

EXHIBIT B
SUPPORTING DOCUMENTATION THAT GOVERNMENTAL USE PROPERTIES
MEET THE CRITERIA
OF HEALTH AND SAFETY CODE SECTION 34181(a)

Exhibit B-1	2321 G Street
Exhibit B-2	2498 G Street
Exhibit B-3	25 E. Santa Fe
Exhibit B-4	15 W. 23rd Street
Exhibit B-5	2820 N. Highway 59
Exhibit B-6	2822 N. Highway 59
Exhibit B-7	2830 N. Highway 59
Exhibit B-8	2852 N. Highway 59
Exhibit B-9	2900 N. Highway 59
Exhibit B-10	2902 N. Highway 59
Exhibit B-11	2910 N. Highway 59 2920 N. Highway 59 2930 H. Highway 59
Exhibit B-12	1801 M Street 606 W. 19th Street

EXHIBIT B-1

Address/APN: 2321 G Street (APN 030-204-010)
(Previously a portion of APN 030-204-008)

Description: Sidewalk, landscaping, sloped grade for "G" Street Undercrossing

Parcel Size: 3,860 sq.ft / .088 ac.

Date Purchased: 2009

Purchase Price: \$ 92,871.20 (Based on the original per sq.ft. purchase price; see page 2, Administrative Report 12/21/2009)

Property Background:

The property was acquired in 2009 as part of a larger parcel (7,500 sq.ft. total, purchased for \$179,900, plus closing costs). The property was improved with a dilapidated, vacant four-plex, that was demolished following acquisition by the Redevelopment Agency. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used for right-of-way for construction of a sloped grade as part of the G Street Grade Separation project (see page 1, Administrative Report, 4/20/2009; pages 2 and 3, Administrative Report 12/21/2009), and the remainder of the property was merged with other property acquired by the Redevelopment Agency and subsequently transferred to the adjacent property owner for construction of a new office building (see notes under Exhibit B-4 regarding 15 W. 23rd Street property).

In December 2009, the Redevelopment Agency and City Council approved the sale of this property to the City for a purchase price of \$92,871.20 for construction of the grade separation improvements, which is equal to the per square foot costs paid by the Redevelopment Agency to acquire the property (see page 2, Administrative Report, 12/21/2009). The purchase price for this property was paid by the City to the Redevelopment Agency in fiscal year 2010, together with the purchase price for the acquisition of other right-of-way properties along G Street (see RDA General Ledger Revenue Account Summary). Following payment of the purchase price by the City, this property was transferred to the PFEDA in March 2011 and subsequently transferred by PFEDA to the City in April 2012.

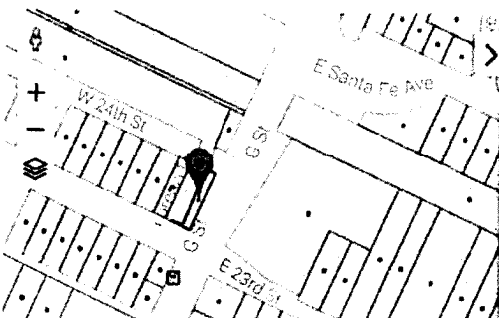
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Right-of-way for G Street Grade Separation Project.

Revenue Generation: The City acquired this property from the Redevelopment Agency in fiscal year 2010, for a purchase price of \$92,871.20.

2321 G Street

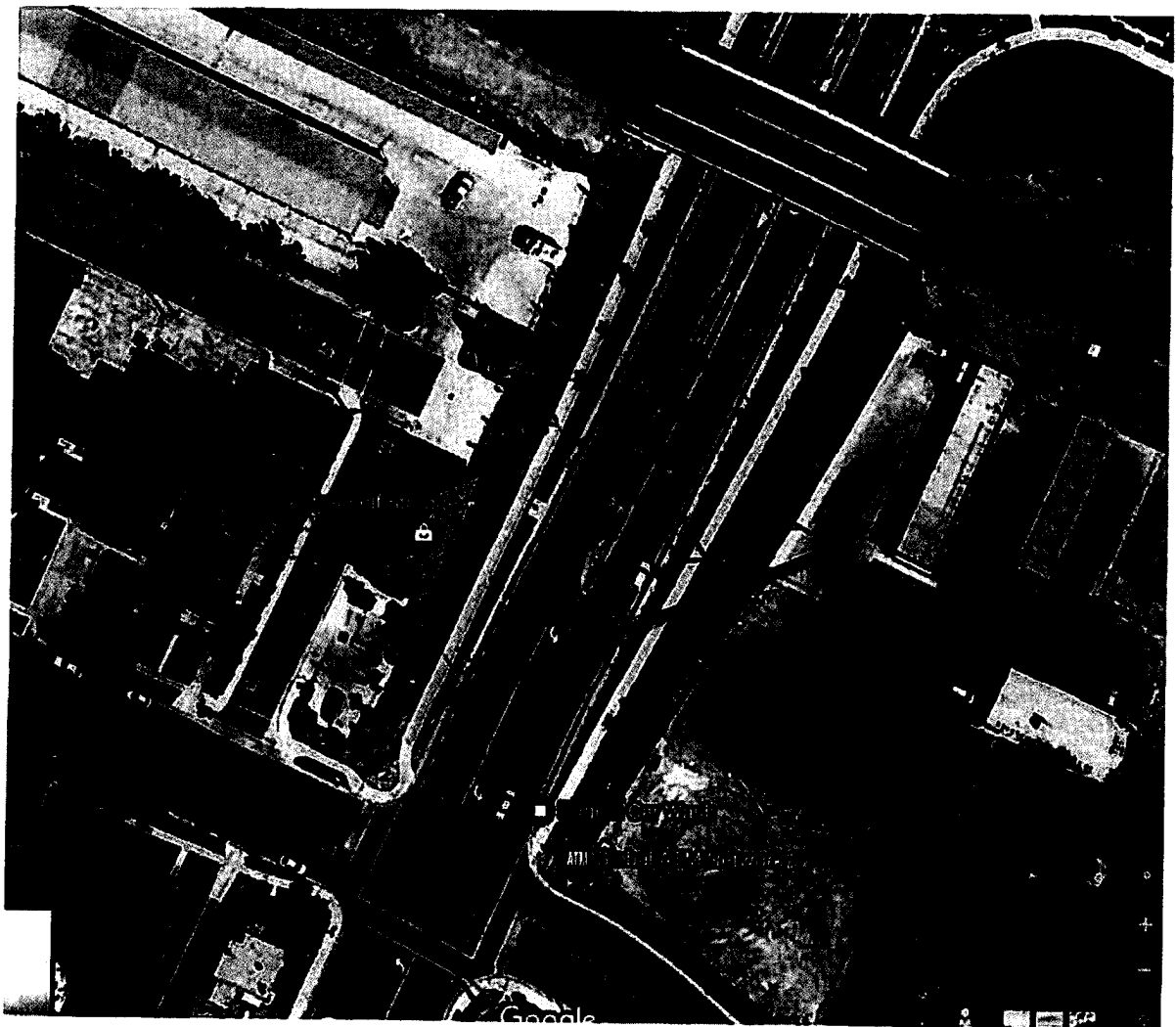


City Of Merced
CA
Merced County

APN: 030-204-010-000 **Zone:** **Built:**
Type: Commercial / Federal Property Bldg Sq Ft: **Lot Sq Ft:** 3,860

[Order Customer Service](#) [CostsFirst™](#) [Add to Farm List](#)

Report Name	Actions	Available	Allowance
Combined Report	Edit Run		



GM200I04
Fiscal Year 2010

CITY OF MERCED
Account Balance Inquiry

1/04/17
10:44:20

Account number . . . : 853-2001-360.01-57

Fund : 853 RDA Gateways-CIP Fund
Department : 20 Economic Development
Division : 01 Redevelopment
Activity basic : 36 Miscellaneous
Sub activity : 0 Other Revenue
Element : 01 Other
Object : 57 Right of Way G Street

Estimated revenue : 0

Actual receipts - current . . . : .00
Actual receipts - ytd : 287,742.12
Unposted receipts : .00
Total receipts : 287,742.12 0.0 %
Unrealized revenue : 287,742.12- 0.0 %

F7=Project data F8=Misc inquiry F9=Misc update F10=Detail trans
F11=Acct activity list F12=Cancel F13=Misc Budget F24=More keys

G Street right-of-way purchases by the City:

2321 G Street	3,860 sq.ft.	\$ 92,871.20
2490/98 G Street	1,134 sq.ft.	20,981.12
25 E. Santa Fe	2,316 sq.ft.	74,433.74
15 W. 23rd Street	4,950 sq.ft.	<u>99,456.06</u>
	TOTAL:	\$287,742.12

ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-3

MTG.
DATE:

04-20-09

TO: John M. Bramble, Executive Director
FROM: Daniel Ainslie, Development Coordinator
DATE: April 20, 2009
SUBJECT: Purchase of 2321 G Street

RECOMMENDATION: Adopt a motion:

- A. Approving purchase of 2321 G Street subject to approval as to form by City Attorney's Office, and;
- B. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY BOARD ACTIONS:

1. Adopt the motion as recommended by staff; or
2. Adopt amended motion (specify); or
3. Defer action until a date certain (specify date); or
4. Take no action.

AUTHORITY: Redevelopment sections of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION: The Redevelopment Agency and the City of Merced are undertaking a project to separate the Burlington Northern Santa Fe Railroad Tracks and G Street. This project will improve the City's air quality and roadway efficiency. The City Council has directed staff to beautify the project and to seek ways to reduce the total costs of the project.

Construction of retaining walls along G Street is a major component of the construction costs. Instead of constructing vertical retaining walls, sloped grades can be used. These slopes allow for increased landscaping and are far more attractive than retaining walls. Though the construction costs for the slopes are less than retaining walls, the slopes require more right of way. The property purchase currently being presented will provide adequate right of way to construct approximately 175 linear feet of landscaped slopes instead of retaining walls. The City's consultants have

estimated that the construction costs for these retaining walls would be \$370,000.00. These costs would be eliminated if the Agency purchases the subject property, an apartment complex.

The property is currently owned by Countrywide and is listed through Century 21 M & M. Staff has offered \$179,900. There is sufficient funding available in CIP #109026 Project To Be Determined to fund this property purchase. Staff has been told that the property is vacant; therefore, no relocation costs will be incurred. Future demolition costs will be incurred once escrow on the property has closed.

The listing broker has stated that the seller is requiring the Agency to agree to a Countrywide addendum and standard California Association of Realtor forms. Traditionally, the Agency has not agreed to these terms. However, given the necessity of this property, staff is proposing that the Agency agree to these conditions, if the City Attorney can approve the purchase documents as to form. The details of the proposed property purchase is as follows:

Parties:

Buyer: Redevelopment Agency of the City of Merced (Agency)
Seller: Countrywide (or its assignee)

Price:

\$179,900

Terms:

Purchase price to be paid as \$30,000 deposit within 5 days of mutual execution of purchase and sales agreement, \$149,900 cash at close of escrow.

**Closing
Date:**

Within 30 days of execution of Purchase Agreement between the Redevelopment Agency and Seller. Purchase Agreement is subject to Agency Board approval.

Escrow:

Escrow services shall be supplied by TransCounty Title.

**Condition
of Title:**

Seller shall provide merchantable title, acceptable to the Buyer.

**Closing
Costs:**

The Agency will pay costs of title insurance acceptable to Agency. Taxes, if any, will be paid current by Seller. Other costs of closing (document fees, recording fees, transfer taxes, and others) shall be divided equally between Buyer and Seller.

**Broker
Commission:**

All broker commissions and fees paid by Seller.

Leases:

Seller shall disclose to Buyer all leases or rental agreements affecting property and affirms that there are no such agreements affecting title or possession.

Contingencies:

1. Inspection of the property, including satisfactory results of inspection for hazardous substances and geologic conditions.
2. Satisfactory condition of title.

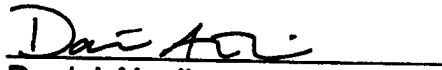
Environmental:

Seller shall provide to Buyer all documents or data in its possession dealing with the property's environmental condition. Seller shall provide entry to the property and structures for Buyer's consultants and inspectors for environmental and other inspections.

Executive Director
April 20, 2009
Page 4

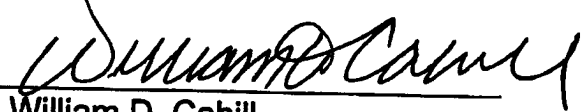
RECOMMENDATION: Staff recommends approval of the purchase agreement subject to the City Attorney's Office approval as to form.

RESPECTFULLY SUBMITTED:



Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED: -



William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:



John M. Bramble
Executive Director

ATTACHMENTS

A. Map of Parcel

\\MERCED-file\HOME\ainslie\My Documents\Public Improvements\Administrative Report 2321 G Street Purchase.doc

2321 "G" Street





Agenda Item: I-3
Meeting Date: 12-21-09

ADMINISTRATIVE REPORT

TO: John M. Bramble, City Manager/Executive Director
FROM: Daniel Ainslie, Development Coordinator
DATE: December 21, 2009
SUBJECT: City purchase of right of way from the Redevelopment Agency

REPORT IN BRIEF

Authorizes the City to purchase one piece of right of way needed for the G Street Grade Separation from the Redevelopment Agency.

RECOMMENDATION:

Redevelopment Agency:

Adopt a motion:

- A. Authorizing the sale of 3,860 sq. ft. of 2321 G Street (APN 030-204-008) for \$92,871.20; and,
- B. Authorizing the Agency General Counsel to prepare necessary documents; and,
- C. Authorizing the Executive Director to execute necessary documents.

City Council:

Adopt a motion:

- A. Authorizing the purchase of 3,860 sq. ft. of 2321 G Street (APN 030-204-008) for \$92,871.20; and,
- B. Authorizing the City Attorney to prepare necessary documents; and,
- C. Authorizing the City Manager to execute necessary documents.

ALTERNATIVES:

- A. Adopt the motion as recommended by staff; or,
- B. Approve, subject to modifications as conditioned by Agency Board/City Council; or,

- C. Deny the request completely; or,
- D. Refer back to staff for reconsideration of specific items as requested by Agency Board/City Council; or,
- E. Continue item to a future Agency Board/City Council meeting (date and time to be specified in Agency Board/City Council motion).

AUTHORITY:

Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION:

The Redevelopment Agency has completed the purchase of 2321 G Street. This property needed to be purchased in order to acquire right of way for the forthcoming G Street Grade Separation project. Though only a portion of the parcel is necessary for the construction of the project, the necessary parcel split rendered the structure previously on the parcel useless. Therefore, the entirety of the parcel had to be purchased. After the acquisition of the parcel, the Redevelopment Agency demolished the four-plex that was previously on the parcel. Once the necessary right of way has been used, there is adequate space remaining to redevelop the property.

The right of way is now needed in order for the project to proceed. Therefore, it is necessary for the Agency to sell the right of way to the City. The sale price of the right of way segment is a part of the project cost and therefore will count towards the City's match for the Proposition IB grant the state awarded the City. The sales price for the 2321 G Street right of way has been calculated as follows:

Property purchase price:	\$179,900.00
<u>Total closing costs:</u>	<u>+ \$ 537.53</u>
Total cost to purchase:	\$180,437.53

Total size of right of way:	3,860 sq. ft.
<u>Total parcel size:</u>	<u>+7,500 sq. ft.</u>
Proportion of right of way:	51.47%

Total cost of row purchase: \$92,871.20

There is adequate funding in CIP#106076 G Street to complete this right of way purchase.

RECOMMENDATION:

The Redevelopment Agency has completed the purchase of 2321 G Street. This right of way purchase is necessary in order for the G Street project to continue. Staff recommends approval of the purchase and sale.

Respectfully Submitted,

Reviewed and Approved,

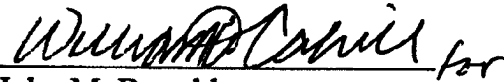


Daniel Ainslie
Development Coordinator



William D. Cahill
Assistant City Manager

Approved By,



John M. Bramble
Executive Director/City Manager

EXHIBITS:

- A. Legal Description of 2321 G Street Right of Way
- B. Map of 2321 G Street Right of Way

EXHIBIT A

DESCRIPTION

Being a portion of Lots 31 and 32 of Block 47 as shown on "Supplemental Map to Town of Merced", recorded in Volume 2 of Official Plats at page 12, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

BEGINNING at the east corner of said Lot 32 of Block 47 as shown on said map;
thence South 24° 40' 00" West, 150.00 feet along the southeast line of said Lot 32 to the south corner of said Lot 32;
thence North 65° 20' 00" West, 50.00 feet along the southwest line of said Lot 32 and 31 to the west corner of said Lot 31;
thence North 24° 40' 00" East, 1.29 feet along the northwest line of said Lot 31;
thence South 78° 00' 37" East, 28.07 feet;
thence North 22° 42' 15" East, 142.63 feet to a point on the northeast line of said Lot 31 that is 22.50 feet from the north corner of said Lot 31;
thence South 65° 20' 00" East, 27.50 feet along the northeast line of said Lots 31 and 32 to the **POINT OF BEGINNING**;

Containing 3860 square feet more or less.


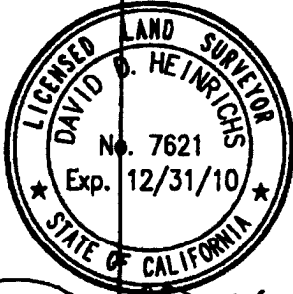

David D. Heinrichs
10/28/2009

EXHIBIT "B"

24th STREET

S85°20'00"E 27.50'

POINT OF BEGINNING



David D. Heinrichs
10/30/09



SCALE 1" = 20'

AREA
OF
ACQUISITION
3,860± S.F.

N22°42'15"E 142.63'

S24°40'00"W 150.00'

29

30

31

32

BLOCK 47
2 O.P. 12
M.C.R.

G
S
T
R
E
E
T

N24°40'00"E 1.29'

S78°00'37"E 28.07'

N65°20'00"W 50.00'

23rd STREET

EXHIBIT B-2

Address/APN: 2498 G Street (APN 033-032-014)
(Previously a portion of APN 033-032-001)

Description: Sidewalk, landscaping, sloped grade for "G" Street Undercrossing

Parcel Size: 1,213 sq.ft. / .028 ac.

Date Purchased: 2009

Purchase Price: \$ 20,981.12 (Based on the original per sq.ft. purchase price; see page 2, Administrative Report 12/7/2009)

Property Background:

The property was acquired in 2009 as part of a larger parcel (7,150 sq.ft. total, purchased for \$130,000, plus closing and other costs). The property was improved with a dilapidated duplex that was occupied by two families. Following acquisition by the Redevelopment Agency, the families remained for a short period of time until they could be relocated, and the duplex was then demolished. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used for right-of-way for construction of a sloped grade as part of the G Street Grade Separation project (see page 2, Administrative Report, 7/20/2009; page 1, Purchase and Sale Agreement; page 2, Administrative Report 12/7/2009). The remainder of the property will be transferred to the DLA for disposition in accordance with the Dissolution Law.

In December 2009, the Redevelopment Agency and City Council approved the sale of this right-of-way property to the City for a purchase price of \$20,981.12 for construction of the grade separation improvements, which is equal to the per square foot costs paid by the Redevelopment Agency to acquire the property originally (see page 2, Administrative Report, 12/7/2009). The purchase price for this property was paid by the City to the Redevelopment Agency in fiscal year 2010, together with the purchase price for the acquisition of other right-of-way properties along G Street (see RDA General Ledger Revenue Account Summary). Following payment of the purchase price by the City, this right-of-way property was conveyed by the Redevelopment Agency to the City by grant deed recorded January 8, 2010 (Document No. 2010-000804).

In March 2011, the Redevelopment Agency conveyed various parcels of property to the PFEDA. Although the Redevelopment Agency had previously conveyed the right-of-way property to the City in January 2010, the legal description attached to the quitclaim deed from the Redevelopment Agency to PFEDA recorded on March 1, 2011

(Document No. 2011-007269) inadvertently included the entire parcel originally acquired by the Redevelopment Agency (APN 033-032-001), including the right-of-way property. A subsequent grant deed from PFEDA to the City recorded April 24, 2012 (Document No. 2012-014179) correctly excluded this right-of-way property.

Although this right-of-way property was conveyed by the Redevelopment Agency to the City in 2010, the property is included here primarily to explain the history of the prior conveyances noted above and the current status of this property following dissolution of the Redevelopment Agency.

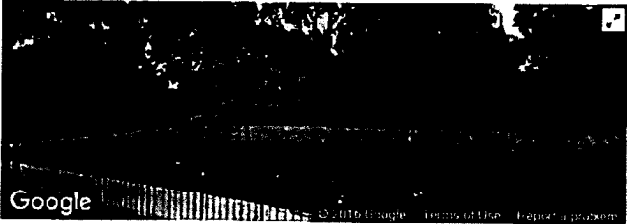
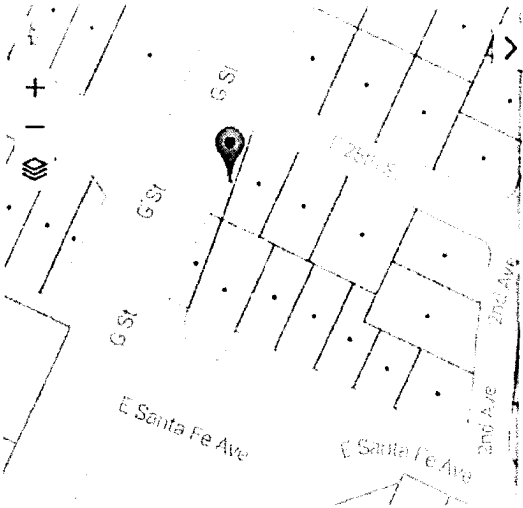
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Right-of-way for the "G" Street Grade Separation project.

Revenue Generation: The City acquired this property from the Redevelopment Agency in fiscal year 2010 for a purchase price of \$20,981.12.

2498 G Street



City Of Merced

CA
Merced County

APN: 033-032-014-000

Zone:

Built:

Type: Commercial / Federal Property Bldg Sq Ft:

Lot Sq Ft: 1,213

[Order Customer Service](#)

[CostsFirst™](#)

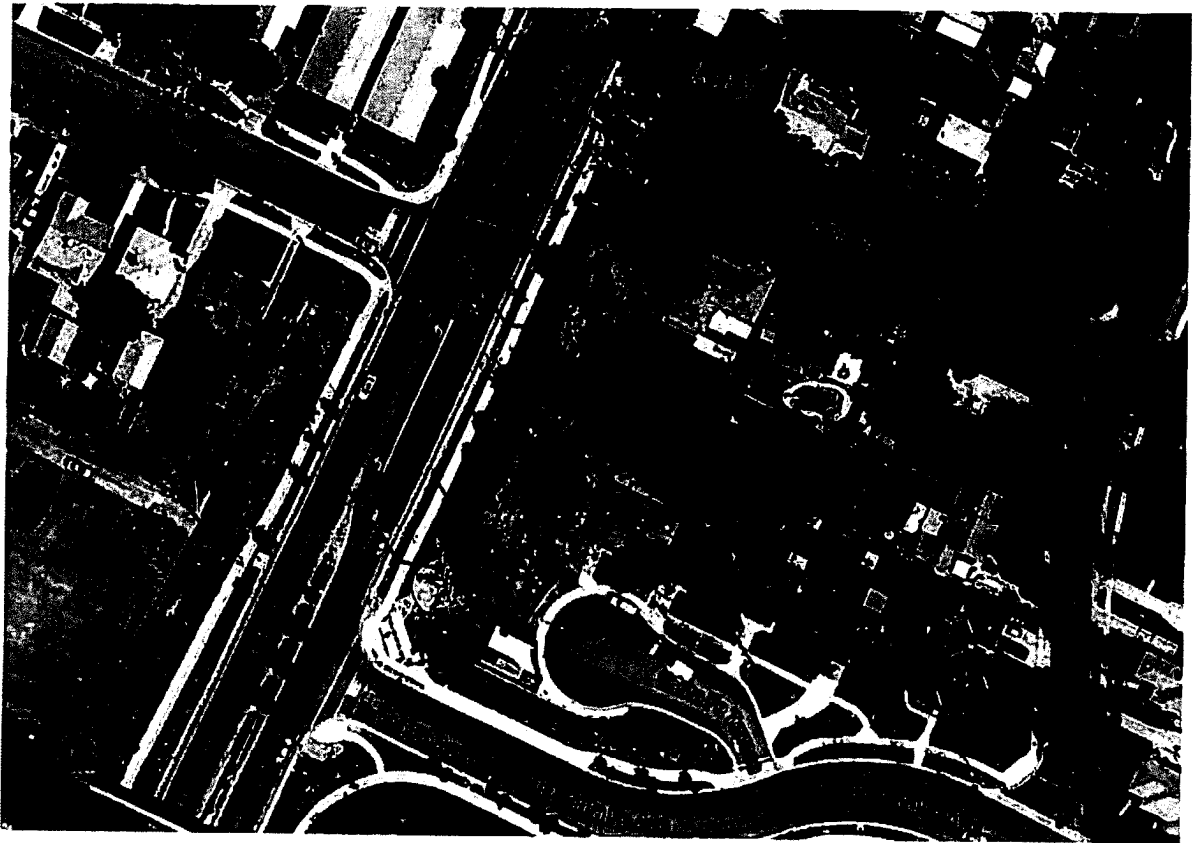
[Add to Farm List](#)

Report Name

Actions

Available

Allowance



Account number . . . : 853-2001-360.01-57

Fund : 853 RDA Gateways-CIP Fund
Department : 20 Economic Development
Division : 01 Redevelopment
Activity basic : 36 Miscellaneous
Sub activity : 0 Other Revenue
Element : 01 Other
Object : 57 Right of Way G Street

Estimated revenue : 0

Actual receipts - current . . . : .00
Actual receipts - ytd : 287,742.12
Unposted receipts : .00
Total receipts : 287,742.12 0.0 %
Unrealized revenue : 287,742.12- 0.0 %

F7=Project data F8=Misc inquiry F9=Misc update F10=Detail trans
F11=Acct activity list F12=Cancel F13=Misc Budget F24=More keys

G Street right-of-way purchases by the City:

2321 G Street	3,860 sq.ft.	\$ 92,871.20
2490/98 G Street	1,134 sq.ft.	20,981.12
25 E. Santa Fe	2,316 sq.ft.	74,433.74
15 W. 23rd Street	4,950 sq.ft.	<u>99,456.06</u>
	TOTAL:	\$287,742.12

RECORDING REQUESTED BY
City of Merced
Engineering Department
678 W. 18th Street
Merced, CA 95340

AND WHEN RECORDED MAIL TO
City of Merced
Engineering Department
678 W. 18th Street
Merced, CA 95340

#11
Recorded in Official Records, Merced County

KENT B. CHRISTENSEN
Merced County Recorder

2498651
1/08/2010
3:23 PM
RE04

CM City of Merced

G

Doc#: 2010-000804



Titles:	1	Pages:	5
Fees		0.00	
Taxes		0.00	
Other		0.00	
PAID		\$0.00	

GRANT DEED

The undersigned grantor(s) declare(s)

Documentary transfer tax is \$ 0

- ☐ computed on full value of property conveyed, or
☐ computed on full value less of liens or encumbrances remaining at time of sale.
☐ unincorporated area ☐ City of Merced

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

City of Merced Redevelopment Agency

hereby GRANTS to

CITY OF MERCED, a California Charter Municipal Corporation,

The following real property in the City of Merced, County of Merced, State of California:

More fully described in Exhibit "A", and shown in Exhibit "B", attached hereto and by reference made a part hereof.

(Portion of APN 033-032-001)

Dated 01-07-10

By: John M. Bramble
John M. Bramble

Executive Director - City Manager

City of Merced, Redevelopment Agency

APPROVED AS TO FORM:

Kenn D. Rozell 1/7/10
KENNETH D. ROZELL Date
Deputy City Attorney IV

ACKNOWLEDGEMENT

State of California

County of Merced

On January 8, 2010, before me, Emily R. Shuping, a Notary Public,

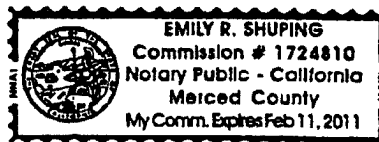
personally appeared, **John M. Bramble** who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

Emily R. Shuping
Notary Public



(seal)

EXHIBIT A

DESCRIPTION

Being a portion of Lot 115 as shown on "Map of Ragsdale's Subdivision", recorded in Volume 8 of Official Plats at page 22, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

BEGINNING at the west corner of said Lot 115 as shown on said map;
thence North 24° 52' 00" East, 110.00 feet along the northwest line of said Lot 115 to the north corner of said Lot 115;
thence South 65° 20' 00" East, 4.00 feet along the northeast line of said Lot 115;
thence South 18° 19' 28" West, 110.68 feet to a point on the southwest line of said Lot 115 that is 16.61 feet from said west corner of Lot 115;
thence North 65° 20' 00" West, 16.61 feet along said southwest line of Lot 115 to the **POINT OF BEGINNING**;

Containing 1134 square feet more or less

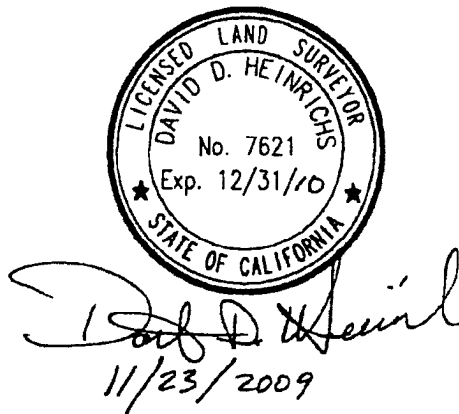


EXHIBIT "B"



SCALE 1" = 20'

25th STREET



David D. Heinrichs
11/23/2009

S65°20'00"E 4.00'

AREA OF ACQUISITION
1134 S.F.

DOC# DEED,
2009-041802
M.C.R.

N24°52'00"E 110.00'

S181°26'W 110.68'

LOT 115
8 O.P. 22
M.C.R.

S T R E E T

POINT OF BEGINNING

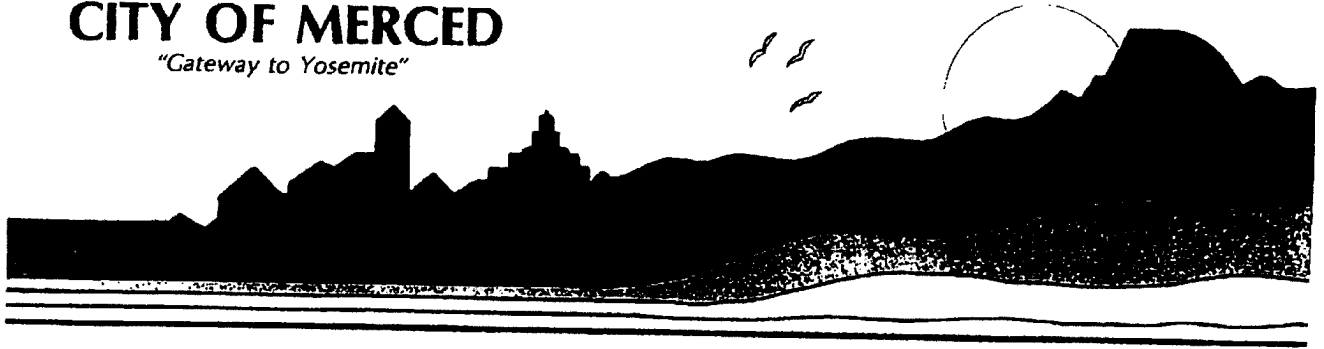
N65°20'00"W 16.61'

LOT 124
8 O.P. 22
M.C.R.

G

CITY OF MERCED

"Gateway to Yosemite"



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant Deed

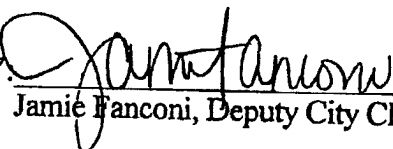
Dated January 7, 2010

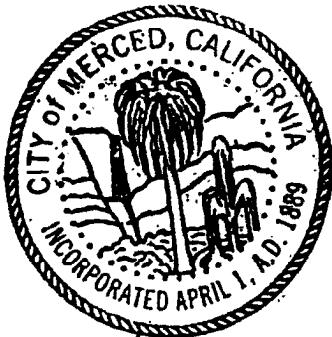
From City of Merced Redevelopment Agency

to the CITY OF MERCED is hereby accepted by the undersigned City Clerk on behalf of the City of Merced pursuant to authority conferred by Resolution No. 4217 of the City Council of the City of Merced adopted on May 20, 1974, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: January 8, 2010

JOHN M. BRAMBLE, CITY CLERK

BY: 
Jamie Fanconi, Deputy City Clerk



KENT B. CHRISTENSEN

1:22 PM

Merced County Recorder

RE08

RECORDING REQUESTED BY:

Redevelopment Agency of the
City of Merced, a body corporate
and politic of the State of California

AND WHEN RECORDED MAIL THIS DEED
AND UNLESS OTHERWISE SHOWN BELOW,
MAIL TAX STATEMENT TO:

Redevelopment Agency of the
City of Merced
678 W. 18th Street
Merced, CA 95340

Deed#
3148

CM City of Merced

G

Doc#: 2011-007269



Titles: 1 Pages: 4

Fees 0.00

Taxes 0.00

Other 0.00

PAID \$0.00

(Above for Recorder's Use Only)

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt and sufficiency of which is hereby acknowledged and agreed, the REDEVELOPMENT AGENCY OF THE CITY OF MERCED, a body corporate and politic of the State of California (hereinafter referred to as the "Grantor") hereby remises, releases, and forever quitclaims to the CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY (hereinafter referred to as the "Grantee") all of Grantor's interest in the following property in the City of Merced, County of Merced, State of California, more fully described as follows:

APN: 033-032-001

**PROPERTY ADDRESS: 2490/2498 G STREET
MERCED, CALIFORNIA**

The Legal Description on Exhibit "A" is attached hereto
and incorporated herein by this reference.

DATED: January 31, 2011

GRANTOR:

REDEVELOPMENT AGENCY OF THE
CITY OF MERCED, A Body Corporate and
Politic of the State of California

BY:

John Bramble, Executive Director

ATTEST:

JOHN M. BRAMBLE, AGENCY SECRETARY

By: *[Signature]*
Deputy/Assistant Agency Secretary



APPROVED AS TO FORM:

By: *[Signature]* 2/2/11
Agency General Counsel Date

ACKNOWLEDGEMENT

State of California

County of Merced

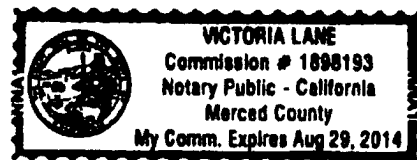
On Feb 18, 2011, before me, Victoria Lane, a Notary Public, personally appeared, John Myles Bramble

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

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

WITNESS my hand and official seal.

Signature *Victoria Lane*
Notary Public



(seal)

EXHIBIT A

Legal Description

Lot 115, as shown on Map entitled, "Map of Ragsdale Subdivision", recorded April 23, 1923, in Book 8 of Official Maps, Page(s) 22 of Merced County Records.

Assessors Parcel No.: 033-032-001

CITY OF MERCED

"Gateway to Yosemite"



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Quitclaim Deed

Dated January 31, 2011

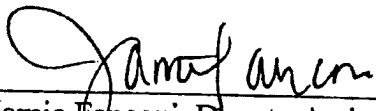
From the REDEVELOPMENT AGENCY OF THE CITY OF MERCED

to the CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY is hereby accepted by the undersigned Authority Secretary on behalf of the City of Merced Public Financing and Economic Development Authority pursuant to authority conferred by Resolution No. PFA 2011-4 of the City of Merced Public Financing and Economic Development Authority adopted on January 31, 2011, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: February 10, 2011

JOHN M. BRAMBLE, AUTHORITY SECRETARY

BY:


Jamie Fanconi, Deputy Authority Secretary

APN: 033-032-001

RECORDING REQUESTED BY
City of Merced
Engineering Department
678 W. 18th Street
Merced, CA 95340

AND WHEN RECORDED MAIL TO
City of Merced
City Clerk's Office
678 W. 18th Street
Merced, CA 95340

Deed #
3264

Recorded In Official Records, Merced County

KENT B. CHRISTENSEN
Merced County Recorder

4/24/2012
10:21 AM
RE03

CM City of Merced

G

Doc#: 2012-014179



Titles: 1 Pages: 4

Fees	0.00
Taxes	0.00
Other	0.00
PAID	\$0.00

(APN 033-032-015)

GRANT DEED

The undersigned grantor(s) declare(s)

Documentary transfer tax is \$ 0 RAT 11922

- ☐ computed on full value of property conveyed, or
☐ computed on full value less of liens or encumbrances remaining at time of sale.
☐ unincorporated area ☒ City of Merced

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY,

hereby GRANTS to

CITY OF MERCED, a California Charter Municipal Corporation,

The following real property in the City of Merced, County of Merced, State of California: more fully described in Exhibit "A", attached hereto and by reference made a part hereof.

City of Merced Public Financing and Economic
Development Authority

Date: April 17, 2012

By: John M. Bramble
John M. Bramble, Executive Director

State of California
County of Merced

On April 19, 2012, before me, Theresa L Lucas, a Notary Public, personally appeared, John M. Bramble who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Theresa L Lucas
Notary Public

(seal)

APPROVED AS TO FORM

By: Ken Agad 4/17/12
City Attorney Date

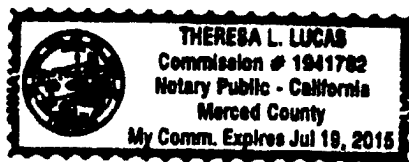
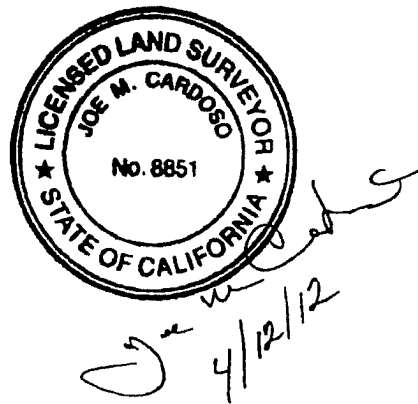


EXHIBIT A

Lot 115, as shown on Map entitled, "Map of Ragsdale Subdivision", recorded April 23, 1923, in Book 8 of Official Maps, Page(s) 22 Merced County Records.

Excepting therefrom the southeasterly 5 feet thereof.

ALSO EXCEPTING THEREFROM all that certain real property described in Grant Deed to City of Merced, recorded January 08, 2010 as Document Number 2010-000804, Merced County Records.



