

LEASE OF KENILWORTH PARK FOR FAIR, EXHIBITION
AND RECREATION PURPOSES

ORIGINAL

This Lease is made this 1st day of January, 1973, between the CITY OF PETALUMA, a Municipal Corporation of the State of California, hereinafter called Lessor, and FOURTH DISTRICT AGRICULTURAL ASSOCIATION OF THE STATE OF CALIFORNIA, hereinafter called Lessee, upon the following terms and conditions.

For valuable consideration, Lessor hereby leases to Lessee that certain parcel of land lying and being in the City of Petaluma, County of Sonoma, State of California, more particularly described as follows:

PARCEL ONE: Lot 207 of the Petaluma Rancho, according to the survey and plat of said Rancho as made by Howe, save and excepting therefrom a tract of land containing 20 acres heretofore conveyed to F. W. Grover. Said Parcel One being the 60 acres, more or less, formerly known as the "S. Payran Place", and being the same lands as were conveyed to J. H. White by Jos. Gibbs by deed dated May 12, 1883, and recorded in Liber 85 at page 518 of Deeds, Sonoma County Records.

PARCEL TWO: Being part of Lot Numbered 207 of Petaluma Rancho, according to the survey of said Rancho as made by C. W. Rowe, and adjoining the lands above described, fronting 130 feet on Washington Street in the City of Petaluma, and running back with uniform width in a Southeasterly direction to the lands of William Hill, and being the Southerly portion of the 20 acre tract above referred to in first piece as sold to F. W. Grover by S. Payran.

PARCEL THREE: Being a portion of Lot 208, Rancho Petaluma as surveyed by C. W. Rowe, and more particularly described as follows, to wit: Being a segment of a spiral, bounded as follows: Commencing at a point on the line between Lots 207 and 208 of the said Rancho, at a distance of 2114.6 feet from the most Southerly corner of Lot 291 of said Rancho and designated by a pig iron bar monument, same being Point No. 2, as shown on C. W. Rowe's Map of the Western Portion of Petaluma Rancho as filed in the Records of Sonoma County; thence following the perimeter of a spiral which diverges from a circular curve having a radius of 472.1 feet and which circular curve passes the point of beginning and a point on the line between said Lots 207 and 208, 2744.2 feet from the most Southerly corner of Lot 219 of said Rancho at a rate of 1-1/3 inches per degree of angular motion to a point where it intersects the line between said Lots 207 and 208, distant 2758.1 feet from the most Southerly corner of Lot 219 of said Rancho; thence along said line 643.5 feet to the point of beginning. Courses true.

SAVING AND EXCEPTING THEREFROM:

All that certain piece and parcel of land situate, lying and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerlines of East "D" Street and Payran Street; thence north $36^{\circ} 19'$ east 30 feet; thence south $54^{\circ} 00'$ east along the northeasterly line of Payran Street 31.45 feet to the point of commencement of the property described herein; from said point of commencement north $36^{\circ} 00'$ east 200 feet; thence north 54° west 100 feet; thence south $36^{\circ} 00'$ west 200 feet to the northerly line of Payran Street; thence south $54^{\circ} 00'$ east 100 feet to the point of commencement.
(FIRE STATION)

and

All that certain piece and parcel of land situate, lying and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerline of East Washington Street and Payran Street; thence South $54^{\circ} 00'$ East a distance of 30 feet; thence North $36^{\circ} 19'$ East a distance of 30 feet to the true point of beginning, said point being the intersection of the northeasterly line of Payran Street with the southeasterly line of East Washington Street; thence North $36^{\circ} 19'$ East a distance of 351 feet along the southeasterly line of East Washington Street to a point; thence South $54^{\circ} 00'$ East a distance of 350 feet along the line parallel to and 351 feet distance from the northeasterly line of Payran Street to a point; thence South $08^{\circ} 50' 30''$ East a distance of 105.77 feet to a point; thence South $36^{\circ} 19'$ West a distance of 276 feet along a line parallel to and 425 feet distant from the southeasterly line of East Washington Street to a point on the northeasterly line of Payran Street; thence North $54^{\circ} 00'$ West a distance of 425 feet along the northeasterly line of Payran Street to the point of beginning.
(RECREATIONAL CORNER)

and

All that certain piece and parcel of land situate, lying in and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerline of East Washington Street and Payran Street; thence N $36^{\circ} 05'$ E a distance of 933.35 feet; thence S $53^{\circ} 55'$ E a distance of 30.00 feet to the true point of beginning, said point being on the southeasterly line of East Washington Street; thence S $53^{\circ} 55'$ E a distance of 301.00 feet; thence N $36^{\circ} 05'$ E a distance of 386.90 feet; thence N $54^{\circ} 23' 30''$ W a distance of 283.53 feet; thence from a tangent which bears N $26^{\circ} 44' 09''$ E, along a curve to the right with a radius of 25.00 feet, through an angle of $19^{\circ} 43' 51''$, an arc length of 8.61 feet to a point, said point being the most northerly point of tract; thence S $46^{\circ} 28'$ W, a distance of 8.72 feet; thence S $44^{\circ} 28' 54''$ W, a distance of 103.54 feet to a point on the southeasterly line of East Washington Street; thence S $36^{\circ} 15' 40''$ W a distance of 282.08 feet along the southeasterly line of East Washington Street to the point of beginning, said parcel containing 2.64 acres more or less.
(SWIMMING POOL COMPLEX)

and

Commencing at the intersection of the centerline of East Washington Street and Payran Street, thence South 54° 00' East a distance of 30 feet. Thence North 36° 19' East a distance of 331 feet along the southeasterly line of East Washington Street to the northeasterly corner of the parcel saving and excepting noted as (recreational corner) being the true point of beginning. Thence continuing N 36° 19' E a distance of 552.35 feet more or less along the southeasterly line of East Washington to the northwesterly corner of the parcel saving and excepting noted as (Swimming Pool Complex). Thence S 53° 55' E a distance of 12.00 feet along the westerly boundary of the parcel saving and excepting noted as (swimming pool complex). Thence S 36° 19' W a distance of 552.35 feet more or less along a line parallel to and twelve feet distant from the southeasterly line of East Washington Street, to the easterly line of that parcel saving and excepting noted as (recreational corner). Thence N 54° 00' W a distance of 12.00 feet along the easterly line of that parcel saving and excepting, noted as (recreational corner), to the true point of beginning. Containing 6,625 square feet more or less.
(STREET WIDENING)

for the term of twenty-five (25) years from the date hereof, at an agreed rental of Twenty-five and no/100 Dollars (\$25.00), which the Lessee covenants and agrees to pay unto the Lessor in the following annual installments, to wit: The sum of One Dollar (\$1.00) on the date of this Lease, the receipt and payment whereof is hereby acknowledged by the Lessor, and the sum of One and no/100 Dollar (\$1.00) on the first day of January of each and every year during the term of this Lease, commencing on the first day of January, 1973.

The Lessor grants unto the Lessee an option to renew this Lease for a period of Twenty-five (25) years from and after the first day of January, 1998, for the same rents and according to the same terms and conditions contained herein, provided, however, that the Lessee shall be required to exercise this option by serving a written notice thereof upon the City Clerk of the City of Petaluma, California, not later than six (6) months prior to said first day of January, 1998.

It is mutually understood and agreed that the Lessee shall have the right to use said premises demised herein for all Fair and Exhibition purposes authorized and permitted under the laws of the State of California as they may exist from time to time.

The Lessee agrees that this Lease, or any renewal thereof, shall automatically cease and terminate, without notice, when or if, during said twenty-five year term, the Lessee fails for a period of five (5) years to have or hold a General District Fair and Exhibition for and on behalf of said Fourth Agricultural District of the State of California.

It is understood and agreed that the Lessee shall have full and complete control of and over the property covered by this Lease, and all of the improvements and property now or hereafter located or placed thereon, during the existence of this Lease, or any renewal thereof. Provided, however, that with the consent of and approval by the Lessee, its officers or duly authorized agent or agents, and subject to the rules and regulations and conditions imposed by the Lessee pertaining to the use of said property, the Lessor shall have the right to use or authorize the use of said premises, and all or any part thereof, together with all or any improvements or other property thereon, without charge, at any and all times when said premises or property are not actually being used by the Lessee hereunder.

"The Fourth District Agricultural Association of the State of California, reserves the right to cancel this Lease during its life or any renewal thereof, by giving the Lessor Thirty (30) days written notice of its intent to cancel."

"This Lease may be terminated or amended by mutual consent of both parties."

This Lease may be recorded at the option of either party.

Time is of the essence of this Lease.

The Lessor agrees that any improvements constructed by the Lessee during the term of this Lease or any extension thereof, shall be and remain the property of the Lessee and shall be subject to removal by the Lessee at any time during the term of this Lease or within six (6) months after the termination of the Lease.

This Lease has been executed pursuant to the authority contained in Ordinance No. 1076 N.C.S.

DATED this 22 day of March, 1973, at Petaluma, California.

CITY OF PETALUMA

By: *Robert Putnam*
Mayor

Attest:

Jill...
City Clerk

FOURTH DISTRICT AGRICULTURAL ASSOCIATION OF THE STATE OF CALIFORNIA

By: *A. S. G. ...*
President

Attest:

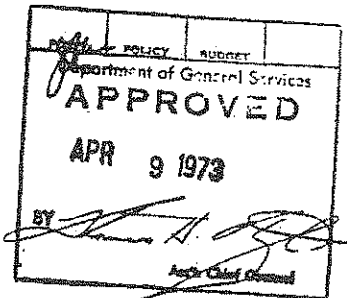
Beverly C. Wilson
Secretary

Approved as to form:

Edmund S. Robert
City Attorney

Approved as to amount:

O. Yealla
City Auditor



Approved DEPARTMENT OF FOOD AND AGRICULTURE

"I hereby certify that all conditions for exemption set forth in State Administrative Manual Section 1201.13 have been complied with and this document is exempt from review by the Department of Finance." *M. Kay ...* CHIEF, DIVISION OF FAIRS & EXPOSITIONS

EFFECTIVE DATE
OF ORDINANCE
MAR 23 1973

EER:sf 12/1/72

copy

ORDINANCE NO. 1076 N.C.S.

INTRODUCED BY COUNCILMAN

SECONDED BY COUNCILMAN

Robert A. Brunner

William A. Perry, Jr.

AN ORDINANCE OF THE CITY OF PETALUMA AUTHORIZING A LEASE OF THE PROPERTY KNOWN AS KENILWORTH PARK, PETALUMA, CALIFORNIA TO FOURTH DISTRICT AGRICULTURAL ASSOCIATION OF THE STATE OF CALIFORNIA FOR A TERM OF TWENTY FIVE YEARS WITH AN OPTION TO RENEW FOR AN ADDITIONAL TWENTY FIVE YEARS AT AN ANNUAL RENTAL OF ONE DOLLAR PER YEAR.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PETALUMA AS FOLLOWS:

Section 1. That the City of Petaluma lease and rent to FOURTH DISTRICT AGRICULTURAL ASSOCIATION OF THE STATE OF CALIFORNIA the property of the City known as Kenilworth Park, situate, lying and being in the City of Petaluma, County of Sonoma, State of California, bounded and described as follows:

PARCEL ONE: Lot 207 of the Petaluma Rancho, according to the survey and plat of said Rancho as made by Howe, save and excepting therefrom a tract of land containing 20 acres heretofore conveyed to F. W. Grover. Said Parcel One being the 60 acres, more or less, formerly known as the "S. Payran Place", and being the same lands as were conveyed to J. H. White by Jos. Gibbs by deed dated May 12, 1883, and recorded in Liber 85 at page 518 of Deeds, Sonoma County Records.

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PARCEL THREE: Being a portion of Lot 208, Rancho Petaluma as surveyed by C. W. Rowe, and more particularly described as follows, to wit: Being a segment of a spiral, bounded as follows: Commencing at a point on the line between Lots 207 and 208 of the said Rancho, at a distance of 2114.6 feet from the most Southerly corner of Lot 291 of said Rancho and designated by a pig iron bar monument, same being Point No. 2, as shown on C. W. Rowe's Map of the Western Portion of Petaluma Rancho as filed in the Records of Sonoma County; thence following the perimeter of a spiral which diverges from a circular curve having a radius of 472.1 feet (and which circular curve passes the point of beginning and a point on the line between said Lots 207 and

208, 2744.2 feet from the most Southerly corner of Lot 219 of said Rancho) at a rate of 1-1/3 inches per degree of angular motion to a point where it intersects the line between said Lots 207 and 208, distant 2758.1 feet from the most Southerly corner of Lot 219 of said Rancho; thence along said line 643.5 feet to the point of beginning. Courses true.

