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February 2, 2023

VIA OVERNIGHT MAIL
VIA EMAIL dpeck@coastlaw.com

David A. Peck, Esq.
Coast Law Group LLP
1140 South Coast Highway 101
Encinitas, California 92024

Reference: NOTICE OF TERMINATION – Percentage Lease Agreement between the City of San Diego (“City”) and Canyonside Ranch, LLC (“Lessee”), dated February 16, 2017 (“Agreement”), for 12115 Black Mountain Road, San Diego, CA 92129 (“Premises”)

Dear Mr. Peck:

We write to demand that your client cease and desist dismantling and removing pipe corrals and other City-owned property from the Premises and interrupting the power supply to the lower portion of the Premises (i.e., arena lights).

Section 7.8 of the Agreement requires that Lessee “maintain the Premises in a decent, safe, healthy, and sanitary condition reasonably satisfactory to CITY.” This includes, for safety and other reasons, the provision of electrical power to all of the Premises. Additionally, the power panel on the Premises must remain accessible to City staff in the event of an emergency.

Further, Section 7.15.1 of the Agreement limits Lessee’s ownership of improvements, fixtures, structures, installations, or additions to the Premises to those constructed or installed during the term of the Agreement. The pipe corrals that we understand your client has been removing were not installed during the term of this Agreement and constitute City-owned property. Additionally, all improvements, fixtures, structures, installations, or additions to the Premises constructed or installed during the term of the prior lease agreement between the City and Canyonside Stables, LLC became City-owned property upon the termination of that agreement. If you have anything to indicate otherwise, kindly forward it to me promptly.

Finally, we wish to clarify that the reason for the City’s termination is the expiration of the Agreement. While the City has reserved rights with respect to any breaches of the Agreement that may have occurred, the City is not relying on any breach as a grounds for termination. The Agreement has expired and will not be renewed.

The City expects Lessee to honor all of its obligations under the Agreement through the February 23, 2023 termination date, including with respect to the above-referenced provisions. In the event that Lessee is unwilling to do so, the City will pursue all of the rights and remedies available to it under the Agreement and applicable law.

If you have any questions about the termination of the Agreement or wish to discuss this matter further, please contact me directly.

Sincerely,

MARA W. ELLIOTT, City Attorney

By


Jana Mickova Will
Senior Deputy City Attorney

JMW:msb

cc: Erika Ferreira, Deputy Director, Parks and Recreation
Matthew Ostlund, Program Coordinator, Department of Real Estate and Airport
Management
Penny Maus, Director, Department of Real Estate and Airport Management