El Pismo and Bolsa de Chemisal, as per map of said Subdivision now on file in the County Recorder's Office, San Luis Obispo, California, said point of beginning being distant $8.29^{\circ}25'$ W. 54.9 feet along the northerly line of said Lot 29, thence S. $25^{\circ} 55'$ E. 104.2 feet from the most westerly corner of a tract of land conveyed by the Arroyo Grande M.E. Church, by deed, to the Coast Side Campmeeting Association, June 19, 1913, and recorded in Volume 97 of Deeds at page 370, San Luis Obispo County Records, and running thence from said point of beginning. S. $7^{\circ} 47'$ E. 353.6 feet along the westerly line of said conveyed tract to a point; thence N. $64^{\circ} 05'$ E. 110 feet to a point; thence N. $25^{\circ} 55'$ W. 336.0 feet to the above mentioned point of beginning and being part of said conveyed tract.

CALIFORNIA NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____ before me, _____,
(Insert the name and title of the officer)

personally appeared _____

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (SEAL)

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Signature _____ (SEAL)

RECORDING REQUESTED BY:
City of Arroyo Grande
300 E. Branch Street
Arroyo Grande CA 93420

AND WHEN RECORDED MAIL TO:
City Clerk
City of Arroyo Grande
300 E. Branch Street
Arroyo Grande CA 93420

(THIS SPACE FOR RECORDER'S USE ONLY)

RELEASE OF EASEMENT

ASSESSOR'S PARCEL NO: _____

THIS RELEASE OF EASEMENT is made and entered into as of the 8th day of August, 2017 by the City of Arroyo Grande, a municipal corporation formed under the laws of the State of California ("City") for the benefit of California- Pacific Annual Conference of the United Methodist Church.

WITNESSETH:

WHEREAS, Coast Side Campmeeting Association of the Methodist Episcopal Church, a corporation organized and existing under and by virtue of the laws of the State of California, granted to the City an easement for pipeline purposes (the "Easement"), recorded February 18, 1937 in Book 211, Page 261 of Official Records of San Luis Obispo County, in the real property described in Exhibit A, attached hereto and incorporated herein by this reference; and

WHEREAS, the City has agreed to release all of its interest in and to the Easement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the City has RELEASED, RELINQUISHED, AND ABANDONED, and by these presents and does forever RELEASE, RELINQUISH, AND ABANDON all of the City's rights in and to the Easement.

EXECUTED to be effective as of the first date hereinabove written.

CITY OF ARROYO GRANDE

By: _____
Jim Hill, Mayor

EXHIBIT A

The Easement

The property subject to this Easement is situate in the County of San Luis Obispo, State of California, and along the following described center line, to wit:

Commencing at a point in a tract of land conveyed by the Arroyo Grande M. E. Church to the Coast Side Campmeeting Association, by deed, June 19, 1913, and recorded July 24, 1913, in Volume 97 of Deeds, at page 370, San Luis Obispo County Records, said point of beginning being distant S 8° 49' E. 495.8 feet along the westerly line of said conveyed tract, thence N 64°05' E. 17.6 feet from the most westerly corner of said conveyed tract; thence running S 54°26' E. 496.2 feet to a point; thence S 9° 02' E. 158.0 feet more or less to a point on the southerly line of said conveyed tract.

CALIFORNIA NOTARY ACKNOWLEDGEMENT

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State of California
County of _____

On _____ before me, _____,
(insert the name and title of the officer)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESSETH:

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NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the City has RELEASED, RELINQUISHED, AND ABANDONED, and by these presents and does forever RELEASE, RELINQUISH, AND ABANDON all of the City's rights in and to the Easement.

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CITY OF ARROYO GRANDE

By: _____
Jim Hill, Mayor

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The property subject to this Easement is situate in the County of San Luis Obispo, State of California, and along the following described center line, to wit:

Commencing at a point in the northerly line of the Arroyo Grande and Pismo Road distant easterly 8 feet at right angles from the northerly line of Lot 30 & 29 of Harris' Resubdivisions of a Part of the Ranchos Corral de' Piedra, El Pismo, and Bolsa de Chemisal as per map of said subdivision now on file in the County Recorder's Office, San Luis Obispo County, California, and running thence Northerly 1550 feet parallel to the northerly line of said Lot 30 & Lot 29 and distant easterly 8 feet at right angles therefrom.

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County of _____

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(Insert the name and title of the officer)

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