SAVING AND EXCEPTING THEREFROM:

All that certain piece and parcel of land situate, lying and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerlines of East "D" Street and Payran Street; thence north 36° 19' east 30 feet; thence south 54° 00' east along the northeasterly line of Payran Street 31.45 feet to the point of commencement of the property described herein; from said point of commencement north 36° 00' east 200 feet; thence north 54° west 100 feet; thence south 36° 00' west 200 feet to the northerly line of Payran Street; thence south 54° 00' east 100 feet to the point of commencement. (FIRE STATION)

and

All that certain piece and parcel of land situate, lying and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerline of East Washington Street and Payran Street; thence South 54° 00' East a distance of 30 feet; thence North 36° 19' East a distance of 30 feet to the true point of beginning, said point being the intersection of the northeasterly line of Payran Street with the southeasterly line of East Washington Street; thence North 36° 19' East a distance of 351 feet along the southeasterly line of East Washington Street to a point; thence South 54° 00' East a distance of 350 feet along the line parallel to and 351 feet distance from the northeasterly line of Payran Street to a point; thence South 08° 50' 30" East a distance of 105.77 feet to a point; thence South 36° 19' West a distance of 276 feet along a line parallel to and 425 feet distant from the southeasterly line of East Washington Street to a point on the northeasterly line of Payran Street; thence North 54° 00' West a distance of 425 feet along the northeasterly line of Payran Street to the point of beginning. (RECREATIONAL CORNER)

and

All that certain piece and parcel of land situate, lying in and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerline of East Washington Street and Payran Street; thence N 36° 05' E a distance of 933.35 feet; thence S 53° 55' E a distance of 20.00 feet to the true point of beginning, said point being on the southeasterly line of East Washington Street; thence S 53° 55' E a distance of 301.00 feet; thence N 36° 05' E a distance of 386 feet; thence N 54° 23' 30" W a distance of 283.53 feet; thence from a tangent which bears N 26° 44' 09" E, along a curve to the right with a radius of 25.00 feet, through an angle of 19° 43' 51", an arc length of 8.61 feet to a point, said point

being the most northerly point of tract; thence S 46° 28' W a distance of 8.72 feet; thence S 44° 28' 54" W, a distance of 103.54 feet to a point on the southeasterly line of East Washington Street; thence S 36° 15' 40" W a distance of 282.08 feet along the southeasterly line of East Washington Street to the point of beginning, said parcel containing 2.64 acres more or less.
(SWIMMING POOL COMPLEX)

and

Commencing at the intersection of the centerline of East Washington Street and Payran Street, thence South 54° 00' East a distance of 30 feet. Thence North 36° 19' East a distance of 381 feet along the southeasterly line of East Washington Street to the northeasterly corner of the parcel saving and excepting noted as (recreational corner) being the true point of beginning. Thence continuing N 36° 19' E a distance of 552.35 feet more or less along the southeasterly line of East Washington Street to the northwesterly corner of the parcel saving and excepting noted as (Swimming Pool Complex). Thence S 53° 55' E a distance of 12.00 feet along the westerly boundary of the parcel saving and excepting noted as (Swimming Pool Complex). Thence S 16° 19' W a distance of 552.35 feet more or less along a line parallel to and twelve feet distance from the southeasterly line of East Washington Street, to the easterly line of that parcel saving and excepting noted as (recreational corner). Thence N 54° 00' W a distance of 12.00 feet along the easterly line of that parcel saving and excepting, noted as (recreational corner) to the true point of beginning. Containing 6,625 square feet more or less.
(STREET WIDENING)

Section 2. That said lease shall be for a term of twenty-five (25) years from and after the 1st day of January, 1973, and shall contain an option therein granting to said FOURTH DISTRICT AGRICULTURAL ASSOCIATION OF THE STATE OF CALIFORNIA, the right to renew said lease for an additional twenty-five (25) years from and after the expiration of said first term of twenty-five (25) years. Said lease shall further provide that the said tenant shall pay a rental thereunder in the sum of One and no/100 (\$1.00) Dollar per year payable in advance, commencing on the 1st day of January, 1973. Said lease shall further provide that the same is made for all fair and exhibition purposes authorized and permitted under the laws of the State of California as they may exist from time to time.

Section 3. That said lease shall be prepared under the supervision of the City Attorney and the Mayor and City Clerk, be, and they are hereby authorized respectively, to sign and attest said

lease for and on behalf of the City of Petaluma.

Section 4. The City Clerk be, and she is hereby directed to post/~~publish~~ this ordinance for the period and in the manner required by the City Charter.

ORDERED ~~POSTED/PUBLISH~~ THIS 5th day of February, 19 73.

AYES: Councilmen Brunner, Cavanaugh, Jr., Daly, Mattei, Perry, Jr. and Mayor Putnam.

NOES: None.

ABSENT: Councilman Clecak.

Helen Putnam
Mayor

Attest:

Lillian Nommsen
City Clerk

Adopted this 20 day of Feb., 19 73.

E/6/81

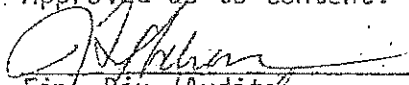
AMENDMENT TO LEASE OF
KENILWORTH PARK
(FAIRGROUNDS)

THIS AMENDMENT is made this 6th day of May, 1981, to that certain Lease between the City of Petaluma, a California Municipal Corporation, (Lessor) and Fourth District Agricultural Association of the State of California, (Lessee) dated January 1, 1973, and approved by City of Petaluma Ordinance No. 1076 N.C.S.

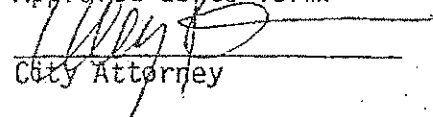
FOR VALUABLE CONSIDERATION, said Lease is hereby modified by excluding the real property described in the attached Exhibits "A", "B" & "C", incorporated hereby reference, from the Parcels let to Lessee in said Lease.

IN WITNESS WHEREOF, the parties have executed this amendment on the date written above, at Petaluma, California.


Approved as to content:

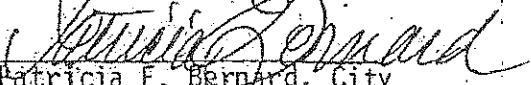

Fin. Dir./Auditor

Approved as to form:


City Attorney

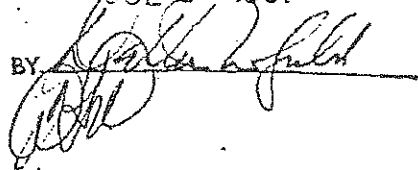
CITY OF PETALUMA, a municipal corporation.

By 
Mayor or City Manager

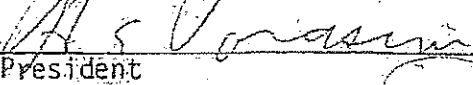
Attest: 
Patricia E. Bernard, City Clerk

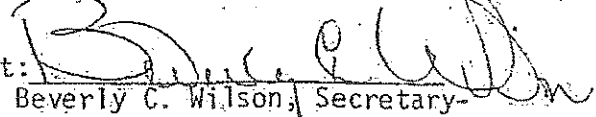
APPROVED
GENERAL SERVICES
Space Management Div.

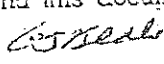
JUL 2 1981

BY 

FOURTH DISTRICT AGRICULTURAL ASSOCIATION, State of California

By: 
President

Attest: 
Beverly C. Wilson, Secretary-Manager

Approved DEPARTMENT OF FOOD AND AGRICULTURE
"I hereby certify that all conditions for exemption set forth in State Administrative Manual Section 1209 have been complied with and this document is exempt from review by the Department of Finance."
 DIVISION OF FAIRS & EXPOSITION

PROPERTY DESCRIPTION

to be included with the exceptions to the parcels leased to the Fourth District Agricultural Association of the State of California.

All that certain piece and parcel of lands situate lying and being in the City of Petaluma, County of Sonoma, State of California and more particularly described as follows:

TO WIT:

Commencing at the most northerly corner of the above-mentioned recreational corner, that point being on the southeasterly line of E. Washington St. proceeding thence along the most northeasterly line of said recreational corner south $53^{\circ} 41'$ east 43.81 ft.; thence leaving the most northeasterly line of recreational corner and proceeding along the following courses; North $40^{\circ} 12' 23''$ east 94.75 ft.; thence north $36^{\circ} 19'$ east 7 ft.; thence along a curve to the right of radius 33 ft. with a tangent bearing of north $53^{\circ} 41'$ west through a curve whose central angle is $92^{\circ} 4' 19.1''$ through an arc length of 53.03 ft.; thence north $38^{\circ} 23' 19.1''$ east 75.70 ft.; thence north $36^{\circ} 19'$ east 126.56 ft.; thence south $53^{\circ} 41'$ east 8 ft.; thence north $36^{\circ} 19'$ east 10 ft.; thence north $53^{\circ} 41'$ west 8 ft.; thence along a curve to the right having a radius of 33 ft. beginning from a tangent bearing of north $36^{\circ} 19'$ east through a curve whose central angle is 90° having an arc length of 51.84 ft.; thence south $53^{\circ} 41'$ east 18.72 ft.; thence along a tangent curve to the left whose radius is 37 ft. with a central angle of $44^{\circ} 45' 7.8''$ through an arc length of 28.90 ft.; thence along a curve, tangent to the previously named curve, to the left having a radius of 92 ft. through a central angle of $95^{\circ} 37' 1.4''$ through an arc length of 153.53 ft.; thence along a curve, tangent to the previously named curve, to the right having a radius of 93 ft. through a central angle of $19^{\circ} 55' 37''$ through an arc length of 32.34 ft. to a point on the southwesterly line of the above-mentioned swimming pool complex; thence along the southwesterly line of swimming pool complex north $53^{\circ} 41'$ west 70.82 ft. to the most westerly corner of said swimming pool complex said corner being on the southeasterly line of E. Washington St. thence proceeding along the southeasterly line of E. Washington St. south $36^{\circ} 19'$ west 552.35 ft. to the point of beginning containing 29,409 sq. ft. more or less (street widening).

EXHIBIT A

19

That parcel of land in the City of Petaluma, County of Sonoma, State of California more particularly described as follows:

Commencing at the intersection of the centerlines of East Washington Street and Payran Street; thence N36°05'E 933.35 feet along the centerline of East Washington Street; thence S53°55'E along the projection of the southwesterly line of the parcel noted as (Swimming Pool Complex) 331.00 feet; thence along the southeasterly line of the parcel noted as (Swimming Pool Complex) N36°05'E 120.00 ft. to the point of beginning of this parcel; thence continuing along the southeasterly line of the parcel noted as (Swimming Pool Complex) N36°05'E 200.00 ft.; thence S53°55'E 50.00 ft.; thence S36°05'W 200.00 ft.; thence N 53°55'W 50.00 ft. to the point of beginning.

EXHIBIT B

(Bike Path)

That parcel of land in the City of Petaluma, County of Sonoma, State of California more particularly described as follows:

A 10-foot wide strip coincident with and southeasterly of the following described line:

Commencing at the most northerly corner of the above-mentioned recreational corner, that point being on the southeasterly line of E. Washington Street proceeding thence along the most northeasterly line of said recreational corner S 53°41' E 43.81 ft.; thence leaving the most northeasterly line of recreational corner and proceeding along the following courses: N E 40°12'23" 94.75 ft.; thence N 36°19' E 7 ft.; thence along a curve to the right of radius 33 ft. with a tangent bearing of N 53°41' W through a curve whose central angle is 92°4' 19.1" through an arc length of 53.03 ft.; thence N 38°23' 19.1" E 75.70 ft.; thence N 36°19' E 86.56 feet to the point of beginning of the herein described strip of land; thence N 36°19' E 40.00 feet; thence S 53°41' E 8 ft.; thence N36°19' E 10 ft.; thence N 53°41' W 8 ft.; thence along a curve to the right having a radius of 33 ft. beginning from a tangent bearing of N 36°19' E through a curve whose central angle is 90° having an arc length of 51.84 ft.; thence S 53°41' E 18.72 ft.; thence along a tangent curve to the left whose radius is 37 ft. with a central angle of 44°45' 7.8" through an arc length of 28.90 ft.; thence along a curve, tangent to the previously named curve, to the left having a radius of 92 ft. through a central angle of 95°37' 1.4" through an arc length of 153.53 ft.; thence along a curve, tangent to the previously named curve, to the right having a radius of 93 ft. through a central angle of 19°55' 37" through an arc length of 32.34 ft. to a point on the southwesterly line of the above-mentioned swimming pool complex; and the end of the herein described strip of land.

10/3/96

PETALUMA FAIRGROUNDS PARK & RIDE FACILITY
AGREEMENT FOR DEVELOPMENT, USE AND MAINTENANCE

This Agreement is entered into this 3 day of October, 1996, by and between the CITY OF PETALUMA, a charter city of the State of California ("CITY"); the COUNTY OF SONOMA ("COUNTY"); the PETALUMA JOINT UNION HIGH SCHOOL DISTRICT ("DISTRICT"); and the FOURTH DISTRICT AGRICULTURAL ASSOCIATION OF THE STATE OF CALIFORNIA ("ASSOCIATION"), with reference to the following facts:

A. CITY has leased certain real property located in the City of Petaluma, County of Sonoma, State of California, to ASSOCIATION for fair, exhibition and recreation purposes under a lease commencing January 1, 1973, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference ("Lease").

B. This Agreement concerns the development of a park-and-ride facility (the "Project") for commuter use on a portion of the real property leased to ASSOCIATION under the Lease, and more particularly shown in Exhibit "B" attached hereto and incorporated herein by reference (the "Property").

C. DISTRICT owns a parcel of property adjacent to the Property, on which it operates Kenilworth Junior High School.

D. COUNTY is eligible to receive federal funds for capital improvements for park-and-ride projects within its jurisdiction.

E. The parties to this Agreement wish to cooperate to use the available federal funds to develop the Property currently used by ASSOCIATION for fair and exhibition activities, including parking, and to maintain and use thereon a park-and-ride facility; skateboard park, and roadway access to Kenilworth Junior High School.

1 NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:
2

3 1. TERM. The term of this agreement is twenty (20) years, commencing on
4 October 3, 1996 and terminating on October 3, 2016.
5

6 2. FUNDING AND DEVELOPMENT OF PARK-AND-RIDE LOT.

7 a. COUNTY will act as the conduit agency for the application for and procurement
8 of federal funds. All parties to this Agreement understand that County has
9 obtained federal transit money for this Project, and that County's sole contribution
10 to the Project is limited to such federal transit money. Under no circumstances
11 shall County's General Fund, or any other County monies, be called upon to
12 contribute to the Project.

13 b. CITY will act as the conduit agency for the application for and procurement of
14 federal funds from COUNTY for development of a major park-and-ride facility on
15 the Property, and will provide forty-six percent (46%) of the local matching funds
16 for the federal grant, up to a maximum of SIXTY THOUSAND DOLLARS
17 (\$60,000), in cash and/or in-kind services. CITY will also act as the conduit for
18 collection of local matching funds for the Project.

19 c. ASSOCIATION shall provide twenty-seven percent (27%) of the local matching
20 funds for the federal grant, up to a maximum of THIRTY-SEVEN THOUSAND
21 FIVE HUNDRED DOLLARS (\$37,500), in cash, to be paid to CITY on demand
22 in Spring 1997. CITY shall provide the ASSOCIATION with an itemization of
23 costs supporting the calculation of the ASSOCIATION'S share.