GOVERNMENT CODE 27361.7

I CERTIFY UNDER PENALTY OF PERJURY THAT THE
NOTARY SEAL ON THE DOCUMENT TO WHICH THIS
STATEMENT IS ATTACHED READ AS FOLLOWS:


NAME OF NOTARY: Theresa L. Lucas

DATE COMMISSION EXPIRES: July 19, 2015

COMMISSION NUMBER: 1941782

PLACE OF EXECUTION: Merced County

EXECUTION DATE: April 19, 2012

SIGNATURE: 

FIRM NAME (IF APPLICABLE): _____

CITY OF MERCED

"Gateway to Yosemite"



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant Deed

Dated April 17, 2012

From the CITY OF MERCED PUBLIC FINANCING AND ECONOMIC
DEVELOPMENT AUTHORITY

to the CITY OF MERCED is hereby accepted by the undersigned City Clerk on
behalf of the City of Merced pursuant to authority conferred by Resolution No.
4217 of the City Council of the City of Merced adopted on May 20, 1974, and
the grantee consents to recordation thereof by its duly authorized officer.

DATED: April 17, 2012

JOHN M. BRAMBLE, CITY CLERK



BY: 
Jamie Fanconi, Deputy City Clerk

ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-4

MTG.
DATE:

07-20-09

TO: John M. Bramble, Executive Director
FROM: Daniel Ainslie, Development Coordinator
DATE: July 20, 2009
SUBJECT: Purchase of 2490 & 2498 G Street

RECOMMENDATION: Adopt a motion:

- A. Approving the purchase of 2490 G Street, and;
- B. Approving the lease agreements for 2490 & 2498 G Street, and;
- C. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY BOARD ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Defer action until a date certain (specify date); or
- 4. Take no action.

AUTHORITY:

Redevelopment sections of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan.

DISCUSSION:

The Redevelopment Agency and the City of Merced are undertaking a project to separate the Burlington Northern Santa Fe Railroad Tracks and G Street. This project will improve the City's air quality and roadway efficiency. The City Council has directed staff to beautify the project and to seek ways to reduce the total costs of the project.

The construction of retaining walls along G Street is a major component of the anticipated construction costs. Instead of constructing vertical retaining walls, sloped grades can be used. These slopes allow for increased landscaping and are therefore far more attractive than retaining walls. Though the construction costs for the slopes are less than retaining walls, the slopes require more right of way. The duplex property purchase

currently being presented will provide adequate right of way to construct approximately 110 linear feet of landscaped slopes instead of retaining walls. The City's consultants have estimated that the construction costs for these retaining walls would be \$250,000.

If the duplex were to remain, its current access off of G Street would need to be eliminated. This would require the construction of a new garage and driveway approach off of 25th Street. This is estimated to cost approximately \$50,000. Therefore the total anticipated costs of keeping the duplex in place is as follows:

Retaining Wall Construction	\$250,000
<u>Construction of new Garage</u>	<u>\$ 50,000</u>
Total Cost if duplex remains	\$300,000

In an effort to achieve some savings and to extend landscaping, staff began negotiating with the duplex owners. Staff has negotiated a sales price of \$130,000 with the property owners. In addition to the sales price and related escrow closing costs, the Agency would be responsible for paying relocation benefits to both families that currently occupy the structure. This is estimated to cost approximately \$7,500.00 per family. There would likely be several months where the current tenants would remain in their present residence. Therefore, each family would be required to enter into a lease agreement with the Agency. Staff is proposing to maintain the current rent levels of \$500 for 2490 G Street and \$450 for 2498 G Street. Upon the completion of the relocation of the families, the duplex would need to be demolished.

Purchase Price & Estimated Escrow Costs	\$140,000
Estimated Relocation Costs	\$ 15,000
<u>Estimated Demolition Costs</u>	<u>\$ 7,500</u>
Total Costs	\$162,500
 <u>Add Estimated 3 Months Rent</u>	 <u>\$ 2,850</u>
Total Cost of Elimination of Duplex	\$159,650

The details of the proposed property purchase is as follows:

Parties:

Buyer: Redevelopment Agency of the City of Merced (Agency)
Seller: Larson Properties (or its assignee)

Price:

\$130,000

Terms:

Purchase price to be paid as \$5,000 deposit within 10 days of mutual execution of purchase and sales agreement, \$125,000 cash at close of escrow.

**Closing
Date:**

Within 40 days of execution of Purchase Agreement between the Redevelopment Agency and Seller. Purchase Agreement is subject to Agency Board approval.

Escrow:

Escrow services shall be supplied by a Merced Title Company of Seller's choice.

**Condition
of Title:**

Seller shall provide merchantable title, acceptable to the Buyer.

**Closing
Costs:**

The Agency will pay costs of title insurance acceptable to Agency. Taxes, if any, will be paid current by Seller. Other costs of closing (document fees, recording fees, transfer taxes, and others) shall be divided equally between Buyer and Seller.

Broker

Commission:

Neither party is represented by a broker.

Leases:

Seller shall disclose to Buyer all leases or rental agreements affecting property.

Contingencies:

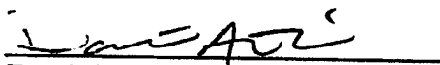
1. Inspection of the property, including satisfactory results of inspection for hazardous substances and geologic conditions.
2. Satisfactory condition of title.

Environmental:

Seller shall provide to Buyer all documents or data in its possession dealing with the property's environmental condition. Seller shall provide entry to the property and structures for Buyer's consultants and inspectors for environmental and other inspections.

RECOMMENDATION: The Redevelopment Advisory Committee unanimously recommended approval of the purchase as presented.

RESPECTFULLY SUBMITTED:



Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:



William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:



John M. Bramble
Executive Director

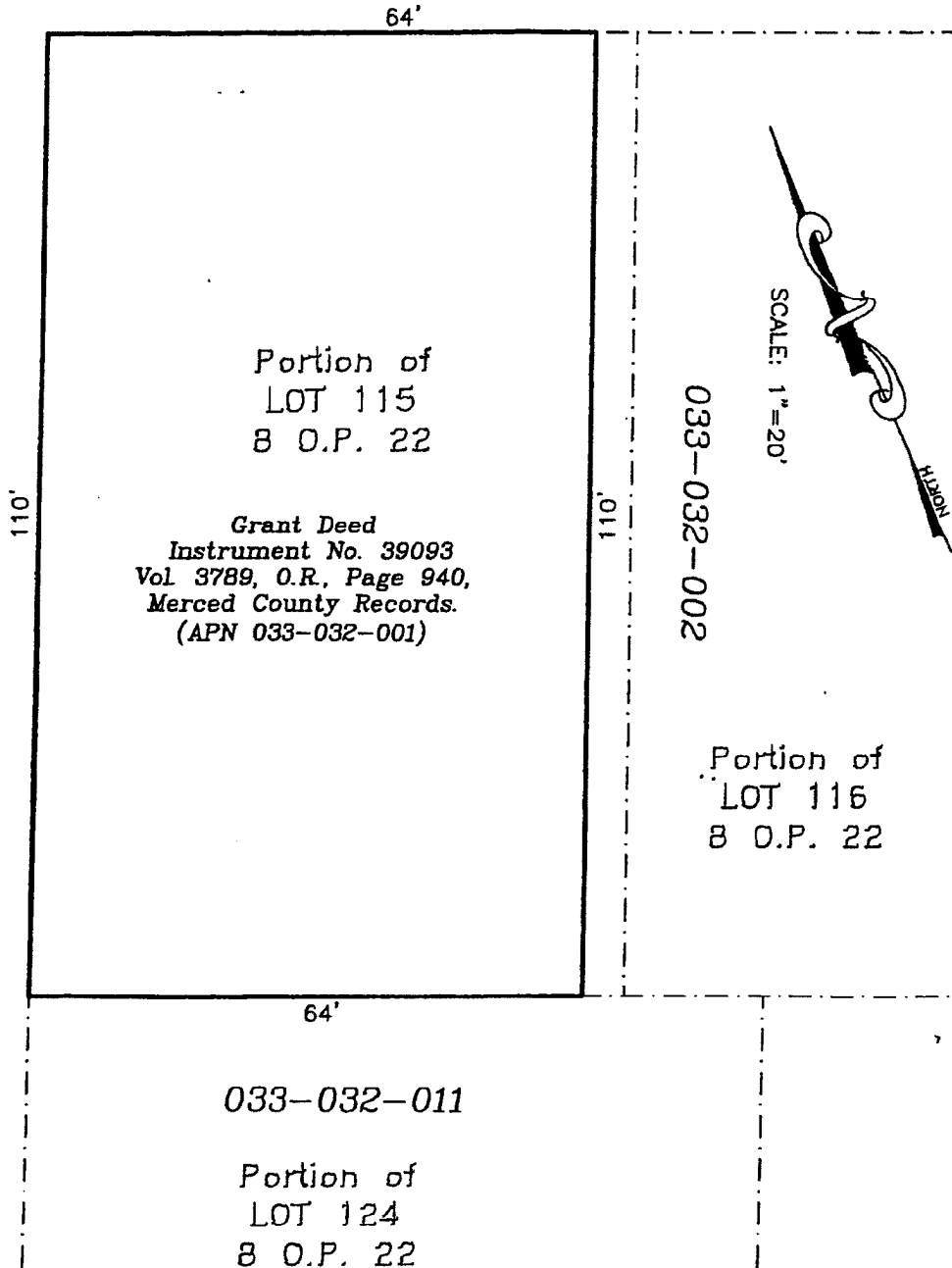
ATTACHMENTS

- A. Map of Parcel
- B. Purchase and Sales Agreement
- C. Lease Agreements

ATTACHMENT A

25th STREET

"G" STREET



City of Merced
"Gateway to Yosemite"
DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
678 W. 18th Street (209) 385-8848

"G" STREET @ BNSF RAILROAD
PROJECT NO.106076
"Larson Property"

DR. BY: CARDOSO
DATE: 4/23/08
CH. BY:
DATE:
File No.
SCALE: No Scale

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between James A. Larson, Donald L. Larson, John E. Larson, Linda Larson and Alice C. Leonardo (collectively referred to as "Seller), and the Redevelopment Agency of the City of Merced, a body corporate and politic of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property on "G" Street in the City of Merced, County of Merced, State of California, consisting of approximately 7,040 square feet, identified as Assessor's Parcel Number 033-032-001 (the "Subject Property"), more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference; and,

WHEREAS, Buyer desires to purchase the Subject Property for construction of an under-crossing in the City of Merced (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property pursuant to the terms of this Agreement.

SECTION 2. PURCHASE PRICE. The purchase price for the Subject Property shall be One Hundred Thirty Thousand Dollars (\$130,000.00) for approximately 7,040 square feet, without any liens or encumbrances.

a. Deposit: Buyer will deposit the sum of Five Thousand Dollars (\$5,000.00) into escrow within ten (10) business days following the mutual execution of this Agreement.

b. Security Deposits: The amount of One Thousand Three Hundred Twenty-Five Dollars (\$1,325.00) will be deducted from the Purchase Price as a transfer of the security deposits from Seller to Buyer.

c. Balance of Purchase Price: Buyer shall have until close of escrow ("Final Payment Date") to pay to Seller the balance of the purchase price minus the amount of the security deposits for a total amount of One Hundred Twenty-Three Thousand Six Hundred Seventy-Five Dollars (\$123,675.00) to be deposited with the escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Subject Property within ten (10) days at a title company in Merced, California selected by Buyer, and shall close within thirty (30) days thereafter, subject to the terms and conditions of this Agreement. All escrow costs shall be borne by the Buyer, including the transfer and documentary taxes, if any, upon recordation of the Deed. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. SURVEY, PARCEL MERGER, OR PROPERTY LINE ADJUSTMENT. The Subject Property might be the subject of a survey and/or a parcel split or property line adjustment upon determination by Buyer. All costs incurred in connection with the survey, parcel split, and/or property line adjustment shall be borne by the Buyer.

SECTION 5. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 6. RESERVED.

SECTION 7. REAL ESTATE COMMISSIONS. Buyer and Seller both represent and warrant to each other that they are not, and have not

been, represented by any real estate broker or agent in this transaction, and that there are no real estate or similar commissions due or owed for this transaction. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 8. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with all deeds and agreements (whether recorded or unrecorded) relating to the Subject Property and each document shown as an exception or encumbrance. This shall be done at the expense of Seller. Within fifteen (15) days after the delivery of the related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the

U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: James A. Larson
Donald L. Larson
John E. Larson
Linda Larson
Alice C. Leonardo
P.O. Box 2124
Merced, California 95344

BUYER: Redevelopment Agency of the
City of Merced
City Clerk's Office
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and

discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 15. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 16. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 17. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 18. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 19. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 20. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 21. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 22. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

07/06/2009 17:56 2098398536
07/06/2009 18:49 20972226208
07/06/2009 MON 18:52 FAX 209 304 3974
07/06/2009 18:49 20972226208

SEARS OPTICAL
JULIALARSON

JULIALARSON

PAGE 01
2001/003

PAGE 02/02

IN WITNESS WHEREOF, the parties have caused this Agreement to
be executed on the date first above written.

SELLER:

By:

James A. Larson
James A. Larson

By:

Donald E. Larson
Donald E. Larson

By:

John E. Larson
John E. Larson

By:

Linda Larson
Linda Larson

By:

Alice C. Leonardo
Alice C. Leonardo

BUYER:

REDEVELOPMENT AGENCY OF THE
CITY OF MERCED, a body corporate
and politic of the State of California

By:

Executive Director

ATTEST:
Agency Secretary

BY: _____
Assistant/Deputy Agency Secretary

APPROVED AS TO FORM:

BY: ASchechter 7/6/09
General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT A

Legal Description

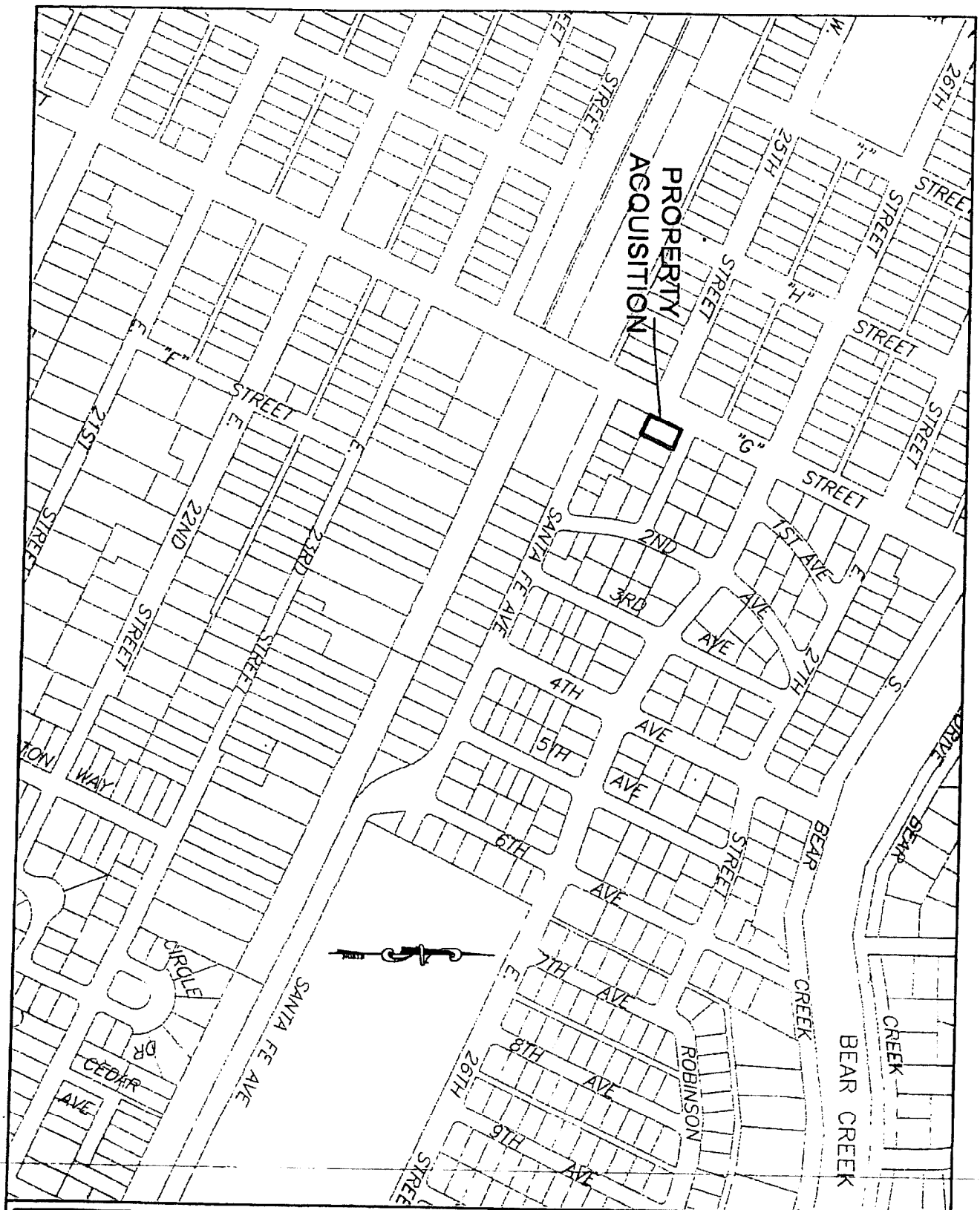
EXHIBIT A

Lot 115, according to map entitled, "MAP OF RAGSDALE SUBDIVISION", recorded April 23, 1923 in Book 8 of Maps, page 22, Merced County Records.

EXCEPTING THEREFROM the southeasterly 5 feet thereof.

APN 033-032-001

EXHIBIT B
PARCEL MAP



City of Merced
"Gateway to Yosemite"

DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
678 W. 18th Street (209) 385-6846

"G" STREET @ BNSF RAILROAD
PROJECT NO. 106076
"LARSON PROPERTY"

DR. BY: CARDOSO
DATE: 7/2/08
CH. BY:
DATE:
File No. 0000
SCALE: NO SCALE

25TH STREET

64'

Portion of
LOT 115
8 O.P. 22

Grant Deed
Instrument No. 39093
Vol. 3789, O.R., Page 940,
Merced County Records.
(APN 033-032-001)

SCALE: 1"=20'

033-032-002

Portion of
LOT 116
8 O.P. 22

"G" STREET

110'

101'

64'

033-032-011

Portion of
LOT 124
8 O.P. 22



City of Merced
"Gateway to Yosemite"

DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
678 W. 18th Street (209) 385-6848

"G" STREET @ BNSF RAILROAD
PROJECT NO.106076
"Larson Property"

DRAWN BY:	CARDOSO
DATE:	4/23/08
CHK. BY:	
DONE:	
FILE NO.	
SCALE:	No Scale

ATTACHMENT C

REDEVELOPMENT AGENCY OF THE CITY OF MERCED 2490 "G" STREET, MERCED, CALIFORNIA

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this ____ day of _____, 2009, by and between the Redevelopment Agency of the City of Merced, a body corporate and politic of the State of California, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "Lessor") and John Larson, whose address of record is 2490 "G" Street, Merced, California 95340, (hereinafter referred to as "Tenant") agree as follows:

1. **Property Description:** Lessor rents to Tenant and Tenant hires from Lessor the "Premises" described as: 2490 "G" Street, Merced, California.

2. **Occupants & Purpose:** The Premises shall be used solely as a private residence by the undersigned Tenant. Occupancy by any guest staying more than three (3) days within any consecutive thirty (30) day period shall be in violation of this provision.

3. **Term:**

(XX) This Month-to-Month Rental Agreement commences at the date of mutual execution, and subject to the provisions of Section 23, may be terminated by either party, with or without cause upon thirty (30) days prior written notice to the other party.

4. **Rent:** The rental rate shall be Five Hundred Dollars (\$500.00) per month.

After commencement of the Rental Agreement, one month's rent is payable in advance without demand or notice on or before the 1st day of each and every month. If the Rental Agreement begins on a different day of the month, a prorated rent shall become due upon mutual execution.

5. **Joint and Several Liability:** It is expressly understood that this Rental Agreement is between Lessor and each signatory, jointly and severally. In the event of default by any one signatory, each and every remaining signatory shall

be responsible for timely payment of all rent and all other provisions of this Rental Agreement.

6. **Payment and Notices:** Only one rent check shall be accepted and receipted for the Premises. Rent shall be given or mailed to Lessor at: City of Merced Finance Office, 678 West 18th Street, Merced, CA 95340. Notices to Lessor shall be given or mailed to: Redevelopment Agency of the City of Merced, Attn: Daniel Ainslie, 678 West 18th Street, Merced, CA 95340. Notices to Tenant shall be served at the Premises. Checks: If any check is uncollectible, Tenant shall pay a Twenty Dollars (\$20.00) bad check charge. Tendering an uncollectible rent check places Tenant in default for payment of rent and must be rectified within three (3) days of notification by Tenant tendering to Lessor a money order or a cashier's check in an amount equal to the rent due plus the late rent charges. All further monetary obligations must then be paid by money order or cashier's check.

7. **Late Charges:** If any rent payment is not postmarked/received by the 10th day of the month in which it is due, Tenant agrees to pay Thirty Dollars (\$30.00) (maximum of 6% of the monthly rent). Acceptance of partial or late payment shall not be deemed a waiver of Lessor's right to the full amount or timely payment of rent.

8. **Three Day Notice:** If Tenant is in default for nonpayment of rent on the 13th day of the month and Lessor therefore, on that day or thereafter, prepares a Three Day Notice to Pay Rent or Surrender Possession, Tenant shall pay Lessor a charge of Fifty Dollars (\$50.00).

9. **Condition:** Tenant acknowledges that the Premises are in good repair, and safe and clean condition unless otherwise indicated on the Inventory & Condition Report. The Inventory & Condition Report must be completed within three (3) days of occupancy, signed by the first Tenant to take occupancy of the Premises, and returned to Lessor for signature, attachment hereto, and incorporation herein. If the Inventory & Condition Report is not signed and returned to Lessor within three (3) days of occupancy, then the Premises will be conclusively presumed to be in good condition. Upon termination, the Premises shall be surrendered in as good a condition as at the commencement of this Rental Agreement, reasonable wear and tear excepted. Tenant agrees that Lessor shall have the sole right to determine whether the Premises have been left in clean condition and in good repair.

10. **Alterations:** Tenant shall not paint, wallpaper, add or change locks or make any alterations to the Premises without Lessor's prior written consent. Upon violation, the Premises shall be restored to the original condition at Tenant's expense.

11. **Keys:** Upon commencement of this Rental Agreement, Tenant receives () _____ keys. Tenant shall pay a charge of \$10.00 for a lost key or any key not returned to Lessor at the termination of this Rental Agreement.

12. **Maintenance:** Tenant agrees to maintain the Premises including all furniture, furnishings, glass, screens, appliances, electrical, gas, and plumbing fixtures in good condition and repair and not permit any damage thereto and shall comply with all laws for tenant's maintenance of rented Premises. Tenant shall notify Lessor immediately of any defect and pay for all repairs, replacements, and damages caused by the negligence, waste, or misuse of Tenant, Tenant's family, guests, or invitees. Upon notification, Lessor or its agent shall make all necessary repairs, within a reasonable period of time, of any defects not caused by the negligence, waste, or misuse of Tenant, Tenant's family, guests, or invitees.

13. **Entry:** Lessor or Lessor's agent reserve the right to enter the Premises in the following cases: (a) in case of emergency; (b) to make necessary or agreed to repairs, decorations, alterations, or improvements, and to supply necessary or agreed to services; (c) to exhibit the Premises to prospective or actual purchasers, mortgages, tenants, workers, contractors, insurance personnel; (d) when Tenant has abandoned or surrendered the Premises; and, (e) pursuant to Court order. Except in cases of emergency, abandonment, or surrender of the Premises, Lessor shall give Tenant at least 24 hours notice of Lessor's intent to enter the Premises and enter during normal business hours (Mon.-Fri. 8 am to 6 pm) unless Tenant consents to another time of entry.

14. **Utilities:** Lessor furnishes: () Gas () Electric (**XX**) Water (**XX**) Trash Removal (**XX**) Security System () Cable TV () All except Phone & Cable TV. All other utilities are the responsibility of the Tenant. In cases of rationing or Tenant's negligence or waste, Lessor may bill Tenant for utility costs which exceed normal costs by 10%.

15. **Assignment and Subletting:** Tenant shall not assign this Rental Agreement nor sublet the Premises, nor permit any other person to occupy or use the Premises or the building in which it is situated, without the prior written consent of Lessor. Such consent shall not be withheld by Lessor without good

reason. Any such assignment or subletting without such consent shall be void, and shall, at the option of Lessor, terminate this Rental Agreement. The consent by Lessor to one assignment or subletting shall not be deemed to be a consent to any subsequent assignment or subletting. This Rental Agreement may be assigned by Lessor without notice or consent by Tenant.

16. **Smoke Detectors:** The Premises are equipped with one or more smoke detection devices. Tenant acknowledges that the operation of the smoke detectors was explained. Tenant agrees to perform the manufacturer's recommended test weekly to insure that the smoke detectors are working properly. If a smoke detector does not work, Tenant agrees to replace batteries as needed at Tenant's expense and to inform Lessor immediately of any defect, malfunction or failure of any smoke detector.

17. **Liability and Insurance:** Tenant shall hold Lessor, its officers, agents, and employees, harmless from and defend Lessor, its officers, agents, and employees against any and all claims for liability, loss, obligation, and costs for any injury or damage to any person or property from any cause whatsoever while in, upon or in any way connected with the Premises unless due to Lessor's sole negligence. Tenant shall hold Lessor, its officers, agents, and employees harmless as to any mechanics lien or proceeding caused by Tenant. Tenant shall not do nor permit any act which might cause an increase in Lessor's insurance rates. Lessor's insurance does not cover Tenant's personal property or Tenant's negligence. Tenant agrees that Lessor is not liable for loss, damage, fire, or theft of personal property during Tenant's occupancy of the Premises from any cause unless such loss, damage, fire, or theft results solely from the negligent acts or omissions of Lessor, its officers, agents, or employees. Lessor does not assume any liability for articles or properties left on the Premises when Tenant vacates.

18. **Waiver:** The waiver by either party of any breach shall not be construed to be a continuing waiver of any subsequent breach. The receipt of rent by Lessor with knowledge of any violation of a covenant or condition hereto shall not be deemed a waiver of such breach. Any waiver or modification of any covenants or conditions hereto must be in writing and signed by all parties.

19. **Default by Tenant:** The occurrence of any of the following shall constitute a material default and breach of this Rental Agreement by Tenant: (a) any failure of Tenant to pay the rent or to make any other payment required by Lessor hereunder; (b) the abandonment of the Premises by Tenant; (c) a failure by Tenant to observe and perform any other provisions of this Rental Agreement, or

other Attachments incorporated herein by reference; (d) failure by Tenant to observe and comply with any federal, state, or local law, statute, or ordinance. In the event of any such default by Tenant, Lessor may terminate this Rental Agreement and regain possession of the Premises in the manner provided by the California Laws of Unlawful Detainer. Lessor may recover from Tenant damages in the amounts specified in Civil Code Section 1951.2.

20. **Possession**: If Lessor is unable to deliver possession of the Premises at the commencement of this Rental Agreement, or if during the tenancy Lessor determines that the Premises have become uninhabitable through no fault of Tenant, Lessor shall not be liable for any damages nor shall this Rental Agreement be void or voidable, but Tenant shall not be liable for rent when unable to occupy the Premises because of the conditions listed above in this section. Upon termination of the tenancy for whatever cause, Lessor shall give notice as required by law concerning disposition of any of Tenant's personal property that remains on the Premises. Tenant shall be responsible for all reasonable costs of storing such personal property. The personal property shall be released to Tenant or its rightful owner only after Tenant or the rightful owner pays to Lessor the reasonable costs of storage within the time required by law. Otherwise, Lessor may dispose of or retain such property in any manner permitted by law.

21. **Attorney's Fees**: In any action or proceeding arising out of this Rental Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all costs incurred including reasonable attorney's fees.

22. **Severability and Miscellaneous**: This Rental Agreement shall be governed by and construed according to the laws of the State of California. Any action brought relating to this Rental Agreement shall be held exclusively in a state court in the County of Merced. The invalidity of any portion of this Rental Agreement shall not affect the validity of the remaining portions. The headings of the paragraphs of this Rental Agreement are intended only for convenience and are not intended to limit the scope of any paragraph or offset the provisions hereof. Whenever the context of any provision shall require it, the singular number shall include plural numbers, and vice versa and the use of any gender shall include both genders.

23. **Entire Contract**: **TIME IS OF THE ESSENCE**. All prior or contemporaneous agreements between the parties are incorporated in this Rental Agreement and the written attachments hereto. Its terms are intended by the parties as a final, complete, and exclusive expression of their agreement. Each

Tenant declares that she or he: (a) is completely informed as to all facts relating to this Rental Agreement and as to the rights and liabilities as set forth herein; (b) enters into this Agreement voluntarily; (c) has carefully read each provision of this Agreement, Inventory & Condition Report and all other Attachments hereto; (d) completely understands each provision of this Agreement and agrees to perform all promises, covenants, terms, and conditions contained herein.

By initialing as provided, Tenant acknowledges the receipt of the following documents, copies of which are attached hereto, and are incorporated herein by reference: (Initials of one Tenant are binding on all Tenants.)

_____ **Tenant Rules**
_____ **Inventory & Condition Report**
_____ **Megan's Law**
_____ **Smoke Detector Report**
_____ **Repair / Replacement Agreement**
_____ **Lead Paint Disclosure**
_____ **Drug Free Housing**
_____ **Mold Notification**
_____ **Recycling List**
_____ **Insurance Notification**

The undersigned have read the foregoing Rental Agreement prior to execution and acknowledge receipt of a copy.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed on the date first above written.

LESSOR:
REDEVELOPMENT AGENCY OF
THE CITY OF MERCED
A body corporate and politic of the
State of California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Agency Secretary

APPROVED AS TO FORM:

BY: J. Schechter 7/6/09
General Counsel Date

TENANT

BY: John Larson
John Larson

ADDRESS: 2490 "G" Street
Merced, CA 95340

TELEPHONE: 209-628-4215

FACSIMILE: _____

E-MAIL: CSCHEIFMATE@YANCO

BUILDING RULES

General Conditions

1. Lessee acknowledges the right of Lessor to adopt new policies, rules and/or amendments to the lease document, providing lessee 30 days written notice.
2. If a guest stays more than ten days in a year, it may constitute a breach of the rental agreement/lease. At the discretion of the Owner/Agent, guests may be required to go through the application process and, if approved, must sign a Rental Agreement. The maximum number of persons allowed to live in the unit is ____ (number is dependent upon unit).

Maintenance, Alterations and Repairs

1. Lessee shall advise Owner/Agent of any items requiring repair, such as dripping faucets or light switches. Lessee shall make repair requests as soon after the defect is noted as is practical.
2. Lessee shall refrain from making service request to maintenance personnel unless Lessee is directed to do so by Owner/Agent.
3. Lessee shall immediately notify Owner/Agent if there is a discharge from the ventilation release valve located above the sink.
4. Lessee shall refrain from making any alterations or improvements to the unit without the consent of Owner/Agent. Lessee shall refrain from using adhesives, glue or tape to affix pictures or decorations.
5. Lessee shall refrain from using aluminum foil as a window covering and shall obtain the approval of Owner/Agent before using any window covering visible from the exterior of the building.
6. Costs of repair or clearance of stoppages in waste pipes or drains, water pipes or plumbing fixtures caused by Resident negligence or improper usage are the responsibility of the Lessee. Payment for corrective action must be paid by Lessee on demand.

Noise and Conduct

1. Lessee and guests shall not make or allow excessive noise in the unit nor permit any actions that will interfere with the rights, comforts or conveniences of other persons.
2. Lessee and guests shall not play musical instruments, television sets, stereos, radios, and other entertainment items at volumes that disturb other persons.
3. Lessee and guests shall refrain, and shall refrain from activities and conduct outside of the unit (in common areas, parking areas, or recreation facilities) which are likely to disturb or interfere with the rights, comforts or conveniences of other persons.
4. Lessee and guests shall refrain from making any noise that is disturbing to other residents between the hours of 10:00 p.m. and 7:00 a.m.

Safety and Security

1. Security is the responsibility of each Lessee and each guest. Owner/Agent assumes no responsibility or liability, unless otherwise provided by law, for residents' and guests' safety and security, or for injury or damage caused by the criminal acts of other persons.
2. Lessee should ensure that all doors are locked during Lessee's absence. Lessee must notify Owner/Agent if locks become inoperable.
3. Lessee should ensure that all appliances are turned off before departing from the premises.
4. When leaving for an extended period, Lessee should notify Owner/Agent how long Lessee will be away.

5. Prior to any planned absence from the unit, Lessee shall give Owner/Agent authority to allow entry to the unit to any person or provide Owner/Agent with the name of any person or entity permitted by Lessee to enter the unit.
6. Lessee shall refrain from smoking in bed.
7. Lessee shall refrain from using or storing gasoline, cleaning solvent or other combustibles in the unit.
8. Lessee shall refrain from using charcoal barbecues on porches, balconies or patios adjacent to buildings as such use would constitute a fire hazard. Use of barbecues or propane grills indoors is prohibited.
9. Lessee shall ensure that no personal belongings, including bicycles, play equipment or other items shall be left unattended in the halls, stairways or about the building.
10. Lessee shall not exit through any window and shall not stand on any roof or marquee fixture unless in a case of extreme emergency.
11. Lessee shall ensure that common area entry doors are closed and shall not prop doors open.

Cleanliness and Trash

1. Lessee shall keep the unit clean, sanitary and free from objectionable odors at all times.
2. Lessee shall ensure that papers, cigarette butts and trash are placed in appropriate receptacles so that litter is not created on or about unit.
3. Lessee shall ensure that trash and other materials are not permitted to accumulate so as to cause a hazard or be in violation of any health, fire or safety ordinance or regulation.
4. Lessee shall ensure that garbage does not accumulate and that it is placed in the trash containers provided for that purpose on a daily basis. Lessee shall ensure that large boxes are broken apart before being placed in the trash containers. Lessee shall be responsible, at Lessee's expense, for hauling to the dump those items too large to fit in the trash containers. Lessee is also responsible for abiding by City's recycling ordinance.
5. Lessee shall ensure that furniture is kept inside the unit and that unsightly items are kept out of view.
6. Lessee shall not leave articles in the hallways or other common areas.
7. Lessee shall not hang clothing, curtains, rugs, and other coverings and cloths outside of any window, ledge, or balcony.
8. Lessee shall not dispose of any combustible or hazardous material in trash containers or bins.

Parking

1. Lessee shall only use public parking spaces directly to the north of the building and shall ensure that guests park in the same lot. Resident shall ensure that posted and designated fire zones or "No parking" areas remain clear of vehicles at all times. Resident shall refrain from parking in unauthorized areas or along the sides of Martin Luther King way or Main Street. (Vehicles parked in unauthorized areas or parked beyond signed time limits may be ticketed or towed away at the vehicle owner's expense.)
2. Inoperable, dismantled or partially dismantled, or unregistered vehicles are subject to tow under California Vehicle Code 22658 and any applicable local laws and/or ordinances

The undersigned Lessee/Resident(s) acknowledge(s) having read and understood the foregoing, and receipt of duplicate of original.

Date

Resident

Date

Resident

INVENTORY & CONDITION REPORT

Item	No.	Arrival Condition	Departure Condition*
LIVING ROOM			
Floor Covering			
Walls & Ceiling			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			
BEDROOMS			
Floor Covering			
Walls & Ceiling			
Closet, including doors & track			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			
BATHROOMS			
Floor Covering			
Walls & Ceiling			
Shower, including door & tracks			
Toilet			
Plumbing Fixtures			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			

Item	No.	Arrival Condition	Departure Condition*
KITCHEN			
Cupboards			
Floor Covering			
Walls & Ceiling			
Counter Surfaces			
Stove & Oven, Range Hood			
Refrigerator			
Sink & Garbage Disposal			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			
HALLWAYS OR OTHER AREAS			
Floor Covering			
Walls & Ceiling			
Closets, including doors & tracks			
Light Fixtures			
Air Conditioner Filter			

**Note deterioration beyond reasonable use and wear for which tenant is alleged to be responsible*

Beginning Inventory Date _____

Departure Inventory Date _____

Owner/Agent's Signature

Owner/Agent's Signature

Renter's Signature

Renter's Signature

MEGAN'S LAW

Notice: Pursuant to Section 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP code in which he or she resides.

SMOKE DETECTOR

Renter(s) agree(s) not to dismantle the smoke detector, remove its battery, cover, or tamper with it, and to report to the Maintenance Office any malfunctions.

REPAIR AND MAINTENANCE AGREEMENT

The following is a summary of repairs and maintenance responsibilities of landlord and Tenant:

	Landlord	Tenant	Not Applicable
Foundations	X		
Exterios & Bearing Walls	X		
Roof	X		
Electrical Systems	X		
Lighting Systems	X		
Plumbing Systems	X		
Heating Systems	X		
Ventilation Systems	X		
Air Conditionaing Systems	X		
Alarm Systems	X		
Plate Glass	X		
Windows & Window Frames	X		
Gutters, Drains, Downspouts	X		
Stairs	X		
Floor Slabs	X		
Common Areas	X		
Unit Ceilings		X	
Unit Interior Walls		X	
Unit Interior Doors		X	
Unit Interior Surfaces & Windows		X	
Unit Appliances		X	
Base and/or moldings		X	
Other			

If during the course of tenancy, landlord maintenance is required, tenant has the responsibility to contact the landlord's property manager at (209) _____. Tenant shall be responsible for the maintenance of the above stated items. If maintenance is required and tenant does not perform identified maintenance, landlord may at the sole cost of tenant.

Tenant _____

Date _____

LEAD PAINT DISCLOSURE

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling. Tenants must also receive a Federally approved pamphlet on lead poisoning prevention. NOTE: The existence of lead on the rental property is not, by itself, cause for termination of the tenancy. (Public Law 102-550 sec. 1018 (c))

Lessor's Disclosure

(a) Presence of lead-based paint or lead-based paint hazards (check one below):

_____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check one below):

_____ Lessor has provided the lessee with all available records and reports pertaining to lead based paint and/or lead-based paint hazards in the housing (list documents below).

_____ Lessor has no reports or records pertaining to lead-based paint and/or lead based paint hazards in the housing.

Agent's* Acknowledgment (Initial)

*The term Agent is defined as any party who enters into a contract with the Lessor, including anyone who enters into a contract with a representative of the Owner for the purpose of leasing housing. An on-site resident manager may act as the Agent if authorized to do so by either the Owner or the property management company.

