

EXHIBIT A
AGREEMENT BETWEEN THE CITY OF LEMOORE AND KCAO REGARDING
THE USE OF THE 'MAGIC CASTLE' DAYCARE FACILITY WITH
COVENANT AND USE LIMITATIONS

THIS AGREEMENT is made and entered into this _____ day of _____, 2006, between Kings Community Action Organization (KCAO) and the City of Lemoore, a municipal corporation (City).

WHEREAS, the City has applied for and been awarded a Community Development Block Grant (CDBG) in the amount of \$500,000 to purchase and renovate a Day Care facility, and has further appropriated \$369,991 in hard costs and \$33,000 of in-kind services to ensure the project is fully funded; and

WHEREAS, the facility will be located at 1075 Blake Street in Lemoore; and

WHEREAS, KCAO has the expertise to operate such a facility; and

WHEREAS, it is the intent of the City to deed ownership of the facility to KCAO upon completion; and

WHEREAS, there is a need to ensure that the facility will meet the Targeted Income Group (TIG) benefit requirements of the CDBG program to serve low and very low income groups and/or limited clientele of severely disabled adults of Lemoore for a minimum five years.

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

1. It is the intent of the City and KCAO that the property should remain available for public use benefiting TIG families as long as practical.
2. For the first five years of operation, KCAO must provide 100% of their daycare services to benefit TIG persons. Within one (1) year of initial occupancy of the facility services shall benefit at least 40 children and eight severely disabled adults. Furthermore, this requirement shall be determined based on Average Daily Attendance each month. The documentation of this information shall be provided annually to the City of Lemoore for the first five (5) years of the operation. Additionally, any supplemental backup documentation will be available for review by the State should it be requested for monitoring/auditing purposes of the CDBG grant.
3. For a period of at least ten (10) years following the expiration of CDBG Agreement No. 05-STBG-1514 between the City and State Department of Housing and Community Development (HCD) KCAO must continue to use the property to provide daycare services primarily to children and adults of low income families, i.e., families earning less than 80% of the Kings County median household income, as calculated annually by HCD. Beginning no later than one (1) year after initial occupancy, a minimum of forty (40) children and ten (10) adults shall be served daily. This requirement will be determined based on average daily attendance each month.

4. If KCAO fails to meet the requirements of Paragraph 2 above, ceases to exist as a legal entity, or ceases to provide daycare and supportive services to at least fifty (50) low income families for four consecutive months for the ten (10) years after the expiration of CDBG Agreement No. 05-STBG-1514, the following conditions will apply:
 - A. KCAO agrees to execute all documents necessary to transfer ownership of the facility back to the City of Lemoore at no cost to the City. The City of Lemoore shall thereafter secure the services of a licensed operator and take whatever steps the City, in its sole discretion, believes are appropriate relative to ownership and operation of the facility.
5. KCAO, or any successor, shall continue to use the property primarily for the providing services to the children of families of low income for at least five (5) years following the expiration of CDBG Agreement No. 05-STBG-1514 as specified in Attachment D (Special Conditions) to the CDBG agreement.
6. This agreement may not be assigned in whole or in part by KCAO without the express written authorization of the City.
7. This agreement is binding on the successors and assigns of the parties.
8. This agreement represents the full understanding of the parties as to the subject matter of the agreement. All prior agreements, whether written or oral, are of no further effect.
9. This agreement shall be interpreted by the laws of the State of California. Any legal action regarding this agreement shall be brought in Kings County, California.
10. KCAO agrees to promptly notify the City if it ceases to provide daycare and/or other related programs and services to low income families within ten (10) years of initial occupancy. Such notification shall be in writing and sent to the City within 30 days of such program and services termination.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and in the year first set forth above.

CITY OF LEMOORE

KINGS COMMUNITY
ACTION ORGANIZATION

Jeff Briltz
City Manager

David B. Droker
Executive Director

1222 W. Lacey Blvd.
Hanford, CA 93230

Attest: _____
City Clerk