24 d. DISTRICT shall provide twenty-seven percent (27%) of the local matching funds
25 for the federal grant, up to a maximum of THIRTY-SEVEN THOUSAND FIVE
26 HUNDRED DOLLARS (\$37,500), in cash, to be paid to CITY on demand.
27 CITY shall provide the DISTRICT with an itemization of costs supporting the
28 calculation of the DISTRICT'S share.

29 e. By its signature hereto, ASSOCIATION hereby authorizes use of the Property for
30 a park-and-ride facility, excepting that portion of the Property which is currently
31 paved and marked for ONE HUNDRED SIXTY-SIX (166) parking spaces
32 (referred to hereafter as "ASSOCIATION existing parking lot") all as shown on

1 Exhibit "C" attached hereto and incorporated herein by reference. The ASSOCIA-
2 TION existing parking lot shall be permanently reserved to the ASSOCIATION
3 for the entire term of this Agreement.

4 f. CITY shall provide all design, planning, permitting, inspection and administration
5 for implementation of the Project as part of its commitment outlined in Section
6 2(b) above. The other parties hereto shall be provided with an opportunity to
7 comment and provide input on the design for the Project.

8 g. Construction of the park-and-ride facility is scheduled to be completed no later
9 than June 1, 1997.

10 h. The existing paved parking lot area adjacent to the Project will be slurry sealed and
11 restriped to conform to the new park-and-ride layout shown on Exhibit "C"
12 attached hereto.

13 i. The Project shall include all necessary and appropriate informational and traffic
14 control signage for the park-and-ride lot area. The signs shall be approved by all
15 parties hereto.

16 j. The Project shall include all necessary and appropriate drainage and reconfigured
17 parking lot lighting. Reconfigured parking lot lighting shall be approved by
18 ASSOCIATION. Proposed drainage will accommodate drainage from the
19 ASSOCIATION existing parking lot, and plans for such accommodation shall be
20 approved by ASSOCIATION.

21 k. ASSOCIATION shall provide DISTRICT with a license agreement for use of the
22 Project for school event parking, drop-offs and pickups, and bus access to
23 Kenilworth Junior High School.

24 l. A new public street circulation plan shall connect from the Washington/Ellis
25 intersection to Kenilworth Drive in front of the pool building, as shown on the new
26 park-and-ride layout shown on Exhibit "C." Emergency vehicle access to the
27 Kenilworth Junior High School campus must be equal to or better than the existing
28 access.

29 m. ASSOCIATION shall execute all documents necessary to release from the Lease
30 that portion of the Property for reconfigured Kenilworth Drive public street
31 circulation area, including the adjacent landscaping and 24-space parking area

1 Exhibit "D." There shall be no charge to or rental required from the CITY for
2 such release, or for use of such property for the public street/circulation area.

3 n. ASSOCIATION will work with DISTRICT to provide for ingress, egress and
4 parking of race vehicles elsewhere than on Kenilworth Drive, except during fair
5 week.

6 o. The Project shall install, and DISTRICT shall maintain, a fence along the
7 Kenilworth Drive property line between the park-and-ride lot and adjacent
8 DISTRICT property, which fence shall be a minimum of six (6) feet in height, may
9 include a pedestrian gate/opening, and shall include an electric gate for use by
10 DISTRICT buses.

11
12 3. USE OF PARK-AND-RIDE LOT.

13 a. The park-and-ride facility shall be available to riders on the Golden Gate Transit,
14 Sonoma County Transit, Petaluma Transit, or other multi-occupant vehicles such
15 as club buses and car pools, Monday through Friday from 5:30 a.m. to 7:30 p.m.,
16 except as provided in paragraph (b) of this paragraph 3.

17 b. ASSOCIATION shall have the right to exclusive use of the park-and-ride facility
18 on up to twenty (20) weekdays per year, and, in addition, may continue to
19 temporarily program/lease any unused parking areas unless or until commuter
20 parking demand necessitates use of the entire lot. Exclusive use of the 24-space
21 parking area described in paragraph 2.m. above shall be limited to the days of the
22 annual fair. Determination of "unused parking" shall be by consultation between
23 ASSOCIATION manager and CITY staff. At least 48 hours before any period of
24 exclusive ASSOCIATION use of the park-and-ride parking lot, ASSOCIATION
25 shall inform all interested Transit providers and commuters, by use of press
26 releases/flyers and signage and any other appropriate methods, of the availability
27 and location of alternative commuter parking during such periods. Both CITY and
28 ASSOCIATION will make reasonable efforts to identify alternate parking,
29 however, failure by ASSOCIATION to identify alternate parking pursuant to this
30 paragraph shall not constitute a minor or material breach of this Agreement.

- 1 c. During non-holiday weekdays, ASSOCIATION shall not lease any portion of the
2 new park-and-ride lot for non-commuter parking purposes, except during
3 exclusive use periods or as provided in Section 3(b) above, temporary programs.
- 4 d. ASSOCIATION shall develop a plan for traffic control for traffic entering Ellis
5 Street at E. Washington, for implementation during exclusive use periods subject
6 to CITY staff review and approval.
- 7 e. Notwithstanding the exclusive use of the park-and-ride facility, the
8 ASSOCIATION shall maintain, for drop off, pick up, and school bus purposes,
9 roadway access over Kenilworth Drive to Kenilworth School.
- 10 f. All parties to this Agreement understand that federal transit money has been used
11 for the Project. ASSOCIATION, DISTRICT, and CITY promise that each will
12 refrain from taking any action with respect to the Project that would be contrary to
13 any federal requirement(s) governing the continued use of the Project as a park-
14 and-ride facility. After the Project is constructed, ASSOCIATION, DISTRICT,
15 and CITY promise that each will consult with County's Transit Manager, and
16 obtain his written approval, before taking any action with respect to the Project
17 that is not specifically permitted by federal grant requirements for park-and-ride
18 facilities.

19
20 4. DEVELOPMENT OF SKATEBOARD PARK.

- 21 a. In consideration of the covenants contained in this Agreement, prior to or
22 concurrent with execution of this Agreement, the ASSOCIATION shall execute all
23 documents necessary to release from the Lease that portion of the Property shown
24 on Exhibits "C" and "E" for development as a skateboard park and the area of
25 adjacent landscaping for such park (collectively referred to herein as the
26 "skateboard park"), subject to reversion to ASSOCIATION for the duration of the
27 Lease in the event the skateboard park use is discontinued. There shall be no
28 additional charge to or rental required from the CITY for such release or for use of
29 the Property for the skateboard park.
- 30 b. At the discretion of ASSOCIATION, upon discontinuation of the skateboard park
31 use during the term of this Agreement, CITY shall either turn over the skateboard

1 park to ASSOCIATION in its then current condition, or return the skateboard
2 park to its condition immediately prior to development of the skateboard park.

3 c. Improvement of the Property for the skateboard park shall include installation of
4 storm drain improvements; a surrounding fence; a public telephone; a drinking
5 fountain; a grass and seating area adjacent to the skateboard park within what is
6 now a portion of the pool area; and a 14- to 20-foot landscaping buffer between
7 the skateboard park and the park-and-ride parking lot. Installation of restrooms
8 shall not be required for the skateboard park.

9 d. The skateboard park shall be open for the use and enjoyment of skateboarders and
10 rollerbladers, and hours of operation shall be limited to 6:00 a.m. to 10:00 p.m.
11 No organized or promoted events or competitions shall be permitted at the
12 skateboard park without the prior written approval of ASSOCIATION manager.
13 Any such written approval shall not be deemed to constitute acceptance of liability,
14 express or implied, by the ASSOCIATION, for the skateboard park or activities
15 therein.

16 e. CITY shall provide and pay the costs of all maintenance for the skateboard park.
17

18 5. MAINTENANCE.

19 a. CITY will share in the long-term costs of maintenance of the park-and-ride
20 parking lot, except ASSOCIATION existing parking lot, in the amount of sixty
21 (60%) percent. CITY will be the conduit agency for the collection of long-term
22 maintenance funds from the other parties. When and as it performs maintenance of
23 the park-and-ride lot, CITY will, upon request by ASSOCIATION, perform
24 maintenance on ASSOCIATION existing parking lot and bill ASSOCIATION
25 separately for the costs of such maintenance.

26 b. CITY shall provide periodic sweeping of the park-and-ride parking lot. When and
27 as it performs such sweeping of the park-and-ride lot, CITY will, upon request by
28 ASSOCIATION, sweep ASSOCIATION existing parking lot and bill
29 ASSOCIATION separately for the costs of such sweeping.

30 c. CITY will provide landscape/irrigation maintenance for the areas designated for
31 landscaping on the park-and-ride project plan, attached hereto as Exhibit "C."

- 1 d. CITY shall provide police services for the park-and-ride facility, the
2 ASSOCIATION existing 166-space parking lot area identified on Exhibit "C", and
3 for CITY- or school-run facilities on or adjacent to the Property, including, but not
4 limited to Kenilworth Junior High School, the pool, skateboard park, library and
5 teen center.
- 6 e. ASSOCIATION shall provide for security services for fairs or other
7 ASSOCIATION-sponsored activities on the Property.
- 8 f. ASSOCIATION shall share in the long-term costs of maintenance of the park-and-
9 ride parking lot in the amount of TWENTY PERCENT (20%), estimated to be
10 ONE THOUSAND DOLLARS (\$1,000) per year, payable periodically, as costs
11 are incurred, on demand by CITY. CITY shall provide Association with copies of
12 purchase orders or invoices supporting the payments. In addition,
13 ASSOCIATION shall provide all maintenance for the ASSOCIATION excluded
14 areas, except for existing lighting fixtures and future restriping of existing parking
15 lot identified on Exhibit "C."
- 16 g. DISTRICT shall share in the long term costs of maintenance of the park-and-ride
17 parking lot, except ASSOCIATION existing parking lot, in the amount of
18 TWENTY PERCENT (20%), estimated to be ONE THOUSAND DOLLARS
19 (\$1,000) per year, payable periodically, as costs are incurred, on demand by CITY.
20 CITY shall provide DISTRICT with copies of purchase orders or invoices
21 supporting the payments. DISTRICT shall have full responsibility for maintenance
22 of the electric gate connecting the Project with Kenilworth Drive.

23
24 6. INSURANCE

- 25 a. CITY shall provide bodily injury and property damage liability coverage in the
26 amount of \$1,000,000 for the park-and-ride use of the Property, the skateboard
27 park, and for all other CITY-sponsored functions on the Property (collectively
28 "CITY use"). CITY shall indemnify and hold harmless each other party to this
29 Agreement against damages to persons or property occurring on the Property
30 during or by reason of CITY use, except that CITY shall not indemnify nor hold

1 harmless any party for any damages caused by the active negligence, sole
2 negligence or willful misconduct of that party.

3 b. ASSOCIATION shall provide bodily injury and property damage liability insurance
4 in the amount of \$1,000,000 covering ASSOCIATION existing parking lot and for
5 all fair activities and other FAIR BOARD-sponsored functions on the Property
6 (collectively "ASSOCIATION use"). ASSOCIATION shall indemnify and hold
7 harmless the other parties to this Agreement against damages to persons or
8 property occurring on the Property during or by reason of ASSOCIATION use,
9 except that ASSOCIATION shall not indemnify nor hold harmless any party for
10 any damages caused by the active negligence, sole negligence or willful misconduct
11 of that party.

12 c. DISTRICT shall provide bodily injury and property damage liability insurance in
13 the amount of \$1,000,000 for any DISTRICT or school functions which use the
14 park-and-ride parking lot or which access the fair site (collectively "DISTRICT
15 use"). DISTRICT shall indemnify and hold harmless the other parties to this
16 Agreement against damages to persons or property occurring on the Property
17 during or by reason of DISTRICT use, except that DISTRICT shall not indemnify
18 nor hold harmless any party for any damages caused by the active negligence, sole
19 negligence or willful misconduct of that party.

20 d. All insurance policies required by this paragraph 6 shall be primary policies, not
21 contributing with and not in excess of coverage which any other party to this
22 Agreement may carry, shall name all other parties to this Agreement as additional
23 insureds, and shall obligate the insurance carrier to notify each other party to this
24 Agreement in writing, not less than thirty (30) days prior to cancellation thereof or
25 any change affecting the coverage of the policies.

26
27 7. MISCELLANEOUS.

28 a. Assignment. No party to this Agreement shall assign or transfer its interest in this
29 Agreement, without the written consent of the other parties to the Agreement,
30 which consent shall not be unreasonably withheld.

1 b. Notices. All notices required to be given pursuant to this Agreement shall be
2 deemed given upon deposit in the United States Mail, with postage prepaid,
3 addressed to the parties as follows:

4
5 CITY: City Clerk
6 City of Petaluma
7 11 English Street
8 Petaluma, California 94952
9

10 COUNTY: County of Sonoma
11 575 Administration Drive
12 Santa Rosa, California 95403
13 Attn: Prentice Fish, Deputy County Counsel
14

15 SCHOOL DISTRICT: Petaluma Joint Union High School District
16 11 Fifth Street
17 Petaluma, California 94952-3098
18 Attn: Steve Bolman, Assistant Superintendent,
19 Business Services
20

21 ASSOCIATION: Fourth District Agricultural Association
22 of the State of California
23 Post Office Box 182
24 Petaluma, California 94953
25 Attn: Ethan Hirsch, Manager
26

27 c. Attorney's Fees. If any suit be brought by any party to this Agreement arising out
28 of, or to enforce this Agreement or any of its terms, then the prevailing party in
29 such litigation shall be entitled to recover its reasonable attorney's fees and costs
30 incurred in such action.

31 d. Agreement Binding. The terms and provisions of this Agreement shall extend to
32 and be binding upon and inure to the benefit of the heirs, executors, and
33 administrators, or to any approved successor, as well as to any assignee or legal
34 successor to any party to this Agreement.

35 e. Merger. This writing is intended both as the final expression of the agreement
36 between among the parties hereto with respect to the included terms and as a
37 complete and exclusive statement of the terms of the agreement, pursuant to Code
38 of Civil Procedure section 1856. No modification of this agreement shall be


1 effective unless and until such modification is evidenced by a writing signed by
2 both all parties.

3
4 WHEREFORE, the parties have executed this Agreement in quadruplicate as of the date first set
5 forth above.