_____ (c) Agent has informed the Owner of his/her obligations under 42 U.S.C. 4852d, and the Agent is aware of his/her responsibility to ensure compliance.

Lessee's Acknowledgement (Initial)

_____ (d) Lessee has received copies of all information listed above.

_____ (e) Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Date

Owner/Agent

Date

Lessee

Date

Lessee

LEAD-BASED PAINT DISCLOSURE INSTRUCTION SHEET

EPA and HUD Real Estate Notification and Disclosure Rule

Questions and Answers

The Rule

Q: *What is the purpose of this rule and who is affected?*

A: To protect the public from exposure to lead from paint, dust, and soil, Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992, also known as Title X. Section 1018 of this law directed HUD and EPA to require disclosure of information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978. The rule would ensure that purchasers and renters of housing built before 1978 receive the information necessary to protect themselves and their families from lead-based paint hazards.

Q: *When does the rule take effect?*

A: The rule's effective date depends on the number of housing units owned.

- For owners of more than 4 dwelling units, the effective date is September 6, 1996.
- For owners of 4 or fewer dwelling units, the effective date is December 6, 1996.

Affected Housing

Q: *What type of housing is affected by this rule?*

A: This rule applies to all housing defined as "target housing," which includes most private housing, public housing, housing receiving Federal assistance, and Federally owned housing built before 1978.

Q: *What type of housing is not affected by this rule?*

A: Housing that is not affected by this rule includes:

- "0-bedroom dwellings," such as lofts, efficiencies, and studios.
- Leases of dwelling units of 100 days or fewer, such as vacation homes or short-term rental.
- Designated housing for the elderly and the handicapped unless children reside or are expected to reside there.
- Rental housing that has been inspected by a certified inspector and is found to be free of lead-based paint.

Q: *How does this rule apply to housing common areas such as stairwells, lobbies and laundry rooms?*

A: Common areas are those areas in multifamily housing structure that are used or are accessible to all occupants. The rule requires that sellers and lessors disclose available lead information about common areas so that families can be informed about preventative actions.

Q: *Why doesn't this rule affect housing built after 1978?*

A: Congress did not extend the law to housing built after 1978 because the Consumer Product Safety Commission banned the use of lead-based paint to be used in housing in 1978.

Q: *Is my home unsafe if it contains lead-based paint?*

A: Approximately three-quarters of the nation's housing built before 1978 contains some lead-based paint. This paint, if properly managed and maintained, poses little risk. If allowed to deteriorate, lead from paint can threaten the health of occupants, especially children under 6 years old. If families and building owners are aware of the presence of lead-based paint and the proper actions to take, most lead-based paint hazards can be managed. The EPA pamphlet *Protect Your Family from Lead in Your Home* provides important information for families and homeowners to help them identify when lead-based paint is likely to be a hazard and how to get their home checked.

Seller and Lessor Responsibilities

Q: *What if I'm selling target housing?*

A: Property owners who sell target housing must:

- Disclose all known lead-based paint and lead-based paint hazards in the housing and any available reports on lead in the housing.
- Give buyers the EPA pamphlet *Protect Your Family from Lead in Your Home*.
- Include certain warning language in the contract as well as signed statements from all parties verifying that all requirements were completed.
- Retain signed acknowledgements for 3 years, as proof of compliance.
- Give buyers a 10-day opportunity to test the housing for lead.

Q: *What if I'm renting target housing?*

A: Property owners who rent out target housing must:

- Disclose all known lead-based paint and lead-based paint hazards in the housing and any available reports on lead in the housing.
- Give renters the EPA pamphlet *Protect Your Family from Lead in Your Home*.
- Include certain warning language in the lease as well as signed statements from all parties verifying that all requirements were completed.
- Retain signed acknowledgements for 3 years, as proof of compliance.

Q: *Am I required to give the EPA pamphlet *Protect Your Family from Lead in Your Home* to existing tenants?*

A: No, but when tenants renew their leases, you must give them the pamphlet and any available reports. In other words, you must give them the same information that you are required to provide new tenants.

Q: What if the buyers/renters don't speak English?

A: In cases where the buyer or renter signed a purchase or lease agreement in a language other than English, the rule requires that the disclosure language be provided in the alternate language. The EPA pamphlet *Protect Your Family from Lead in Your Home* is printed in English and Spanish and will be made available to the public. EPA and HUD are considering publishing the pamphlet in other languages as well.

Q: Must I check my house for lead prior to sale?

A: No. Nothing in the rule requires that a seller conduct or finance an inspection or risk assessment. The seller, however, is required to provide the buyer a 10-day period to test for lead-based paint or lead-based paint hazards.

Q: Is the seller required to remove any lead-based paint that is discovered during an inspection?

A: No. Nothing in the rule requires a building owner to remove lead-based paint or lead-based paint hazards discovered during an inspection or risk assessment. In addition, the rule does not prevent the two parties from negotiating hazard reduction activities as a contingency of the purchase and sale of the housing.

Q: What if I know there is lead-based paint in my home?

A: If you know there is lead-based paint in your home, you are required to disclose this information to the buyer or renter along with any other available reports on lead.

Q: What if the lessor knows that there is no lead-based paint in my rental housing?

A: If your rental housing has been found to be free of lead-based paint by a certified inspector, this rule does not apply. However, landlords seeking an exclusion to this rule must use state certified inspectors. If your state does not have a certification program, you may use a certified inspector from another state. In addition, EPA is developing certification requirements for individuals and firms conducting lead-based paint inspections, risk assessments, and abatements.

Agent Responsibilities

Q: What are my responsibilities as an agent?

A: Agents must ensure that:

- Sellers and landlords are made aware of their obligations under this rule.
- Sellers and landlords disclose the proper information to lessors, buyers, and tenants.
- Sellers give purchasers the opportunity to conduct an inspection.
- Lease and sales contracts contain the appropriate notification and disclosure language and proper signatures.

Q: What is the responsibility of an agent if the seller or landlord fails to comply with this rule?

A: The agent is responsible for informing the seller or lessor of his or her obligations under this rule. In addition, the agent is responsible if the seller or lessor fails to comply, however, an agent is not responsible for information withheld by the seller or lessor.

Purchaser and Renter Rights

Q: As a purchaser, am I required to conduct and finance an inspection?

A: No. The rule simply ensures that you have the opportunity to test for lead before purchase.

Q: Can the inspection/risk assessment period be waived?

A: Yes. The inspection or risk assessment period can be lengthened, shortened, or waived by mutual written consent between the purchaser and the seller.

Q: If I am renting, do I have the same opportunity to test for lead?

A: Under the law, the 10-day inspection period is limited to sales transactions, but nothing prevents the renter from negotiating with the lessor to allow time for an inspection before rental.

Q: Where can I find a qualified professional to conduct an inspection?

A: State agencies can provide helpful information for locating qualified professionals in your area. The EPA pamphlet *Protect Your Family from Lead in Your Home* provides the phone numbers of these state agencies. It is important to verify the qualifications of individuals and firms before hiring them.

Q: Must inspectors be certified?

A: Some cities and states have their own rules concerning inspector certification. These requirements, which may be administered at the state or Federal level, may not be in place for several years. Once these requirements are in place, professionals who offer to perform lead-based paint inspections must be certified. The certification requirements that EPA is developing will ensure that inspectors engaged in lead-based paint activities have completed an EPA-certified training program or an EPA-approved state program. Meanwhile, EPA and HUD recommend that people inspect the qualifications and training of individuals and firms before hiring them to conduct risk assessments, inspections, or abatements.

Liability

Q: Does this rule increase my liability for future lead poisoning on my property?

A: In some cases, disclosure may actually reduce the owner's liability since occupants may be able to prevent exposure from the beginning. Under this rule, however, sellers, landlords or agents who fail to provide the required notices and information are liable for triple the amount of damages.

Q: Are mortgage lenders liable under these rules if the seller or lessor fails to disclose?

A: Under the disclosure regulation, the rule does not identify mortgage lenders as liable parties. This rule does not affect other state and Federal provisions regarding the obligations and responsibilities of lenders.

Q: *What if a seller or lessor fails to comply with these regulations?*

A: A seller, lessor, or agent who fails to give the proper information can be sued for triple the amount of damages. In addition, they may be subject to civil and criminal penalties. Ensuring that disclosure information is given to homebuyers and tenants helps all parties avoid misunderstandings before, during, and after sales and lending agreements.

RENTAL AGREEMENT/LEASE AGREEMENT
ADDENDUM FOR DRUG-FREE HOUSING

In consideration of the execution or renewal of a lease of the dwelling unit identified in the Rental Agreement/Lease, Management and Resident agree as follows:

1. Resident, any member of the Resident's household, or a guest or other person under the resident's control shall not engage in criminal activity, including drug-related criminal activity, on or near property premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802)).
2. Resident, any member of the Resident's household, or a guest or other person under the Resident's control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near property premises.
3. Resident or members of the household will not permit the dwelling unit to be used for, or to facilitate, criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household or a guest.
4. Resident or members of the household will not engage in the manufacture, sale, or distribution of illegal drugs at any location, whether on or near premises or otherwise.
5. Resident, any member of the Resident's household, or a guest or other person under the Resident's control shall not engage in acts of violence or threats of violence, including, but not limited to the unlawful discharge of firearms on or near property premises.
6. ***VIOLATION OF ANY OF THE ABOVE PROVISIONS SHALL BE A MATERIAL VIOLATION OF THE RENTAL AGREEMENT/LEASE AND GOOD CAUSE FOR TERMINATION OF TENANCY.*** A single violation of any of the provisions of this addendum shall be deemed a serious violation and a material noncompliance with the rental agreement/lease. It is understood and agreed that a single violation shall be good cause for termination of the rental agreement/lease. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.
7. In case of conflict between the provisions of this addendum and any other provisions of the rental agreement/lease, the provisions of the addendum shall govern.
8. This Rental Agreement/Lease Addendum is incorporated into the rental agreement/lease executed or renewed this day between Management and Resident.

Date

Resident

Date

Resident

Date

Owner/Agent

MOLD NOTIFICATION

THIS AGREEMENT made and entered into between _____, "Owner/Agent"
and _____, "Resident".

Resident is renting from Owner/Agent the premises located at:

_____, Unit # (if applicable) _____
(Street Address)
_____, CA _____
(City) (Zip)

It is our goal to maintain the highest quality living environment for our residents. Therefore, know that the Owner/Agent has inspected the unit prior to lease and knows of no damp or wet building materials and knows of no mold or mildew contamination. Resident is hereby notified that mold, however, can grow if the premises are not properly maintained or ventilated. If moisture is allowed to accumulate in the unit, it can cause mildew and mold to grow. It is important that Residents regularly allow air to circulate in the apartment. It is also important that Residents keep the interior of the unit clean and that they promptly notify the Owner/Agent of any leaks, moisture problems, and/or mold growth.

Resident agrees to maintain the premises in a manner that prevents the occurrence of an infestation of mold or mildew in the premises. Resident agrees to uphold this responsibility in part by complying with the following list of responsibilities:

1. Resident agrees to keep the unit free of dirt and debris that can harbor mold.
2. Resident agrees to immediately report to the Owner/Agent any water intrusion, such as plumbing leaks, drips, or "sweating" pipes.
3. Resident agrees to notify owner of overflows from bathroom, kitchen, or unit laundry facilities, especially in cases where the overflow may have permeated walls or cabinets.
4. Resident agrees to report to the Owner/Agent any significant mold growth on surfaces inside the premises.
5. Resident agrees to allow the Owner/Agent to enter the unit to inspect and make necessary repairs.
6. Resident agrees to use bathroom fans while showering or bathing and to report to the Owner/Agent any non-working fan.
7. Resident agrees to use exhaust fans whenever cooking, dishwashing, or cleaning.
8. Resident agrees to use all reasonable care to close all windows and other openings in the premises to prevent outdoor water from penetrating into the interior unit.
9. Resident agrees to clean and dry any visible moisture on windows, walls, and other surfaces, including personal property, as soon as reasonably possible. (Note: Mold can grow on damp surfaces within 24 to 48 hours.)
10. Resident agrees to notify the Owner/Agent of any problems with the air conditioning or heating systems that are discovered by the Resident.
11. Resident agrees to indemnify and hold harmless the Owner/Agent from any actions, claims, losses, damages, and expenses, including, but not limited to, attorneys' fees that the Owner/Agent may sustain or incur as a result of the negligence of the Resident or any guest or other person living in, occupying, or using the premises.

The undersigned Resident(s) acknowledge(s) having read and understood the foregoing, and receipt of a duplicate original.

Date

Resident

Date

Resident

Date

Owner/Agent

RECYCLING LIST

The following criteria of recyclable and non-recyclable items are intended to be used as a guideline only; not all items are listed. If you have further questions as to what is acceptable, please feel free to contact Marcy, Recycling Coordinator for the City of Merced at (209) 564-0387.

Plastics labeled #1,2 (narrow-necked bottles). Look for recycling symbol (triangle or circle on the bottom or side/label of the container) for the number. Plastics with numbers 1, 2 and all CRV items (any item upon which you paid a deposit) are accepted. Other numbers such as 3, 4, 5 etc. are not accepted.

Aluminum/Bimetal Products – All containers must be empty – lids are okay

Acceptable Items

All other tin/aluminum cans
Aluminum foil – clean
Appliances such as can opener, microwave –
must be more than 70% metal
Beer cans
Cat & Dog food cans
Coffee cans
Decorative cookie cans
Faucets – all metal – no motor
Hair spray cans
Household pesticide spray cans
Pots / Pans
Soda cans
Soup cans
Tuna fish cans

Non-Acceptable Items

BBQ propane tanks
Foil pouches (i.e. Capri-Sun juice containers)
Large automotive car parts (i.e. Fender)
Potato chip bags

Glass Products – All containers must be empty – lid okay

Acceptable Items

Chili Pepper bottles
Ketchup & Mayonnaise & Mustard bottles
Peanut Butter jars
Pickle jars
Snapple bottles

Non-Acceptable Items

Ceramic floor tile
Ceramics
China & Porcelain
Light bulbs
Window

Paper Products – Must be clean & uncontaminated with food or chemicals

Acceptable Items

All clean paper – staples okay
Boxes – Donut, Cereal, Cake/Pudding, Pizza – or other boxes
Small enough to fit
Cardboard tubes from toilet paper/paper towel rolls
Catalogs
Computer/Office paper
Junk Mail – glossy paper and window envelopes okay
Magazines & Newspapers & Telephone books
Paper grocery bags
Paper milk cartons
Shredded paper

Non-Acceptable Items

Bag inside cereal boxes
Cardboard roll with plastic wrap
Cat & Dog food bags/snacks – empty
Foil – lined potato chip bags/cartons
Juice boxes
Mixed cardboard/metal containers (i.e. biscuit dough
containers, cookie dough container)
Napkins - dirty
Paper plates - dirty
Paper towels - dirty

Plastics

Acceptable Items- labeled 1 or 2

Bleach bottles
Coffee drink bottles
Detergent bottles
Dishwashing soap bottles
Ketchup & Mayonnaise & Mustard bottles
Milk bottles
Peanut Butter plastic jars
Shampoo bottles
Soda & Water bottles
Sport drink bottles
Tea drink bottles

Non-Acceptable Items- labeled 3, 4, 5, etc.

Basketballs
Clothes
Diapers
Garden & other hoses
Plastic grocery bags
Potato chip bags
Shoes
Styrofoam

SATELLITE ADDENDUM

Tenant understands that at this time, satellites are not allowed to be installed. If an installation occurs, tenant will be responsible for the cost of its removal and any repairs which its removal necessitates.

INSURANCE NOTIFICATION

TO: Resident(s): _____

Address/Unit: _____

The purpose of this letter is to inform you concerning insurance coverage so that you can protect yourself against loss, if you wish, and to help prevent misunderstanding about the owner's insurance coverage. It is not an effort by the owner/agent to change responsibilities – that is done by the state legislature and the courts.

1. Generally, except under special circumstances, the OWNER IS Not legally responsible for loss to the resident's personal property, possessions or personal liability, and OWNER'S INSURANCE WILL NOT COVER such losses or damages.
2. If damages or injury to owner's property is caused by resident, resident's guest(s) or child (children), the owner's insurance company may have the right to attempt (under the "subrogation clause") to recover from the resident(s) payments made under owner's policy.
3. Following is a non-inclusive list of examples of possible costly misfortunes that, except for special circumstances, you could be held legally responsible for:
 - a. Your babysitter injures herself in your unit.
 - b. Your defective electrical extension cord starts a fire which causes damage to the building and your personal property and or the personal property of others.
 - c. A friend, or your handyman, is injured while helping you slide out your refrigerator so you can clean behind it.
 - d. While fixing your television set, a handyman hired by you is injured when he slips on the floor you have just waxed.
 - e. Your locked car is broken into and your personal property, and that of a friend, is stolen.
 - f. A burglar breaks your front door lock and steals your valuables or personal property.
4. If you desire to protect yourself and your property against loss, damage, or liability, the owner strongly recommends you consult with your insurance agent and obtain appropriate coverage for fire, theft, liability, workers' compensation and other perils.

The cost is reasonable considering the peace of mind, the protection, and the financial recovery of loss that you get if you are adequately protected by insurance.

Date

Owner/Agent

**REDEVELOPMENT AGENCY OF THE CITY OF MERCED
2492 "G" STREET, MERCED, CALIFORNIA**

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this ____ day of _____, 2009, by and between the Redevelopment Agency of the City of Merced, a body corporate and politic of the State of California, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "Lessor") and Leticia Rodriguez, whose address of record is 2492 "G" Street, Merced, California 95340, (hereinafter referred to as "Tenant") agree as follows:

1. **Property Description:** Lessor rents to Tenant and Tenant hires from Lessor the "Premises" described as: 2492 "G" Street, Merced, California.

2. **Occupants & Purpose:** The Premises shall be used solely as a private residence by the undersigned Tenant. Occupancy by any guest staying more than three (3) days within any consecutive thirty (30) day period shall be in violation of this provision.

3. **Term:**

(XX) This Month-to-Month Rental Agreement commences at the date of mutual execution, and subject to the provisions of Section 23, may be terminated by either party, with or without cause upon thirty (30) days prior written notice to the other party.

4. **Rent:** The rental rate shall be Four Hundred Sixty-Five Dollars (\$465.00) per month.

After commencement of the Rental Agreement, one month's rent is payable in advance without demand or notice on or before the 1st day of each and every month. If the Rental Agreement begins on a different day of the month, a prorated rent shall become due upon mutual execution.

5. **Joint and Several Liability:** It is expressly understood that this Rental Agreement is between Lessor and each signatory, jointly and severally. In the event of default by any one signatory, each and every remaining signatory shall

be responsible for timely payment of all rent and all other provisions of this Rental Agreement.

6. **Payment and Notices:** Only one rent check shall be accepted and receipted for the Premises. Rent shall be given or mailed to Lessor at: City of Merced Finance Office, 678 West 18th Street, Merced, CA 95340. Notices to Lessor shall be given or mailed to: Redevelopment Agency of the City of Merced, Attn: Daniel Ainslie, 678 West 18th Street, Merced, CA 95340. Notices to Tenant shall be served at the Premises. Checks: If any check is uncollectible, Tenant shall pay a Twenty Dollars (\$20.00) bad check charge. Tendering an uncollectible rent check places Tenant in default for payment of rent and must be rectified within three (3) days of notification by Tenant tendering to Lessor a money order or a cashier's check in an amount equal to the rent due plus the late rent charges. All further monetary obligations must then be paid by money order or cashier's check.

7. **Late Charges:** If any rent payment is not postmarked/received by the 10th day of the month in which it is due, Tenant agrees to pay Twenty-Seven Dollars (\$27.00) (maximum of 6% of the monthly rent). Acceptance of partial or late payment shall not be deemed a waiver of Lessor's right to the full amount or timely payment of rent.

8. **Three Day Notice:** If Tenant is in default for nonpayment of rent on the 13th day of the month and Lessor therefore, on that day or thereafter, prepares a Three Day Notice to Pay Rent or Surrender Possession, Tenant shall pay Lessor a charge of Fifty Dollars (\$50.00).

9. **Condition:** Tenant acknowledges that the Premises are in good repair, and safe and clean condition unless otherwise indicated on the Inventory & Condition Report. The Inventory & Condition Report must be completed within three (3) days of occupancy, signed by the first Tenant to take occupancy of the Premises, and returned to Lessor for signature, attachment hereto, and incorporation herein. If the Inventory & Condition Report is not signed and returned to Lessor within three (3) days of occupancy, then the Premises will be conclusively presumed to be in good condition. Upon termination, the Premises shall be surrendered in as good a condition as at the commencement of this Rental Agreement, reasonable wear and tear excepted. Tenant agrees that Lessor shall have the sole right to determine whether the Premises have been left in clean condition and in good repair.

10. **Alterations**: Tenant shall not paint, wallpaper, add or change locks or make any alterations to the Premises without Lessor's prior written consent. Upon violation, the Premises shall be restored to the original condition at Tenant's expense.

11. **Keys**: Upon commencement of this Rental Agreement, Tenant receives () _____ keys. Tenant shall pay a charge of \$10.00 for a lost key or any key not returned to Lessor at the termination of this Rental Agreement.

12. **Maintenance**: Tenant agrees to maintain the Premises including all furniture, furnishings, glass, screens, appliances, electrical, gas, and plumbing fixtures in good condition and repair and not permit any damage thereto and shall comply with all laws for tenant's maintenance of rented Premises. Tenant shall notify Lessor immediately of any defect and pay for all repairs, replacements, and damages caused by the negligence, waste, or misuse of Tenant, Tenant's family, guests, or invitees. Upon notification, Lessor or its agent shall make all necessary repairs, within a reasonable period of time, of any defects not caused by the negligence, waste, or misuse of Tenant, Tenant's family, guests, or invitees.

13. **Entry**: Lessor or Lessor's agent reserve the right to enter the Premises in the following cases: (a) in case of emergency; (b) to make necessary or agreed to repairs, decorations, alterations, or improvements, and to supply necessary or agreed to services; (c) to exhibit the Premises to prospective or actual purchasers, mortgages, tenants, workers, contractors, insurance personnel; (d) when Tenant has abandoned or surrendered the Premises; and, (e) pursuant to Court order. Except in cases of emergency, abandonment, or surrender of the Premises, Lessor shall give Tenant at least 24 hours notice of Lessor's intent to enter the Premises and enter during normal business hours (Mon.-Fri. 8 am to 6 pm) unless Tenant consents to another time of entry.

14. **Utilities**: Lessor furnishes: () Gas () Electric (**XX**) Water (**XX**) Trash Removal () Cable TV () All except Phone & Cable TV. All other utilities are the responsibility of the Tenant. In cases of rationing or Tenant's negligence or waste, Lessor may bill Tenant for utility costs which exceed normal costs by 10%.

~~15. **Assignment and Subletting**: Tenant shall not assign this Rental Agreement nor sublet the Premises, nor permit any other person to occupy or use the Premises or the building in which it is situated, without the prior written consent of Lessor. Such consent shall not be withheld by Lessor without good~~

reason. Any such assignment or subletting without such consent shall be void, and shall, at the option of Lessor, terminate this Rental Agreement. The consent by Lessor to one assignment or subletting shall not be deemed to be a consent to any subsequent assignment or subletting. This Rental Agreement may be assigned by Lessor without notice or consent by Tenant.

16. **Smoke Detectors**: The Premises are equipped with one or more smoke detection devices. Tenant acknowledges that the operation of the smoke detectors was explained. Tenant agrees to perform the manufacturer's recommended test weekly to insure that the smoke detectors are working properly. If a smoke detector does not work, Tenant agrees to replace batteries as needed at Tenant's expense and to inform Lessor immediately of any defect, malfunction or failure of any smoke detector.

17. **Liability and Insurance**: Tenant shall hold Lessor, its officers, agents, and employees, harmless from and defend Lessor, its officers, agents, and employees against any and all claims for liability, loss, obligation, and costs for any injury or damage to any person or property from any cause whatsoever while in, upon or in any way connected with the Premises unless due to Lessor's sole negligence. Tenant shall hold Lessor, its officers, agents, and employees harmless as to any mechanics lien or proceeding caused by Tenant. Tenant shall not do nor permit any act which might cause an increase in Lessor's insurance rates. Lessor's insurance does not cover Tenant's personal property or Tenant's negligence. Tenant agrees that Lessor is not liable for loss, damage, fire, or theft of personal property during Tenant's occupancy of the Premises from any cause unless such loss, damage, fire, or theft results solely from the negligent acts or omissions of Lessor, its officers, agents, or employees. Lessor does not assume any liability for articles or properties left on the Premises when Tenant vacates.

18. **Waiver**: The waiver by either party of any breach shall not be construed to be a continuing waiver of any subsequent breach. The receipt of rent by Lessor with knowledge of any violation of a covenant or condition hereto shall not be deemed a waiver of such breach. Any waiver or modification of any covenants or conditions hereto must be in writing and signed by all parties.

19. **Default by Tenant**: The occurrence of any of the following shall constitute a material default and breach of this Rental Agreement by Tenant: (a) any failure of Tenant to pay the rent or to make any other payment required by Lessor hereunder; (b) the abandonment of the Premises by Tenant; (c) a failure by Tenant to observe and perform any other provisions of this Rental Agreement, or

other Attachments incorporated herein by reference; (d) failure by Tenant to observe and comply with any federal, state, or local law, statute, or ordinance. In the event of any such default by Tenant, Lessor may terminate this Rental Agreement and regain possession of the Premises in the manner provided by the California Laws of Unlawful Detainer. Lessor may recover from Tenant damages in the amounts specified in Civil Code Section 1951.2.

20. **Possession**: If Lessor is unable to deliver possession of the Premises at the commencement of this Rental Agreement, or if during the tenancy Lessor determines that the Premises have become uninhabitable through no fault of Tenant, Lessor shall not be liable for any damages nor shall this Rental Agreement be void or voidable, but Tenant shall not be liable for rent when unable to occupy the Premises because of the conditions listed above in this section. Upon termination of the tenancy for whatever cause, Lessor shall give notice as required by law concerning disposition of any of Tenant's personal property that remains on the Premises. Tenant shall be responsible for all reasonable costs of storing such personal property. The personal property shall be released to Tenant or its rightful owner only after Tenant or the rightful owner pays to Lessor the reasonable costs of storage within the time required by law. Otherwise, Lessor may dispose of or retain such property in any manner permitted by law.

21. **Attorney's Fees**: In any action or proceeding arising out of this Rental Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all costs incurred including reasonable attorney's fees.

22. **Severability and Miscellaneous**: This Rental Agreement shall be governed by and construed according to the laws of the State of California. Any action brought relating to this Rental Agreement shall be held exclusively in a state court in the County of Merced. The invalidity of any portion of this Rental Agreement shall not affect the validity of the remaining portions. The headings of the paragraphs of this Rental Agreement are intended only for convenience and are not intended to limit the scope of any paragraph or offset the provisions hereof. Whenever the context of any provision shall require it, the singular number shall include plural numbers, and vice versa and the use of any gender shall include both genders.

23. **Entire Contract**: **TIME IS OF THE ESSENCE.** All prior or contemporaneous agreements between the parties are incorporated in this Rental Agreement and the written attachments hereto. Its terms are intended by the parties as a final, complete, and exclusive expression of their agreement. Each

Tenant declares that she or he: (a) is completely informed as to all facts relating to this Rental Agreement and as to the rights and liabilities as set forth herein; (b) enters into this Agreement voluntarily; (c) has carefully read each provision of this Agreement, Inventory & Condition Report and all other Attachments hereto; (d) completely understands each provision of this Agreement and agrees to perform all promises, covenants, terms, and conditions contained herein.

By initialing as provided, Tenant acknowledges the receipt of the following documents, copies of which are attached hereto, and are incorporated herein by reference: (Initials of one Tenant are binding on all Tenants.)

_____ **Tenant Rules**
_____ **Inventory & Condition Report**
_____ **Megan's Law**
_____ **Smoke Detector Report**
_____ **Repair / Replacement Agreement**
_____ **Lead Paint Disclosure**
_____ **Drug Free Housing**
_____ **Mold Notification**
_____ **Recycling List**
_____ **Insurance Notification**

The undersigned have read the foregoing Rental Agreement prior to execution and acknowledge receipt of a copy.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed on the date first above written.

LESSOR:
REDEVELOPMENT AGENCY OF
THE CITY OF MERCED
A body corporate and politic of the
State of California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Agency Secretary

APPROVED AS TO FORM:

BY: J. Schechter 7/6/09
General Counsel Date

TENANT

BY: Leticia P. Rodriguez 7/6/09
Leticia Rodriguez

ADDRESS: 2498 "G" Street
Merced, CA 95340

TELEPHONE: _____

FACSIMILE: _____

E-MAIL: _____

BUILDING RULES

General Conditions

1. Lessee acknowledges the right of Lessor to adopt new policies, rules and/or amendments to the lease document, providing lessee 30 days written notice.
2. If a guest stays more than ten days in a year, it may constitute a breach of the rental agreement/lease. At the discretion of the Owner/Agent, guests may be required to go through the application process and, if approved, must sign a Rental Agreement. The maximum number of persons allowed to live in the unit is ____ (number is dependent upon unit).

Maintenance, Alterations and Repairs

1. Lessee shall advise Owner/Agent of any items requiring repair, such as dripping faucets or light switches. Lessee shall make repair requests as soon after the defect is noted as is practical.
2. Lessee shall refrain from making service request to maintenance personnel unless Lessee is directed to do so by Owner/Agent.
3. Lessee shall immediately notify Owner/Agent if there is a discharge from the ventilation release valve located above the sink.
4. Lessee shall refrain from making any alterations or improvements to the unit without the consent of Owner/Agent. Lessee shall refrain from using adhesives, glue or tape to affix pictures or decorations.
5. Lessee shall refrain from using aluminum foil as a window covering and shall obtain the approval of Owner/Agent before using any window covering visible from the exterior of the building.
6. Costs of repair or clearance of stoppages in waste pipes or drains, water pipes or plumbing fixtures caused by Resident negligence or improper usage are the responsibility of the Lessee. Payment for corrective action must be paid by Lessee on demand.

Noise and Conduct

1. Lessee and guests shall not make or allow excessive noise in the unit nor permit any actions that will interfere with the rights, comforts or conveniences of other persons.
2. Lessee and guests shall not play musical instruments, television sets, stereos, radios, and other entertainment items at volumes that disturb other persons.
3. Lessee and guests shall refrain, and shall refrain from activities and conduct outside of the unit (in common areas, parking areas, or recreation facilities) which are likely to disturb or interfere with the rights, comforts or conveniences of other persons.
4. Lessee and guests shall refrain from making any noise that is disturbing to other residents between the hours of 10:00 p.m. and 7:00 a.m.

Safety and Security

1. Security is the responsibility of each Lessee and each guest. Owner/Agent assumes no responsibility or liability, unless otherwise provided by law, for residents' and guests' safety and security, or for injury or damage caused by the criminal acts of other persons.
2. Lessee should ensure that all doors are locked during Lessee's absence. Lessee must notify Owner/Agent if locks become inoperable.
3. Lessee should ensure that all appliances are turned off before departing from the premises.
4. When leaving for an extended period, Lessee should notify Owner/Agent how long Lessee will be away.

5. Prior to any planned absence from the unit, Lessee shall give Owner/Agent authority to allow entry to the unit to any person or provide Owner/Agent with the name of any person or entity permitted by Lessee to enter the unit.
6. Lessee shall refrain from smoking in bed.
7. Lessee shall refrain from using or storing gasoline, cleaning solvent or other combustibles in the unit.
8. Lessee shall refrain from using charcoal barbecues on porches, balconies or patios adjacent to buildings as such use would constitute a fire hazard. Use of barbecues or propane grills indoors is prohibited.
9. Lessee shall ensure that no personal belongings, including bicycles, play equipment or other items shall be left unattended in the halls, stairways or about the building.
10. Lessee shall not exit through any window and shall not stand on any roof or marquee fixture unless in a case of extreme emergency.
11. Lessee shall ensure that common area entry doors are closed and shall not prop doors open.

Cleanliness and Trash

1. Lessee shall keep the unit clean, sanitary and free from objectionable odors at all times.
2. Lessee shall ensure that papers, cigarette butts and trash are placed in appropriate receptacles so that litter is not created on or about unit.
3. Lessee shall ensure that trash and other materials are not permitted to accumulate so as to cause a hazard or be in violation of any health, fire or safety ordinance or regulation.
4. Lessee shall ensure that garbage does not accumulate and that it is placed in the trash containers provided for that purpose on a daily basis. Lessee shall ensure that large boxes are broken apart before being placed in the trash containers. Lessee shall be responsible, at Lessee's expense, for hauling to the dump those items too large to fit in the trash containers. Lessee is also responsible for abiding by City's recycling ordinance.
5. Lessee shall ensure that furniture is kept inside the unit and that unsightly items are kept out of view.
6. Lessee shall not leave articles in the hallways or other common areas.
7. Lessee shall not hang clothing, curtains, rugs, and other coverings and cloths outside of any window, ledge, or balcony.
8. Lessee shall not dispose of any combustible or hazardous material in trash containers or bins.

Parking

1. Lessee shall only use public parking spaces directly to the north of the building and shall ensure that guests park in the same lot. Resident shall ensure that posted and designated fire zones or "No parking" areas remain clear of vehicles at all times. Resident shall refrain from parking in unauthorized areas or along the sides of Martin Luther King way or Main Street. (Vehicles parked in unauthorized areas or parked beyond signed time limits may be ticketed or towed away at the vehicle owner's expense.)
2. Inoperable, dismantled or partially dismantled, or unregistered vehicles are subject to tow under California Vehicle Code 22658 and any applicable local laws and/or ordinances

The undersigned Lessee/Resident(s) acknowledge(s) having read and understood the foregoing, and receipt of duplicate of original.

Date

Resident

Date

Resident

INVENTORY & CONDITION REPORT

Item	No.	Arrival Condition	Departure Condition*
LIVING ROOM			
Floor Covering			
Walls & Ceiling			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			
BEDROOMS			
Floor Covering			
Walls & Ceiling			
Closet, including doors & track			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			
BATHROOMS			
Floor Covering			
Walls & Ceiling			
Shower, including door & tracks			
Toilet			
Plumbing Fixtures			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			

Item	No.	Arrival Condition	Departure Condition*
KITCHEN			
Cupboards			
Floor Covering			
Walls & Ceiling			
Counter Surfaces			
Stove & Oven, Range Hood			
Refrigerator			
Sink & Garbage Disposal			
Windows (screens, blinds, etc.)			
Doors, including hardware			
Light Fixtures			
HALLWAYS OR OTHER AREAS			
Floor Covering			
Walls & Ceiling			
Closets, including doors & tracks			
Light Fixtures			
Air Conditioner Filter			

**Note deterioration beyond reasonable use and wear for which tenant is alleged to be responsible*

Beginning Inventory Date _____ Departure Inventory Date _____

Owner/Agent's Signature _____

Owner/Agent's Signature _____

Renter's Signature _____

Renter's Signature _____

MEGAN'S LAW

Notice: Pursuant to Section 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP code in which he or she resides.

SMOKE DETECTOR

Renter(s) agree(s) not to dismantle the smoke detector, remove its battery, cover, or tamper with it, and to report to the Maintenance Office any malfunctions.

REPAIR AND MAINTENANCE AGREEMENT

The following is a summary of repairs and maintenance responsibilities of landlord and Tenant:

	Landlord	Tenant	Not Applicable
Foundations	X		
Exterios & Bearing Walls	X		
Roof	X		
Electrical Systems	X		
Lighting Systems	X		
Plumbing Systems	X		
Heating Systems	X		
Ventilation Systems	X		
Air Conditionaing Systems	X		
Alarm Systems	X		
Plate Glass	X		
Windows & Window Frames	X		
Gutters, Drains, Downspouts	X		
Stairs	X		
Floor Slabs	X		
Common Areas	X		
Unit Ceilings		X	
Unit Interior Walls		X	
Unit Interior Doors		X	
Unit Interior Surfaces & Windows		X	
Unit Appliances		X	
Base and/or moldings		X	
Other			

If during the course of tenancy, landlord maintenance is required, tenant has the responsibility to contact the landlord's property manager at (209) _____. Tenant shall be responsible for the maintenance of the above stated items. If maintenance is required and tenant does not perform identified maintenance, landlord may at the sole cost of tenant.

Tenant _____

Date _____

LEAD PAINT DISCLOSURE

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling. Tenants must also receive a Federally approved pamphlet on lead poisoning prevention. NOTE: The existence of lead on the rental property is not, by itself, cause for termination of the tenancy. (Public Law 102-550 sec. 1018 (c))

Lessor's Disclosure

(a) Presence of lead-based paint or lead-based paint hazards (check one below):

_____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check one below):

_____ Lessor has provided the lessee with all available records and reports pertaining to lead based paint and/or lead-based paint hazards in the housing (list documents below).

_____ Lessor has no reports or records pertaining to lead-based paint and/or lead based paint hazards in the housing.

Agent's* Acknowledgment (initial)

*The term Agent is defined as any party who enters into a contract with the Lessor, including anyone who enters into a contract with a representative of the Owner for the purpose of leasing housing. An on-site resident manager may act as the Agent if authorized to do so by either the Owner or the property management company.

_____ (c) Agent has informed the Owner of his/her obligations under 42 U.S.C. 4852d, and the Agent is aware of his/her responsibility to ensure compliance.

Lessee's Acknowledgement (initial)

_____ (d) Lessee has received copies of all information listed above.

_____ (e) Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Date

Owner/Agent

Date

Lessee

Date

Lessee

LEAD-BASED PAINT DISCLOSURE INSTRUCTION SHEET

EPA and HUD Real Estate Notification and Disclosure Rule

Questions and Answers

The Rule

Q: *What is the purpose of this rule and who is affected?*

A: To protect the public from exposure to lead from paint, dust, and soil, Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992, also known as Title X. Section 1018 of this law directed HUD and EPA to require disclosure of information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978. The rule would ensure that purchasers and renters of housing built before 1978 receive the information necessary to protect themselves and their families from lead-based paint hazards.

Q: *When does the rule take effect?*

A: The rule's effective date depends on the number of housing units owned.

- For owners of more than 4 dwelling units, the effective date is September 6, 1996.
- For owners of 4 or fewer dwelling units, the effective date is December 6, 1996.

Affected Housing

Q: *What type of housing is affected by this rule?*

A: This rule applies to all housing defined as "target housing," which includes most private housing, public housing, housing receiving Federal assistance, and Federally owned housing built before 1978.

Q: *What type of housing is not affected by this rule?*

A: Housing that is not affected by this rule includes:

- "0-bedroom dwellings," such as lofts, efficiencies, and studios.
- Leases of dwelling units of 100 days or fewer, such as vacation homes or short-term rental.
- Designated housing for the elderly and the handicapped unless children reside or are expected to reside there.
- Rental housing that has been inspected by a certified inspector and is found to be free of lead-based paint.