6
7 City

County of Sonoma

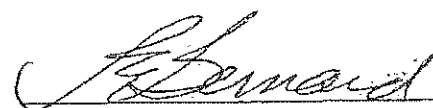
(County signatures attached as p. 11)

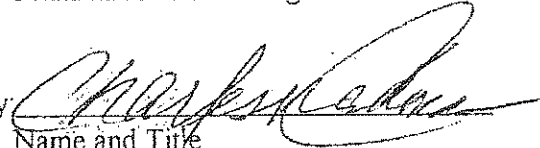
8
9
10 
11 City Manager

By: _____
Name and Title

12
13 ATTEST:

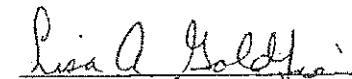
Petaluma Joint Union High School District

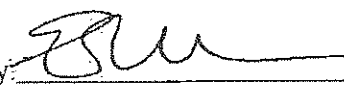
14
15 
16 City Clerk OCT - 3 1996

By: 
Name and Title


17
18
19 APPROVED AS TO FORM:

Fourth District Agricultural Association
of the State of California

20
21 
22 City Attorney, Assistant

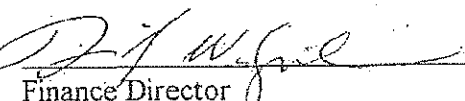
By: 
Name and Title

23
24
25 APPROVED:

26
27 
28 Risk Manager

By: 
President of the Board of Directors


29
30
31 APPROVED:

32
33
34 
35 Finance Director

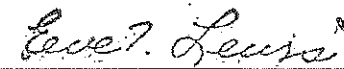
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43 agrmt
44 9/16/96 (fmk)

County of Sonoma Signature Page to
PETALUMA FAIRGROUNDS PARK & RIDE FACILITY
AGREEMENT FOR DEVELOPMENT, USE AND MAINTENANCE

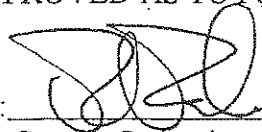
COUNTY OF SONOMA

By: 
Chair, Board of Supervisors

ATTEST:

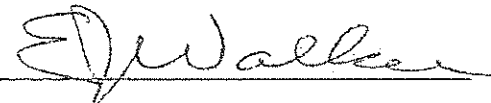
By: 

APPROVED AS TO FORM:

By: 
County Counsel

Date: 11/14/96

REVIEWED AS TO SUBSTANCE:

By: 

Date: 11/14/96

**AMENDMENT TO LEASE OF KENILWORTH PARK FOR FAIR, EXHIBITION AND
RECREATION PURPOSES
(FAIRGROUNDS)**

THIS AMENDMENT TO LEASE OF KENILWORTH PARK FOR FAIR, EXHIBITION AND RECREATION PURPOSES (the "Amendment"), is entered into effective as of DECEMBER 19, 2005 (the "Effective Date"), by and between the City of Petaluma, a California municipal corporation ("Lessor"), and the Fourth District Agricultural Association of the State of California ("Lessee"). Lessor and Lessee are hereinafter collectively referred to as the "Parties."

RECITALS

A. The Parties entered into that certain Lease of Kenilworth Park for Fair, Exhibition and Recreation Purposes, made as of December 1, 1947 (the "1947 Lease"), which has been superseded by that certain Lease of Kenilworth Park for Fair, Exhibition and Recreation Purposes made as of January 1973 (the "1973 Lease"), pursuant to which Lessee leases from Lessor the land commonly known as "Kenilworth Park" and more particularly described in the 1973 Lease.

B. The 1973 Lease was amended by two instruments executed in October, 1996 (the "Prior Amendments") in order to exclude from the premises leased to Lessee (the "Leased Premises") the land commonly known as the "Skateboard Park" and the "Kenilworth Drive Reconfiguration" each as more particularly described in the Prior Amendments. The 1973 Lease, as amended by the Prior Amendments is hereafter referred to as the "Fairgrounds Lease."

C. The Prior Amendments were executed in connection with the development of a "Park & Ride" lot pursuant to that certain Petaluma Fairgrounds Park & Ride Facility Agreement for Development, Use and Maintenance (the "Park & Ride Agreement"), dated October 3, 1996, and executed by Lessor, Lessee, the County of Sonoma (the "County"), and the Petaluma Joint Union High School District.

D. As required by the Park & Ride Agreement, the County Transit Manager has provided written consent to alteration of the Park & Ride lot in order to accommodate the modification to the Park & Ride facility contemplated by this Amendment.

E. Lessor desires to amend the Fairgrounds Lease as provided in this Amendment in order to facilitate construction of a new junior high school to replace the existing dilapidated school that is located on property adjacent to the Leased Premises (the "Kenilworth School Site") and to assist in the redevelopment of the Kenilworth School Site for residential and commercial purposes consistent with the redevelopment plan adopted for the Petaluma Community Development Project Area.

F. Lessee desires to accommodate Lessor's desire to amend the Fairgrounds

Lease, provided that Lessee's continued use and enjoyment of the Leased Premises as contemplated under the Fairgrounds Lease is not impaired or compromised.

G. The Parties do not intend for this Amendment to operate as a modification of the Stipulation for Entry of Judgment and Order No. 193983, filed in Sonoma County Superior Court on December 16, 1992 (the "Order").

H. Accordingly, the Parties desire to amend the Fairgrounds Lease pursuant to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Exclusion from Leased Premises.

1.1. Area to be Excluded. The Fairgrounds Lease is hereby amended to exclude from the Leased Premises commencing upon the Exclusion Date (as defined in Section 1.2) the real property described in the attached Exhibit A (the "Excluded Area"), to the extent that the same constitutes a portion of the Leased Premises. The Parties acknowledge that (i) certain portions of the Excluded Area are not a part of the Leased Premises (e.g., the "Fire Station" area, the "Recreational Corner," the "Swimming Pool Complex," and the "Street Widening" area (each as more particularly described in the Fairgrounds Lease), and (ii) certain portions of the Excluded Area (e.g., the Skateboard Park and the Kenilworth Drive Reconfiguration) were excluded from the Leased Premises by the Prior Amendments. The Parties acknowledge and agree that notwithstanding anything to the contrary contained in the Fairgrounds Lease, the Park & Ride Agreement, or any other instrument executed by and between the Parties, commencing upon the Exclusion Date, Lessee shall have no leasehold, reversionary, or other interest in the Excluded Area except as expressly provided herein. Subject to Section 2.1, commencing upon the Exclusion Date, the Leased Premises shall consist of the Property described in Exhibit B.

1.2. Exclusion Date: Conditions Precedent. The "Exclusion Date" shall be the date upon which Regency Petaluma LLC, a Delaware limited liability company ("Regency"), or Regency's successor in interest exercises the option (the "Option") granted to Regency by Lessor pursuant to that certain Option Agreement dated as of June 17, 2004 and executed by and between Lessor and Regency (the "Option Agreement"), provided, however, that all Conditions Precedent (as defined in Section 4) have been satisfied.

1.3. Intentionally omitted.

1.4. Continued Right to Use Easement Area. Lessor hereby represents and warrants to Lessee that pursuant to the Option Agreement, if Regency exercises the Option, then (i) Regency shall be granted a nonexclusive roadway, pedestrian and vehicular ingress, egress and access easement over that certain real property more

particularly described on Exhibit C attached hereto (the "Easement Area"), and (ii) members of the public, including without limitation, Lessee and Lessee's representatives, agents, successors in interest, assigns, employees, guests and invitees, shall be concurrently entitled to use the Easement Area for roadway, pedestrian and vehicular ingress, egress and access, including without limitation, to and from the Leased Premises. Lessor hereby further represents and warrants to Lessee that to effectuate the foregoing, pursuant to the Option Agreement, Lessor's grant of an easement to Regency over the Easement Area shall be subject to a reservation of rights allowing use of the Easement Area for roadway, pedestrian and vehicular ingress, egress and access by members of the public, including without limitation, Lessee. Lessor hereby acknowledges that Regency shall be obligated to construct, maintain and repair any improvements located on the Easement Area until such time as Lessor may exercise its right to convert the Easement Area to a public street.

1.5 East Washington Street Access. Lessor agrees that throughout the term of the Fairgrounds Lease, and any extensions thereof, Lessee and Lessee's representatives, agents, successors in interest, assigns, employees, guests and invitees, shall have roadway, pedestrian and vehicular ingress, egress and access to and from the Leased Premises from East Washington Street in the location across from Ellis Street substantially equivalent to the access existing in such location as of the date of this Amendment.

2. Firehouse Property.

2.1 Addition to Leased Premises. The Fairgrounds Lease is hereby amended to add to the Leased Premises the real property described in the attached Exhibit D together with the improvements located thereon (including without limitation, the fire station building (the "Firehouse") (such real property and improvements hereinafter collectively referred to as the "Firehouse Property") commencing upon the later of (i) the Exclusion Date, or (ii) the Access Date (as defined in Section 3). Commencing upon the date that the Firehouse Property is added to the Leased Premises pursuant to the preceding sentence (the "Firehouse Addition Date"), the Leased Premises shall consist of the area described in Exhibit B and the area described in Exhibit D.

Commencing upon the Firehouse Addition Date, Lessee shall assume responsibility for operation and maintenance of the Firehouse Property and the payment of all expenses associated therewith. The Firehouse Property shall be leased to Lessee in its "AS IS" condition existing as of the Access Date, provided, however, except as may be expressly stated otherwise herein, until the Firehouse Addition Date, Lessor shall maintain the Firehouse Property in its condition existing as of the date of this Amendment, reasonable wear and tear excepted. Lessee agrees that it shall obtain the written consent of Lessor prior to undertaking any structural alteration to, or demolition of, the Firehouse. Lessee shall return possession of the Firehouse Property to Lessor in at least substantially the same condition as existed as of the Firehouse Addition Date, ordinary wear and tear excepted. Lessor makes no representation or warranty concerning the Firehouse Property and the improvements located thereon, including

without limitation, any warranty as to habitability or fitness for a particular purpose.

2.2 Environmental Matters: Lessor shall, jointly with the County, be responsible for the cleanup and remediation of environmental contamination associated with the underground storage tank formerly located on the Firehouse Property. Commencing upon the Firehouse Addition Date, Lessor shall indemnify, defend (with counsel reasonably acceptable to Lessee) and hold harmless Lessee (and Lessee's elected and appointed officers, directors, officials, employees, representatives, agents, successors, assigns, guests and invitees) from and against any and all claims, actions, liabilities, damages, losses and expenses arising out of or in connection with the presence, release, discharge, cleanup or remediation of hazardous materials, wastes or substances in, on, under, or from the Firehouse Property deposited prior to the Firehouse Addition Date.

The Parties acknowledge that Lessor's obligations set forth in the preceding paragraph shall not obligate Lessor to undertake or to pay for any cleanup or remedial actions with respect to the Firehouse Property which are required solely as a result of the particular use for which Lessee uses or intends to use the Firehouse Property or any part thereof (for example, but without limitation, Lessor shall not be required to undertake or to pay for the incremental additional remediation required to enable the Firehouse Property to be used for childcare, school or residential purposes). In addition, the Parties acknowledge that Lessor shall have no obligation to undertake or pay for the remediation, clean up or repair of any condition related to the improvements located on the Firehouse Property. Without limiting the generality of the foregoing, Lessor shall have no obligation to remove or abate or to pay for the removal or abatement of lead paint, asbestos or any other defect or perceived defect in the improvements located on the Firehouse Property. Notwithstanding anything to the contrary contained herein, Lessee shall have the option of refusing to accept the addition of the Firehouse Property (or any portion thereof) to the Leased Premises, or returning possession of the Firehouse Property (or any portion thereof) to Lessor, and in such event, Lessee shall have no liability or obligation for any cleanup or remedial action with respect to the Firehouse Property (or such portion thereof that is not accepted by Lessee or otherwise returned to Lessor) relating to any hazardous materials, wastes or substances deposited prior to the Firehouse Addition Date. If Lessee returns possession of the Firehouse Property (or any portion thereof) to Lessor in accordance with the preceding sentence, then Lessor's indemnification, defense and hold harmless obligations set forth in the first paragraph of this section shall continue to apply with respect to such property.

Commencing upon the Firehouse Addition Date, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor) and hold harmless Lessor and Lessor's elected and appointed officers, officials, employees, representatives, agents, successors, assigns, guests and invitees, from and against any and all claims, actions, liabilities, damages, losses and expenses arising out of or in connection with the presence, release, discharge, cleanup or remediation of hazardous materials, wastes or substances in, on, under, or from the Firehouse Property deposited after the Firehouse

Addition Date during the term of this Lease or otherwise due to the acts or omissions of Lessee or Lessee's elected and appointed officers, officials, employees, representatives, agents, successors, assigns, guests or invitees during any period of Lessee's prior occupancy of the Firehouse Property.

3. Removal of Portable Facilities; Access Date. The Parties acknowledge and agree to the following: (a) prior to the Access Date, at Lessor's expense, Lessor shall remove the portable facilities that are currently located on the Firehouse Property, and (b) provided that the Conditions Precedent have been satisfied, the Firehouse Property shall be added to the Leased Premises beginning on the date (the "Access Date") upon which the meal program currently operating in the Firehouse ceases to operate in the Firehouse. Provided that the Conditions Precedent have been satisfied, Lessor agrees that if the Access Date has not occurred by January 1, 2008, Lessor shall pay to Lessee the sum of Two Thousand Dollars (\$2,000) per month during the period beginning on the later of the Exclusion Date or January 1, 2008, and ending upon the earlier of the Firehouse Addition Date or the date of termination of the Fairgrounds Lease, up to a maximum of Three Hundred Sixty Thousand Dollars (\$360,000). Notwithstanding the foregoing, in Lessee's sole and absolute discretion, Lessee may reject delivery of the Firehouse Property prior to the Access Date by giving Lessor written notice thereof, in which case (i) the Leased Premises shall continue to consist of the area solely described in Exhibit B, and (ii) Lessor's monetary obligations under this section shall promptly cease.