Q: *How does this rule apply to housing common areas such as stairwells, lobbies and laundry rooms?*

A: Common areas are those areas in multifamily housing structure that are used or are accessible to all occupants. The rule requires that sellers and lessors disclose available lead information about common areas so that families can be informed about preventative actions.

Q: *Why doesn't this rule affect housing built after 1978?*

A: Congress did not extend the law to housing built after 1978 because the Consumer Product Safety Commission banned the use of lead-based paint to be used in housing in 1978.

Q: *Is my home unsafe if it contains lead-based paint?*

A: Approximately three-quarters of the nation's housing built before 1978 contains some lead-based paint. This paint, if properly managed and maintained, poses little risk. If allowed to deteriorate, lead from paint can threaten the health of occupants, especially children under 6 years old. If families and building owners are aware of the presence of lead-based paint and the proper actions to take, most lead-based paint hazards can be managed. The EPA pamphlet *Protect Your Family from Lead in Your Home* provides important information for families and homeowners to help them identify when lead-based paint is likely to be a hazard and how to get their home checked.

Seller and Lessor Responsibilities

Q: *What if I'm selling target housing?*

A: Property owners who sell target housing must:

- Disclose all known lead-based paint and lead-based paint hazards in the housing and any available reports on lead in the housing.
- Give buyers the EPA pamphlet *Protect Your Family from Lead in Your Home*.
- Include certain warning language in the contract as well as signed statements from all parties verifying that all requirements were completed.
- Retain signed acknowledgements for 3 years, as proof of compliance.
- Give buyers a 10-day opportunity to test the housing for lead.

Q: *What if I'm renting target housing?*

A: Property owners who rent out target housing must:

- Disclose all known lead-based paint and lead-based paint hazards in the housing and any available reports on lead in the housing.
- Give renters the EPA pamphlet *Protect Your Family from Lead in Your Home*.
- Include certain warning language in the lease as well as signed statements from all parties verifying that all requirements were completed.
- Retain signed acknowledgements for 3 years, as proof of compliance.

Q: *Am I required to give the EPA pamphlet *Protect Your Family from Lead in Your Home* to existing tenants?*

A: No, but when tenants renew their leases, you must give them the pamphlet and any available reports. In other words, you must give them the same information that you are required to provide new tenants.

Q: What if the buyers/renters don't speak English?

A: In cases where the buyer or renter signed a purchase or lease agreement in a language other than English, the rule requires that the disclosure language be provided in the alternate language. The EPA pamphlet *Protect Your Family from Lead in Your Home* is printed in English and Spanish and will be made available to the public. EPA and HUD are considering publishing the pamphlet in other languages as well.

Q: Must I check my house for lead prior to sale?

A: No. Nothing in the rule requires that a seller conduct or finance an inspection or risk assessment. The seller, however, is required to provide the buyer a 10-day period to test for lead-based paint or lead-based paint hazards.

Q: Is the seller required to remove any lead-based paint that is discovered during an inspection?

A: No. Nothing in the rule requires a building owner to remove lead-based paint or lead-based paint hazards discovered during an inspection or risk assessment. In addition, the rule does not prevent the two parties from negotiating hazard reduction activities as a contingency of the purchase and sale of the housing.

Q: What if I know there is lead-based paint in my home?

A: If you know there is lead-based paint in your home, you are required to disclose this information to the buyer or renter along with any other available reports on lead.

Q: What if the lessor knows that there is no lead-based paint in my rental housing?

A: If your rental housing has been found to be free of lead-based paint by a certified inspector, this rule does not apply. However, landlords seeking an exclusion to this rule must use state certified inspectors. If your state does not have a certification program, you may use a certified inspector from another state. In addition, EPA is developing certification requirements for individuals and firms conducting lead-based paint inspections, risk assessments, and abatements.

Agent Responsibilities

Q: What are my responsibilities as an agent?

A: Agents must ensure that:

- Sellers and landlords are made aware of their obligations under this rule.
- Sellers and landlords disclose the proper information to lessors, buyers, and tenants.
- Sellers give purchasers the opportunity to conduct an inspection.
- Lease and sales contracts contain the appropriate notification and disclosure language and proper signatures.

Q: What is the responsibility of an agent if the seller or landlord fails to comply with this rule?

A: The agent is responsible for informing the seller or lessor of his or her obligations under this rule. In addition, the agent is responsible if the seller or lessor fails to comply, however, an agent is not responsible for information withheld by the seller or lessor.

Purchaser and Renter Rights

Q: As a purchaser, am I required to conduct and finance an inspection?

A: No. The rule simply ensures that you have the opportunity to test for lead before purchase.

Q: Can the inspection/risk assessment period be waived?

A: Yes. The inspection or risk assessment period can be lengthened, shortened, or waived by mutual written consent between the purchaser and the seller.

Q: If I am renting, do I have the same opportunity to test for lead?

A: Under the law, the 10-day inspection period is limited to sales transactions, but nothing prevents the renter from negotiating with the lessor to allow time for an inspection before rental.

Q: Where can I find a qualified professional to conduct an inspection?

A: State agencies can provide helpful information for locating qualified professionals in your area. The EPA pamphlet *Protect Your Family from Lead in Your Home* provides the phone numbers of these state agencies. It is important to verify the qualifications of individuals and firms before hiring them.

Q: Must inspectors be certified?

A: Some cities and states have their own rules concerning inspector certification. These requirements, which may be administered at the state or Federal level, may not be in place for several years. Once these requirements are in place, professionals who offer to perform lead-based paint inspections must be certified. The certification requirements that EPA is developing will ensure that inspectors engaged in lead-based paint activities have completed an EPA-certified training program or an EPA-approved state program. Meanwhile, EPA and HUD recommend that people inspect the qualifications and training of individuals and firms before hiring them to conduct risk assessments, inspections, or abatements.

Liability

Q: Does this rule increase my liability for future lead poisoning on my property?

A: In some cases, disclosure may actually reduce the owner's liability since occupants may be able to prevent exposure from the beginning. Under this rule, however, sellers, landlords or agents who fail to provide the required notices and information are liable for triple the amount of damages.

Q: Are mortgage lenders liable under these rules if the seller or lessor fails to disclose?

A: Under the disclosure regulation, the rule does not identify mortgage lenders as liable parties. This rule does not affect other state and Federal provisions regarding the obligations and responsibilities of lenders.

Q: *What if a seller or lessor fails to comply with these regulations?*

A: A seller, lessor, or agent who fails to give the proper information can be sued for triple the amount of damages. In addition, they may be subject to civil and criminal penalties. Ensuring that disclosure information is given to homebuyers and tenants helps all parties avoid misunderstandings before, during, and after sales and lending agreements.

RENTAL AGREEMENT/LEASE AGREEMENT
ADDENDUM FOR DRUG-FREE HOUSING

In consideration of the execution or renewal of a lease of the dwelling unit identified in the Rental Agreement/Lease, Management and Resident agree as follows:

1. Resident, any member of the Resident's household, or a guest or other person under the resident's control shall not engage in criminal activity, including drug-related criminal activity, on or near property premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802)).
2. Resident, any member of the Resident's household, or a guest or other person under the Resident's control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near property premises.
3. Resident or members of the household will not permit the dwelling unit to be used for, or to facilitate, criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household or a guest.
4. Resident or members of the household will not engage in the manufacture, sale, or distribution of illegal drugs at any location, whether on or near premises or otherwise.
5. Resident, any member of the Resident's household, or a guest or other person under the Resident's control shall not engage in acts of violence or threats of violence, including, but not limited to the unlawful discharge of firearms on or near property premises.
6. ***VIOlation OF ANY OF THE ABOVE PROVISIONS SHALL BE A MATERIAL VIOLATION OF THE RENTAL AGREEMENT/LEASE AND GOOD CAUSE FOR TERMINATION OF TENANCY.*** A single violation of any of the provisions of this addendum shall be deemed a serious violation and a material noncompliance with the rental agreement/lease. It is understood and agreed that a single violation shall be good cause for termination of the rental agreement/lease. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.
7. In case of conflict between the provisions of this addendum and any other provisions of the rental agreement/lease, the provisions of the addendum shall govern.
8. This Rental Agreement/Lease Addendum is incorporated into the rental agreement/lease executed or renewed this day between Management and Resident.

Date

Resident

Date

Resident

Date

Owner/Agent

MOLD NOTIFICATION

THIS AGREEMENT made and entered into between _____, "Owner/Agent"
and _____, "Resident".

Resident is renting from Owner/Agent the premises located at:

_____, Unit # (if applicable) _____
(Street Address)
_____, CA _____
(City) (Zip)

It is our goal to maintain the highest quality living environment for our residents. Therefore, know that the Owner/Agent has inspected the unit prior to lease and knows of no damp or wet building materials and knows of no mold or mildew contamination. Resident is hereby notified that mold, however, can grow if the premises are not properly maintained or ventilated. If moisture is allowed to accumulate in the unit, it can cause mildew and mold to grow. It is important that Residents regularly allow air to circulate in the apartment. It is also important that Residents keep the interior of the unit clean and that they promptly notify the Owner/Agent of any leaks, moisture problems, and/or mold growth.

Resident agrees to maintain the premises in a manner that prevents the occurrence of an infestation of mold or mildew in the premises. Resident agrees to uphold this responsibility in part by complying with the following list of responsibilities:

1. Resident agrees to keep the unit free of dirt and debris that can harbor mold.
2. Resident agrees to immediately report to the Owner/Agent any water intrusion, such as plumbing leaks, drips, or "sweating" pipes.
3. Resident agrees to notify owner of overflows from bathroom, kitchen, or unit laundry facilities, especially in cases where the overflow may have permeated walls or cabinets.
4. Resident agrees to report to the Owner/Agent any significant mold growth on surfaces inside the premises.
5. Resident agrees to allow the Owner/Agent to enter the unit to inspect and make necessary repairs.
6. Resident agrees to use bathroom fans while showering or bathing and to report to the Owner/Agent any non-working fan.
7. Resident agrees to use exhaust fans whenever cooking, dishwashing, or cleaning.
8. Resident agrees to use all reasonable care to close all windows and other openings in the premises to prevent outdoor water from penetrating into the interior unit.
9. Resident agrees to clean and dry any visible moisture on windows, walls, and other surfaces, including personal property, as soon as reasonably possible. (Note: Mold can grow on damp surfaces within 24 to 48 hours.)
10. Resident agrees to notify the Owner/Agent of any problems with the air conditioning or heating systems that are discovered by the Resident.
11. Resident agrees to indemnify and hold harmless the Owner/Agent from any actions, claims, losses, damages, and expenses, including, but not limited to, attorneys' fees that the Owner/Agent may sustain or incur as a result of the negligence of the Resident or any guest or other person living in, occupying, or using the premises.

The undersigned Resident(s) acknowledge(s) having read and understood the foregoing, and receipt of a duplicate original.

Date

Resident

Date

Resident

Date

Owner/Agent

RECYCLING LIST

The following criteria of recyclable and non-recyclable items are intended to be used as a guideline only; not all items are listed. If you have further questions as to what is acceptable, please feel free to contact Marcy, Recycling Coordinator for the City of Merced at (209) 564-0387.

Plastics labeled #1,2 (narrow-necked bottles). Look for recycling symbol (triangle or circle on the bottom or side/label of the container) for the number. Plastics with numbers 1, 2 and all CRV items (any item upon which you paid a deposit) are accepted. Other numbers such as 3, 4, 5 etc. are not accepted.

Aluminum/Bimetal Products – All containers must be empty – lids are okay

Acceptable Items

All other tin/aluminum cans
Aluminum foil – clean
Appliances such as can opener, microwave –
must be more than 70% metal
Beer cans
Cat & Dog food cans
Coffee cans
Decorative cookie cans
Faucets – all metal – no motor
Hair spray cans
Household pesticide spray cans
Pots / Pans
Soda cans
Soup cans
Tuna fish cans

Non-Acceptable Items

BBQ propane tanks
Foil pouches (i.e. Capri-Sun juice containers)
Large automotive car parts (i.e. Fender)
Potato chip bags

Glass Products – All containers must be empty – lid okay

Acceptable Items

Chili Pepper bottles
Ketchup & Mayonnaise & Mustard bottles
Peanut Butter jars
Pickle jars
Snapple bottles

Non-Acceptable Items

Ceramic floor tile
Ceramics
China & Porcelain
Light bulbs
Window

Paper Products – Must be clean & uncontaminated with food or chemicals

Acceptable Items

All clean paper – staples okay
Boxes – Donut, Cereal, Cake/Pudding, Pizza – or other boxes
Small enough to fit
Cardboard tubes from toilet paper/paper towel rolls
Catalogs
Computer/Office paper
Junk Mail – glossy paper and window envelopes okay
Magazines & Newspapers & Telephone books
Paper grocery bags
Paper milk cartons
Shredded paper

Non-Acceptable Items

Bag inside cereal boxes
Cardboard roll with plastic wrap
Cat & Dog food bags/snacks – empty
Foil – lined potato chip bags/cartons
Juice boxes
Mixed cardboard/metal containers (i.e. biscuit dough
containers, cookie dough container)
Napkins - dirty
Paper plates - dirty
Paper towels - dirty

Plastics

Acceptable Items- labeled 1 or 2

Bleach bottles
Coffee drink bottles
Detergent bottles
Dishwashing soap bottles
Ketchup & Mayonnaise & Mustard bottles
Milk bottles
Peanut Butter plastic jars
Shampoo bottles
Soda & Water bottles
Sport drink bottles
Tea drink bottles

Non-Acceptable Items- labeled 3, 4, 5, etc.

Basketballs
Clothes
Diapers
Garden & other hoses
Plastic grocery bags
Potato chip bags
Shoes
Styrofoam

SATELLITE ADDENDUM

Tenant understands that at this time, satellites are not allowed to be installed. If an installation occurs, tenant will be responsible for the cost of its removal and any repairs which its removal necessitates.

INSURANCE NOTIFICATION

TO: Resident(s): _____

Address/Unit: _____

The purpose of this letter is to inform you concerning insurance coverage so that you can protect yourself against loss, if you wish, and to help prevent misunderstanding about the owner's insurance coverage. It is not an effort by the owner/agent to change responsibilities – that is done by the state legislature and the courts.

1. Generally, except under special circumstances, the OWNER IS Not legally responsible for loss to the resident's personal property, possessions or personal liability, and OWNER'S INSURANCE WILL NOT COVER such losses or damages.
2. If damages or injury to owner's property is caused by resident, resident's guest(s) or child (children), the owner's insurance company may have the right to attempt (under the "subrogation clause") to recover from the resident(s) payments made under owner's policy.
3. Following is a non-inclusive list of examples of possible costly misfortunes that, except for special circumstances, you could be held legally responsible for:
 - a. Your babysitter injures herself in your unit.
 - b. Your defective electrical extension cord starts a fire which causes damage to the building and your personal property and or the personal property of others.
 - c. A friend, or your handyman, is injured while helping you slide out your refrigerator so you can clean behind it.
 - d. While fixing your television set, a handyman hired by you is injured when he slips on the floor you have just waxed.
 - e. Your locked car is broken into and your personal property, and that of a friend, is stolen.
 - f. A burglar breaks your front door lock and steals your valuables or personal property.
4. If you desire to protect yourself and your property against loss, damage, or liability, the owner strongly recommends you consult with your insurance agent and obtain appropriate coverage for fire, theft, liability, workers' compensation and other perils.

The cost is reasonable considering the peace of mind, the protection, and the financial recovery of loss that you get if you are adequately protected by insurance.

Date

Owner/Agent



Agenda Item: I-6
Meeting Date: 12-07-09

ADMINISTRATIVE REPORT

TO: John M. Bramble, City Manager/Executive Director

FROM: Daniel Ainslie, Development Coordinator

DATE: December 7, 2009

SUBJECT: City purchase of right of way from the Redevelopment Agency

REPORT IN BRIEF

Authorizes the City to purchase two pieces of right of way needed for the G Street Grade Separation from the Redevelopment Agency.

RECOMMENDATION:

Redevelopment Agency:

Adopt a motion:

- A. Authorizing the sale of 1134 sq. ft. of 2490 & 2498 G Street (APN 033-032-001) for \$20,981.12; and,
- B. Authorizing the sale of 2,316 sq. ft. of 25 East Santa Fe (APN 033-032-011) for \$74,433.74; and,
- C. Authorizing the Agency General Counsel to prepare necessary documents; and,
- D. Authorizing the Executive Director to execute necessary documents.

City Council:

- A. Authorizing the purchase of 1134 sq. ft. of 2490 & 2498 G Street (APN 033-032-001) for \$20,981.12; and,
- B. Authorizing the purchase of 2,316 sq. ft. of 25 East Santa Fe (APN 033-032-011) for \$74,433.74; and,
- C. Authorizing the City Attorney to prepare necessary documents; and,
- D. Authorizing the City Manager to execute necessary documents.

ALTERNATIVES:

- A. Adopt the motion as recommended by staff; or,
- B. Approve, subject to modifications as conditioned by Agency Board/City Council; or,
- C. Deny the request completely; or,
- D. Refer back to staff for reconsideration of specific items as requested by Agency Board/City Council; or,
- E. Continue item to a future Agency Board/City Council meeting (date and time to be specified in Agency Board/City Council motion).

AUTHORITY:

Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION:

The Redevelopment Agency has completed the purchase of 2490 & 2498 G Street and 25 East Santa Fe. These properties needed to be purchased in order to acquire right of way for the forthcoming G Street Grade Separation project. Though only portions of the parcels are necessary for the construction of the project, the necessary parcel splits render the structures currently on the parcels useless. Therefore, the entirety of the parcels had to be purchased. After the necessary right of way has been used, there is adequate space remaining to redevelop the properties. In the coming years, the Agency will seek to construct new, high quality affordable housing on the parcels.

The right of way is now needed in order for the project to proceed. Therefore, it is necessary for the Agency to sell the right of way to the City. The sale price of the right of way segments are a part of the project cost and therefore will count towards the City's match for the Proposition IB grant the state awarded the City. The sales price for the 2490 & 2498 G Street right of way has been calculated as follows:

Property purchase price:	\$130,000
<u>Total closing costs:</u>	<u>+ \$ 1,132</u>
Total cost to purchase:	\$131,132

Total size of right of way:	1,134 sq. ft.
<u>Total parcel size:</u>	<u>÷ 7,150 sq. ft.</u>
Proportion of right of way:	16%

The sales price for the 25 East Santa Fe right of way has been calculated as follows:

Property purchase price:	\$303,500
<u>Total closing costs:</u>	<u>+ \$ 803</u>
Total cost to purchase:	\$304,303

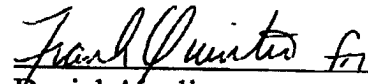
Total size of right of way:	2,316 sq. ft.
<u>Total parcel size:</u>	<u>+9,460 sq. ft.</u>
Proportion of right of way:	24.48%


Total cost of row purchase: \$74,433.74

There is adequate funding in CIP#106076 G Street to complete these right of way purchases.

Respectfully Submitted,

Reviewed and Approved,


Daniel Ainslie
Development Coordinator


William D. Cahill
Assistant City Manager

Approved By,


John M. Bramble
Executive Director

ATTACHMENTS:

- A. Legal Description of 2490 & 2498 G Street Right of Way
- B. Map of 2490 & 2498 G Street Right of Way
- C. Legal Description of 25 East Santa Fe Right of Way
- D. Map of 25 East Santa Fe Right of Way

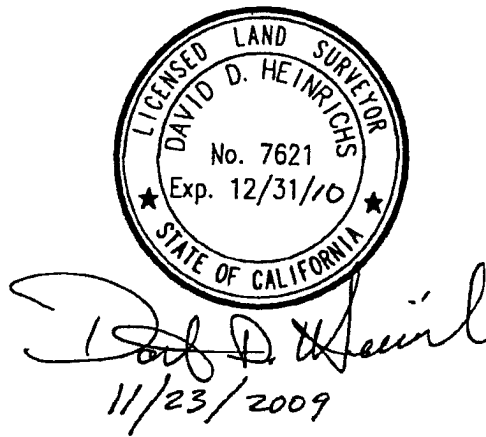
ATTACHMENT A

DESCRIPTION

Being a portion of Lot 115 as shown on "Map of Ragsdale's Subdivision", recorded in Volume 8 of Official Plats at page 22, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

BEGINNING at the west corner of said Lot 115 as shown on said map;
thence North 24° 52' 00" East, 110.00 feet along the northwest line of said Lot 115 to the north corner of said Lot 115;
thence South 65° 20' 00" East, 4.00 feet along the northeast line of said Lot 115;
thence South 18° 19' 28" West, 110.68 feet to a point on the southwest line of said Lot 115 that is 16.61 feet from said west corner of Lot 115;
thence North 65° 20' 00" West, 16.61 feet along said southwest line of Lot 115 to the **POINT OF BEGINNING**;

Containing 1134 square feet more or less

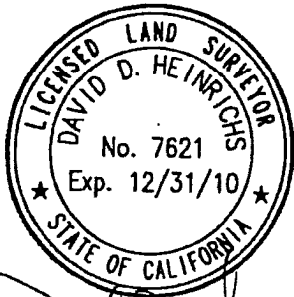


ATTACHMENT B



SCALE 1" = 20'

25th STREET



David D. Heinrichs
11/23/2009

S85°20'00"E 4.00'

AREA OF ACQUISITION
1134 S.F.

DOC# DEED, 2009-041802
M.C.R.

N24°52'00"E 110.00'

S181°28'W 110.68'

LOT 115
8 O.P. 22
M.C.R.

S
T
R
E
E
T

POINT OF BEGINNING

N65°20'00"W 16.61'

LOT 124
8 O.P. 22
M.C.R.

G

ATTACHMENT C

DESCRIPTION

Being a portion of Lot 124 as shown on "Map of Ragsdale's Subdivision", recorded in Volume 8 of Official Plats at page 22, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

BEGINNING at the north corner of said Lot 124 as shown on said map;
thence South 24° 52' 00" West, 110.00 feet along the northwest line of said Lot 124 to the west corner of said Lot 124;
thence South 65° 20' 00" East, 25.50 feet along the southwest line of said Lot 124;
thence North 20° 14' 42" East, 110.33 feet to a point on the northeast line of said Lot 124 that is 16.61 feet from said north corner of Lot 124;
thence North 65° 20' 00" West, 16.61 feet along said northeast line of Lot 124 to the **POINT OF BEGINNING**;

Containing 2,316 square feet more or less.



ATTACHMENT D

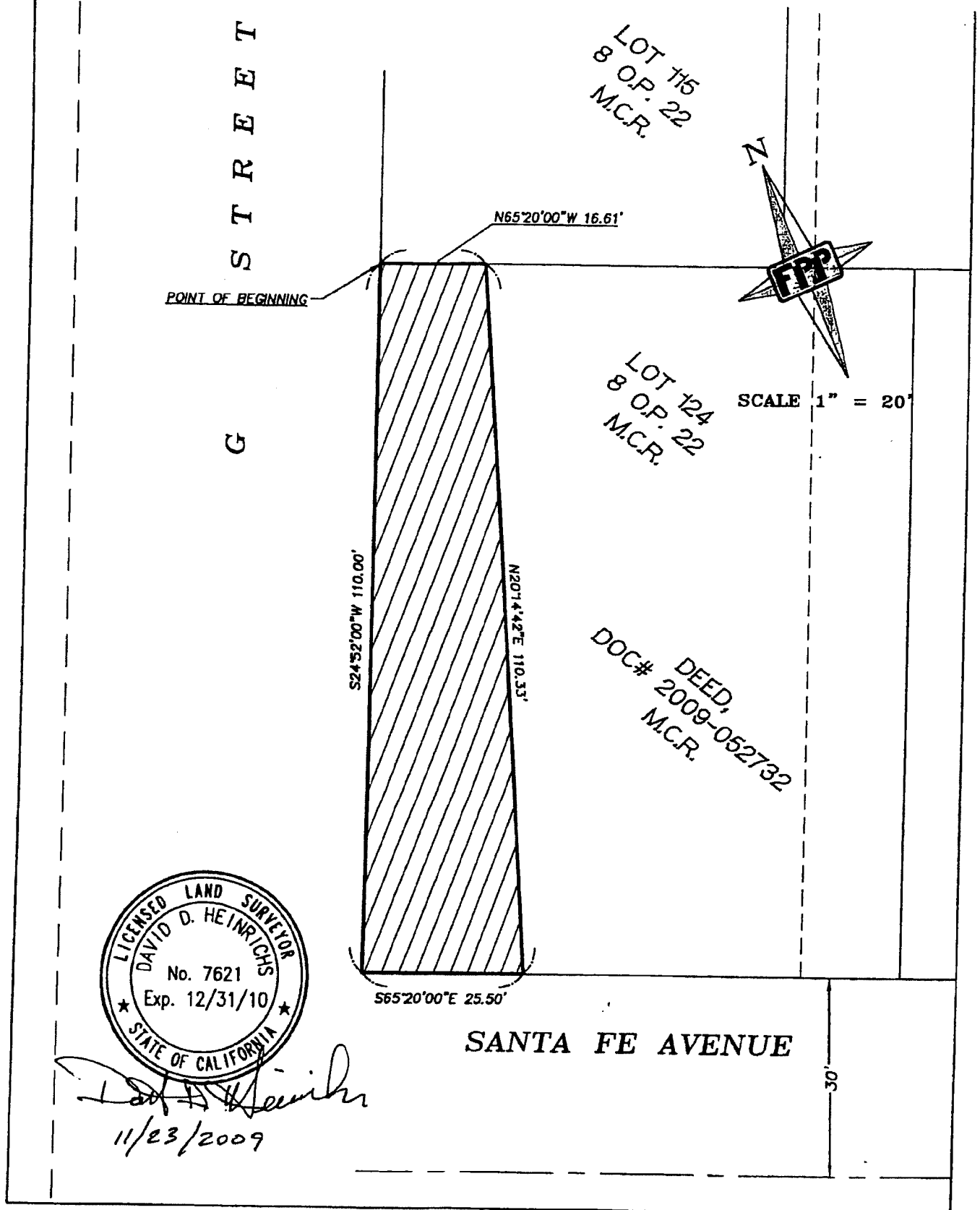


EXHIBIT B-3

Address/APN: 25 E. Santa Fe (APN 033-032-013)
(Previously a portion of APN 033-032-011)

Description: Sidewalk, landscaping, sloped grade for "G" Street Undercrossing

Parcel Size: 2,323 sq.ft / .05 ac.

Date Purchased: 2009

Purchase Price: \$ 74,433.74 (Based on the original per sq.ft. purchase price; see page 3, Administrative Report 12/7/2009)

Property Background:

The property was acquired in 2009 as part of a larger parcel (9,460 sq.ft. total, purchased for \$303,500, plus closing and other costs). The property was improved with a dilapidated triplex that was occupied at the time. Following acquisition by the Redevelopment Agency, the occupants were relocated, and the triplex was then demolished. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used for right-of-way for construction of a sloped grade and the realignment of Santa Fe Avenue as part of the G Street Grade Separation project (see pages 2 and 3, Administrative Report, 10/19/2009; page 1, Purchase and Sale Agreement; page 2, Administrative Report 12/7/2009). The remainder of the property will be transferred to the DLA for disposition in accordance with the Dissolution Law.

In December 2009, the Redevelopment Agency and City Council approved the sale of this right-of-way property to the City for a purchase price of \$74,433.74 for construction of the grade separation improvements, which is equal to the per square foot costs paid by the Redevelopment Agency to acquire the property originally (see page 3, Administrative Report, 12/7/2009). The purchase price for this property was paid by the City to the Redevelopment Agency in fiscal year 2010, together with the purchase price for the acquisition of other right-of-way properties along G Street (see RDA General Ledger Revenue Account Summary). Following payment of the purchase price by the City, this right-of-way property was conveyed by the Redevelopment Agency to the City by grant deed recorded December 29, 2009 (Document No. 2009-062362).

In March 2011, the Redevelopment Agency conveyed various parcels of property to the PFEDA. Although the Redevelopment Agency had previously conveyed the right-of-way property to the City in December 2009, the legal description attached to the

quitclaim deed from the Redevelopment Agency to PFEDA recorded on March 1, 2011 (Document No. 2011-007270) inadvertently included the entire parcel originally acquired by the Redevelopment Agency (APN 033-032-011), including the right-of-way property. A subsequent grant deed from PFEDA to the City recorded April 24, 2012 (Document No. 2012-014178) correctly excluded this right-of-way property.

Although this right-of-way property was conveyed by the Redevelopment Agency to the City in 2009, the property is included here primarily to explain the history of the prior conveyances noted above and the current status of this property following dissolution of the Redevelopment Agency.

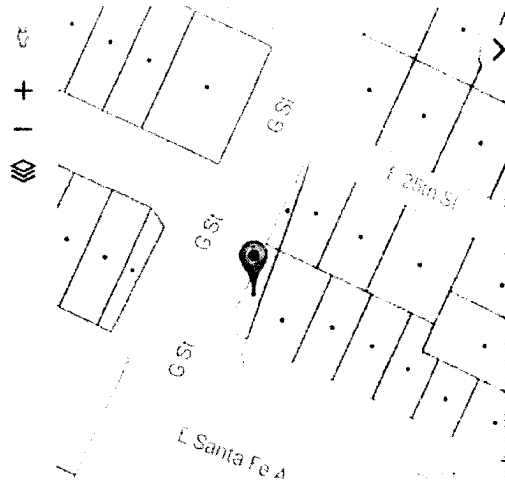
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Right-of-way for G Street Grade Separation Project and realignment of Santa Fe Avenue.

Revenue Generation: The City acquired this property from the Redevelopment Agency in fiscal year 2010 for a purchase price of \$74,433.74.

25 E. Santa Fe



City Of Merced

CA
Merced County

APN: 033-032-013-000

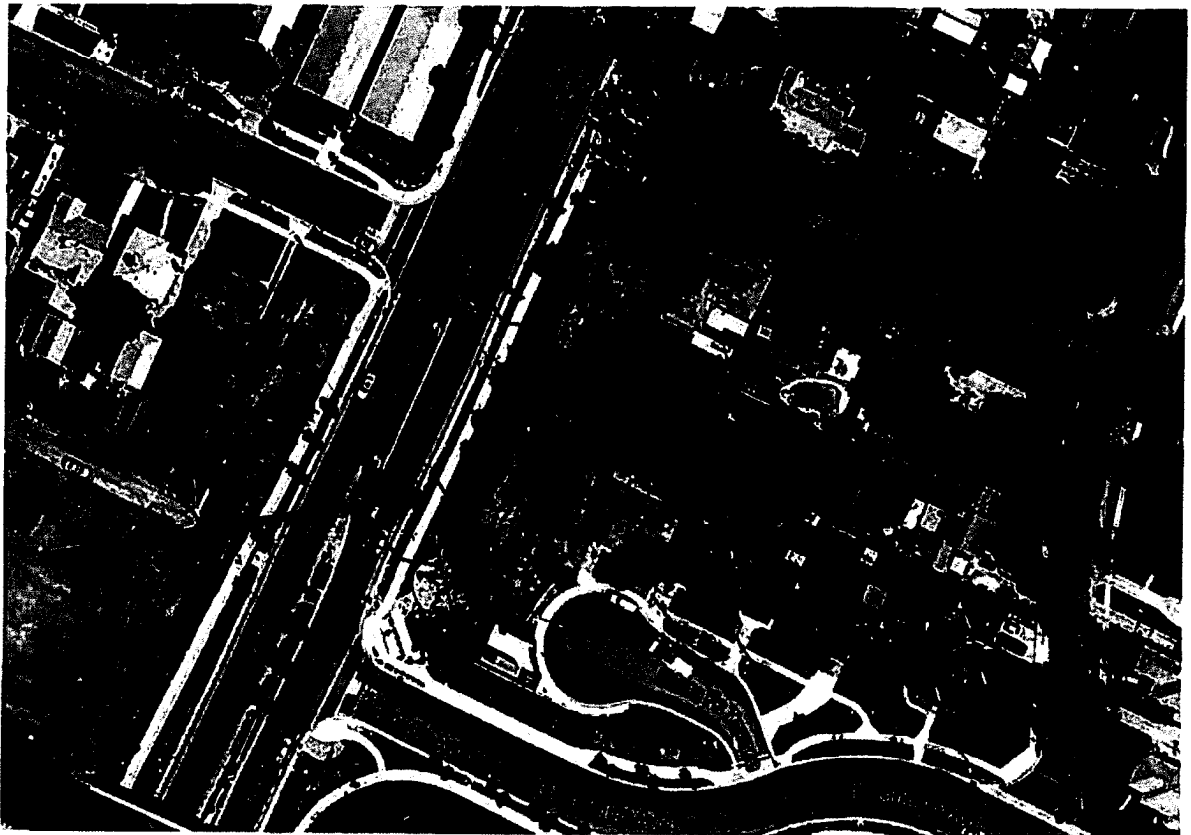
Zone:

Built:

Type: Commercial / Federal Property Bldg Sq Ft:

Lot Sq Ft: 2,323

[Order Customer Service](#) [CostsFirst™](#) [Add to Farm List](#)



Account number . . . : 853-2001-360.01-57

Fund : 853 RDA Gateways-CIP Fund
Department : 20 Economic Development
Division : 01 Redevelopment
Activity basic : 36 Miscellaneous
Sub activity : 0 Other Revenue
Element : 01 Other
Object : 57 Right of Way G Street

Estimated revenue : 0

Actual receipts - current . . . : .00
Actual receipts - ytd : 287,742.12
Unposted receipts : .00
Total receipts : 287,742.12 0.0 %
Unrealized revenue : 287,742.12- 0.0 %

F7=Project data F8=Misc inquiry F9=Misc update F10=Detail trans
F11=Acct activity list F12=Cancel F13=Misc Budget F24=More keys

G Street right-of-way purchases by the City:

2321 G Street	3,860 sq.ft.	\$ 92,871.20
2490/98 G Street	1,134 sq.ft.	20,981.12
25 E. Santa Fe	2,316 sq.ft.	74,433.74
15 W. 23rd Street	4,950 sq.ft.	<u>99,456.06</u>
	TOTAL:	\$287,742.12

RECORDING REQUESTED BY
City of Merced
Engineering Department
678 W. 18th Street
Merced, CA 95340

Recorded in Official Records, Merced County
KENT B. CHRISTENSEN
Merced County Recorder

12/29/2009
3:08 PM
REC4

CM City of Merced

G

Doc#: 2009-062362



Titles:	1	Pages:	5
Fees	0.00		
Taxes	0.00		
Other	0.00		
PAID	\$0.00		

AND WHEN RECORDED MAIL TO
City of Merced
Engineering Department
678 W. 18th Street
Merced, CA 95340

GRANT DEED

The undersigned grantor(s) declare(s)

Documentary transfer tax is \$ 0

- ☐ computed on full value of property conveyed, or
☐ computed on full value less of liens or encumbrances remaining at time of sale.
☐ unincorporated area ☐ City of Merced

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

City of Merced Redevelopment Agency

hereby GRANTS to

CITY OF MERCED, a California Charter Municipal Corporation,

The following real property in the City of Merced, County of Merced, State of California:

More fully described in Exhibit "A", and shown in Exhibit "B", attached hereto and by reference made a part hereof.

(Portion of APN 033-032-011)

Dated 12-21-09

By: John M. Bramble
John M. Bramble

Executive Director - City Manager

City of Merced Redevelopment Agency

APPROVED AS TO FORM:

Gregory G. Diaz
GREGORY G. DIAZ
City Attorney

ACKNOWLEDGEMENT

State of California

County of Merced

On December 23, 2009, before me, Emily R. Shuping, a Notary Public,

personally appeared, John M. Bramble who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

Emily R. Shuping
Notary Public

(seal)



6/11/2009

EXHIBIT A

DESCRIPTION

Being a portion of Lot 124 as shown on "Map of Ragsdale's Subdivision", recorded in Volume 8 of Official Plats at page 22, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

BEGINNING at the north corner of said Lot 124 as shown on said map;
thence South 24° 52' 00" West, 110.00 feet along the northwest line of said Lot 124 to the west corner of said Lot 124;
thence South 65° 20' 00" East, 25.50 feet along the southwest line of said Lot 124;
thence North 20° 14' 42" East, 110.33 feet to a point on the northeast line of said Lot 124 that is 16.61 feet from said north corner of Lot 124;
thence North 65° 20' 00" West, 16.61 feet along said northeast line of Lot 124 to the **POINT OF BEGINNING**;

Containing 2,316 square feet more or less.



EXHIBIT "B"

S
T
R
E
E
T

POINT OF BEGINNING

G

LOT 115
8 O.P. 22
M.C.R.

N65°20'00"W 16.61'



SCALE 1" = 20'

LOT 124
8 O.P. 22
M.C.R.

DEED, 2009-052732
M.C.R.
DOC#

S24°52'00"W 110.00'

N20°14'42"E 110.33'

S65°20'00"E 25.50'

SANTA FE AVENUE

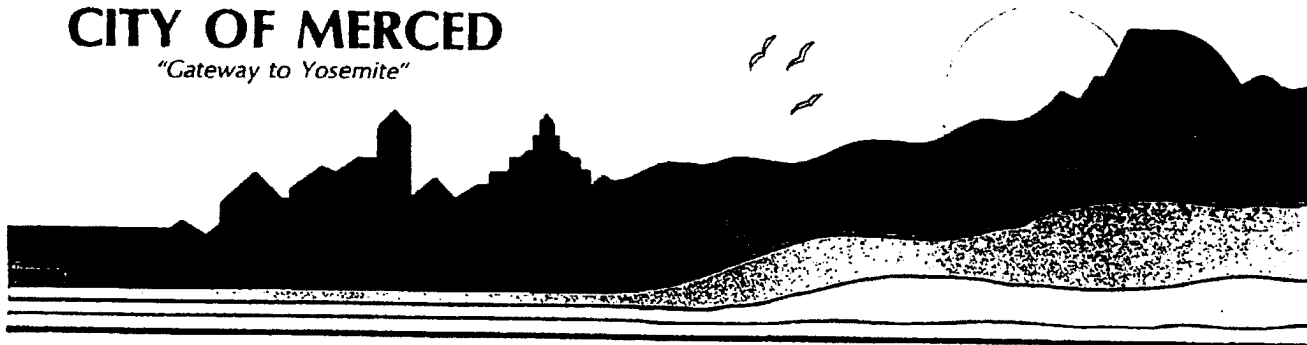
30'



David D. Heinrichs
11/23/2009

CITY OF MERCED

"Gateway to Yosemite"



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant Deed

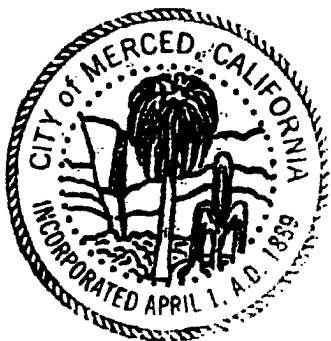
Dated December 21, 2009

From City of Merced Redevelopment Agency

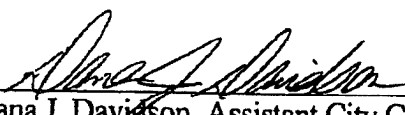
to the CITY OF MERCED is hereby accepted by the undersigned City Clerk on behalf of the City of Merced pursuant to authority conferred by Resolution No. 4217 of the City Council of the City of Merced adopted on May 20, 1974, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: December 28, 2009

JOHN M. BRAMBLE, CITY CLERK



BY:


Dana J. Davidson, Assistant City Clerk

KENT B. CHRISTENSEN
Merced County Recorder

3/01/2011
1:22 PM
RE08

RECORDING REQUESTED BY:

Redevelopment Agency of the
City of Merced, a body corporate
and politic of the State of California

AND WHEN RECORDED MAIL THIS DEED
AND UNLESS OTHERWISE SHOWN BELOW,
MAIL TAX STATEMENT TO:

Redevelopment Agency of the
City of Merced
678 W. 18th Street
Merced, CA 95340

*Deed #
3149*

CM City of Merced

G

Doc#: 2011-007270



Titles:	1	Pages:	4
Fees	0.00		
Taxes	0.00		
Other	0.00		
PAID	\$0.00		

(Above for Recorder's Use Only)

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt and sufficiency of which is hereby acknowledged and agreed, the REDEVELOPMENT AGENCY OF THE CITY OF MERCED, a body corporate and politic of the State of California (hereinafter referred to as the "Grantor") hereby remises, releases, and forever quitclaims to the CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY (hereinafter referred to as the "Grantee") all of Grantor's interest in the following property in the City of Merced, County of Merced, State of California, more fully described as follows:

APN: 033-032-011

**PROPERTY ADDRESS: 25 EAST SANTA FE
MERCED, CALIFORNIA**

The Legal Description on Exhibit "A" is attached hereto
and incorporated herein by this reference.

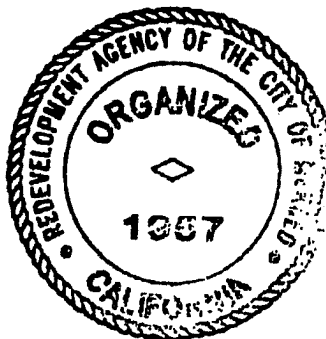
DATED: January 31, 2011

GRANTOR:
REDEVELOPMENT AGENCY OF THE
CITY OF MERCED, A Body Corporate and
Politic of the State of California

BY: John Bramble
John Bramble, Executive Director

ATTEST:
JOHN M. BRAMBLE, AGENCY SECRETARY

By: *[Signature]*
Deputy Assistant Agency Secretary



APPROVED AS TO FORM:

By: *Ken Lopez* *2/2/11*
Agency General Counsel Date

ACKNOWLEDGEMENT

State of California

County of Merced

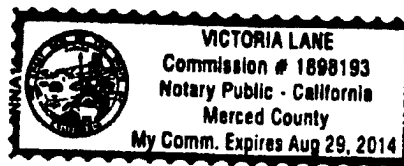
On *Feb 18*, 2011, before me, *Victoria Lane*, a Notary Public, personally appeared, *John Myles Bramble*

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

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

WITNESS my hand and official seal.

Signature *Victoria Lane*
Notary Public



(seal)

EXHIBIT A

Legal Description

Lot 124 and the Westerly 16 feet of Lot 123, as shown on Map entitled, "Map of Ragsdale Subdivision", recorded April 23, 1923, in Book 8 of Official Maps, Page 22, Merced County Records.

Assessors Parcel No.: 033-032-011

CITY OF MERCED

"Gateway to Yosemite"



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Quitclaim Deed

Dated January 31, 2011

From the REDEVELOPMENT AGENCY OF THE CITY OF MERCED

to the CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY is hereby accepted by the undersigned Authority Secretary on behalf of the City of Merced Public Financing and Economic Development Authority pursuant to authority conferred by Resolution No. PFA 2011-4 of the City of Merced Public Financing and Economic Development Authority adopted on January 31, 2011, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: February 10, 2011

JOHN M. BRAMBLE, AUTHORITY SECRETARY

BY: 
Jamie Vanconi, Deputy Authority Secretary

APN: 033-032-011

RECORDING REQUESTED BY
City of Merced
Engineering Department
678 W. 18th Street
Merced, CA 95340

AND WHEN RECORDED MAIL TO
City of Merced
City Clerk's Office
678 W. 18th Street
Merced, CA 95340

Rec'd #
2263

Recorded In Official Records, Merced County

KENT B. CHRISTENSEN
Merced County Recorder

4/24/2012
10:21 AM
RE03

CM City of Merced

G

Doc#: 2012-014178



Titles: 1 Pages: 4

Fees	0.00
Taxes	0.00
Other	0.00
PAID	\$0.00

(APN 033-032-012)

GRANT DEED

The undersigned grantor(s) declare(s)

Documentary transfer tax is \$ 0 RT 11922

- ☐ computed on full value of property conveyed, or
☐ computed on full value less of liens or encumbrances remaining at time of sale.
☐ unincorporated area ☒ City of Merced

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY,

hereby GRANTS to

CITY OF MERCED, a California Charter Municipal Corporation,

The following real property in the City of Merced, County of Merced, State of California: more fully described in Exhibit "A", attached hereto and by reference made a part hereof.

City of Merced Public Financing and Economic
Development Authority

Date: April 17, 2012

By: John M. Bramble
John M. Bramble, Executive Director

State of California
County of Merced

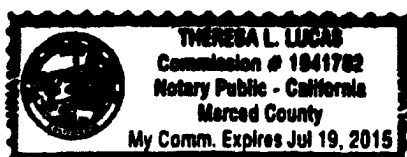
On April 17, 2012, before me, Theresa L Lucas, a Notary Public, personally appeared, John M. Bramble who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Theresa L Lucas
Notary Public

(seal)



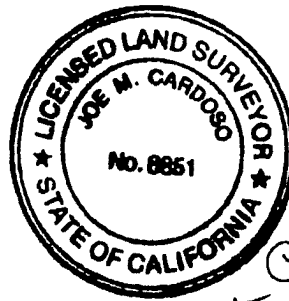
APPROVED AS TO FORM

By: Kent Christensen 4/17/12
City Attorney Date

EXHIBIT A

Lot 124 and the Westerly 16 feet of Lot 123, Ragsdale's Subdivision, in the City of Merced, County of Merced, State of California as per plat recorded in Book 8 of Maps, page 22, records of said county.

EXCEPTING THEREFROM all that certain real property described in Grant Deed to City of Merced, recorded December 29, 2009 as Document Number 2009-062362, Merced County Records.



Joe M. Cardoso
4/12/12

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PENALTY OF PERJURY THAT THE
NOTARY SEAL ON THE DOCUMENT TO WHICH THIS
STATEMENT IS ATTACHED READ AS FOLLOWS:


NAME OF NOTARY: Theresa L. Lucas

DATE COMMISSION EXPIRES: July 19, 2015

COMMISSION NUMBER: 1941782

PLACE OF EXECUTION: Merced County

EXECUTION DATE: April 19, 2012

SIGNATURE: 

FIRM NAME (IF APPLICABLE): _____

CITY OF MERCED

"Gateway to Yosemite"



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant Deed

Dated April 17, 2012

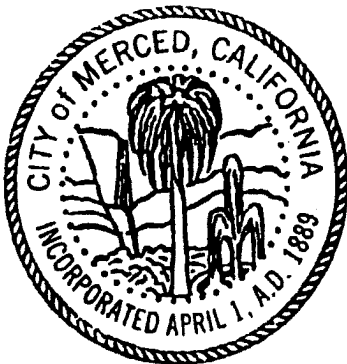
From the CITY OF MERCED PUBLIC FINANCING AND ECONOMIC
DEVELOPMENT AUTHORITY

to the CITY OF MERCED is hereby accepted by the undersigned City Clerk on
behalf of the City of Merced pursuant to authority conferred by Resolution No.
4217 of the City Council of the City of Merced adopted on May 20, 1974, and
the grantee consents to recordation thereof by its duly authorized officer.

DATED: April 17, 2012

JOHN M. BRAMBLE, CITY CLERK

BY: 
Jamie Fanconi, Deputy City Clerk





ADMINISTRATIVE REPORT

AGENDA
ITEM:

K-2

MTG.
DATE:

10-19-09

TO: John M. Bramble, City Manager/Executive Director
FROM: Joe Cardoso, Engineering Tech IV
DATE: October 19, 2009
SUBJECT: Project # 106076 – “G” Street Undercrossing – Property Acquisition of 25 East Santa Fe Drive.

RECOMMENDATION:

City Council: Adopt a motion:

- A. Approving the “Purchase and Sales Agreement” (Attachments 1 & 2) between the City of Merced and Mai and Steve Meidinger (property owners) and Kenneth R. and Helen Wajdak (lien holders); and
- B. Authorizing the City to assign the Purchase and Sales to the Redevelopment Agency, and
- C. Authorizing the City Manager to execute the necessary documents.

Redevelopment Agency: Adopt a motion:

- A. Accepting the assignment of the Purchase and Sales Agreement; and
- B. Approving payment to the property owners who has signed and accepted the terms of the “Purchase and Sales Agreement”; and
- C. Approving payment of all fees associated with property acquisition, i.e., document recording, escrow fees and deposit, parcel reconveyance, and bank fees; and
- D. Approving the lease of the apartments back to the existing tenants; and
- E. Authorizing the Executive Director to execute the appropriate documents.

POSSIBLE ACTIONS:

1. Approve the motion as recommended by staff; or,
2. Approve, subject to modification as conditioned by Council; or,
3. Deny the request completely, or,
4. Refer back to staff for reconsideration of specific items as requested by Council, or,
5. Continue item to future Council/Agenda meeting (date and time to be specified in City Council/Agenda motion).

AUTHORITY:

Charter of the City of Merced, Article II – Powers of the City, Section 200.

DISCUSSION:

The City of Merced is undertaking a project to separate the Burlington Northern Santa Fe Railroad tracks and “G” Street. Acquisition of additional property is required to construct the Undercrossing and realign Santa Fe Avenue. The City Council has directed staff to beautify the project and to seek ways to reduce the total costs of the project.

City staff has been in negotiations with the Meidingers to acquire the triplex located at 25 East Santa Fe Avenue at the northeast corner of “G” Street (APN 033-032-011). The City has also been in negotiations with the Wajdaks, the former owners of the triplex who sold the property to the Meidingers and hold a deed of trust against the property.

If the triplex were to remain in place, the triplex’s current garage access off of “G” Street would be eliminated when the “G” Street Undercrossing is constructed. This would require the City to construct a large retaining wall along “G” Street adjacent to the property and construct a new garage and driveway approach off Santa Fe Avenue for access to the triplex.

The Engineer estimates that the cost to construct the vertical retaining wall along “G” Street and a new garage for the triplex is about \$300,000. This cost will be avoided through purchase of the entire property.

Staff is recommending that the City acquire the triplex for \$303,500, which has been agreed to by the Meidingers and the Wajdaks—pending the approval of the City Council. Acquisition of this property will eliminate the need to construct the retaining wall for that portion of “G” Street, will help beautify the overall undercrossing project, and will result in an overall cost savings for the project.

Staff is recommending that the purchase agreements be assigned to the Redevelopment Agency for the following reasons:

- The Agency has funding available for the purchase.
- Following Agency purchase, a portion of the property would be re-sold to the City for use as right of way for “G” Street, and the remaining portion of the property would be redeveloped for housing.

It is therefore appropriate that the Agency purchase the property originally, and sell only the right of way portion to the City.

Upon the close of escrow, the current tenants’ leases should be continued. Upon the expiration of the existing leases, new leases will delineate the specific responsibilities of the City and the tenant. The tenants will be relocated at the time the City needs the property for the project.

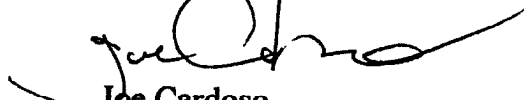
FUNDING:

Adequate funding is present in the Redevelopment Fund 844 for property purchase. No appropriation is needed.

RECOMMENDATION:

Staff recommends that the City Council/Agency Board adopt a motion approving and assigning the Purchase and Sales Agreements, and authorizing the other necessary actions.

Respectfully Submitted:



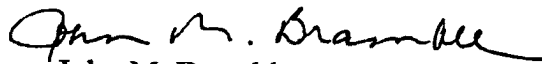
Joe Cardoso
Engineering Tech IV

Reviewed:



Daryl R. Jordan
City Engineer

Reviewed and Approved:



John M. Bramble
City Manager/Executive Director

Attachments:

1. Purchase and Sales Agreement – Approved and signed by City Attorney's Office and the property owners
2. Purchase and Sales Agreement – Approved and signed by City Attorney's Office and the lien holders.
3. Location Map.



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between Mai Meidinger and Steve Meidinger ("Seller"), and the City of Merced, a California Charter Municipal Corporation ("Buyer").

W I T N E S S E T H

WHEREAS, Seller owns a parcel of real property in the City of Merced, County of Merced, State of California, more commonly identified as 25 East Santa Fe Drive, Merced, California and Assessor's Parcel Number 033-032-011 (the "Subject Property"); and,

WHEREAS, Buyer desires to acquire land necessary for the construction of the "G" Street Undercrossing in the City of Merced (the "Project"); and,

WHEREAS, The Subject Property, which consists of approximately 9461 square feet and more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference, is necessary for the construction of the Project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property free from all liens and encumbrances.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Three Hundred and Three Thousand Five Hundred Dollars (\$303,500.00) for approximately 9461 square feet based upon a survey to be prepared pursuant to Section 4 hereof, without any liens or encumbrances.

a. Deposit: Buyer will deposit the sum of Five Thousand Dollars (\$5,000.00) into escrow within ten (10) business days following the mutual execution of this Agreement.

b. Balance of Purchase Price: Subject to the provisions of Section 6, Buyer shall have until close of escrow ("Final Payment Date") to pay the balance of the purchase price to Seller (less the existing liens on the Subject Property) and to be deposited with the escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Subject Property within ten (10) days at a title company in Merced, California selected by Buyer, and shall close within thirty (30) days thereafter, subject to the terms and conditions of this Agreement. All escrow costs shall be borne by the Buyer, including the transfer and documentary taxes, if any, upon recordation of the Deed. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. Reserved.

SECTION 5. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. The Buyer reserves the right to assign this Purchase and Sale Agreement to the Redevelopment Agency of the City of Merced. Except as provided herein, neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 6. COMPROMISE OF EXISTING LIEN. Buyer and Seller acknowledge that there is an existing lien on the Subject Property held by a third party that is greater than the purchase price of \$303,500. As such, completion of Buyer's acquisition of the Subject Property is contingent upon the existing Deed of Trust and associated Amended

Installment Note being reduced to the amount of Two Hundred and Twenty Five Thousand Dollars (\$225,000). If, for any reason, the holder of the existing Deed of Trust and associated Amended Installment Note does not reduce the amount due to \$225,000 and quitclaim all of their interests in the Property to the Buyer at or before the close of escrow, then—upon written notice from either Buyer or Seller—this Agreement shall terminate and Buyer and Seller shall have no further obligation to each other pursuant to the terms of this Agreement.

SECTION 7. REAL ESTATE COMMISSIONS. Buyer and Seller both represent and warrant to each other that they are not, and have not been, represented by any real estate broker or agent in this transaction, and that there are no real estate or similar commissions due or owed for this transaction. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 8. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within fifteen (15) days from the effective date of this Agreement, Buyer shall notify Seller in writing of any objection to any exception to the preliminary California Land Title Association report. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall be given reasonable access to the property (with 24 hours notice to Sellers) to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Steve and Mai Meidinger
 15100 Torrey Pines Circle
 Chowchilla, California 93610

BUYER: City of Merced
 City Clerk's Office
 678 West 18th Street
 Merced, California 95340

With a Copy to: City Attorney
 City of Merced
 678 West 18th Street
 Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 15. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 16. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 17. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 18. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 19. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 20. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 21. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 22. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
MAI MEIDINGER AND STEVE
MEIDINGER

By: Mai Meidinger
Mai Meidinger

By: Steve Meidinger
Steve Meidinger

[signatures continued on next page]

BUYER:
CITY OF MERCED, a California Charter
Municipal Corporation

By: _____
City Manager

ATTEST:
JOHN M. BRAMBLE, CITY CLERK

BY: _____
Deputy City Clerk

APPROVED AS TO FORM:

BY: Ken Ryell 9/8/07
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT A

THE LAND REFERRED TO HEREIN IS SITUATED IN THE CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 124 and the Westerly 16 feet of Lot 123, Ragsdale's Subdivision, in the City of Merced, County of Merced, State of California as per plat recorded in Book 8 of Maps, Page 22, records of said County.

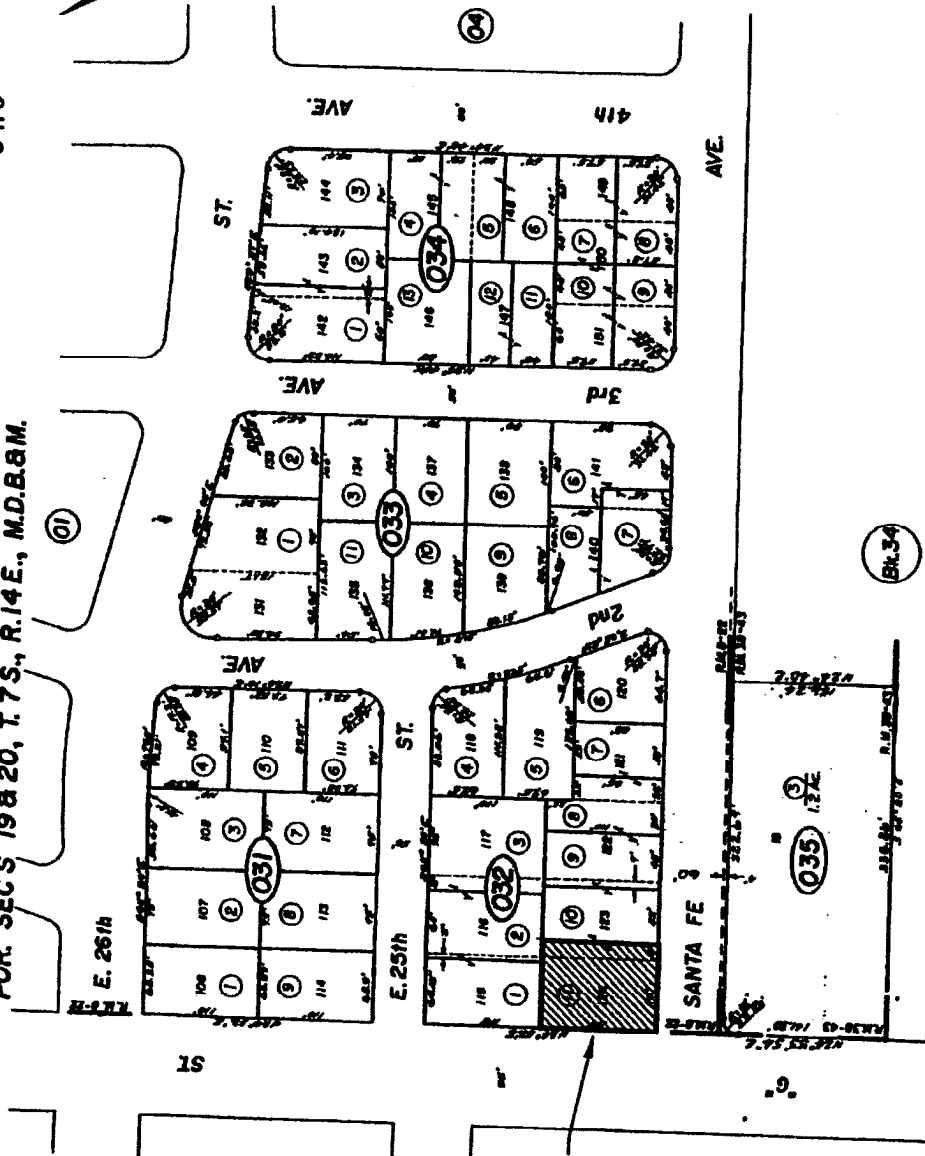
RAGSDALE'S SUBDIVISION

R.M. Vol. 8, Pg. 22

POR. SEC'S 19 & 20, T.7 S., R.14 E., M.D.B.&M.

Tax Rate Area 5-00 33-03
5-110

NOTE -
This map is for Assessment purposes only.
It is not to be construed as surveying
legal ownership or divisions of land for
purposes of zoning or subdivisions law.



AREA OF PURCHASE

REVISED 11/74
11/90

Villa Santa Fe, R.M. Vol. 38, Pg. 43

CITY OF MERCED
Assessor's Map Bk. 33 -Pg. 03
County of Merced, Calif.
1966

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between Kenneth R. Wajdak and Helen Wajdak, Trustees of the Wajdak Family 2003 Revocable Trust Dated February 24, 2003 ("Wajdaks"), and the City of Merced, a California Charter Municipal Corporation ("City").

W I T N E S S E T H

WHEREAS, Wajdaks are the former owners a parcel of real property in the County of Merced, State of California, more commonly identified as 25 East Santa Fe Drive, Merced, California and Assessor's Parcel Number 033-032-011 (the "Subject Property"); and,

WHEREAS, As part of the sale of the Subject Property, Wajdaks financed a portion of the purchase price, as evidenced by a Deed of Trust and an Amended Promissory Note.

WHEREAS, City desires to acquire land necessary for the construction of the "G" Street Undercrossing in the City of Merced (the "Project"); and,

WHEREAS, The Subject Property, which consists of approximately 9461 square feet and more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference, is necessary for the construction of the Project.

WHEREAS, City desires to acquire land necessary for the construction of the "G" Street Undercrossing in the City of Merced (the "Project"); and,

WHEREAS, Pursuant to the terms and conditions of this Agreement, the Wajdaks are willing to convey to the City all of their rights, title and interest in the Subject Property and their interests in the Deed of Trust and Amended Installment Note that relate to the Subject Property.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. The Wajdaks agrees to sell and City agrees to purchase all of the Wajdaks' rights, title and interest in the Subject Property and the Wajdaks' interests in the Deed of Trust that encumbers the Subject Property and the related Amended Installment Note and any other liens and/or encumbrances that the Wajdaks have against the Subject Property and/or the current record owners of the Subject Property.

SECTION 2. PURCHASE PRICE.

- a. The purchase price for the Wajdaks' interest in the Subject Property and the Wajdaks' interests in the Deed of Trust that encumbers the Subject Property and the related Amended Installment Note and any other liens and/or encumbrances that the Wajdaks have against the Subject Property and/or the current record owners of the Subject Property shall be Two Hundred Twenty Five Thousand Dollars (\$225,000.00).
- b. On or before the close of escrow, City shall deposit into escrow the purchase price of Two Hundred Twenty Five Thousand Dollars (\$225,000.00).
- c. On or before the close of escrow, the Wajdaks shall execute a quitclaim deed for the Subject Property in favor of the City in their personal capacities and as Trustees of the Wajdak Family 2003 Revocable Trust Dated February 24, 2003 and deposit said documents into escrow.
- d. On or before the close of escrow, the Wajdaks shall execute all documents necessary so that—upon the close of escrow—the Deed of Trust no longer encumbers the Subject Property and the Amended Installment Note is cancelled.

SECTION 3. ESCROW. Escrow shall open on the Subject Property within ten (10) days at a title company in Merced, California

selected by City, and shall close within thirty (30) days thereafter, subject to the terms and conditions of this Agreement. All escrow costs shall be borne by the City. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. RESERVED

SECTION 5. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. The City reserves the right to assign this Purchase and Sale Agreement to the Redevelopment Agency of the City of Merced. Except as provided herein, neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 6. AGREEMENT CONTINGENT ON PROPERTY OWNERS SELLING SUBJECT PROPERTY. The Wajdaks acknowledge and agree that the close of escrow is contingent upon the record owners of the Subject Project selling their interests in the Subject Property to the City as part of the same escrow. If, for any reason, the record owners of the Subject Property do not take the necessary steps to close escrow, then—upon written notice from either Buyer or Seller—this Agreement shall terminate and the Wajdaks and the City shall have no further obligation to each other pursuant to the terms of this Agreement.

SECTION 7. REAL ESTATE COMMISSIONS. City and Wajdaks both represent and warrant to each other that they are not, and have not been, represented by any real estate broker or agent in this transaction, and that there are no real estate or similar commissions due or owed for this transaction.

SECTION 8. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct

postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

WAJDAKS: Kenneth and Helen Wajdak
569 Joan Court
Merced, California 95341

CITY: City of Merced
City Clerk's Office
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 9. FURTHER DOCUMENTATION. City and Wajdaks agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 10. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 11. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and

discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 12. WARRANTY AND REPRESENTATION. The Wajdaks warrant and represent that they have not transferred any interest in the Deed of Trust and Amended Installment Note relating to the Subject Property to any other party or entity, including themselves in their personal capacity.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Wajdaks and City or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 15. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 16. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as

expressly set forth within this Agreement.

SECTION 17. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 18. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 19. TIME OF THE ESSENCE. Wajdaks and City agree that time is of the essence of this Agreement.

SECTION 20. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 21. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Wajdaks and City. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 22. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

WAJDAKS:

KENNETH R. WAJDAK AND HELEN
WAJDAK, TRUSTEES OF THE
WAJDAK FAMILY 2003 REVOCABLE
TRUST DATED FEBRUARY 24, 2003

By: Kenneth R. Wajdak
Kenneth R. Wajdak, Trustee of the
Wajdak Family 2003 Revocable
Trust Dated February 24, 2003

By: Helen Wajdak
Helen Wajdak, Trustee of the
Wajdak Family 2003 Revocable
Trust Dated February 24, 2003

{Signatures continued on next page.}

CITY:

CITY OF MERCED, a California Charter
Municipal Corporation

By: _____
City Manager

ATTEST:
JOHN M. BRAMBLE, CITY CLERK

BY: _____
Deputy City Clerk

APPROVED AS TO FORM:

BY: Ken Ayala 9/22/09
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT A

Legal Description

EXHIBIT A

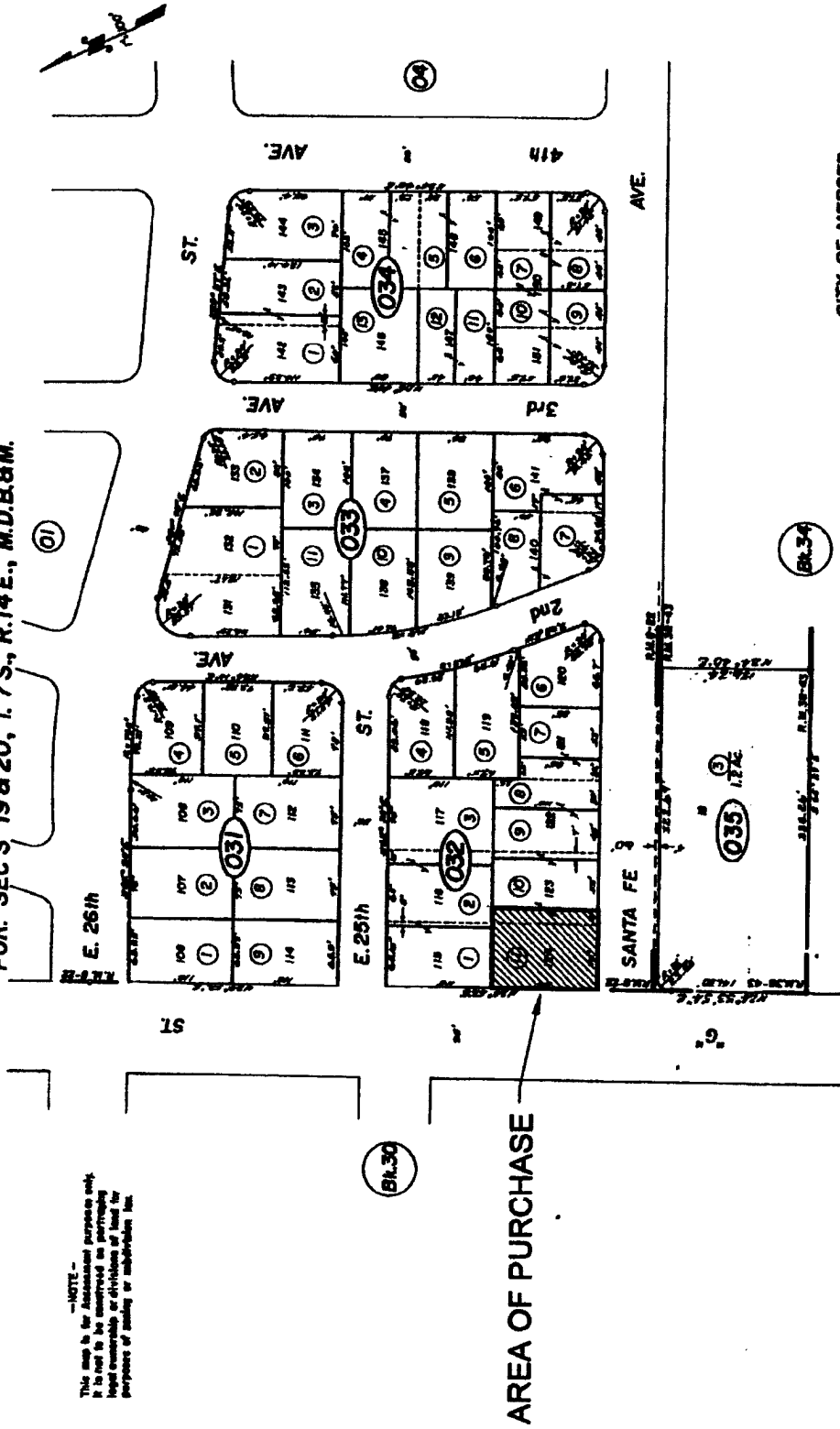
THE LAND REFERRED TO HEREIN IS SITUATED IN THE CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 124 and the Westerly 16 feet of Lot 123, Ragsdale's Subdivision, in the City of Merced, County of Merced, State of California as per plat recorded in Book 8 of Maps, Page 22, records of said County.

Tax Rate Area 5-00 5-110 33-03

RAGSDALE'S SUBDIVISION
R.M. Vol. 8, Pg. 22
POR. SEC'S 19 & 20, T. 7 S., R. 14 E., M.D.B.&M.

NOTE -
This map is for assessment purposes only.
It is not to be construed as partitioning
legal ownership or divisions of land for
purposes of selling or subdivision tax.

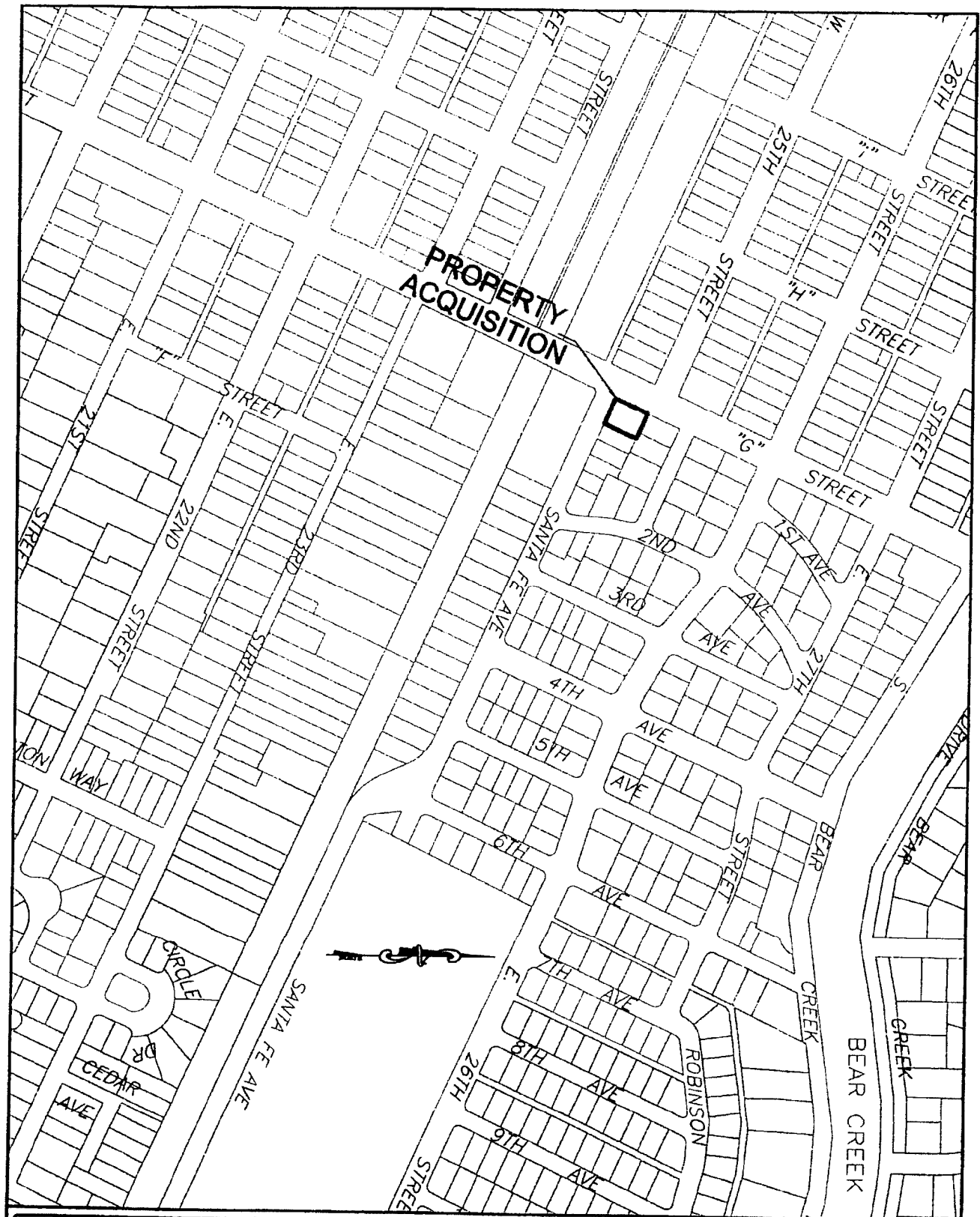


CITY OF MERCED
Assessor's Map Bk. 33 - Pg. 03
County of Merced, Calif.
1966

NOTE - Assessor's Map Numbers Shown in Circles
Assessor's Parcel Numbers Shown in Ovals

REVISED 11/74
11/90

Villa Santa Fe, R. M. Vol. 38, Pg. 43



City of Merced
"Gateway to Yosemite"
 DEVELOPMENT SERVICES
 ENGINEERING PROJECTS AND STANDARDS
 678 W. 18th Street (209) 385-0848

**"G" STREET @ BNSF RAILROAD
 PROJECT NO.106076
 "LARSON PROPERTY"**

DR. BY: CARDINO
DATE: 7/2/08
CHK. BY:
DATE:
FILE NO. 0000
SCALE: NO SCALE

ATTACHMENT 3



Agenda Item: I-6

Meeting Date: 12-07-09

ADMINISTRATIVE REPORT

TO: John M. Bramble, City Manager/Executive Director

FROM: Daniel Ainslie, Development Coordinator

DATE: December 7, 2009

SUBJECT: City purchase of right of way from the Redevelopment Agency

REPORT IN BRIEF

Authorizes the City to purchase two pieces of right of way needed for the G Street Grade Separation from the Redevelopment Agency.

RECOMMENDATION:

Redevelopment Agency:

Adopt a motion:

- A. Authorizing the sale of 1134 sq. ft. of 2490 & 2498 G Street (APN 033-032-001) for \$20,981.12; and,
- B. Authorizing the sale of 2,316 sq. ft. of 25 East Santa Fe (APN 033-032-011) for \$74,433.74; and,
- C. Authorizing the Agency General Counsel to prepare necessary documents; and,
- D. Authorizing the Executive Director to execute necessary documents.

City Council:

- A. Authorizing the purchase of 1134 sq. ft. of 2490 & 2498 G Street (APN 033-032-001) for \$20,981.12; and,
- B. Authorizing the purchase of 2,316 sq. ft. of 25 East Santa Fe (APN 033-032-011) for \$74,433.74; and,
- C. Authorizing the City Attorney to prepare necessary documents; and,
- D. Authorizing the City Manager to execute necessary documents.

ALTERNATIVES:

- A. Adopt the motion as recommended by staff; or,
- B. Approve, subject to modifications as conditioned by Agency Board/City Council; or,
- C. Deny the request completely; or,
- D. Refer back to staff for reconsideration of specific items as requested by Agency Board/City Council; or,
- E. Continue item to a future Agency Board/City Council meeting (date and time to be specified in Agency Board/City Council motion).

AUTHORITY:

Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION:

The Redevelopment Agency has completed the purchase of 2490 & 2498 G Street and 25 East Santa Fe. These properties needed to be purchased in order to acquire right of way for the forthcoming G Street Grade Separation project. Though only portions of the parcels are necessary for the construction of the project, the necessary parcel splits render the structures currently on the parcels useless. Therefore, the entirety of the parcels had to be purchased. After the necessary right of way has been used, there is adequate space remaining to redevelop the properties. In the coming years, the Agency will seek to construct new, high quality affordable housing on the parcels.

The right of way is now needed in order for the project to proceed. Therefore, it is necessary for the Agency to sell the right of way to the City. The sale price of the right of way segments are a part of the project cost and therefore will count towards the City's match for the Proposition IB grant the state awarded the City. The sales price for the 2490 & 2498 G Street right of way has been calculated as follows:

Property purchase price:	\$130,000
<u>Total closing costs:</u>	<u>+ \$ 1,132</u>
Total cost to purchase:	\$131,132

Total size of right of way:	1,134 sq. ft.
<u>Total parcel size:</u>	<u>÷ 7,150 sq. ft.</u>
Proportion of right of way:	16%

The sales price for the 25 East Santa Fe right of way has been calculated as follows:

Property purchase price:	\$303,500
<u>Total closing costs:</u>	<u>+ \$ 803</u>
Total cost to purchase:	\$304,303

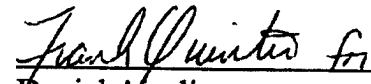
Total size of right of way:	2,316 sq. ft.
<u>Total parcel size:</u>	<u>+9,460 sq. ft.</u>
Proportion of right of way:	24.48%


Total cost of row purchase: \$74,433.74

There is adequate funding in CIP#106076 G Street to complete these right of way purchases.