4. Conditions Precedent. The respective rights and obligations of the Parties hereunder shall be subject to satisfaction of the following conditions precedent (collectively, "Conditions Precedent"):

(a) The execution, acknowledgement and delivery of that certain Agreement to Exclude Property from Lease (the "Exclusion Agreement") by Lessee and Regency, in a form substantially similar to that attached hereto as Exhibit E, but excluding any exhibits referenced therein, and the recordation of a Memorandum of the Exclusion Agreement in the official records of Sonoma County.

(b) The execution, delivery and recordation of that certain Memorandum of Fairgrounds Lease by Lessor and Lessee, in a form substantially similar to that attached hereto as Exhibit F, but excluding any exhibits referenced therein;

(c) The execution, delivery and recordation of that certain Agreement and Grant of Easement by Regency and Lessee, in a form substantially similar to that attached hereto as Exhibit G, but excluding any exhibits referenced therein;

(d) The issuance of an ALTA policy of title insurance insuring the priority of the Exclusion Agreement and the Agreement and Grant of Easement in relation to certain title exceptions and, if applicable, the preparation, execution and recordation of any subordination, nondisturbance and attornment agreements that may be necessary or appropriate to accomplish the same, to the reasonable satisfaction of Lessee.

(Lessee shall provide written notice to Regency and to Lessor when this condition has been satisfied);

(e) Regency's exercise of the Option, upon satisfaction of all requirements set forth in the Option; and

(f) Regency's delivery to Lessee of an executed and notarized acknowledgment, in recordable form, that the conditions for recordation of a quitclaim deed with respect to the Agreement and Grant of Easement are no longer applicable and that all other terms and conditions of the Agreement and Grant of Easement shall remain in full force and effect and unamended.

5. Further Assurances. Promptly upon written request by either Party, the Parties shall execute and record (i) a Memorandum of this Amendment, (ii) a quit claim deed acknowledging the release of the Excluded Area from the Leased Premises, and, if applicable, (iii) a Memorandum acknowledging the addition of the Firehouse Property to the Leased Premises.

6. Signage. Lessor agrees to support Lessee's efforts to gain CalTrans approval for placement of signage for the Sonoma-Marin Fair on East Washington Street, subject to any applicable conditions set forth in the Order.

7. Entire Agreement. This Amendment and the Exhibits attached hereto, together with the Fairgrounds Lease, the Park & Ride Agreement, and the Order contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, statements and understandings between the Parties with respect thereto. Except as amended by this Amendment and the Prior Amendments, the 1973 Lease shall continue in full force and effect.

8. No Party Deemed Drafter. The Parties acknowledge that this Amendment is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Amendment, this Amendment shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

9. Counterparts. This Amendment may be executed in counterparts, each of which shall be an original, and all of which taken together shall constitute one instrument.


(SIGNATURE PAGE FOLLOWING)

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment as of the date first written above.

FOURTH DISTRICT AGRICULTURAL ASSOCIATION, State of California

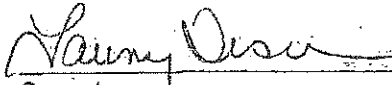
CITY OF PETALUMA

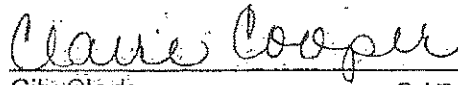

By: Tawhy Tesconi
Its: Chief Executive Officer

By: 
City Manager

ATTEST:


ATTEST:

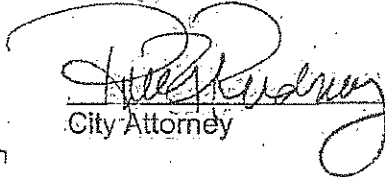

Secretary


City Clerk
9/30/05

APPROVED AS TO FORM:

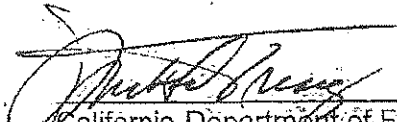
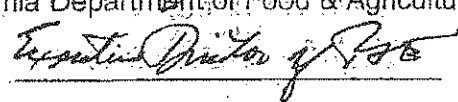
APPROVED AS TO FORM:

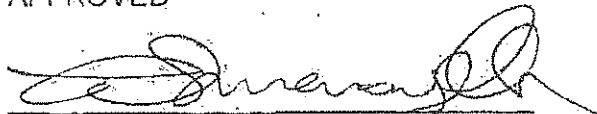

Bevers Costin
Attorneys for Fourth District Agricultural Association
By: Mario T.R. Zeponi, Esq.


City Attorney

APPROVED:


APPROVED



California Department of Food & Agriculture
By Its: 


Department Director

APPROVED:

APPROVED:


California Department of General Services
By Its: MANAGER, TRANSACTION REVIEW


Risk Manager
48-10-05
Approved to Form all
No. 135 Issues

APPROVED:


Administrative Services Director

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

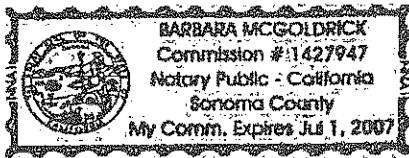
County of Sonoma

ss.

On 3/16/06 before me, Barbara McGoldrick, Notary
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared Tawny Tesconi
Name(s) of Signer(s)

personally known to me

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.



Place Notary Seal Above

WITNESS my hand and official seal.

Barbara McGoldrick
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney-in-Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer's Name: _____

Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney-in-Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Exhibit A

EXCLUDED AREA

EXHIBIT A

LEGAL DESCRIPTION

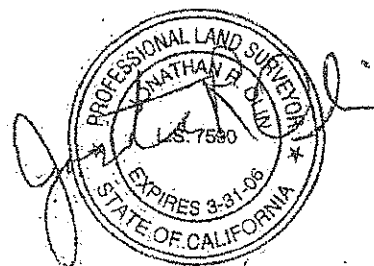
ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF PETALUMA, COUNTY OF SONOMA, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND BRASS DISC IN A STANDARD CITY MONUMENT BOX, MARKING THE INTERSECTION OF THE CENTERLINES OF EAST WASHINGTON STREET AND PAYRAN STREET, FROM WHICH A FOUND BRASS DISC IN A STANDARD CITY MONUMENT BOX, MARKING THE INTERSECTION OF THE CENTERLINE OF EAST WASHINGTON STREET WITH THE NORTHERLY CITY LIMIT LINE, AS SHOWN ON THAT CERTAIN UNRECORDED MAP ENTITLED "OFFICIAL RE-SURVEY" BY GEORGE E. PEARSON, DATED NOVEMBER, 1953, ON FILE IN THE OFFICE OF THE CITY ENGINEER BEARS NORTH 36°02'07" EAST, 1264.41 FEET (SHOWN AS NORTH 36°02'33" EAST, 1264.34 FEET ON SAID MAP); THENCE ALONG SAID CENTERLINE, NORTH 36°02'07" EAST, 763.59 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH 53°57'53" EAST, 30.00 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF EAST WASHINGTON STREET AS SHOWN ON SAID MAP, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 53°57'53" EAST, 220.62 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 230.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°25'37"; AN ARC LENGTH OF 363.00 FEET; THENCE NORTH 35°36'30" EAST, 325.70 FEET TO THE SOUTHWESTERLY LINE OF THE LANDS OF PETALUMA CITY HIGH SCHOOL DISTRICT DESCRIBED BY DEED RECORDED SEPTEMBER 16, 1955 IN BOOK 1377 OF OFFICIAL RECORDS, PAGE 182, SONOMA COUNTY RECORDS; THENCE ALONG SAID SOUTHWESTERLY LINE, NORTH 54°23'30" WEST, 430.67 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET, WHICH RADIUS POINT BEARS SOUTH 63°24'35" EAST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°43'51", AN ARC LENGTH OF 8.61 FEET TO A POINT OF CUSP MARKED BY A FOUND 6" BY 6" CALTRANS MONUMENT AS SHOWN ON THAT CERTAIN STATE OF CALIFORNIA, DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS RIGHT OF WAY RECORD MAP R-90.6 AND R-90.6a, ON FILE AT CALTRANS DISTRICT 4 OFFICE SAID POINT BEING ON THE SOUTHEASTERLY LINE OF WASHINGTON STREET; THENCE ALONG SAID SOUTHEASTERLY LINE, SOUTH 46°19'16" WEST, 8.72 FEET; THENCE SOUTH 44°28'54" WEST, 103.53 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 8°03'25", AN ARC LENGTH OF 3.52 FEET; THENCE SOUTH 36°25'29" WEST, 20.52 FEET; THENCE NORTH 53°34'31" WEST, 0.44 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF EAST WASHINGTON STREET AS SHOWN ON SAID UNRECORDED MAP ENTITLED "OFFICIAL RE-SURVEY"; THENCE ALONG SAID SOUTHEASTERLY LINE, SOUTH 36°02'07" WEST, 427.75 FEET TO THE TRUE POINT OF BEGINNING.

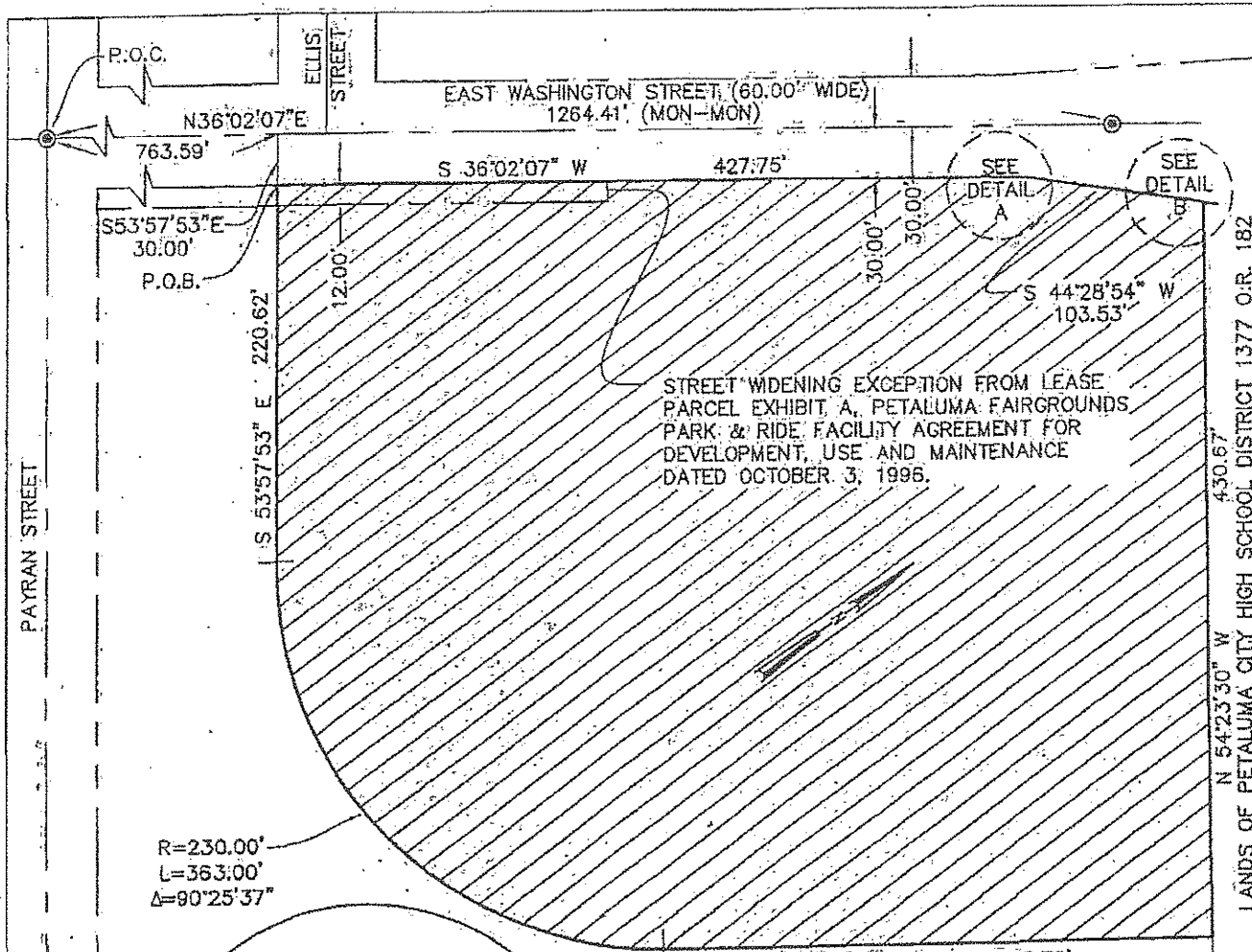
CONTAINING 237,809 SQUARE FEET, MORE OR LESS.

JONATHAN R. OLIN, L.S.: 7590
EXPIRES 3/31/2006
END OF DESCRIPTION

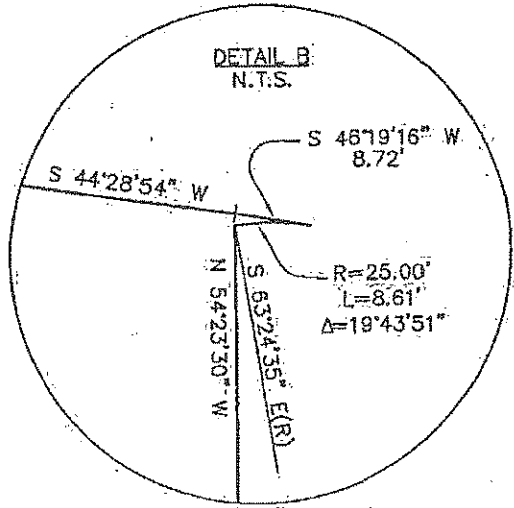
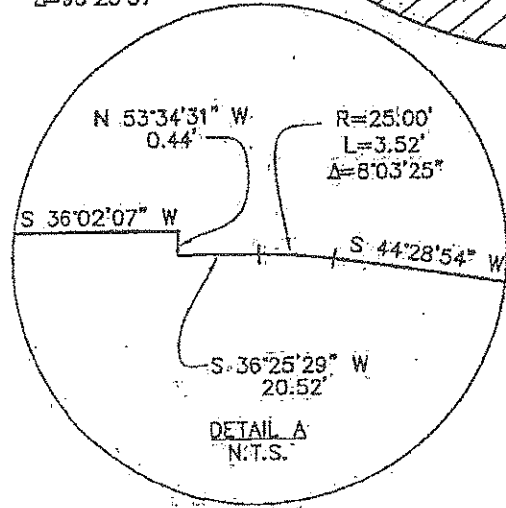
Last printed 8/4/2005 10:07:00 AM.