Respectfully Submitted,

Reviewed and Approved,


Daniel Ainslie
Development Coordinator


William D. Cahill
Assistant City Manager

Approved By,


John M. Bramble
Executive Director

ATTACHMENTS:

- A. Legal Description of 2490 & 2498 G Street Right of Way
- B. Map of 2490 & 2498 G Street Right of Way
- C. Legal Description of 25 East Santa Fe Right of Way
- D. Map of 25 East Santa Fe Right of Way

ATTACHMENT A

DESCRIPTION

Being a portion of Lot 115 as shown on "Map of Ragsdale's Subdivision", recorded in Volume 8 of Official Plats at page 22, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

BEGINNING at the west corner of said Lot 115 as shown on said map;
thence North 24° 52' 00" East, 110.00 feet along the northwest line of said Lot 115 to the north corner of said Lot 115;
thence South 65° 20' 00" East, 4.00 feet along the northeast line of said Lot 115;
thence South 18° 19' 28" West, 110.68 feet to a point on the southwest line of said Lot 115 that is 16.61 feet from said west corner of Lot 115;
thence North 65° 20' 00" West, 16.61 feet along said southwest line of Lot 115 to the **POINT OF BEGINNING**;

Containing 1134 square feet more or less

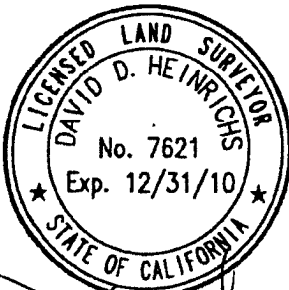


ATTACHMENT B



SCALE 1" = 20'

25th STREET



David D. Heinrichs
11/23/2009

S65°20'00"E 4.00'

AREA OF ACQUISITION
1134 S.F.

DOC# DEED,
2009-041802
M.C.R.

N24°52'00"E 110.00'

S181°28'W 110.68'

LOT 115
8 O.P. 22
M.C.R.

S
T
R
E
E
T

POINT OF BEGINNING

N65°20'00"W 16.61'

LOT 124
8 O.P. 22
M.C.R.

G

ATTACHMENT C

DESCRIPTION

Being a portion of Lot 124 as shown on "Map of Ragsdale's Subdivision", recorded in Volume 8 of Official Plats at page 22, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

BEGINNING at the north corner of said Lot 124 as shown on said map;
thence South 24° 52' 00" West, 110.00 feet along the northwest line of said Lot 124 to the west corner of said Lot 124;
thence South 65° 20' 00" East, 25.50 feet along the southwest line of said Lot 124;
thence North 20° 14' 42" East, 110.33 feet to a point on the northeast line of said Lot 124 that is 16.61 feet from said north corner of Lot 124;
thence North 65° 20' 00" West, 16.61 feet along said northeast line of Lot 124 to the **POINT OF BEGINNING**;

Containing 2,316 square feet more or less.



ATTACHMENT D

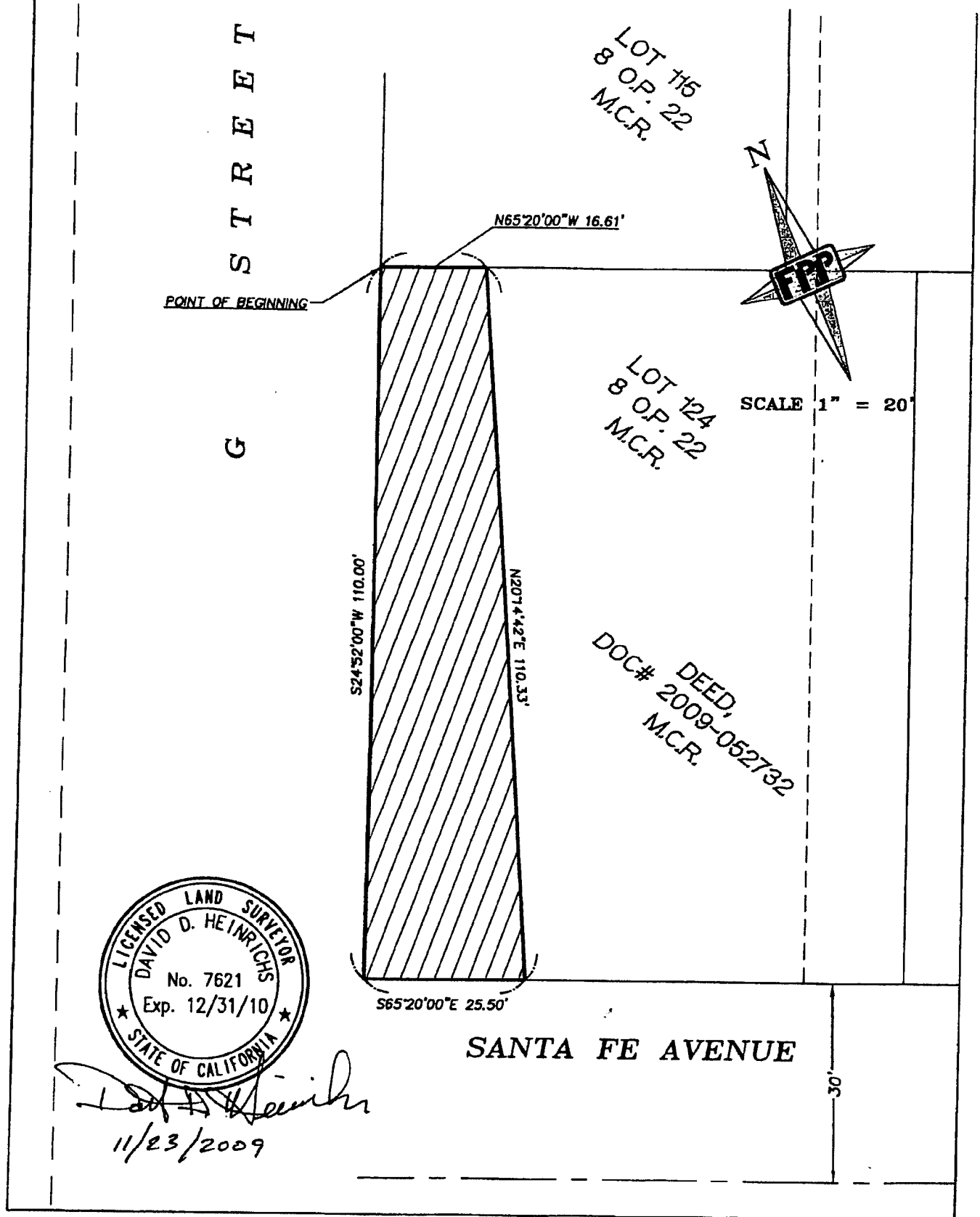


EXHIBIT B-4

Address/APN: 15 W. 23rd Street (APN 030-204-012)
(Previously a portion of 030-204-007)

Description: Sidewalk, landscaping, sloped grade for "G" Street Undercrossing

Parcel Size: 4,950 sq.ft / .11 ac

Date Purchased: 2010

Purchase Price: \$ 99,456.06 (Based on the original per sq.ft. purchase price; see page 2, Administrative Report 5/3/2010)

Property Background:

The property was acquired in 2010 as part of a larger parcel (7,500 sq.ft. total, purchased for \$130,000, plus closing and other costs). The property was improved with a single-family residence. Following acquisition by the Redevelopment Agency, the occupancy of the single-family residence were relocated and the structure was demolished. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used for construction of a new roadway (Lorenzo Lane) to connect 24th Street and 23rd Street, which was required as a result of the G Street Grade Separation project (see page 1, Administrative Report, 12/7/2009; page 1, Purchase and Sale Agreement; page 2, Administrative Report 5/3/2010), and the remainder of the property was transferred to the owners of the adjacent property for construction of a new office building (which was necessary because the City had to acquire the property on which the old office building was located in order to construct right-of-way and sloped grade improvements as part of the "G" Street Grade Separation project).

In December 2009, the Redevelopment Agency and City Council approved the sale of this property to the City for a purchase price of \$99,456.06 for construction of a new roadway connecting 23rd Street and 24th Street, which is equal to the per square foot costs paid by the Redevelopment Agency to acquire the property (see page 2, Administrative Report, 5/3/2010). The purchase price for this property was paid by the City to the Redevelopment Agency in fiscal year 2010, together with the purchase price for the acquisition of other right-of-way properties along G Street (see RDA General Ledger Revenue Account Summary). Following payment of the purchase price by the City, the property was transferred to the PFEDA in March 2011 and subsequently transferred by PFEDA to the City in April 2012.

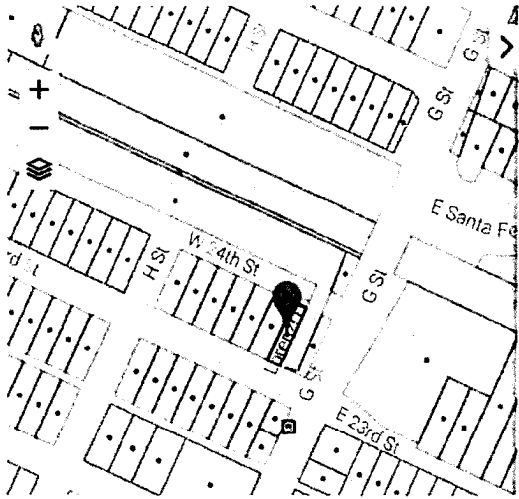
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: New roadway to connect 23rd Street and 24th Street, which was required as part of the "G" Street Grade Separation project.

Revenue Generation: The City acquired this property from the Redevelopment Agency in fiscal year 2010 for a purchase price of \$99,456.06.

15. W. 23rd Street



City Of Merced

CA
Merced County

APN: 030-204-012-000

Zone:

Built:

Type: Commercial / Federal Property Bldg Sq Ft:

Lot Sq Ft: 4,950

[Order Customer Service](#)

[CostaFirst™](#)

[Add to Farm List](#)

Report Name

Actions

Available

Allowance



Account number . . . : 853-2001-360.01-57

Fund : 853 RDA Gateways-CIP Fund
Department : 20 Economic Development
Division : 01 Redevelopment
Activity basic : 36 Miscellaneous
Sub activity : 0 Other Revenue
Element : 01 Other
Object : 57 Right of Way G Street

Estimated revenue : 0

Actual receipts - current . . . :	.00		
Actual receipts - ytd :	287,742.12		
Unposted receipts :	.00		
Total receipts :	287,742.12	0.0	%
Unrealized revenue :	287,742.12-	0.0	%

F7=Project data	F8=Misc inquiry	F9=Misc update	F10=Detail trans
F11=Acct activity list	F12=Cancel	F13=Misc Budget	F24=More keys

G Street right-of-way purchases by the City:

2321 G Street	3,860 sq.ft.	\$ 92,871.20
2490/98 G Street	1,134 sq.ft.	20,981.12
25 E. Santa Fe	2,316 sq.ft.	74,433.74
15 W. 23rd Street	4,950 sq.ft.	<u>99,456.06</u>
	TOTAL:	\$287,742.12



Agenda Item: I-3
Meeting Date: 12-07-09

ADMINISTRATIVE REPORT

TO: John M. Bramble, Executive Director
FROM: Daniel Ainslie, Development Coordinator
DATE: December 7, 2009
SUBJECT: Purchase of 15 W. 23rd Street

REPORT IN BRIEF

Authorizes the Redevelopment Agency to purchase an occupied single-family house located at 15 W. 23rd Street.

RECOMMENDATION:

Adopt a motion:

- A. Authorizing the purchase of 15 W. 23rd Street (APN 0030-204-007) for \$130,000; and,
- B. Authorizing the Executive Director to execute necessary documents.

ALTERNATIVES:

- A. Adopt the motion as recommended by staff; or,
- B. Approve, subject to modifications as conditioned by Agency Board; or,
- C. Deny the request completely; or,
- D. Refer back to staff for reconsideration of specific items as requested by Agency Board; or,
- E. Continue item to a future Agency Board meeting (date and time to be specified in Agency Board motion).

AUTHORITY:

Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION:

The Redevelopment Agency is working in coordination with the City to complete the G Street Grade Separation Project. The project will remove 24th Street's current access onto G Street. This road circulation change has necessitated the construction of a new roadway linking 23rd and 24th Street. This roadway will allow vehicles and pedestrians to safely turn from 24th onto 23rd and ultimately G Street. In order to construct this new linking roadway, 15 W. 23rd Street must be purchased.

Staff has been in negotiations with the property owners for approximately one month. The owners did not desire to sell and the property was not on the market. The current owners approached a local realtor who informed the owners that the potential sales price should be \$125,000 for the 7,500 square foot parcel. The owners were willing to sell the house for \$130,000. Staff has not expended the funds required for an appraisal due to the costs and time necessary for an appraisal. In addition, the current owners are not willing to sell the property for a lower price even if an appraisal is performed. Given prices paid on other properties required for this project, the proposed purchase price is reasonable, this purchase price would negate the need to pursue eminent domain legal proceedings.

The house is currently occupied; therefore, the Agency will need to provide relocation assistance to the present tenants. The tenants would continue to pay their current lease rates to the Agency until they are successfully relocated. The average price for relocating a family is \$6,500. The anticipated total costs for this purchase are as follows:

Purchase Price:	\$130,000
Estimated Closing Costs:	\$ 2,000
<u>Estimate Relocation Costs:</u>	<u>\$ 6,500</u>
Total Cost of Purchase:	\$138,500

CIP #109055 has adequate resources to complete this purchase. The property is necessary for the project to proceed, staff recommends purchasing the property for \$130,000.

Respectfully Submitted,



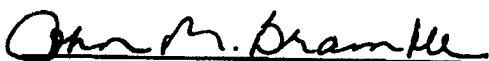
Daniel Ainslie
Development Coordinator

Reviewed and Approved,



William D. Cahill
Assistant City Manager

Approved By,



John M. Bramble
Executive Director

ATTACHMENTS:

- A. Map of 15 W. 23rd Street
- B. Purchase and Sales Agreement

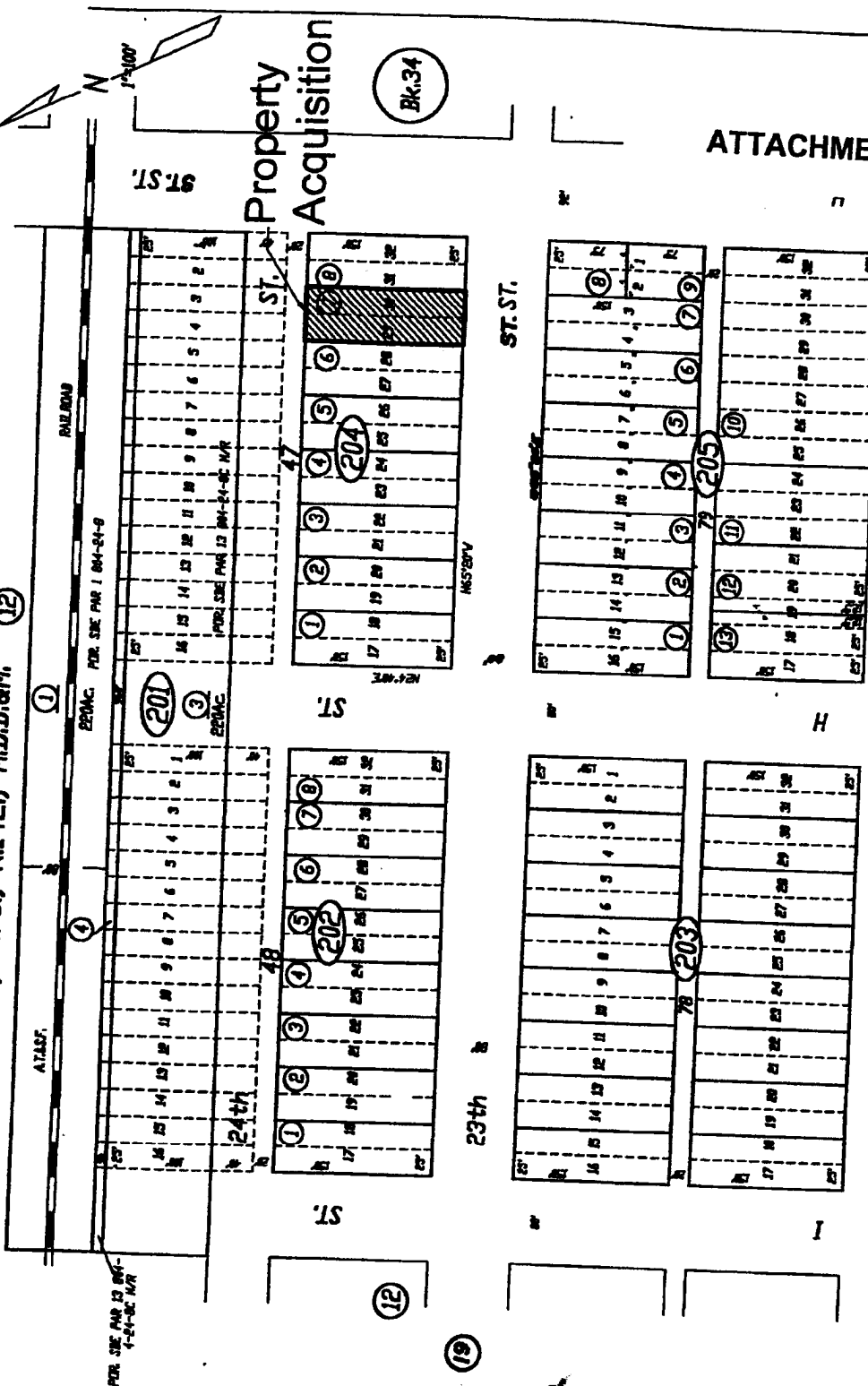
TOWN OF MERCED
RM. Bk. 2, Pg. 12

30-20

Tax Rate Area 005-177

POR. SEC. 19, T.7S., R.14E., M.D.B.&M. (12)

see only
 showing
 of for
 loc.



CITY OF MERCED
ST. Assessor's Map Bk.
County of Merced

NOTE - Assessor's Block Numbers shown in Ellipses
Assessor's Parcel Numbers shown in Circles

22th

1956

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between Anwaar M. Bhatti and Irma A. Bhatti, Trustees of the Bhatti 2007 Revocable Trust dated June 28, 2007 ("Seller"), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a parcel of real property in the County of Merced, State of California, more commonly identified as 15 West 23rd Street, Merced, California and Assessor's Parcel Number 030-204-007 (the "Parcel"); and,

WHEREAS, Buyer desires to acquire land necessary for the construction of the "G" Street Undercrossing in the City of Merced (the "Project"); and,

WHEREAS, The area necessary for the Project is located within the Parcel, consisting of approximately 7,500 square feet and more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property free from all liens and encumbrances.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Hundred Thirty Thousand Dollars (\$130,000.00) for approximately 7,500 square feet based upon a survey to

be prepared pursuant to Section 4 hereof, without any liens or encumbrances.

a. Deposit: Buyer will deposit the sum of Five Thousand Dollars (\$5,000.00) into escrow within ten (10) business days following the mutual execution of this Agreement.

b. Security Deposit: The amount of the security deposit will be deducted from the Purchase Price as a transfer of the security deposit from Seller to Buyer.

c. Balance of Purchase Price: Buyer shall have until close of escrow ("Final Payment Date") to pay to Seller the balance of the purchase price minus the amount of the security deposit for a total amount of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) to be deposited with the escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Subject Property within ten (10) days at a title company in Merced, California selected by Buyer, and shall close within thirty (30) days thereafter, subject to the terms and conditions of this Agreement. All escrow costs shall be borne by the Buyer, including the transfer and documentary taxes, if any, upon recordation of the Deed. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. SURVEY, PARCEL MERGER, OR PROPERTY LINE ADJUSTMENT. The Subject Property might be the subject of a survey and/or a parcel split or property line adjustment upon determination by Buyer. All costs incurred in connection with the survey, parcel split, and/or property line adjustment shall be borne by the Buyer.

SECTION 5. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. The Buyer reserves the right to assign this Purchase and Sale Agreement to the City of Merced. Except as provided herein, neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any

attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 6. REMOVAL OF FIXTURES. The Buyer shall grant the Seller the right to re-enter and remove fixtures as desired for a three (3) week period following the Buyer's relocation of the Parcel's current tenants. Seller shall secure the property at all times including during and after the removal of fixtures. The Seller will indemnify, defend and hold the City of Merced and Buyer harmless of all liability and/or claims arising from Seller and/or its agents removal of such items from the Subject Property.

SECTION 7. REAL ESTATE COMMISSIONS. Buyer and Seller both represent and warrant to each other that they are not, and have not been, represented by any real estate broker or agent in this transaction, and that there are no real estate or similar commissions due or owed for this transaction. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 8. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with all deeds and agreements (whether recorded or unrecorded) relating to the Subject Property and each document shown as an exception or encumbrance. This shall be done at the expense of Seller. Within fifteen (15) days after the delivery of the related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections,

investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Anwaar M. and Irma A. Bhatti, Trustees
2800 Windsor Lane
Modesto, California 95350

BUYER: Redevelopment Agency of the City of Merced
Agency Secretary
678 West 18th Street
Merced, California 95340

With a Copy to: Agency General Counsel
Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 15. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 16. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties

hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 17. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 18. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 19. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 20. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 21. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart

shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 22. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:

16026
ANWAAR M. BHATTI AND IRMA A.
BHATTI, Trustees of the Bhatti 2007
Revocable Trust dated June 28, 2007

By:


Anwaar M. Bhatti, Trustee

By:


Irma A. Bhatti, Trustee

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED, A Public Body,
Corporate and Politic, of the State of
California

By: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: Ken Bzeu 11/9/04
General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT A

A parcel of land situated in a portion of Section 19, Township 7 South, Range 14 East, M.D.B. & M., City of Merced, County of Merced, State of California, said parcel of land being more particularly described as follows:

Lots 29 and 30, Block 47, as shown on the Supplemental Map to Town of Merced, filed March 4, 1889, in Book 2 of Maps, Page 12, Merced County Records.



Agenda Item: I-5

Meeting Date: 05-03-10

ADMINISTRATIVE REPORT

TO: John M. Bramble, City Manager/Executive Director

FROM: Daniel Ainslie, Development Coordinator

DATE: May 3, 2010

SUBJECT: City purchase of right of way from the Redevelopment Agency

REPORT IN BRIEF

Authorizes the City to purchase one piece of right of way needed for the G Street Undercrossing Project from the Redevelopment Agency.

RECOMMENDATION:

Redevelopment Agency:

Adopt a motion:

- A. Authorizing the sale of 4,950 sq. ft. of 15 W. 23rd Street (APN 030-204-007) for \$99,456.06; and,
- B. Authorizing the Agency General Counsel to prepare necessary documents; and,
- C. Authorizing the Executive Director to execute necessary documents.

City Council:

Adopt a motion:

- A. Authorizing the purchase of 4,950 sq. ft. of 15 W. 23rd Street (APN 030-204-007) for \$99,456.06; and,
- B. Authorizing the City Attorney to prepare necessary documents; and,
- C. Authorizing the City Manager to execute necessary documents.

ALTERNATIVES:

- A. Adopt the motion as recommended by staff; or,
- B. Approve, subject to modifications as conditioned by Agency Board/City Council; or,

- C. Deny the request completely; or,
- D. Refer back to staff for reconsideration of specific items as requested by Agency Board/City Council; or,
- E. Continue item to a future Agency Board/City Council meeting (date and time to be specified in Agency Board/City Council motion).

AUTHORITY:

Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION:

The Redevelopment Agency has completed the purchase, relocation of its previous residents and the demolition of 15 W. 23rd Street. This property needed to be purchased in order to acquire right of way (ROW) for the forthcoming G Street Undercrossing Project. The majority of the property will be used to construct a new roadway which will connect 24th Street to 23rd Street. The remainder of the property has since been transferred to the owners of the G Street Mini Storage Complex. This transferred parcel will be used to construct their new office building. This new building was necessary because the City had to acquire the property on which the present office building is located.

The City now needs to take possession of this right of way in order to begin the road construction project. Therefore, it is necessary for the Agency to sell the right of way to the City. The sales price of the right of way segment is a part of the project cost and therefore will count towards the City's match for the Proposition IB grant the state awarded to the City. The sales price for the 15 W. 23rd Street right of way has been calculated as follows:

Property purchase price:	\$130,000.00
Total closing costs:	+ \$ 1,291.00
Total relocation costs:	+ \$ 3,900.00
<u>Total asbestos and demolition costs:</u>	<u>+ \$ 15,500.00</u>
Total cost of ROW:	\$150,691.00

Total size of ROW:	4,950 sq. ft.
<u>Total parcel size:</u>	<u>÷ 7,500 sq. ft.</u>
Proportion of ROW:	66%

Total cost of ROW purchase:	\$99,456.06
-----------------------------	-------------

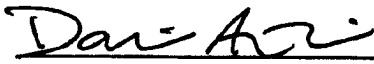
There is adequate funding in CIP#106076 G Street to complete this right of way purchase.

RECOMMENDATION:

The Redevelopment Agency has completed the purchase of 15 W. 23rd Street. This right of way purchase is necessary in order for the G Street project to continue. Staff recommends approval of the purchase and sale.

Respectfully Submitted,

Reviewed and Approved,

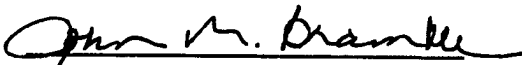


Daniel Ainslie
Development Coordinator



William D. Cahill
Assistant City Manager

Approved By,



John M. Bramble
Executive Director/City Manager

EXHIBITS:

- A. Legal Description of 15 W. 23rd Street Right of Way
- B. Map of 23rd Street Right of Way

EXHIBIT A

DESCRIPTION

Being all of Lot 29 and a portion of Lot 30 lying in Block 47 as shown on "Supplemental Map to Town of Merced", recorded in Volume 2 of Official Plats at page 12, Merced County Records, in the City of Merced, Merced County, State of California, being more particularly described as follows:

All of said Lots 29 and 30 excepting, the southeast 17.00 feet of said Lot 30, the northwest line of said 17.00 feet being parallel with the southeast line of said Lot 30.

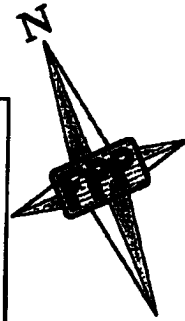
Containing 4,950 square feet more or less



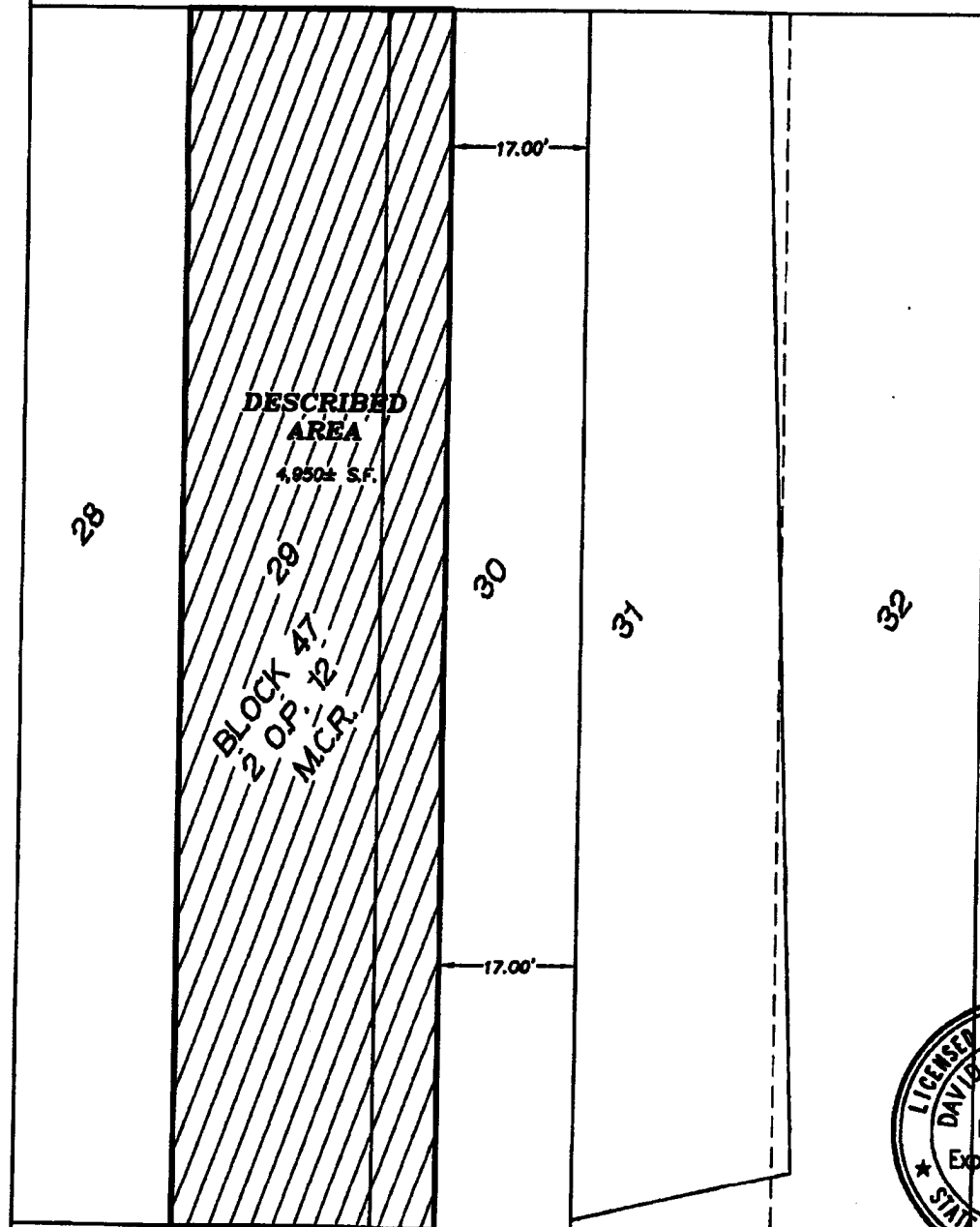
David D. Heinrichs
1-04-2010

EXHIBIT "B"

24th STREET



SCALE 1" = 20'



G
S
T
R
E
E
T



David D. Heinrichs
1-04-2010

23rd STREET

EXHIBIT B-5

Address/APN: 2820 N. Highway 59 (APN 058-110-058)
(Previously a portion of 2800 N. Highway 59; APN 058-110-012)

Description: Right-of-way, sidewalk, landscaping

Parcel Size: 488 sq.ft / .011 ac.

Date Purchased: 2009

Purchase Price: \$ 1,947.12 (Based upon the original per sq.ft. purchase price)

Property Background:

The property was acquired in 2009 as part of a larger parcel (10,000 sq.ft. total, purchased for \$39,900, or approximately \$3.99 per sq.ft). The property was improved with a vacant residential structure, and owned by the bank following a foreclosure. The improvements were demolished following acquisition by the Redevelopment Agency. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used to install a lighted controlled intersection as part of the Cooper Avenue/Highway 59 intersection project (see page 1, Administrative Report, 8/17/2009; page 1, Purchase and Sale Agreement), and the remainder was merged with other properties acquired by the Redevelopment Agency and subsequently sold and developed with a multi-family affordable housing project located adjacent to the Highway 59 right-of-way improvements.

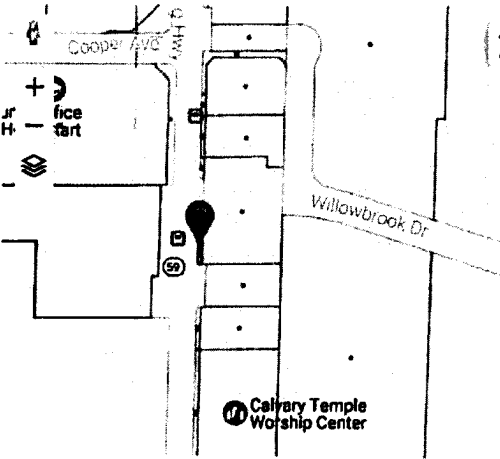
Environmental History: No record of environmental studies.


Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for Highway 59/Cooper Avenue project, and development of affordable housing.

Revenue Generation: None

2820 N. Highway 59





City Of Merced
2820 N State Highway 59 Merced, CA 95348
Merced County

APN: 058-110-058-000	Zone:	Built:
Type: Commercial / Federal Property Bldg Sq Ft:		Lot Sq Ft: 488

[Order Customer Service](#) [CostsFirst™](#) [Add to Farm List](#)

ADMINISTRATIVE REPORT

AGENDA
ITEM: I-2

MTG.
DATE: 08-17-09

TO: John M. Bramble, Executive Director
FROM: Daniel Ainslie, Development Coordinator
DATE: August 17, 2009

SUBJECT: Purchase Agreement for 2800 N. Highway 59

RECOMMENDATION: Adopt a motion:

- A. Approving Purchase Agreement between the Redevelopment Agency of the City of Merced and The Bank of New York; and,
- B. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

1. Adopt the motion as recommended by staff; or
2. Adopt amended motion (specify); or
3. Defer action until a date certain (specify date); or
4. Take no action.

AUTHORITY: Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION: One of the stated objectives of the Gateways Project Area is to increase quality affordable housing and to eliminate blight within its project area. Highway 59 is within the boundaries of the newly expanded Gateways Project Area. This area is bounded by several blighted lots including vacant parcels or parcels with abandoned structures. CIP #109027 contains funding to acquire parcels to use for affordable housing. This parcel is blighted and can be redeveloped to a higher density with quality, affordable housing.

In addition to eliminating blight in the area, the Agency is undergoing a project to extend Cooper Avenue and install a signal at its intersection with Highway 59. This project will require the acquisition of right of way to widen Highway 59 and to extend Cooper Avenue. The 10' feet fronting Highway 59 needs to be acquired in order to widen Highway 59. This purchase will allow the Agency to continue designing this project.

Executive Director
August 17, 2009
Page 2

The parcel has recently been foreclosed and is vacant. The bank owning the parcel contacted the Agency to negotiate a potential purchase. Staff has negotiated a purchase price of \$39,900.

PROPOSED TERMS: Key proposed sales terms include the following:

- Property:** 10,000± sq. ft. (subject to verification) also known as Assessor's Parcel Number 058-110-012;
- Consideration:** Agency shall pay \$39,900 for the purchase of the aforementioned parcel;
- Deposit** Agency shall deposit \$10,000 into an escrow account within fourteen (14) business days of a mutually executed Purchase and Sale Agreement;
- Closing Costs:** Agency and Seller shall split 50/50 the premiums for the CLTA Title insurance policy and the escrow fee as is normal and customary in Merced County;
- Final Payment:** The balance of the purchase price (\$29,900) shall be paid in full upon close of escrow;
- Title Company:** Escrow shall be opened with TransCounty Title Company;
- Open Escrow:** Escrow shall open within three (3) days of the approval of the sale by the Agency;
- Due Diligence:** Agency will have 15 days after the opening of escrow to complete all due diligence studies. Agency is responsible for the administration and costs of any and all studies and reports during the due diligence period;

Executive Director
August 17, 2009
Page 3

Close of Escrow: Escrow shall close within 57 days from the date that it is opened (escrow closing is subject to the time required for Agency legal review, modification and/or approval of escrow instructions);

Contract: A Purchase and Sale Agreement has been drawn by the Agency Attorney's Office, it was based upon the terms and conditions mutually agreed upon in the Letter of Intent.
The Purchase and Sale Agreement has been signed by the Purchaser and is attached.

RECOMMENDATION: Staff recommends approval of the purchase agreement as presented. The purchase of this land will eliminate present blight, provide for future affordable housing and assist in the signalization of Cooper Avenue and Highway 59.

RESPECTFULLY SUBMITTED:


Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:


William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:


John M. Bramble
Executive Director

ATTACHMENTS

- A. Purchase and Sale Agreement
- B. Site Map

ATTACHMENT A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between The Bank of New York, a New York Corporation ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 058-110-012 on Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 10,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of installing a lighted controlled intersection as part of the Cooper Avenue Highway 59 intersection project and an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual
~~covenants, promises, and agreements herein contained, and for other good and~~

valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Thirty-Nine Thousand Nine Hundred Dollars (\$39,900.00) for approximately 10,000 square feet of the Subject Property without any liens or encumbrances.

a. Deposit: Buyer will deposit the sum of Ten Thousand Dollars (\$10,000.00) into escrow within fourteen (14) business days following the mutual execution of this Agreement.

b. Balance of Purchase Price: Buyer shall have until close of escrow ("Final Payment Date") to pay the balance of the purchase price of Twenty-Nine Thousand Nine Hundred Dollars (\$29,900.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within fifty-seven (57) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs

of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association _____ report of the title to the Subject Property and each document shown as an

exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days

of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER'S AGENT: Pete Schaber
 PMZ Real Estate
 1500 Fulkerth Road
 Turlock, California 95380

BUYER: Agency Secretary
 The Redevelopment Agency of the
 City of Merced
 678 West 18th Street
 Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. DISCLOSURE OF LEASES AND/OR RENTAL AGREEMENTS. Seller shall disclose all leases and/or rental agreements affecting property and affirms that there are no such leases and/or rental agreements.

SECTION 10. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or ~~feminine, as the context may require. The captions of the Sections and Subsections~~

of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 11. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 12. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 13. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 14. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action

brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 15. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 16. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 17. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from ~~any delay or failure by either party to take action on any breach or default of the~~ other party or to pursue any remedy allowed under this Agreement or applicable

law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 18. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 19. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 20. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the

physical possession of the party seeking enforcement thereof.

SECTION 21. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
THE BANK OF NEW YORK,
A New York Corporation

BY: _____
Signature

Print Name

Its: _____

BY: _____
Signature

Print Name

Its: _____

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED
A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: Ken Agel 8/6/09
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT "A"

**THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MERCED,
COUNTY OF MERCED, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:**

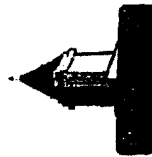
The South one-half of a tract of land described as follows:

Beginning at a point that is North 01° 04' East, 440.0 feet from the Southwest corner of Lot 17 as said lot is shown upon the map entitled, "MAP OF BEAR CREEK COLONY", on file in the office of the County Recorder, Merced County, State of California, said point of beginning being on the East line of the County Road (now State Highway) and on the West line of said Lot 17; thence North 01° 04' East, 100.0 feet along the East line of said road and the West line of said Lot 17 to a point that is South 01° 04' West, 120.0 feet from the Northwest corner of said Lot 17; thence North 89° 14' East, 200.0 feet parallel to the South line of said Lot 17; thence South 01° 04' West, 100.0 feet parallel to the West line of said Lot 17; thence South 89° 14' West, 200.0 feet parallel to the South line of said Lot 17 to the point of beginning.