8/4/05



STREET WIDENING EXCEPTION FROM LEASE
 PARCEL EXHIBIT A, PETALUMA FAIRGROUNDS
 PARK & RIDE FACILITY AGREEMENT FOR
 DEVELOPMENT, USE AND MAINTENANCE
 DATED OCTOBER 3, 1996.



LEGEND

- MONUMENT LINE
- PROPERTY LINE
- EASEMENT LINE
- ⊙ FOUND CITY WELL MOUMENT
- EASEMENT AREA

CITY OF PETALUMA
 COUNTY OF SONOMA, STATE OF CALIFORNIA

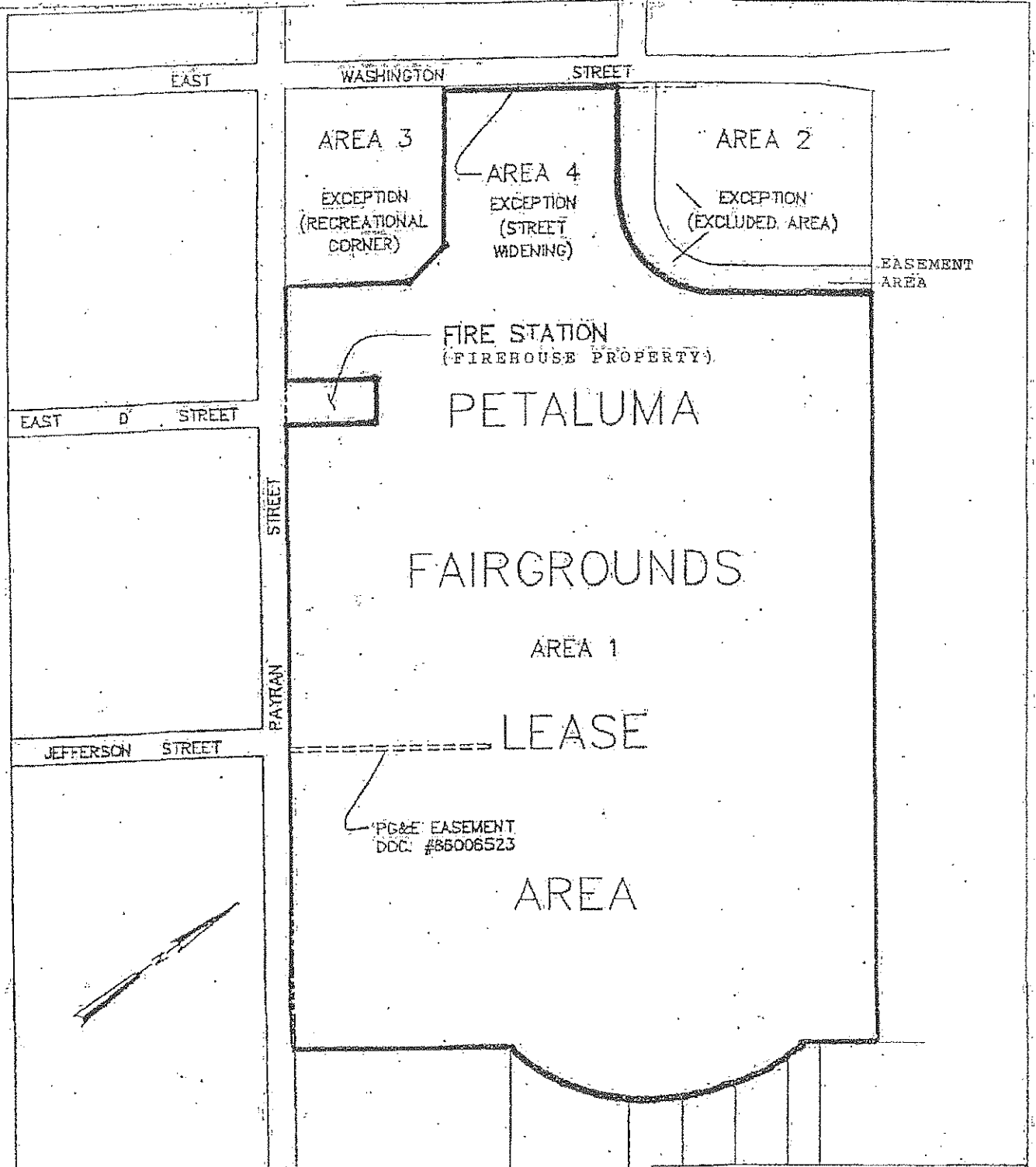
EXHIBIT A

PLAT TO ACCOMPANY
 LEGAL DESCRIPTION
 ACCESS EASEMENT

Scale: 1"=100'	Date: 8/16/04
DWN. AEB	AREA
CHK. JRD	237,809 S.F.
	SHEET NO.
	1 OF 1

Exhibit B.

LEASED PREMISES (Following Exclusion of Excluded Area and prior to addition
of Firehouse Property)



CITY OF PETALUMA COUNTY OF SONOMA, STATE OF CALIFORNIA		
PLOT EXHIBIT <u>B</u>		
PETALUMA FAIRGROUNDS LEASE AREA		
Scale: 1" = 300'	Date: 12/07/04	
DWN. JRO	AREA	SHEET NO.
CHC.		1 OF 1

Exhibit C

EASEMENT AREA

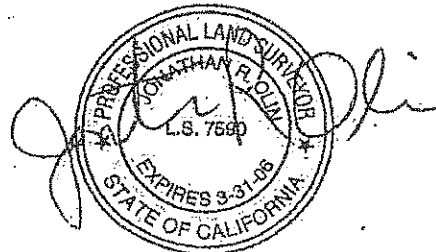
EXHIBIT C

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF PETALUMA, COUNTY OF SONOMA, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

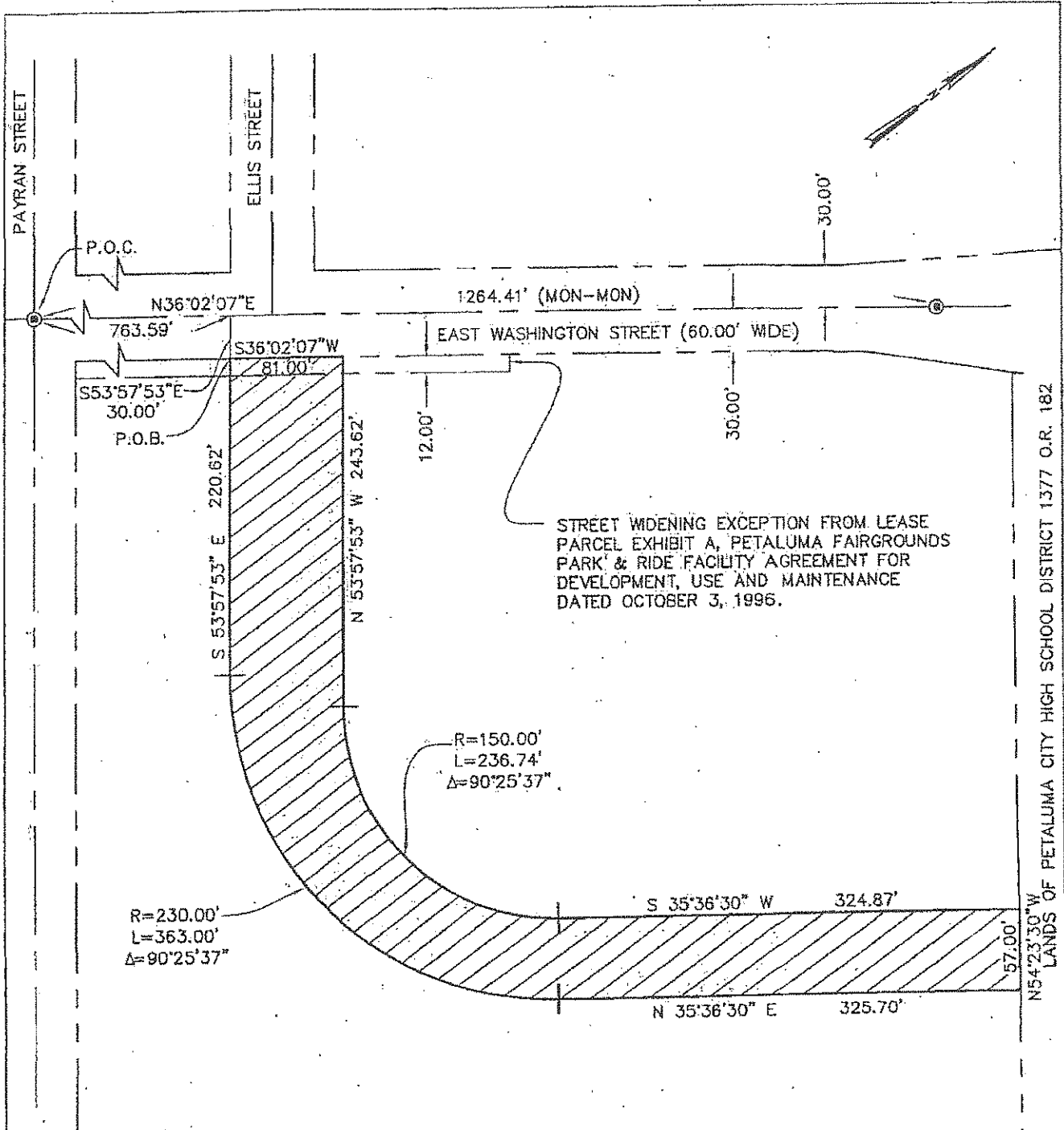
COMMENCING AT A FOUND BRASS DISC IN A STANDARD CITY MONUMENT BOX, MARKING THE INTERSECTION OF THE CENTERLINES OF EAST WASHINGTON STREET AND PAYRAN STREET, FROM WHICH A FOUND BRASS DISC IN A STANDARD CITY MONUMENT BOX, MARKING THE INTERSECTION OF THE CENTERLINE OF EAST WASHINGTON STREET WITH THE NORTHERLY CITY LIMIT LINE, AS SHOWN ON THAT CERTAIN UNRECORDED MAP ENTITLED "OFFICIAL RE-SURVEY" BY GEORGE E. PEARSON DATED NOVEMBER, 1953, ON FILE IN THE OFFICE OF THE CITY ENGINEER BEARS NORTH $36^{\circ}02'07''$ EAST, 1264.41 FEET (SHOWN AS NORTH $36^{\circ}02'33''$ EAST, 1264.34 FEET ON SAID MAP); THENCE ALONG SAID CENTERLINE, NORTH $36^{\circ}02'07''$ EAST, 763.59 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH $53^{\circ}57'53''$ EAST, 30.00 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF EAST WASHINGTON STREET AS SHOWN ON SAID MAP, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH $53^{\circ}57'53''$ EAST, 220.62 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 230.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $90^{\circ}25'37''$; AN ARC LENGTH OF 363.00 FEET; THENCE NORTH $35^{\circ}36'30''$ EAST, 325.70 FEET TO THE SOUTHWESTERLY LINE OF THE LANDS OF PETALUMA CITY HIGH SCHOOL DISTRICT DESCRIBED BY DEED RECORDED SEPTEMBER 16, 1955 IN BOOK 1377 OF OFFICIAL RECORDS, PAGE 182, SONOMA COUNTY RECORDS; THENCE ALONG SAID SOUTHWESTERLY LINE, NORTH $54^{\circ}23'30''$ WEST, 57.00 FEET; THENCE LEAVING SAID LINE, SOUTH $35^{\circ}36'30''$ WEST, 324.87 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 450.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $90^{\circ}25'37''$, AN ARC LENGTH OF 236.74 FEET; THENCE NORTH $53^{\circ}57'53''$ WEST, 243.62 FEET TO SAID SOUTHEASTERLY LINE OF SAID EAST WASHINGTON STREET; THENCE ALONG SAID SOUTHEASTERLY LINE, SOUTH $36^{\circ}02'07''$ WEST, 81.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 57,121 SQUARE FEET, MORE OR LESS.



JONATHAN R. OLIN L.S. 7590
EXPIRES 3/31/2006
END OF DESCRIPTION

8/4/05





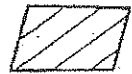


STREET WIDENING EXCEPTION FROM LEASE
 PARCEL EXHIBIT A, PETALUMA FAIRGROUNDS
 PARK & RIDE FACILITY AGREEMENT FOR
 DEVELOPMENT, USE AND MAINTENANCE
 DATED OCTOBER 3, 1996.