Exhibit B

2800 Highway 59

2800 N. Highway 59



Invest in California's Future

ATTACHMENT B

2800 Highway 59

2800 N. Highway 59

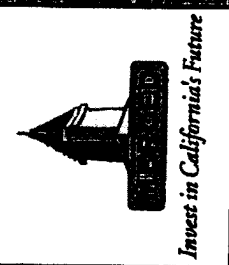


EXHIBIT B-6

Address/APN: 2822 N. Highway 59 (APN 058-110-057)
(Previously a portion of 2808 and 2810 N. Highway 59; APN 058-110-011)

Description: Right-of-way, sidewalk, landscaping

Parcel Size: 492 / .011 ac.

Date Purchased: 2009

Purchase Price: \$ 5,904.00 (Based upon the original per sq.ft. purchase price)

Property Background:

The property was acquired in 2009 as part of a larger parcel (10,000 sq.ft. total, purchased for \$120,000, or approximately \$12 per sq.ft). The property was improved with two single-family residences that were in various states of disrepair. One of the residences was occupied; the occupants were subsequently relocated and the improvements demolished. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used to widen Highway 59 and as part of the Highway 59 and Cooper Avenue signalization project (see page 1, Administrative Report; page 1, Purchase and Sale Agreement), and the remainder was merged with other properties acquired by the Redevelopment Agency and subsequently sold and developed with a multi-family affordable housing project located adjacent to the Highway 59 right-of-way improvements.

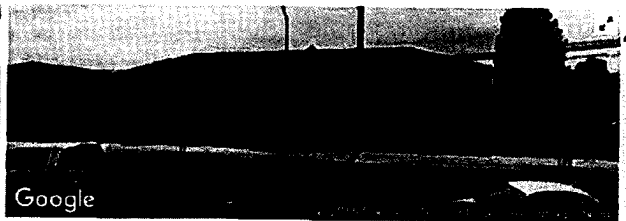
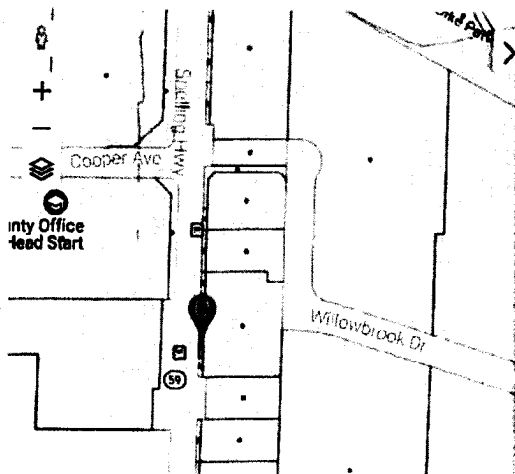
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for Highway 59/Cooper Avenue project, and development of affordable housing.

Revenue Generation: None

2822 N. Highway 59



City Of Merced

2822 N State Highway 59 Merced, CA 95348
Merced County

APN: 058-110-057-000

Zone:

Built:

Type: Commercial / Federal Property Bldg Sq Ft:

Lot Sq Ft: 492

[Order Customer Service](#)

[CostaFirst™](#)

[Add to Farm List](#)

ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-3

MTG.

DATE: 09-08-09

TO: John M. Bramble, Executive Director

FROM: Daniel Ainslie, Development Coordinator

DATE: September 8, 2009

SUBJECT: Purchase Agreement for 2808 and 2810 N. Highway 59

RECOMMENDATION: Adopt a motion:

- A. Approving the Purchase Agreement between the Redevelopment Agency of the City of Merced and Ron and Patt Dinsmore; and,
- B. Authorizing the Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Defer action until a date certain (specify date); or
- 4. Take no action.

AUTHORITY: Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

HISTORY OF THE PROJECT

Similar to the purchase of the vacant lot at 2858 N. Highway 59, the purchase of 2808 & 2810 N. Highway 59 (the Subject Parcel), is necessary in order to acquire the needed right of way for the Highway 59 and Cooper Avenue signalization project. The 500 sq. ft. that fronts Highway 59 is necessary for the road project. The remaining 9,500 sq. ft. will be merged with adjoining parcels to create an easily developable lot.

The subject parcel currently has two single-family residences that are a blighting influence on the neighborhood. The structures' siding, windows and landscaping are in various states of disrepair. One residence is currently occupied. This would require the Agency to provide relocation assistance of approximately \$7,350 to the tenant if the Agency were to purchase the property. The second home is currently vacant, so no assistance will be required for that residence.

This parcel is the last needed to fully assemble a 1.1 acre parcel for a future high quality, affordable housing development. The Highway 59 and Cooper Avenue signalization project will require the abandonment of the current Willowbrook Avenue Highway 59 intersection. There is currently a water main that travels through the middle of this roadway. The estimated cost to relocate the water main is \$200,000. To eliminate that cost, staff has developed a plan to use the existing roadway as a parking lot for the future affordable housing development. This will save on the cost of developing parking as well as eliminate the need to relocate the water main. The Agency has purchased the lot directly to the north of the intersection and is in escrow to purchase the lot directly to the south of the subject parcel.

Since the subject parcel has two existing homes, the Agency would be able to apply roughly \$38,430 in fee credits from this parcel towards the fees imposed on the new development that would be eventually built on this site. The site is also zoned R 3-1.5. When this is merged with 2800 N. Highway 59, at least 13 units could be constructed.

This is a negotiated purchase with the property owners. The parcel is currently not for sale. Staff has negotiated a purchase price of \$120,000. In addition, the Agency would pay all of the closing costs of the purchase. If the Agency were to not purchase the entirety of this parcel, the road right of way of 500 sq. ft. would need to be purchased and the Agency would need to provide for and build a new access for the property as its current access is off of the Willowbrook Drive section that will be abandoned. The total anticipated costs of the purchase is as follows:

Purchase Price	\$120,000
Anticipated Closing Costs	\$ 6,000
Anticipated Relocation Costs	\$ 7,350
<u>Anticipated Demolition Costs</u>	<u>\$ 16,000</u>
Total Costs	\$149,350

<u>Less Anticipated Rent</u>	<u>\$ 2,100</u>
Net Costs of Purchase	\$147,250

PROPOSED TERMS

Key proposed sales terms include the following:

- Property:** 10,000± sq. ft. (subject to verification) also known as Assessor's Parcel Number 058-110-011;
- Consideration:** Agency shall pay \$120,000 for the purchase of the aforementioned parcel;
- Deposit** Agency shall deposit \$10,000 into an escrow account within fourteen (14) business days of a mutually executed Purchase and Sale Agreement;
- Closing Costs:** Agency shall pay the premium for the CLTA Title insurance policy and all escrow fees normal and customary in Merced County;
- Final Payment:** The balance of the purchase price (\$110,000) shall be paid in full upon close of escrow;
- Title Company:** Escrow shall be opened with TransCounty Title Company;
- Open Escrow:** Escrow shall open within three (3) days of the approval of the sale by the Agency;
- Due Diligence:** Agency will have 15 days after the opening of escrow to complete all due diligence studies. Agency is responsible for the administration and costs of any and all studies and reports during the due diligence period;
- Close of Escrow:** Escrow shall close within 27 days from the date that it is opened (escrow closing is subject to the time required for Agency legal review, modification and/or approval of escrow instructions);
- Contract:** A Purchase and Sale Agreement has been drawn by the Agency Attorney's Office, the Purchase and Sale Agreement has been signed by the Purchaser and is attached.

Executive Director
September 8, 2009
Page 4

FUNDING

Capital Improvement Project #108049 was funded for purchasing right of way for affordable housing in this area and has adequate resources to fund this purchase.

RECOMMENDATION

The Redevelopment Advisory Committee unanimously voted to recommend the purchase of 2808 & 2810 N. Highway 59 for a price of \$120,000. The purchase of this land will eliminate present blight, provide for future affordable housing and assist in the signalization of Cooper Avenue and Highway 59.

RESPECTFULLY SUBMITTED:



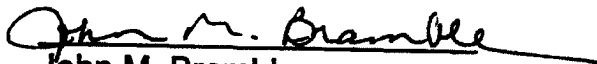
Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:



William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:



John M. Bramble
Executive Director

ATTACHMENTS

- A. Purchase and Sale Agreement
- B. Site Map

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between Ron Dinsmore and Patt Dinsmore ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as 2808 and 2810 North Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 10,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of installing a lighted controlled intersection as part of the Cooper Avenue Highway 59 intersection project and an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and

valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Hundred Twenty Thousand Dollars (\$120,000.00) for the Subject Property without any liens or encumbrances.

a. Deposit: Buyer will deposit the sum of Ten Thousand Dollars (\$10,000.00) into escrow within fourteen (14) business days following the mutual execution of this Agreement.

b. Balance of Purchase Price: Buyer shall have until close of escrow ("Final Payment Date") to pay the balance of the purchase price of One Hundred Ten Thousand Dollars (\$110,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within twenty-seven (27) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be paid by Buyer. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal

fees, if any are incurred. Seller shall furnish copies of any and all lease agreements to Escrow Office. Any rental deposit and pro-rata rent due to Buyer shall be discounted from sales price.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association

report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall with twenty-four (24) hours notice have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid

thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Ron and Patt Dinsmore
1900 N. Cunningham Road
Le Grand, California 95333

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: Agency General Counsel
Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor

referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from

any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

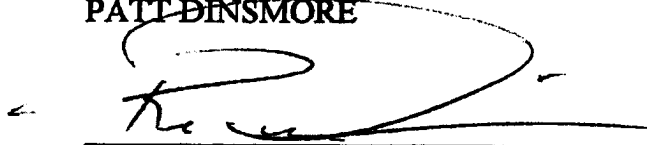
SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No


counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
RON DINSMORE AND
PATT DINSMORE



Ron Dinsmore

Patt Dinsmore

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED, A Public Body,
Corporate and Politic, of the State of
California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: Ken Agell 8/27/03
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT "A"

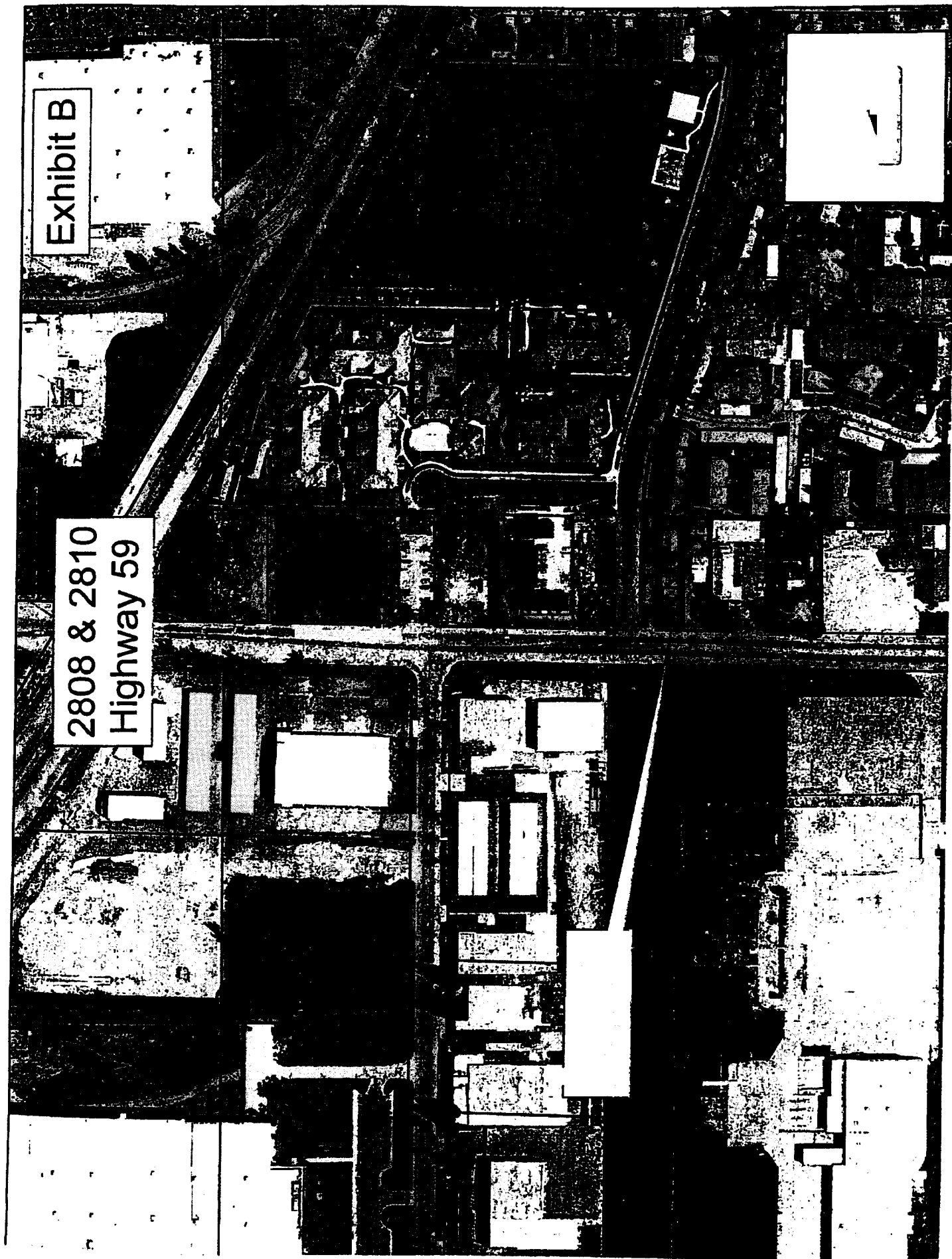
**THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MERCED,
COUNTY OF MERCED, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:**

THE NORTH ONE-HALF OF A TRACT OF LAND DESCRIBED AS FOLLOWS:

Beginning at a point that is North 01° 04' East, 440.0 feet from the Southwest corner of Lot 17, as said Lot is shown upon map entitled, "MAP OF BEAR CREEK COLONY", filed January 29, 1896 in the office of the County Recorder, of Merced County, in Vol. 2 of Official Plats, at Page 36, said POINT OF BEGINNING being on the East line of the County Road (now State Highway) and on the West line of said Lot 17; thence North 01° 04' East, 100.0 feet along the East line of said road and the West line of said Lot 17, to a point that is South 01° 04' West, 120.0 feet from the Northwest corner of said Lot 17; thence North 89° 14' East, 200.0 feet parallel to the South line of said Lot 17; thence South 01° 04' West, 100.0 feet parallel to the West line of said Lot 17; thence South 89° 14' West, 200.0 feet parallel to the South line of said Lot 17 to the POINT OF BEGINNING.

Exhibit B

2808 & 2810
Highway 59



Attachment B

2808 & 2810 Highway 59

2858 N. Highway 59

Water Main

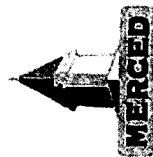
2808 & 2810
N. Highway 59

Agency Owned Parcels

Agency Owned Parcels

Agency Owned Parcels

In Escrow



Invest in California's Future

EXHIBIT B-7

Address/APN: 2830 N. Highway 59 (APN 058-110-054)
(Previously a portion of 2824 N. Highway 59; APN 058-110-009)

Description: Right-of-way, sidewalk, landscaping

Parcel Size: 499 sq.ft / .011 ac.

Date Purchased: 2009

Purchase Price: \$ 4,730.52 (Based upon the original per sq.ft. purchase price)

Property Background:

The property was acquired in 2009 as part of a larger parcel (10,019 sq.ft. total, purchased for \$95,000, or approximately \$9.48 per sq.ft). The property was improved with a dilapidated structure that was demolished following acquisition by the Redevelopment Agency. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used to widen Highway 59 and as part of the Highway 59 and Cooper Avenue signalization project (see pages 1 and 2, Administrative Report), and the remainder was merged with other properties acquired by the Redevelopment Agency and subsequently sold and developed with a multi-family affordable housing project located adjacent to the Highway 59 right-of-way improvements.

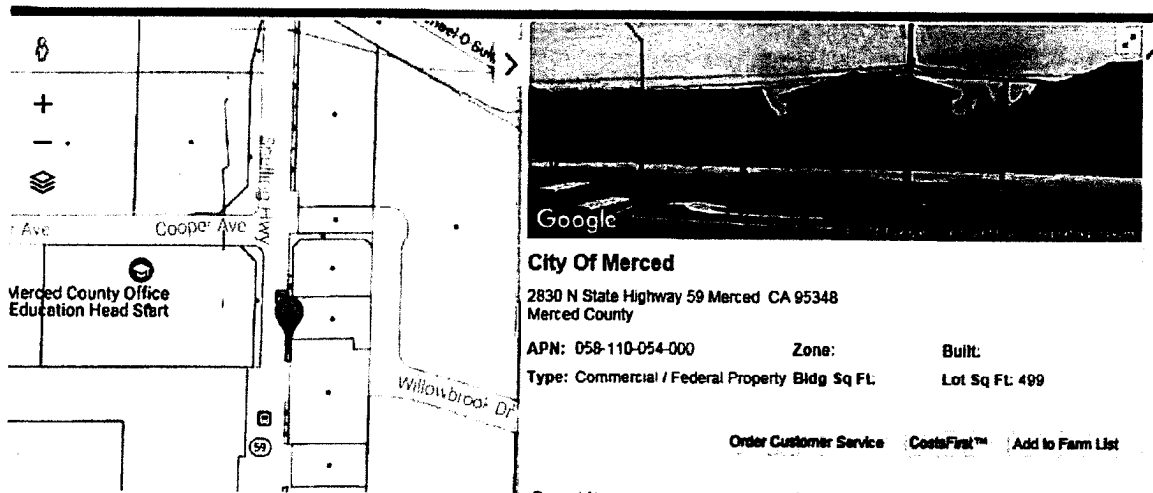
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for Highway 59/Cooper Avenue project, and development of affordable housing.

Revenue Generation: None

2830 N. Highway 59



ADMINISTRATIVE REPORT

AGENDA
ITEM:

J-3

MTG.
DATE:

11-03-08

TO: William D. Cahill, Interim Executive Director

FROM: Joshua Ewen, Redevelopment Technician

DATE: November 3, 2008

SUBJECT: Purchase Agreement for 2824 N. Highway 59

RECOMMENDATION: Adopt a motion:

- A. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and Danny Astorga; and
- B. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Deny the request completely, or
- 4. Defer action until a date certain (specify date); or
- 5. Take no action.

AUTHORITY: Redevelopment sections 33031a Sec. 1-3 & 33391 sec. a of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan.

DISCUSSION:

The Redevelopment Agency is pursuing a major improvement effort along Highway 59 between 16th Street and Olive Avenue. The improvement includes rerouting Willowbrook Drive and aligning it with a new controlled intersection at Cooper Avenue and Highway 59. When this realignment occurs, the current intersection of Willowbrook Avenue and Highway 59 will be eliminated. Land purchases have already been made with respect to this project.

Envisioned Project:

The property at 2824 N. Highway 59, APN 058-110-009, is a dilapidated structure that is currently for sale. The Agency needs this parcel to facilitate the long-term goal of widening Highway 59 and creating a new signalized intersection at Cooper Avenue and Highway 59. The City will

own a remnant parcel when the current Willowbrook Avenue intersection is eliminated. The parcel for sale is located directly north of this future parcel (Attachment 1). The two acquired parcels can be merged allowing for the creation of a high-quality affordable housing development.

The Cooper and Highway 59 realignment project involves the purchase of right of way along the frontage of Highway 59. Approximately 20' of right of way would need to be purchased at the subject site. If the Agency were not to purchase the parcel and continue construction with the Cooper Avenue and Highway 59 intersection, the property for sale would be left a blighting influence on the otherwise redeveloped area. In addition, the remnant parcel would likely remain vacant and would require annual maintenance costs to be incurred by the City.

After purchasing the property staff will pursue a zone change from the current R1 zoning to a R5+ zoning to allow for a multi-family development that is consistent with the surrounding uses. An existing structure on the subject site will provide offsetting credits for some of the development fees that will result from any future development.

Acquiring the parcel will eliminate blight along a major Merced thoroughfare. The property purchase will attribute to the Cooper and Highway 59 street alignment project and to the potential development of more quality low & moderate-income housing.

Purchases:

Staff is recommending the purchase of one parcel, including one existing structure;

<u>Address</u>	<u>Owner</u>	<u>Negotiated Price</u>	<u>Lot Sq. Ft.</u>
2824 N. HWY 59	Danny Astorga	\$95,000.00	10,019

Staff has been in negotiations with the Seller since March of 2008. The property owner will remove the trailer, vehicles and debris on the site prior to the close of the ninety (90) day escrow period. In addition, there are four tenants on the property who may be considered "displaced persons" according to California Redevelopment Law. Three of the tenants have signed release and waiver agreements that relinquish eligibility to relocation benefits (Attachment 4). The Agency will pay a total of \$750.00 in moving expenses to the individuals who signed release and waiver agreements.

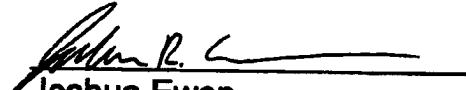
The fourth tenant chose not to sign the release and waiver agreement. The Agency shall provide assistance in the total amount of \$5,825.00 including associated moving costs. Upon Agency Board approval, staff will begin the relocation process with the individual.

Funding:

Since the project will be affordable, it is appropriate to use the low/moderate income-housing fund. Project #108049 Highway 59 & Cooper Avenue Housing Project has a sufficient balance to complete the purchase. Additional funds may be needed in future fiscal years to provide a subsidy for the actual construction of the affordable housing units.

RECOMMENDATION: The Redevelopment Advisory Committee and staff recommended approval for the purchase of the parcel located at 2824 N. Highway 59.

RESPECTFULLY SUBMITTED:


Joshua Ewen
Redevelopment Technician

REVIEWED AND APPROVED:


William D. Cahill
Interim City Manager

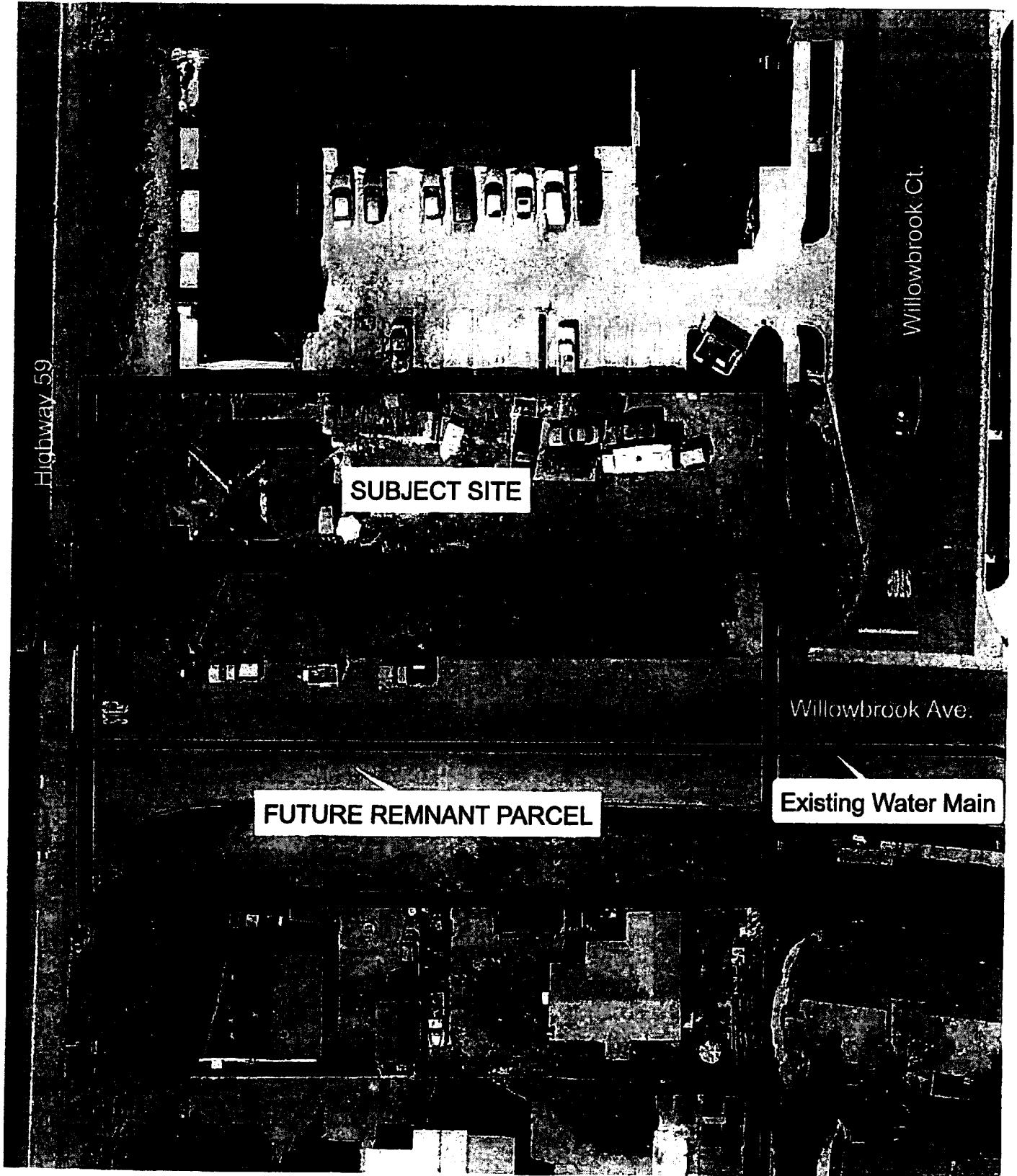
ATTACHMENTS

1. 2824 N. Highway 59 Location Map
2. Subject Site Photos
3. Purchase and Sale Agreement
4. Release and Waiver Agreement
 - a. Monico Ortega & Norma Astorga
 - b. Cindy Astorga

ATTACHMENT 1

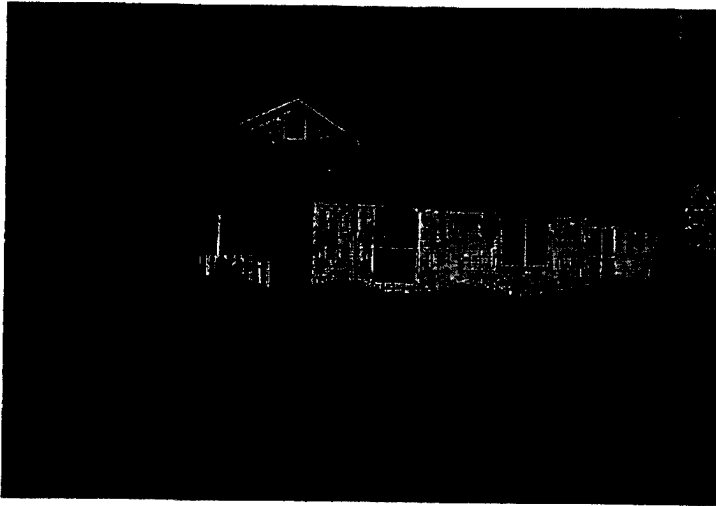
2824 N. Highway 59

CURRENT CONDITIONS



ATTACHMENT 2

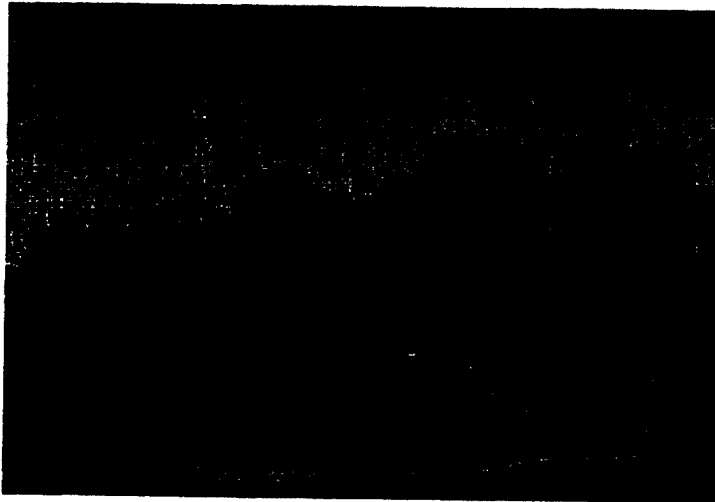
2824 N. Highway 59 Current Conditions



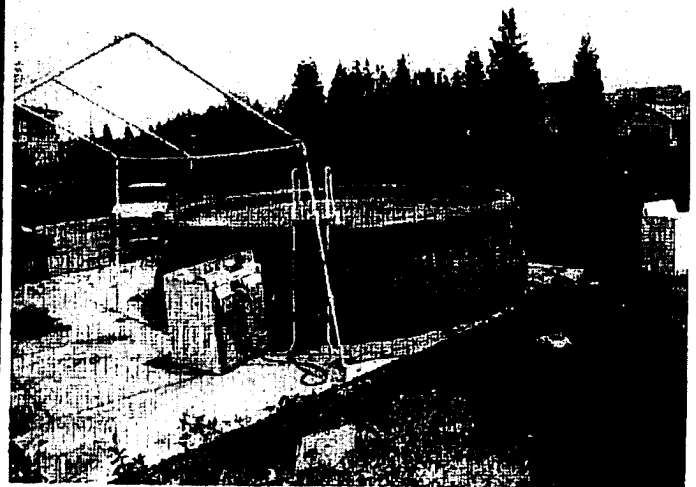
South View



West View

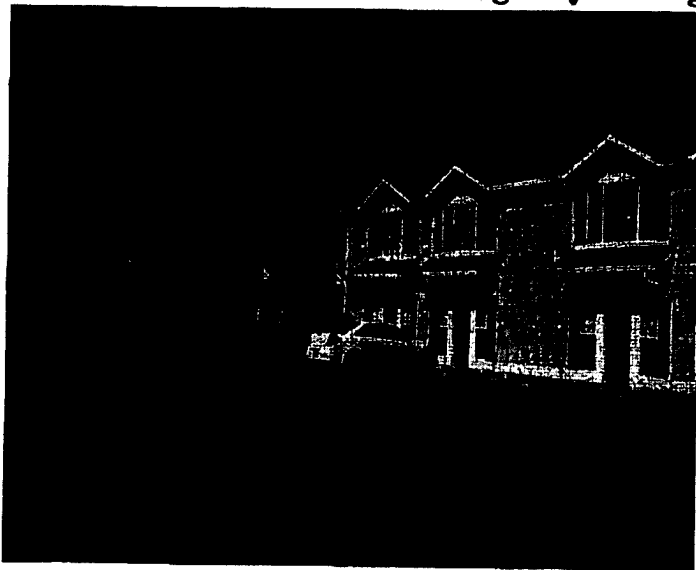


East View

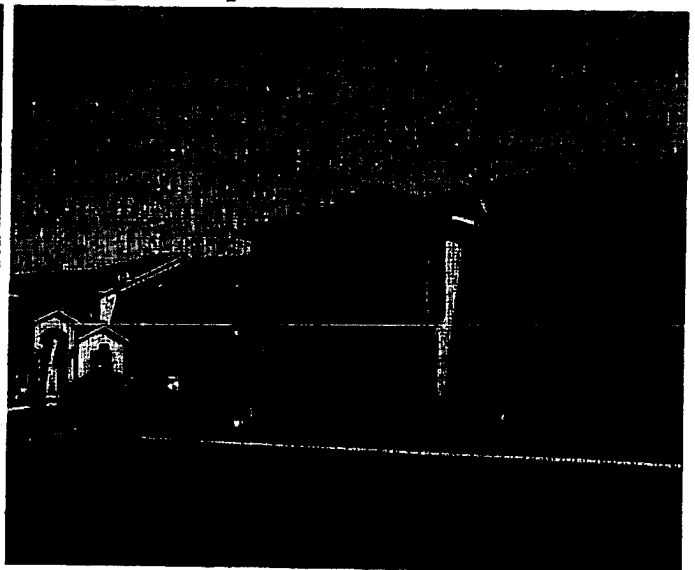


North View

2824 N. Highway 59 Neighboring Developments



Abutting Development to the North



Adjacent Development to the East

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2008, by and between the Danny R. Astorga ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 058-110-009 on Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 10,019 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property, subject to the terms and conditions of this Agreement.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Ninety Five Thousand Dollars (\$95,000.00) for the Subject Property without any liens or encumbrances, subject to Section 7(b) and 8(d) of this Agreement.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of Ninety Five Thousand Dollars (\$95,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale

Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement.

c. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

d. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

a. Seller warrants that all leases, rental agreements, or occupancy agreements, written or verbal, affecting the Subject Property have been disclosed. Seller discloses the following tenants have such agreements affecting the Subject Property:

1. Monico Ortega
2. Norma Astorga
3. Cindy Astorga
4. Jose Hernandez

b. Additional tenants not disclosed in Section 7(a) above shall reduce the purchase price in an amount equal to the amount of relocation benefits to be provided. Buyer shall possess the option to terminate this Agreement if such additional tenants are found to reside on or claim an interest in the Subject

Property. Buyer acknowledges that the above-mentioned individuals are the only tenants that occupy the Subject Property.

SECTION 8. CONDITIONS TO CLOSE OF ESCROW. As a contingency of this Agreement, the following conditions shall be met prior to the close of escrow. If such conditions are not met, Buyer reserves the right to terminate this Agreement.

a. Within thirty (30) days from the mutual execution of this Agreement, Seller shall clear the Subject Property of all debris and rubbish to the acceptance of the Buyer.

b. Within thirty (30) days from the mutual execution of this Agreement, Seller shall remove all vehicles from the Subject Property.

c. Upon Seller's completion of the requirements of Section 8(a) and 8(b), Buyer shall relocate Jose Hernandez no later than forty-five (45) days thereafter.

d. Within ten (10) days after the completion of the requirements of Section 8(c), Seller shall remove, at Seller's own expense, the trailer (California License Plate Number 2KSX344) located on the Subject Property. Should Seller fail to remove said trailer, Buyer may terminate this Agreement or remove the trailer and reduce from the purchase price an amount equal to the cost of removal.

Seller agrees that said trailer shall be of no value to the Buyer or Seller. In the event that Seller fails to remove the aforesaid trailer, Seller relinquishes all rights to the trailer and all items contained within it.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Danny R. Astorga
c/o Mario Espinoza
Century 21, M&M Associates
530 W. 16th Street, Suite H
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein

contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind

the other party to any obligation.

SECTION 14. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 15. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 16. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 17. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from

any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 18. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 19. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

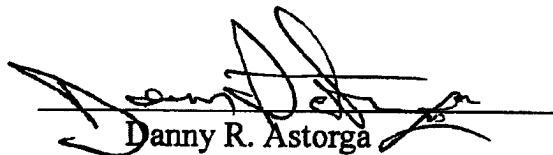
SECTION 20. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and

until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 21. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
DANNY R. ASTORGA



Danny R. Astorga

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED,
A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: *J. Schecter* 9/23/08
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

RELEASE AND WAIVER

THIS RELEASE AND WAIVER AGREEMENT is made and entered into this _____ day of _____, 2008 by and between the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California "Releasee," and Monico Ortega and Norma Astorga, hereinafter collectively referred to as "Releasor,"

RECITALS:

A. Releasee is attempting to purchase the property located at 2824 North Highway 59, APN 058-110-009, as part of the Highway 59 and Cooper Realignment Project.

B. As a result of said purchase, Releasor may be a displaced person entitled to relocation benefits from Releasee authorized by Redevelopment Agency of the City of Merced Resolution No. 608; State Government Code Section 7260 *et. seq.*, and State Code of Regulations Title 25, Chapter 6.

C. Monico Ortega and Norma Astorga are the parents of the property owner, Danny R. Astorga.

D. Releasor elects to receive from Releasee a one-time payment in the amount of Five Hundred Dollars (\$500) in lieu of relocation benefits.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

1. The Recitals above are true and correct and constitute an enforceable provision of this Agreement.
2. Releasor acknowledges and represents that it has been apprised of all information relevant to the claim and this release, see Exhibits "A" and "B" attached hereto. Releasor further acknowledges and represents that it has been provided sufficient time to contact an attorney, if it so chooses, and to fully and completely understand the terms of this Agreement.
3. Releasor acknowledges and warrants that execution of this Agreement is free and voluntary.

4. Releasor, on its behalf and behalf of its successors in interest, hereby fully releases and waives any claim against Releasee, its officials, officers, employees, boards, commissions, and agents from all claims and causes of action relating to the above mentioned relocation and benefits thereof.

5. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

6. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

7. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

READ THE ABOVE CAREFULLY BEFORE SIGNING

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

RELEASOR:

Monico Ortega

Norma Astorga

By: Monico Ortega
Signature

By: Norma Astorga
Signature

Monico Ortega
Print Name

Norma Astorga
Print Name

RELEASEE:

REDEVELOPMENT AGENCY OF THE CITY
OF MERCED

A body corporate and politic of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Agency Secretary

APPROVED AS TO FORM:

BY: *Julio Escobedo* *6-2-08*
Agency General Counsel Date

V-155609
2808165 POF# 90489
ACCOUNT DATA:

BY: *[Signature]*
Verified by Finance Officer

Funds Available. MRA 10/6/08
844-2001-677-6500 108049
\$500⁰⁰

EXHIBIT "A"

GENERAL INFORMATION NOTICE
RESIDENTIAL TENANT TO BE DISPLACED

The Redevelopment Agency of the City of Merced

05/30/2008

Personally Delivered

Dear: Tenants of 2824 N. Highway 59

The Redevelopment Agency of the City of Merced, is interested in acquiring the property you currently occupy at 2824 N. Highway 59, Merced, California, 95340 for a proposed project.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under State Community Redevelopment Law HSC 33000 *et seq.* If you are displaced as a result of acquisition, rehabilitation or demolition for the project you may be eligible for relocation assistance and payments under the Redevelopment Agency of the City of Merced Resolution No. 608; State Government Code Section 7260 *et. Seq.*, and State Government Code of Regulations Title 25, Chapter 6,

- This is not a notice to vacate the premises.
- This is not a notice of relocation eligibility.

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to you find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You will also have the right to appeal the Agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, "Relocation Assistance To Tenants Displaced From Their Homes" provides an explanation of this assistance and other helpful information.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

05/30/2008

Please note, no eligible persons shall be required to move from a dwelling unless comparable replacement dwellings are available to them within a reasonable period of time prior to displacement.

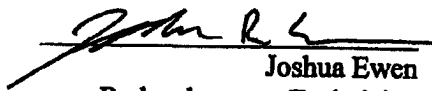
No eligible persons occupying property shall be required to move from a dwelling or to move a business or farm operation without at least 90 days' written notice from the Agency requiring displacement.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact:

Joshua Ewen, Redevelopment Technician,
678 W. 18th St. Merced, California 95340,
209-385-6201

Sincerely,


Joshua Ewen
Redevelopment Technician
City of Merced, California

Signed and Read,

Date June 03, 2008

Tenant Initial,

M.O. N.A.