R=230.00'
 L=363.00'
 $\Delta=90^{\circ}25'37''$

R=150.00'
 L=236.74'
 $\Delta=90^{\circ}25'37''$

LEGEND

-  MONUMENT LINE
-  PROPERTY LINE
-  EASEMENT LINE
-  FOUND CITY WELL MOUMENT
-  EASEMENT AREA

CITY OF PETALUMA COUNTY OF SONOMA, STATE OF CALIFORNIA		
EXHIBIT C		
PLAT TO ACCOMPANY LEGAL DESCRIPTION ACCESS EASEMENT		
Scale: 1"=100'	Date: 8/16/04	
DWN. AEB	AREA 57,121 S.F.	SHEET NO. 1 OF 1
CHK. JRO		

Exhibit D

FIREHOUSE PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATE IN THE CITY OF PETALUMA,
COUNTY OF SONOMA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

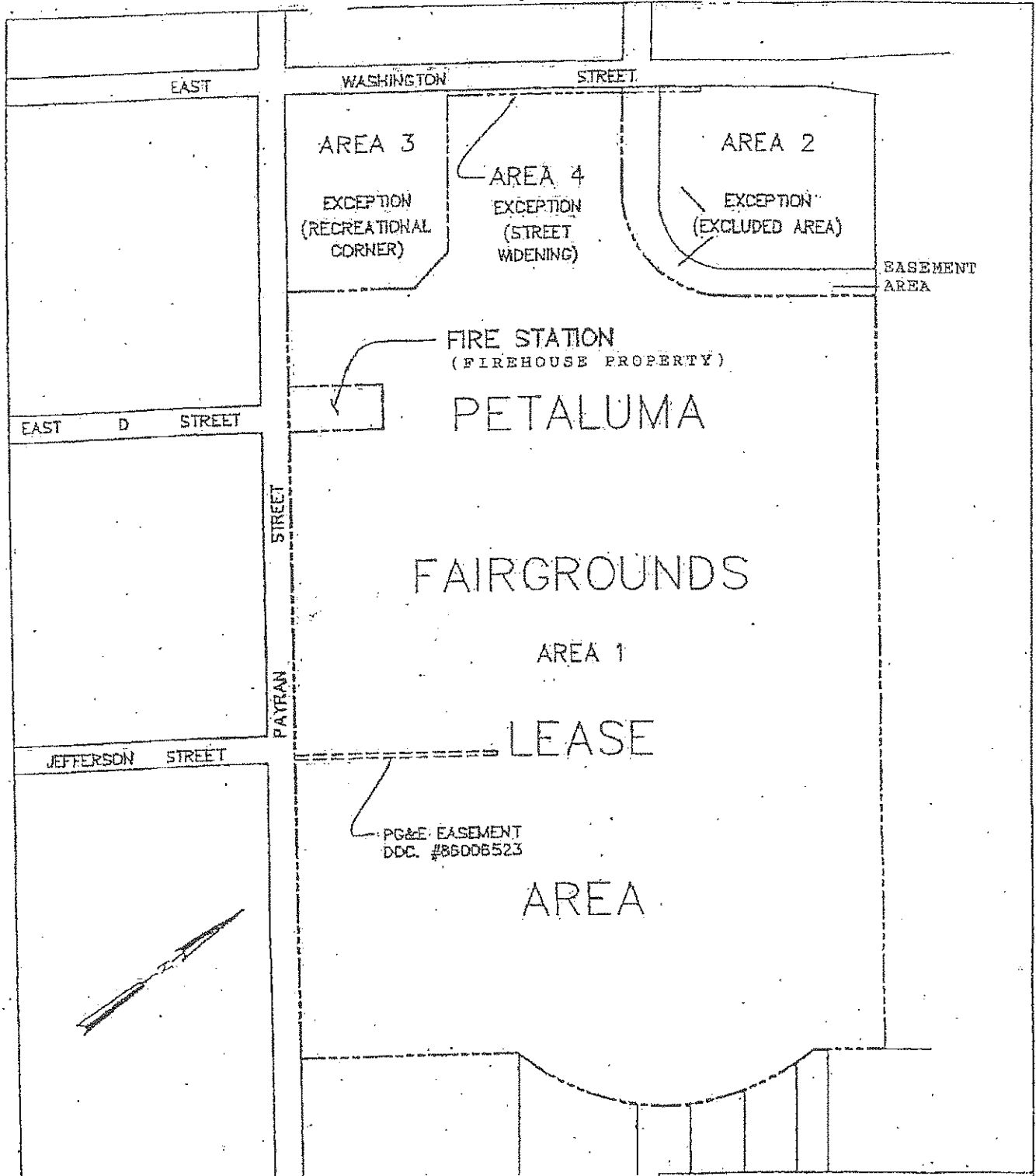
Commencing at the intersection of the centerlines of East "D" Street and Payran Street;
thence North $36^{\circ} 19'$ East 30 feet; thence South $54^{\circ} 00'$ East along the northeasterly line
of Payran Street, 31.45 feet to the true Point of Beginning of the property described
herein; thence from said Point of Beginning North $36^{\circ} 00'$ East 200 feet; thence North
 $54^{\circ} 00'$ West 100 feet; thence South $36^{\circ} 00'$ West 200 feet to the northerly line of Payran
Street; thence South $54^{\circ} 00'$ East 100 feet to the Point of Beginning.

Containing 20,000 sq. ft. more or less.

(FIRE STATION)

Note: The above description was obtained from "Petaluma Fairgrounds Park & Ride
Facility, Agreement for Development Use and Maintenance", dated October 3, 1996.

See attached Plot Exhibit.



CITY OF PETALUMA COUNTY OF SONOMA, STATE OF CALIFORNIA		
PLOT EXHIBIT <u>D</u>		
PETALUMA FAIRGROUNDS LEASE AREA		
Scale: 1"=300'	Date 12/07/04	
DRAWN BY JRD	AREA	SHEET NO.
CHECKED BY CHK		5 OF 1

Exhibit E

EXCLUSION AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Fourth District Agricultural Association
175 Fairgrounds Drive
Petaluma, CA 94952

Certified to be a true & correct
copy recorded in Sonoma County

on 12/21/06 Doc. # 2006-157120
LIBERTY TITLE COMPANY

By: _____

(Space Above for Recorder's Use)

MEMORANDUM
OF
AGREEMENT TO EXCLUDE PROPERTY FROM LEASE

This Memorandum of Agreement to Exclude Property from Lease ("Memorandum") is made and entered into on December 19, 2005 by and between the Fourth District Agricultural Association of the State of California (the "Association"), and Regency Petaluma LLC, a Delaware limited liability company ("Regency"). Association and Regency are hereinafter collectively referred to as the "Parties."

RECITALS

A. The Association is the lessee of real property pursuant to that certain Lease of Kenilworth Park for Fair, Exhibition and Recreation Purposes, made as of January 1973, and amended in 1996 and 2005, pursuant to which the Association leases from the City of Petaluma the land located within the City of Petaluma, County of Sonoma, commonly known as "Kenilworth Park," as such land is more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

B. Regency is the owner of certain real property adjacent to Kenilworth Park, as such land is more particularly described in Exhibit B attached hereto and incorporated herein by this reference, and Regency intends a commercial and residential development on such land.

C. The Parties have entered into an Agreement to Exclude Property from Lease of even date herewith.

D. The Parties desire to execute and record this Memorandum in order to provide constructive notice to the general public of the Agreement to Exclude Property from Lease and, in addition, to put all members of the public with an interest or potential interest in the lands described at Exhibits A and B herefo on inquiry with respect to the provisions of the Agreement to Exclude Property from Lease which may touch upon and run with such lands.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. In addition to numerous other terms and conditions set forth in the Agreement to Exclude Property from Lease, that agreement includes provisions which require the following:

a. The Association will exclude certain real property from its leasehold interest with the City of Petaluma upon the satisfaction of certain conditions precedent.

b. Upon satisfaction of certain conditions precedent, in addition to certain financial and other obligations and covenants owed by Regency under the Agreement to Exclude Property from Lease, Regency will either pave a portion of the Association's parking lot or will provide the Association with a license to park a certain number of cars in Regency's commercial lot on certain days during the year, as specified.

c. Under certain specified conditions and with certain specified limitations, Regency will allow the Association specified access rights from Lindberg Lane to the Association's leased property, provided, however, that such access rights may be revoked under the conditions specified, and provided further that such revocation will not alter rights of access, if any, which arise from sources other than the Agreement to Exclude Property from Lease.

2. The terms and conditions with respect to those matters briefly referenced in this Memorandum, as well as numerous other terms and conditions, some of which may also touch upon and run with the land, are set forth in full in the Agreement to Exclude Property from Lease. A copy of the Agreement to Exclude Property from Lease may be obtained by contacting:

Fourth District Agricultural Association
175 Fairgrounds Drive
Petaluma, California 94952
Attn.: AGREEMENT TO EXCLUDE REQUEST
Telephone: (707) 283-3247
Facsimile: (707) 283-3250

3. In the event of any conflict between this Memorandum and the terms and conditions of the Agreement to Exclude Property from Lease, the terms and conditions of the Agreement to Exclude Property from Lease shall control.

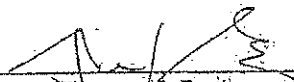
4. In addition to the Agreement to Exclude Property from Lease which is described in part herein, the Parties have executed and recorded with the Office of the Recorder of Sonoma County a separate Agreement and Grant of Easement With Respect to Fairgrounds Uses, which deals with noises, odors, traffic, and many other potential conditions which may arise from the operation of fairgrounds.

4. This Memorandum shall be governed by the laws of the State of California.

The parties have executed this Memorandum as of the date first set forth above.

REGENCY PETALUMA LLC,
A Delaware limited liability company

By: Regency Realty Group, Inc., a Florida corporation
Its: Manager and Sole Member

By: 
Its: Senior Vice President, Investments

FOURTH DISTRICT AGRICULTURAL
ASSOCIATION, State of California

By: _____
Tawny Tesconi

Title: Chief Executive Officer

ATTEST:

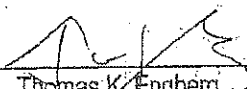
Secretary

4. This Memorandum shall be governed by the laws of the State of California.

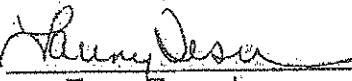
The parties have executed this Memorandum as of the date first set forth above.

REGENCY PETALUMA LLC,
A Delaware limited liability company

By: Regency Realty Group, Inc., a Florida corporation
Its: Manager and Sole Member

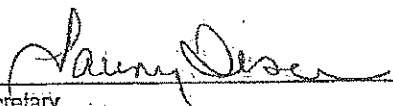

By: Thomas K. Engberg
Its: Senior Vice President, Investments

**FOURTH DISTRICT AGRICULTURAL
ASSOCIATION, State of California**

By: 
Tawny Tesconi

Title: Chief Executive Officer

ATTEST:


Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sonoma

} ss.

On 3/16/06

before me, Barbara McGoldrick, Notary

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

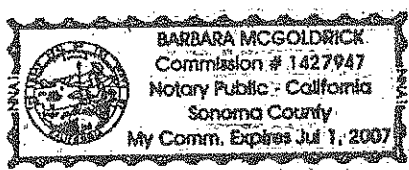
personally appeared

Tawny Tesconi

Name(s) of Signer(s)

personally known to me

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.



WITNESS my hand and official seal.

Barbara McGoldrick
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

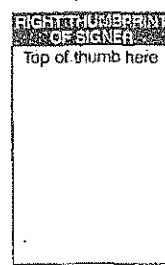
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

EXHIBIT A

Land Leased to Association by City of Petaluma

*Memorandum of Agreement
to Exclude Property from Lease*

PARCEL ONE: Lot 207 of the Petaluma Rancho, according to the survey and plat of said Rancho as made by Howe, save and excepting therefrom a tract of land containing 20 acres heretofore conveyed to F. W. Grover. Said Parcel One being the 60 acres, more or less, formerly known as the "S. Payran Place", and being the same lands as were conveyed to J. H. White by Jos. Gibbs by deed dated May 12, 1883, and recorded in Liber 85 at page 518 of Deeds, Sonoma County Records.

PARCEL TWO: Being part of Lot Numbered 207 of Petaluma Rancho, according to the survey of said Rancho as made by C. W. Rowe, and adjoining the lands above described, fronting 130 feet on Washington Street in the City of Petaluma, and running back with uniform width in a southeasterly direction to the lands of William Hill, and being the southerly portion of the 20 acre tract above referred to in first piece as sold to F. W. Grover by S. Payran.

PARCEL THREE: Being a portion of Lot 208, Rancho Petaluma as surveyed by C. W. Rowe, and more particularly described as follows, to wit: Being a segment of a spiral, bounded as follows: Commencing at a point on the line between Lots 207 and 208 of the said Rancho, at a distance of 1114.6 feet from the most southerly corner of Lot 219 of said Rancho and designated by a pig iron bar monument, same being Point No. 2, as shown on C. W. Rowe's Map of the Western Portion of Petaluma Rancho as filed in the Records of Sonoma County; thence following the perimeter of a spiral which diverges from a circular curve having a radius of 472.1 feet (said which circular curve passes the point of beginning and a point on the line between said Lots 207 and 208, 2744.2 feet from the most southerly corner of Lot 219 of said Rancho) at a rate of 1-1/3 inches per degree of angular motion to a point where it intersects the line between said Lots 207 and 208, distant 2758.1 feet from the most southerly corner of Lot 219 of said Rancho; thence along said line 643.5 feet to the point of beginning. Courses true.

SAVING AND EXCEPTING THEREFROM:

All that certain piece and parcel of land situated, lying and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerlines of East "D" Street and Payran Street; thence north 36° 19' east 30 feet; thence south 54° 00' east along the northeasterly line of Payran Street 31.45 feet to the point of commencement of the property described herein; from said point of commencement north 36° 00' east 200 feet; thence north 54° west 100 feet; thence south 36° 00' west 200 feet to the northerly line of Payran Street; thence south 54° 00' east 100 feet to the point of commencement.
(FIRE STATION)

and

All that certain piece and parcel of land situate, lying and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerline of East Washington Street and Payran Street; thence South $54^{\circ} 00'$ East a distance of 30 feet; thence North $36^{\circ} 19'$ East a distance of 30 feet to the true point of beginning, said point being the intersection of the northeasterly line of Payran Street with the southeasterly line of East Washington Street; thence North $36^{\circ} 19'$ East a distance of 351 feet along the southeasterly line of East Washington Street to a point; thence South $54^{\circ} 00'$ East a distance of 350 feet along the line parallel to and 351 feet distance from the northeasterly line of Payran Street to a point; thence South $08^{\circ} 50' 30''$ East a distance of 105.77 feet to a point; thence South $36^{\circ} 19'$ West a distance of 276 feet along a line parallel to and 425 feet distant from the southeasterly line of East Washington Street to a point on the northeasterly line of Payran Street; thence North $54^{\circ} 00'$ West a distance of 425 feet along the northeasterly line of Payran Street to the point of beginning.
(RECREATIONAL CORNER)

and

All that certain piece and parcel of land situate, lying in and being in the City of Petaluma, County of Sonoma, State of California, and more particularly described as follows, to wit:

Commencing at the intersection of the centerline of East Washington Street and Payran Street; thence N $36^{\circ} 05'$ E a distance of 331.35 feet; thence S $53^{\circ} 55'$ E a distance of 30.00 feet to the true point of beginning, said point being on the southeasterly line of East Washington Street; thence S $53^{\circ} 55'$ E a distance of 301.00 feet; thence N $36^{\circ} 05'$ E a distance of 386.92 feet; thence N $54^{\circ} 23' 30''$ W a distance of 283.53 feet; thence from a tangent which bears N $26^{\circ} 44' 09''$ E, along a curve to the right with a radius of 25.00 feet, through an angle of $19^{\circ} 43' 51''$, an arc length of 8.61 feet to a point; thence from the most northerly point of start; thence S $46^{\circ} 23'$ W, a distance of 8.77 feet; thence S $44^{\circ} 28' 54''$ W, a distance of 103.54 feet to a point on the southeasterly line of East Washington Street; thence S $36^{\circ} 15' 40''$ W a distance of 282.08 feet along the southeasterly line of East Washington Street to the point of beginning. said parcel containing 2.64 acres more or less.
(SWIMMING POOL COMPLEX)

and

Commencing at the intersection of the centerline of East Washington Street and Payran Street; thence South $54^{\circ} 00'$ East a distance of 30 feet; thence North $36^{\circ} 19'$ East a distance of 351 feet along the southeasterly line of East Washington Street to the northeasterly corner of the parcel saving and excepting noted as (recreational corner) being the true point of beginning. Thence continuing N $36^{\circ} 19'$ E a distance of 552.35 feet more or less along the southeasterly line of East Washington Street to the northeasterly corner of the parcel saving and excepting noted as (Swimming Pool Complex). Thence S $53^{\circ} 55'$ E a distance of 12.00 feet along the westerly boundary of the parcel saving and excepting noted as (Swimming Pool Complex). Thence S $36^{\circ} 19'$ W a distance of 552.35 feet more or less along a line parallel to and twelve feet distant from the southeasterly line of East Washington Street, to the easterly line of that parcel saving and excepting noted as (recreational corner). Thence N $54^{\circ} 00'$ W a distance of 12.00 feet along the easterly line of that parcel saving and excepting, noted as (recreational corner) to the true point of beginning. Containing 6,523 square feet more or less.
(STREET WIDENING)

LEGAL DESCRIPTION
FOR
REALIGNMENT OF KENILWORTH DRIVE BOUNDARY

COMMENCING at a point at the most southerly corner of the "Swimming Pool Complex" as described in the "Lease of Kenilworth Park for Fair, Exhibition and Recreation Purposes" filed in the Office of the City Clerk, City of Petaluma, and executed pursuant to the authority contained in Ordinance No. 1076 N.C.S. dated March 22, 1973.

THENCE FROM SAID POINT OF COMMENCEMENT, N 53° 55' W, 32.00 feet along the southwesterly line of the "Swimming Pool Complex" to the point of beginning;

THENCE from said point of beginning, along the southwesterly line of the "Swimming Pool Complex" N 53° 55' W, 186.33 feet;

THENCE leaving said line and continuing on a non-tangent curve to the left with a beginning radial bearing of N 88° 21' W and a radius of 83.00 feet, a distance 22.86 feet;

THENCE along a tangent curve to the right with a radius of 102.00 feet, a distance 170.22 feet;

THENCE S 53° 55' E, 161.66 feet;

THENCE N 36° 05' E, 165.00 feet to the southwesterly line of the "Swimming Pool Complex" and the point of beginning.

Contains 24,406 +/- square feet.

BASIS OF BEARING: Legal description of "Swimming Pool Complex".

LEGAL DESCRIPTION FOR
SKATE PARK BOUNDARY

BEGINNING at a point at the most southerly corner of the "Swimming Pool Complex" as described in the "Lease of Kenilworth Park for Fair, Exhibition and Recreation Purposes" filed in the Office of the City Clerk, City of Petaluma, and executed pursuant to the authority contained in Ordinance No. 1076 N.C.S. dated March 22, 1973.

THENCE from said point of beginning N 36° 05' E, 120.00 feet along the southeasterly side of the "Swimming Pool Complex" line to the most westerly corner of Exhibit B as described in the "Amendment to Lease of Kenilworth Park (Fairgrounds)" executed on May 6, 1981 and filed with the City Clerk's Office, City of Petaluma;

THENCE along the southwesterly line of said Exhibit B, S 53° 55' E, 50 feet to the most southerly corner of Exhibit B;

THENCE along the southeasterly line of Exhibit B, N 36° 05' E, 14.00 feet;

THENCE leaving said line S 53° 55' E, 52.29 feet;

THENCE S 44° 43' 14" W, 188.13 feet;

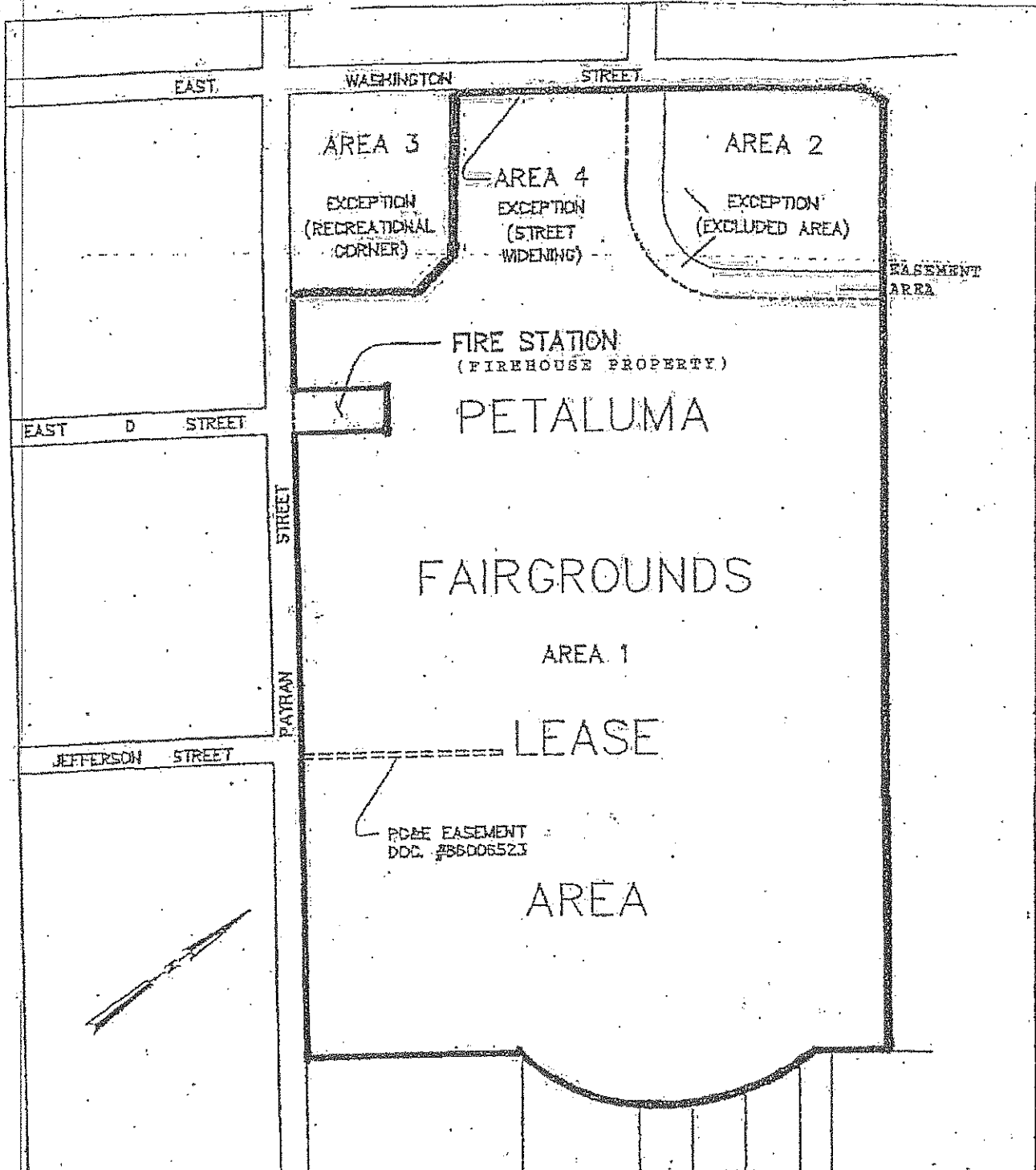
THENCE N 53° 55' W, 106.03 feet;

THENCE N 36° 05' E, 52.00 feet to the southwesterly line of the "Swimming Pool Complex";

THENCE along the southwesterly line of the "Swimming Pool Complex" S 53° 55' E, 32.00 feet to the point of beginning.

CONTAINS 17,361 +/- square feet.

BASIS OF BEARING: Legal description of "Swimming Pool Complex".



CITY OF PETALUMA COUNTY OF SONOMA, STATE OF CALIFORNIA		
PLOT EXHIBIT <u>A</u>		
PETALUMA FAIRGROUNDS LEASE AREA		
Scale: 1"=300'	Date 12/07/04	
DRAWN BY: CIC	AREA	SHEET NO. 1 OF 1

WINZLER & KELLY
 CIVIL ENGINEERS
 1000 BULL TANK ROAD, EMERYVILLE, CA 94608

EXHIBIT B

Land Owned by Regency Adjacent to Association Leasehold

*Memorandum of Agreement
to Exclude Property from Lease*

The land referred to herein is situated in the State of California, County of Sonoma, City of Petaluma, and is described as follows:

Parcel One:

Lying in Petaluma Rancho, township 5 North, range 7 West, M.D. & M., and being a portion of Lots 5 and 6 Suburban homes, shown on Map recorded in Book 32 of maps, at page 18, Sonoma County Records, and a portion of Lots 213 and 207, Map of Survey by Rowe and recorded in Book 21 of maps, at page 1, Sonoma County Records, and being more particularly described as follows:

Beginning at the intersection of the Westerly line of Lindberg lane and the South line of said lot 5, Suburban homes; thence from said point of beginning and along said Westerly line of Lindberg lane North 34° 48' East 33.62 feet to the Southerly line of the State freeway; thence along said Southerly line North 22° 05' 14" West 691.69 feet; thence North 21° 40' West 200.62 feet to a point opposite center line Station B07 +99.18 "F" line; thence curving to the left with a radius of 2850.0 feet for a distance of 1829.70 feet; thence North 58° 27' 42" West 71.13 feet; thence curving to the left with a radius of 110.0 feet for a distance of 146.74 feet; thence South 45° 25' West 321.60 feet; thence curving to the right with radius of 280.0 feet for a distance of 104.58 feet; thence South 66° 49' West 134.26 feet; thence curving to the left with a radius of 220.0 feet for a distance of 78.14 feet; thence South 48° 28' West 118.04 feet; thence curving to the left with a radius of 25.0 feet for a distance of 8.61 feet; thence South 54° 23' 30" East 2118.41 feet; thence South 35° 54' 33" West 128.69 feet to the Southerly line of lot 5, Suburban homes aforementioned; thence along said Southerly line South 53° 57' 17" East 761.51 feet to the point of beginning.

Excepting therefrom all that portion of conveyed to the State of California by Deed recorded September 8, 1972 in Book 2861 Official Records at page 964, as Serial No. M-91751, Sonoma County Records.

Also excepting therefrom the following lands:

Being a portion of the lands of the Petaluma City High School District dated January 1, 1975, and recorded in Book 1377 of Official Records, at page 182, Sonoma County Records, also being a portion of Lot 5, as shown and designated on that certain map entitled "Suburban Homes A.B. Hill Property", recorded in Book 32 of maps, at page 18, Sonoma County Records, being more particularly described as follows:

Beginning at the intersection of the Northwesterly line of Lindberg Lane and the Southwesterly line of said Lot 5, thence along said Southwesterly line the deed call bearing and distance: North 53° 57' 17" West, 761.51 feet to a point marked by a found 3/4 inch iron pipe and running adjacent to an existing chain link fence the deed call bearing and distance: North 35° 54' 33" East, 128.69 feet to a corner in the line of said Lands of the Petaluma City High School District as described in that certain deed above mentioned; thence continuing North 35° 54' 33" East, 97.17 feet to an existing fence (separating grass playfields from a private roadway); thence along said existing fence South 54° 16' 23" East, 272.89 feet to the center of said fence; thence continuing along said fence line North 50° 55' 20" East, 97.57 feet, more or less, to a point on the Westerly line of the State of California Freeway, U.S. Highway 101; hence running along said Westerly line and adjacent to the existing Highway fence line the deed call bearing South 22° 05' 14" East, 545.63 feet to the Southeast corner of the aforementioned Lands of the Petaluma City High School District; thence leaving said Westerly line and along the Southerly line of said lands of the Petaluma City High School District (said Southerly line also being the Northwesterly line of Lindberg Lane) the deed call bearing and distance: South 34° 48'

West, 33.62 feet to the point of beginning.

Parcel Two:

An easement for right of entry and continued possession for the construction of a roadway over and across the following described real property; commencing at a point on the center line of East Washington Street and the intersection of the Southerly property line of Kenilworth Junior High School property, South 54° 23' 30" East 180 feet to a point of beginning of parcel # 1; thence South 54° 23' 30" East 500 feet; thence South 35° 36' 30" West 30 feet; thence North 54° 23' 30" West 500 feet; thence North 35° 36' 30" East 30 feet to point of beginning.

Parcel Three:

An easement for right of entry and continued possession of the construction of roadway over and across the following described real property; Commencing at point on the Southeastery property line of East Washington Street said property line is intersected by the Southwesterly property line Ellis Street, extended; thence Northerly along said East Washington Street property line North 36° 19' East 55 feet; thence South 53° 41' East 12 feet; thence parallel to East Washington parallel to East Washington Street North 36° 19' East 440 feet; thence South 53° 41' East 70 feet; thence South 36° 19' West 40 feet; thence North 53° 41' West 40 feet; thence South 36° 19' West 300 feet; thence South 53° 41' East 23 feet; thence South 36° 19' West 155 feet; thence North 53° 41' West 65 feet to the point of beginning.

Assessor's Parcel No: 007-031-001, 007-241-002, 007-251-001 and 007-473-001 (ptn)