05/30/2008

EXHIBIT "B"

RELOCATION ASSISTANCE TO TENANTS DISPLACED FROM THEIR HOMES

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

www.hud.gov/relocation

Introduction

This booklet describes the relocation payments and other relocation assistance provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) to tenants displaced from their homes. This includes any family or individual that must move as a direct result of rehabilitation, demolition or acquisition.

Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

This booklet may not answer all of your questions. If you have more questions about your relocation, contact the Agency responsible for the project.

Summary of Relocation Assistance

As an eligible tenant displaced from your home, you will be offered the following advisory and financial assistance:

- **Advisory Services.** This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- **Payment for Moving Expenses.** You may choose either a:
 - * **Payment for Your Actual Reasonable Moving and Related Expenses, or**
 - * **Fixed Moving Expense and Dislocation Allowance, or**
 - * **A combination of both, based on circumstances.**
- **Replacement Housing Assistance.** To enable you to rent, or if you prefer, buy a comparable or suitable replacement home, you may choose either:
 - * **Rental Assistance, or**
 - * **Purchase Assistance.**

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

General Questions

How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You should not move before receiving that notice. If you do, you may not receive relocation assistance.

How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about you and other members of your household, including questions about your income. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have To Move?

If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice of (1) at least one "comparable replacement home" that is available to you and (2) the earliest date by which you must move.

What Is A Comparable Replacement Home?

A comparable replacement home is:

- Decent, safe, and sanitary.
- Functionally equivalent to (and equal or better than) your present home.
- Actually available for you to rent.
- Affordable.
- Reasonably accessible to your place of employment.
- Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.
- Not subject to unreasonable adverse environmental conditions.
- Available to all persons regardless of race, color, religion, sex, or national origin.

What Is Decent, Safe, and Sanitary Housing?

Decent, safe, and sanitary housing is housing that:

- Meets applicable housing and occupancy requirements.
- Is structurally sound, weather tight, and in good repair.
- Contains a safe, adequate electrical wiring system.
- Has adequate living space for the occupants.
- Has a kitchen with a sink, hot and cold running water, and connections for a stove

The Redevelopment Agency of the City of Merced

- and refrigerator (if you were displaced from a housekeeping unit).
- Has a separate, complete bathroom with hot and cold running water.
- Has heating as required by climatic conditions.
- Has an unobstructed exit to safe, open space at ground level.
- Meets standards protecting occupants from lead-based paint hazards.
- If you are person with a physical disability, is free of any barriers, which would preclude your reasonable use of the unit.

Will The Agency Help Me Find A Replacement Home?

Yes. You will be provided with referrals to housing that has been inspected to ensure that it meets established standards. If possible, you will be referred to at least three comparable replacement homes. The maximum financial assistance for which you may qualify will be based on the cost of the most representative comparable replacement home that is available to you. Promptly after you become eligible for relocation assistance, the Agency will inform you of such unit and the maximum payment available.

Once the Agency representative has a clear understanding of your needs and preferences, he or she will work with you to assure that you are given the best possible choice of housing. The Agency will offer you appropriate transportation to inspect these units.

What If I Find My Own Replacement Housing?

You have every right to find your own replacement housing. However, before you rent or buy, ask the Agency to inspect the unit to make sure that it is decent, safe, and sanitary. If the housing unit is not decent, safe, and sanitary, you will not receive a replacement housing payment.

What If I Encounter A Problem In Obtaining Housing Of My Choice?

If you encounter a problem in buying or renting housing of your choice, notify the Agency immediately. The Agency will look into the matter and try to resolve it. You will receive this help whether you were referred to the housing unit or found it yourself.

If you are unable to buy or rent a housing unit because of discriminatory practices on the part of a real estate broker, rental agent, lender, or a property owner, the Agency will help you file a formal housing discrimination complaint with the U.S. Department of Housing and Urban Development or the appropriate State or local fair housing agency.

What Other Services Will I Receive?

In addition to help in obtaining a comparable replacement home, other assistance, as necessary, will be provided in order to minimize the impact of your move. This assistance may include referral to appropriate public and private agencies that provide services concerning housing financing, employment, health, welfare, or legal assistance. The range of services depends on the needs of the person being

The Redevelopment Agency of the City of Merced

displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you and your family.

What Is a Payment For Actual Reasonable Moving and Related Expenses?

You may choose to receive a relocation payment to cover the reasonable cost of your move. If you choose a Payment For Actual Reasonable Moving And Related Expenses, you may include in your claim the reasonable and necessary costs for:

- Transportation for you and your family.
- Packing, moving and unpacking your household goods.
- Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV).
- Storage of household goods, as may be necessary.
- Insurance for the replacement value of your property during the move and necessary storage.
- The replacement value of property lost, stolen or damaged in the move (but not through your neglect) if insurance is not reasonably available.

The Agency will explain all eligible moving costs, as well as those, which are not eligible. You must be able to account for any costs that you incur, so keep all your receipts. Select your mover with care. The Agency can help you select a reliable and reputable mover.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, let the Agency know before you move.

What Is A Fixed Moving Expense And Dislocation Allowance?

If you choose a Fixed Moving Expense and Dislocation Allowance, you will receive an allowance, which is based on the number of rooms in your home or the number of rooms of furniture you will be moving, as shown on a schedule.

If you do not have a large amount of personal property to move, this payment should be more advantageous. No special documentation is required to support your claim. You need only move your personal property and complete the appropriate claim form in order to receive your payment.

How Much Rental Assistance Will I Receive?

You may be eligible to receive Rental Assistance for a 42-month period. The assistance is computed in the following manner:

The assistance needed for one month is determined by subtracting the "base monthly rent" for your present home from the cost of rent and utilities for your new home (or a comparable replacement home, if that cost is lower). 42, to determine the total amount

The Redevelopment Agency of the City of Merced

If you must pay any relocation expenses before you move (e.g., a security deposit when you sign a lease for your new home), discuss your financial needs with the Agency. While refundable deposits are not covered by URA payments, you may be able to obtain an advance payment to meet these costs. An advance payment may be placed in "escrow" or paid directly to a contractor to ensure that the move will be completed on a timely basis.

You must file your claim within 18 months after the date you move. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, ask the Agency to extend this period.

Be careful not to confuse this 18-month period with the 12-month period within which you must rent (or buy) and occupy a replacement dwelling in order to be eligible for a replacement housing payment.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

Will I Have To Pay Rent To The Agency Before I Move?

If the Agency acquires the property in which you live, you may be required to pay a fair rent to the Agency for the period between the acquisition of the property and the date that you move. Such rent will not exceed the market rent for comparable properties in the area.

Do I Have To Pay Federal Income Taxes On My Relocation Payments?

No. Section 216 of the URA states that you need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should check with the State or local income tax office in your area or with your personal tax advisor.

What If I Don't Receive The Required Assistance. Can I Appeal?

If you disagree with the Agency's decision as to your right to relocation assistance or the amount of a payment, or the adequacy of the housing to which you have been referred, you may appeal the decision to the Agency.

The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency after you receive written notification of the Agency's determination on your claim. Your appeal must be in writing. However, if you need help, the Agency will assist you in preparing your appeal.

If you are a low- or moderate-income person and are dissatisfied with the Agency's determination on your appeal, you may have an additional right to request administrative review of that decision (e.g., by HUD or the State).

You can expect a fair decision on any appeal. However, if you are not satisfied with the final administrative decision on your appeal, you may seek review of the matter by the courts.

I Have More Questions. Who Will Answer Them?

If you have further questions after reading this booklet, contact the Agency and discuss your concerns with an Agency representative.

Agency: The Redevelopment Agency of the City of Merced

Address: 678 W. 18th Street, Merced California 95340

Office Hours: 8:00am-5:00pm, Monday through Friday

Telephone No.: 209-385-6827

Person to Contact: Joshua Ewen, Redevelopment Technician

Signed and Read,

Date June 03, 2008

Tenant Initial,
M.O. N.4

RELEASE AND WAIVER

^{3rd} THIS RELEASE AND WAIVER AGREEMENT is made and entered into this ~~8th~~ day of ~~October~~^{November}, 2008 by and between the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California "Releasee," and Cindy Astorga, hereinafter referred to as "Releasor,"

RECITALS:

A. Releasee is attempting to purchase the property located at 2824 North Highway 59, APN 058-110-009, as part of the Highway 59 and Cooper Realignment Project.

B. As a result of said purchase, Releasor may be a displaced person entitled to relocation benefits from Releasee authorized by Redevelopment Agency of the City of Merced Resolution No. 608; State Government Code Section 7260 *et. seq.*, and State Code of Regulations Title 25, Chapter 6.

C. Cindy Astorga is the sister of the property owner, Danny R. Astorga.

D. Releasor elects to receive from Releasee a one-time payment in the amount of Two Hundred Fifty Dollars (\$250) in lieu of relocation benefits.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

1. The Recitals above are true and correct and constitute an enforceable provision of this Agreement.

2. Releasor acknowledges and represents that it has been apprised of all information relevant to the claim and this release, see Exhibits "A" and "B" attached hereto. Releasor further acknowledges and represents that it has been provided sufficient time to contact an attorney, if it so chooses, and to fully and completely understand the terms of this Agreement.

3. Releasor acknowledges and warrants that execution of this Agreement is free and voluntary.

4. Releasor, on its behalf and behalf of its successors in interest, hereby fully releases and waives any claim against Releasee, its officials, officers, employees, boards, commissions, and agents from all claims and causes of action relating to the above mentioned relocation and benefits thereof.

5. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

6. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

7. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

READ THE ABOVE CAREFULLY BEFORE SIGNING

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

RELEASOR:

Cindy Astorga

By: Cindy Astorga
Signature

Cindy Astorga
Print Name

RELEASEE:

REDEVELOPMENT AGENCY OF THE CITY
OF MERCED

A body corporate and politic of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Agency Secretary

APPROVED AS TO FORM:

BY: *Lubac* *10-6-08*
Agency General Counsel Date
✓ 10577

280871 PO# : 90001
ACCOUNT DATA:

BY: *R. Kelly*
Verified by Finance Officer
Funds Available. mwn 10/14/08
844-2001-677-65 00 108049
\$250.00

EXHIBIT "A"

GENERAL INFORMATION NOTICE
RESIDENTIAL TENANT TO BE DISPLACED

The Redevelopment Agency of the City of Merced

10/10/2008

Personally Delivered

Dear: Cindy Astorga
2824 N. Highway 59
Merced, CA 95340

The Redevelopment Agency of the City of Merced, is interested in acquiring the property you currently occupy at 2824 N. Highway 59, Merced, California, 95340 for a proposed project.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under State Community Redevelopment Law HSC 33000 *et seq.* If you are displaced as a result of acquisition, rehabilitation or demolition for the project you may be eligible for relocation assistance and payments under the Redevelopment Agency of the City of Merced Resolution No. 608; State Government Code Section 7260 *et. Seq.*, and State Government Code of Regulations Title 25, Chapter 6,

- This is not a notice to vacate the premises.
- This is not a notice of relocation eligibility.

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to you find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You will also have the right to appeal the Agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, "Relocation Assistance To Tenants Displaced From Their Homes" provides an explanation of this assistance and other helpful information.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

10/10/2008

Please note, no eligible persons shall be required to move from a dwelling unless comparable replacement dwellings are available to them within a reasonable period of time prior to displacement.

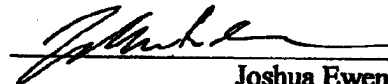
No eligible persons occupying property shall be required to move from a dwelling or to move a business or farm operation without at least 90 days' written notice from the Agency requiring displacement.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact:

Joshua Ewen, Redevelopment Technician
678 W. 18th St. Merced, California 95340,
209-385-6201

Sincerely,



Joshua Ewen
Redevelopment Technician
City of Merced, California

Signed and Read,

Date 10-10-08

Tenant Initial,

CA

10/10/2008

EXHIBIT "B"

RELOCATION ASSISTANCE TO TENANTS DISPLACED FROM THEIR HOMES

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

www.hud.gov/relocation

Introduction

This booklet describes the relocation payments and other relocation assistance provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) to tenants displaced from their homes. This includes any family or individual that must move as a direct result of rehabilitation, demolition or acquisition.

Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

This booklet may not answer all of your questions. If you have more questions about your relocation, contact the Agency responsible for the project.

Summary of Relocation Assistance

As an eligible tenant displaced from your home, you will be offered the following advisory and financial assistance:

- **Advisory Services.** This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- **Payment for Moving Expenses.** You may choose either a:
 - * **Payment for Your Actual Reasonable Moving and Related Expenses, or**
 - * **Fixed Moving Expense and Dislocation Allowance, or**
 - * **A combination of both, based on circumstances.**
- **Replacement Housing Assistance.** To enable you to rent, or if you prefer, buy a comparable or suitable replacement home, you may choose either:
 - * **Rental Assistance, or**
 - * **Purchase Assistance.**

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

General Questions

How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You should not move before receiving that notice. If you do, you may not receive relocation assistance.

How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about you and other members of your household, including questions about your income. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have To Move?

If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice of (1) at least one "comparable replacement home" that is available to you and (2) the earliest date by which you must move.

What Is A Comparable Replacement Home?

A comparable replacement home is:

- Decent, safe, and sanitary.
- Functionally equivalent to (and equal or better than) your present home.
- Actually available for you to rent.
- Affordable.
- Reasonably accessible to your place of employment.
- Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.
- Not subject to unreasonable adverse environmental conditions.
- Available to all persons regardless of race, color, religion, sex, or national origin.

What Is Decent, Safe, and Sanitary Housing?

Decent, safe, and sanitary housing is housing that:

- Meets applicable housing and occupancy requirements.
- Is structurally sound, weather tight, and in good repair.
- Contains a safe, adequate electrical wiring system.
- Has adequate living space for the occupants.
- Has a kitchen with a sink, hot and cold running water, and connections for a stove

The Redevelopment Agency of the City of Merced

- and refrigerator (if you were displaced from a housekeeping unit).
- Has a separate, complete bathroom with hot and cold running water.
 - Has heating as required by climatic conditions.
 - Has an unobstructed exit to safe, open space at ground level.
 - Meets standards protecting occupants from lead-based paint hazards.
 - If you are person with a physical disability, is free of any barriers, which would preclude your reasonable use of the unit.

Will The Agency Help Me Find A Replacement Home?

Yes. You will be provided with referrals to housing that has been inspected to ensure that it meets established standards. If possible, you will be referred to at least three comparable replacement homes. The maximum financial assistance for which you may qualify will be based on the cost of the most representative comparable replacement home that is available to you. Promptly after you become eligible for relocation assistance, the Agency will inform you of such unit and the maximum payment available.

Once the Agency representative has a clear understanding of your needs and preferences, he or she will work with you to assure that you are given the best possible choice of housing. The Agency will offer you appropriate transportation to inspect these units.

What If I Find My Own Replacement Housing?

You have every right to find your own replacement housing. However, before you rent or buy, ask the Agency to inspect the unit to make sure that it is decent, safe, and sanitary. If the housing unit is not decent, safe, and sanitary, you will not receive a replacement housing payment.

What If I Encounter A Problem In Obtaining Housing Of My Choice?

If you encounter a problem in buying or renting housing of your choice, notify the Agency immediately. The Agency will look into the matter and try to resolve it. You will receive this help whether you were referred to the housing unit or found it yourself.

If you are unable to buy or rent a housing unit because of discriminatory practices on the part of a real estate broker, rental agent, lender, or a property owner, the Agency will help you file a formal housing discrimination complaint with the U.S. Department of Housing and Urban Development or the appropriate State or local fair housing agency.

What Other Services Will I Receive?

In addition to help in obtaining a comparable replacement home, other assistance, as necessary, will be provided in order to minimize the impact of your move. This assistance may include referral to appropriate public and private agencies that provide services concerning housing financing, employment, health, welfare, or legal assistance. The range of services depends on the needs of the person being

The Redevelopment Agency of the City of Merced

displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you and your family.

What Is a Payment For Actual Reasonable Moving and Related Expenses?

You may choose to receive a relocation payment to cover the reasonable cost of your move. If you choose a Payment For Actual Reasonable Moving And Related Expenses, you may include in your claim the reasonable and necessary costs for:

- Transportation for you and your family.
- Packing, moving and unpacking your household goods.
- Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV).
- Storage of household goods, as may be necessary.
- Insurance for the replacement value of your property during the move and necessary storage.
- The replacement value of property lost, stolen or damaged in the move (but not through your neglect) if insurance is not reasonably available.

The Agency will explain all eligible moving costs, as well as those, which are not eligible. You must be able to account for any costs that you incur, so keep all your receipts. Select your mover with care. The Agency can help you select a reliable and reputable mover.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, let the Agency know before you move.

What Is A Fixed Moving Expense And Dislocation Allowance?

If you choose a Fixed Moving Expense and Dislocation Allowance, you will receive an allowance, which is based on the number of rooms in your home or the number of rooms of furniture you will be moving, as shown on a schedule.

If you do not have a large amount of personal property to move, this payment should be more advantageous. No special documentation is required to support your claim. You need only move your personal property and complete the appropriate claim form in order to receive your payment.

How Much Rental Assistance Will I Receive?

You may be eligible to receive Rental Assistance for a 42-month period. Benefits received as a result of the relocation shall be capped at \$5,950.00. The assistance is computed in the following manner:

The assistance needed for one month is determined by subtracting the "base monthly rent" for your present home from the cost of rent and utilities for your new home (or a comparable replacement home, if that cost is lower). 42, to determine the total amount that you will receive, if any, multiply that monthly need. This amount will be paid directly to you. The Agency must provide the assistance in monthly installments or other periodic payments. Generally, the base monthly rent for your present home is the lesser of: (1) the monthly rent and average monthly cost for utilities, or (2) thirty (30) percent of your average monthly gross household income, if you are low-income based on HUD income limits.

Examples: Let's say that the monthly rent and average cost for utilities for your present home are \$250; the monthly rent and estimated average utility costs for a comparable replacement home are \$350; and your monthly gross income is \$700. In this case your "base monthly rent" would be \$210 because you are low-income and that amount (30 percent of your income) is less than the monthly cost of rent and utilities at your present home (\$250).

- If you rent a replacement home for \$360 per month, including estimated average monthly utility charges, you will receive \$5,880. That amount is 42 times \$140 (the difference between the "base monthly rent" for your present home (\$210) and the cost for a comparable replacement home (\$350)).
- If you rent a replacement home for \$310, including estimated average monthly utility charges, you will receive \$4,200. That amount is 42 times \$100 (the difference between the "base monthly rent" for your present home (\$210) and the actual cost of your new home (\$310)).

To qualify for rental assistance, you must rent and occupy a decent, safe, and sanitary home within one year after the date you move. However, the Agency will extend this period for good cause.

If I Decide to Buy, Rather Than Rent, How Much Assistance Will I Receive?

If you buy a replacement home, you may be eligible for assistance to make a down payment equal to the amount you would receive if you rented a comparable replacement home (i.e., 42 times the amount obtained by subtracting the "base monthly rent" for your present home from the monthly rent and estimated average monthly utility costs for a comparable replacement home). A down payment assistance payment will be paid in a lump sum.

Example: Assuming the information in the prior examples, the down payment assistance payment would be \$5,880. That amount is 42 times \$140 (the difference between the "base monthly rent" for your present home (\$210) and the monthly rent and estimated average monthly utilities cost for a comparable replacement home (\$350). The full amount of the payment must be applied to the purchase of the replacement dwelling.

Must I File A Claim To Obtain A Relocation Payment?

Yes. You must file a claim for each relocation payment. The Agency will, however, provide you with the required claim form, help you to complete it, and explain the type of documentation, if any, that you must submit in order to receive the payment.

If you must pay any relocation expenses before you move (e.g., a security deposit when you sign a lease for your new home), discuss your financial needs with the Agency. While refundable deposits are not covered by URA payments, you may be able to obtain an advance payment to meet these costs. An advance payment may be placed in "escrow" or paid directly to a contractor to ensure that the move will be completed on a timely basis.

You must file your claim within 18 months after the date you move. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, ask the Agency to extend this period.

Be careful not to confuse this 18-month period with the 12-month period within which you must rent (or buy) and occupy a replacement dwelling in order to be eligible for a replacement housing payment.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

Will I Have To Pay Rent To The Agency Before I Move?

If the Agency acquires the property in which you live, you may be required to pay a fair rent to the Agency for the period between the acquisition of the property and the date that you move. Such rent will not exceed the market rent for comparable properties in the area.

Do I Have To Pay Federal Income Taxes On My Relocation Payments?

No. Section 216 of the URA states that you need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should check with the State or local income tax office in your area or with your personal tax advisor.

What If I Don't Receive The Required Assistance. Can I Appeal?

If you disagree with the Agency's decision as to your right to relocation assistance or the amount of a payment, or the adequacy of the housing to which you have been referred, you may appeal the decision to the Agency.

The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency after you receive written notification of the Agency's determination on your claim. Your appeal must be in writing. However, if you need help, the Agency will assist you in preparing your appeal.

If you are a low- or moderate-income person and are dissatisfied with the Agency's determination on your appeal, you may have an additional right to request administrative review of that decision (e.g., by HUD or the State).

You can expect a fair decision on any appeal. However, if you are not satisfied with the final administrative decision on your appeal, you may seek review of the matter by the courts.

I Have More Questions. Who Will Answer Them?

If you have further questions after reading this booklet, contact the Agency and discuss your concerns with an Agency representative.

Agency: The Redevelopment Agency of the City of Merced

Address: 678 W. 18th Street, Merced California 95340

Office Hours: 8:00am-5:00pm, Monday through Friday

Telephone No.: 209-385-6827

Person to Contact: Joshua Ewen, Redevelopment Technician

Signed and Read,

Date October 10, 2008

Tenant Initial,

CA

Dan Ams/12

M E M O R A N D U M

DATE: November 4, 2008 **AGENDA ITEM:** J-3
TO: William D. Cahill, Interim Executive Director
FROM: William D. Cahill, Interim Executive Director
RE: Purchase Agreement for 2824 N. Highway 59

On Monday, November 3, 2008, the Redevelopment Agency adopted a motion approving the purchase agreement for 2824 North Highway 59 (Assessor's Parcel Number 058-110-009) with Danny Astorga for \$95,000 and the release and waiver agreements with Monico Ortega, Norma Astorga, and Cindy Astorga; and authorizing the Interim Executive Director to execute the necessary documents.

Please proceed with implementation of this action.



William D. Cahill
Interim Executive Director

WDC:dw:Cahill

cc: Brad Grant
Deneen Proctor
Frank Quintero
Joshua Ewen

EXHIBIT B-8

Address/APN: 2852 N. Highway 59 (APN 058-110-070)
(Previously a portion of 2872 N. Highway 59; APN 058-110-006)

Description: Right-of-way, sidewalk, landscaping

Parcel Size: 4,144 sq.ft / .095 ac.

Date Purchased: 2007

Purchase Price: \$ 59,052 (Based upon the original per sq.ft. purchase price)

Property Background:

The property was acquired in 2009 as part of a larger parcel (20,000 sq.ft. total, purchased for \$285,000, or approximately \$14.25 per sq.ft). The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used to widen Highway 59 and as part of the Highway 59 and Cooper Avenue signalization project (see page 1, Administrative Report), and the remainder was merged with other properties acquired by the Redevelopment Agency and subsequently sold and developed with a multi-family affordable housing project located adjacent to the Highway 59 right-of-way improvements.

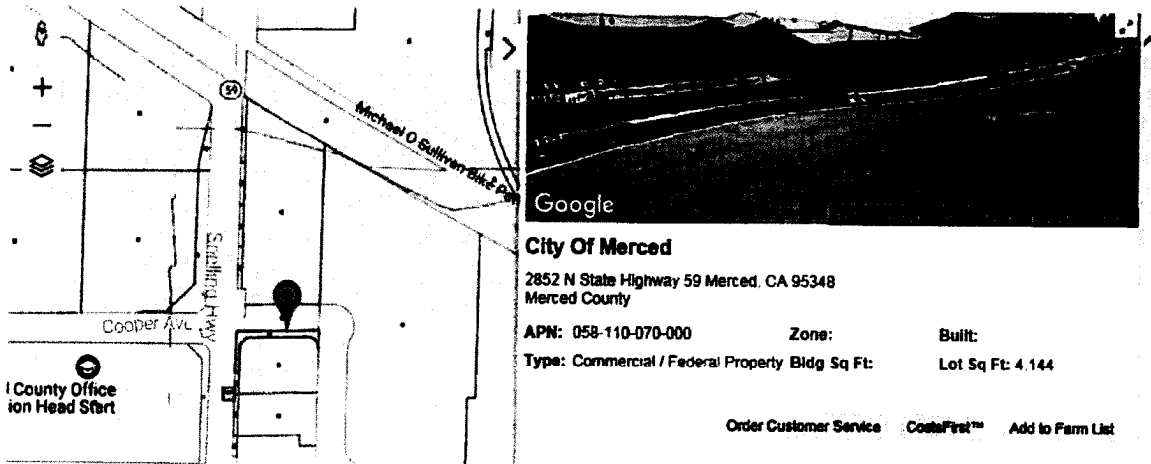
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for Highway 59/Cooper Avenue project, and development of affordable housing.

Revenue Generation: None

2852 N. Highway 59





ADMINISTRATIVE REPORT

AGENDA
ITEM: H-5

MTG.
DATE: 7-02-07

TO: James G. Marshall, Executive Director
FROM: Jack Newell, Redevelopment Technician
DATE: July 2, 2007
SUBJECT: Purchase Agreement for 2872 N. Hwy 59

RECOMMENDATION: Adopt a motion:

- A. Approving substantially in the form submitted the Purchase Agreement between the Redevelopment Agency of the City of Merced and the owner Irma Guillen.
- B. Authorizing Executive Director to execute necessary documents.

POSSIBLE ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Defer action until a date certain (specify date); or
- 4. Take no action.

AUTHORITY:

Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan.

DISCUSSION:

Redevelopment in California has two primary objectives, elimination of blight and creation of low- and moderate-income housing. Staff has identified a parcel that will enable the Agency to achieve both objectives (Attachment 2). Irma Guillen currently owns the parcel. The parcel is being presented to the Agency Board for consideration to purchase the site. A Purchase and Sale Agreement has been drawn between the Agency and owner (Attachment 1).

The parcel is also located in an area where the Redevelopment Agency and the City of Merced are planning a street realignment at Cooper Avenue and Highway 59. A portion of this parcel will be required to provide Right of Way for the realignment to be completed.

The remaining land will be used to construct an affordable housing project. Staff will work with an affordable housing developer to create new housing. Because there is currently a structure on the site an Impact Fee Credit will be issued for new construction. This will increase the success of an affordable housing development.

The Agency would purchase the property at a fair market price without the use of eminent domain. The owner's daughter currently occupies the house. The tenant has agreed to sign a General Release and Waiver to waive relocation benefits in exchange for a one-time payment of \$500 from the Redevelopment Agency to cover moving expenses. Since low/moderate income housing funds will be used to purchase the site, the final project will have an affordability covenant of 45 years placed on the completed building if it is owner occupied and 55 years if it is a rental.

LOCATION:

The parcel is located on North Highway 59 in the Gateways Project Area. It is located mid-block in an industrial and residential neighborhood composed of mixed densities, including single family and multi-family housing (Attachment B).

PURCHASE COST ESTIMATE:

The home is not currently listed on the open market. Staff has negotiated a letter of intent for the property with an accepted offer of \$285,000.00. Upon the purchase of the parcel, the Agency will likely incur additional costs for demolition. Disposition and Development Agreements would then be negotiated with affordable housing developers, the result of which may include additional assistance.

FUNDING:

The proposed funding for the purchase is as follows:

<u>#107055 Property Acquisition</u>	<u>\$285,000.00</u>
Total Project Cost	\$285,000.00

The Property Acquisition project was established to undertake projects to remove blight and provide for affordable housing. The initial expenditure would cover the property acquisition and closing costs. Future costs such

as demolition and development agreements may necessitate future expenditures.

PROPOSED TERMS:

Key proposed sales terms include the following:

- Property:** 2872 N. Hwy 59 APN 058-110-006
20,000± sq. ft. (subject to verification);
- Consideration:** Agency shall pay \$285,000 in cash at the close of escrow;
- Closing Costs:** Agency and Seller shall split 50/50 the premiums for the CLTA Title insurance policy and the escrow fee as is normal and customary in Merced County;
- Final Payment:** The balance of the purchase price (\$285,000) shall be paid in full upon close of escrow;
- Title Company:** Escrow shall be opened with Fidelity Title Company in Merced;
- Open Escrow:** Escrow shall open within three (3) days of the approval of the sale by the Agency;
- Due Diligence:** Agency will have 15 days after the opening of escrow to complete all due diligence studies. Agency is responsible for the administration and costs of any and all studies and reports during the due diligence period;
- Close of Escrow:** Escrow shall close within 30 days from the date that it is opened (escrow closing is subject to the time required for Agency legal review, modification and/or approval of escrow instructions);
- Contract:** A Purchase and Sale Agreement will be drawn by the Agency Attorney's Office, based upon the terms and conditions mutually agreed upon in the Letter of Intent.

The Purchase and Sale Agreement from another purchase adjacent to the parcel is attached. The new Purchase and Sale Agreement shall be the same.

RECOMMENDATION:

The Redevelopment Advisory Committee recommends approval of the purchase agreement as presented. The purchase of this land will eliminate present blight and provide for future affordable housing as well as allow the Agency and City of Merced to complete the street realignment.

RESPECTFULLY SUBMITTED:



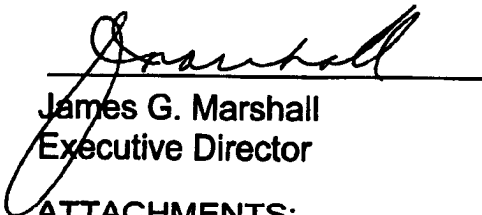
Jack Newell
Redevelopment Technician

REVIEWED AND APPROVED:



William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:



James G. Marshall
Executive Director

ATTACHMENTS:

1. Example of Similar Purchase and Sale Agreement
2. Map Showing Property in Question

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 13th day of June, 2007, by and between the Cauwels Trust, Paul and Jacqueline Cauwels, Trustees ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

W I T N E S S E T H

WHEREAS, Seller owns a certain real property known as APN 058-110-001 on Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 23,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Hundred Thirty Five Thousand Dollars (\$135,000.00) for approximately 23,000 square feet of the Subject Property without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of One Hundred Thirty Five Thousand Dollars (\$135,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at First American Title in Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be

deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Tony Azevedo
Century 21
530 W. 16th Street, Suite H
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of

the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and

approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

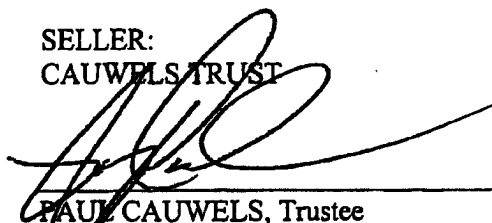
SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the

party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
CAUWELS TRUST



PAUL CAUWELS, Trustee

JACQUELINE CAUWELS, Trustee

BUYER:

THE REDEVELOPMENT AGENCY OF THE
CITY OF MERCED
A Public Body, Corporate and Politic, of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: *D. Isaac Golech* *6-8-07*
Agency General Counsel Date

ACCOUNT DATA:

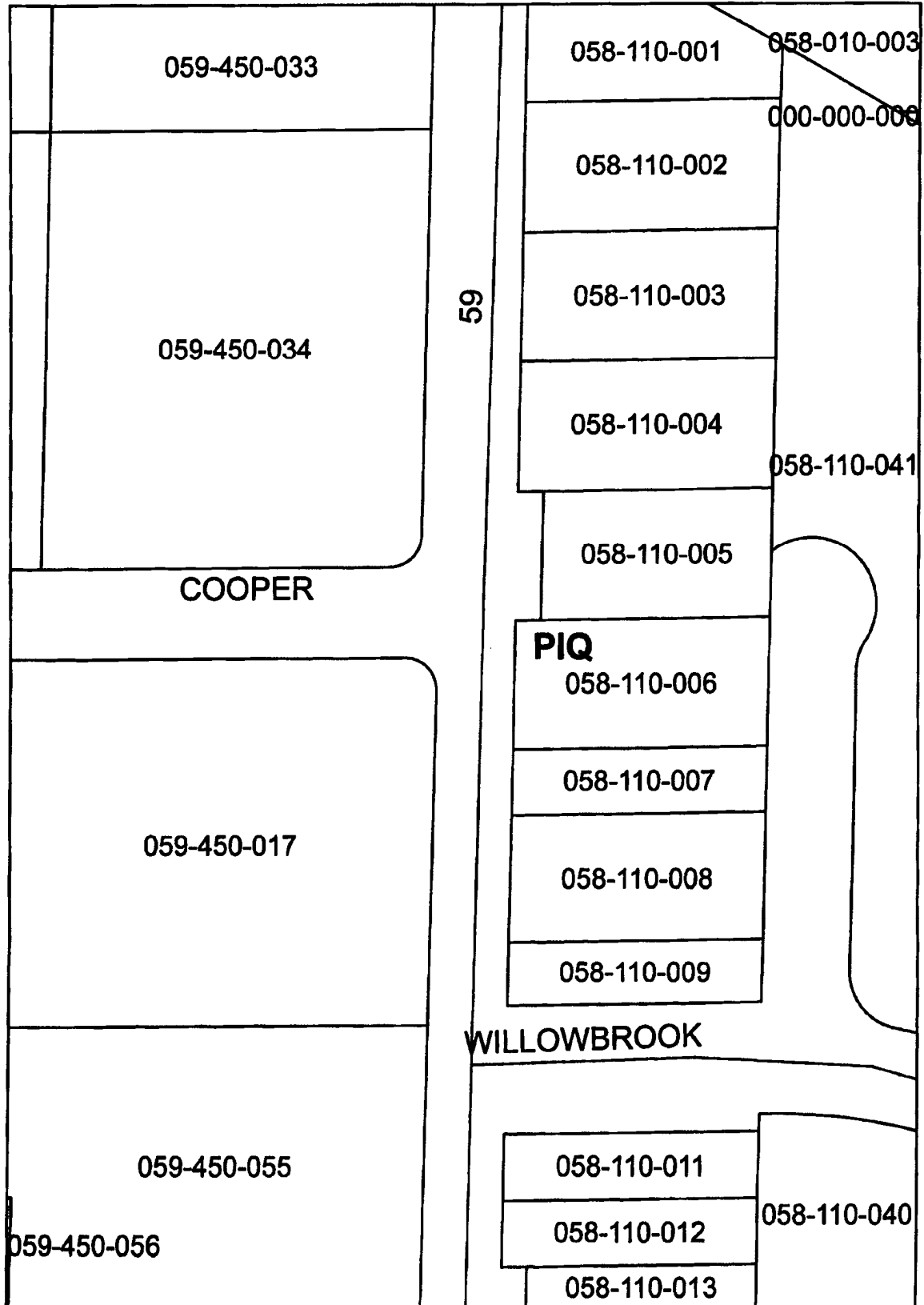
BY: _____
Verified by Finance Office

EXHIBIT "A"

THE LAND REFERRED TO IN THIS GUARANTEE IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF MERCED AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT IS NORTH 1 DEGREE 04 MINUTES EAST 680.0 FEET FROM THE SOUTHWEST CORNER OF LOT 18, AS SHOWN ON THE MAP ENTITLED "MAP OF BEAR CREEK COLONY", FILED JANUARY 29, 1896 IN THE OFFICE OF THE COUNTY RECORDER OF MERCED COUNTY, IN BOOK 2 OF OFFICIAL PLATS, AT PAGE 36; SAID POINT OF BEGINNING BEING ON THE EAST LINE OF THE COUNTY ROAD (NOW STATE HIGHWAY) AND ON THE WEST LINE OF SAID LOT 18; THENCE NORTH 89 DEGREES 14 MINUTES EAST 200.0 FEET PARALLEL TO THE SOUTH LINE OF SAID LOT 18; THENCE NORTH 1 DEGREE 04 MINUTES EAST 42.1 FEET PARALLEL TO THE WEST LINE OF SAID LOT 18; TO A POINT ON THE SOUTHWESTERLY LINE OF THE SANTA FE RAILROAD RIGHT OF WAY AND ON THE NORTHEASTERLY LINE OF SAID LOT 18; THENCE IN A NORTHWESTERLY DIRECTION, A DISTANCE OF 230.3 FEET ALONG THE SOUTHWESTERLY LINE OF SAID RAILROAD RIGHT OF WAY AND THE NORTHEASTERLY LINE OF SAID LOT 18; TO THE NORTHWEST CORNER OF SAID LOT 18; THENCE SOUTH 1 DEGREE 04 MINUTES WEST 162.0 FEET ALONG THE EAST LINE OF THE ABOVE MENTIONED ROAD AND THE WEST LINE OF SAID LOT 18 TO THE POINT OF BEGINNING.

Attachment 2



DATE: July 3, 2007

TO: Bill Cahill, Assistant City Manager

FROM: James G. Marshall, City Manager

On Monday, July 2, 2007, the Redevelopment Agency Commission adopted a motion approving substantially in the form submitted the purchase agreement between the Redevelopment Agency of the City of Merced and Irma Guillen, and authorized the Executive Director to execute necessary documents.

Please proceed with implementation of this action.

James G. Marshall
City Manager

JGM:nr:Cahill

cc: Brad Grant
Deneen Proctor,
Jack Newell

EXHIBIT B-9

Address/APN: 2900 N. Highway 59 (APN 058-110-068)
(Previously a portion of 2874 N. Highway 59; APN 058-110-005)

Description: Right-of-way improvements, extension of Cooper Avenue

Parcel Size: 11,155 sq.ft / .256 ac.

Date Purchased: 2008

Purchase Price: \$ 539,158.33 (Based upon the original per sq.ft. purchase price)

Property Background:

The Property was acquired in 2008 as part of a larger parcel (18,000 sq.ft. total, purchased for \$870,000, or approximately \$48.33 per sq.ft). The property was improved with an apartment complex, located on Highway 59 across from the terminus of Cooper Avenue, that needed to be demolished as part of the Highway 59/Cooper Avenue roadway project. After acquisition of the property, the tenants were relocated and the complex was demolished. The original parcel acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used to widen Highway 59 and extend Cooper Avenue (see page 2, Administrative Report), and the remainder was merged with other properties acquired by the Redevelopment Agency and sold for development of a multi-family affordable housing project located adjacent to the Highway 59 right-of-way improvements.

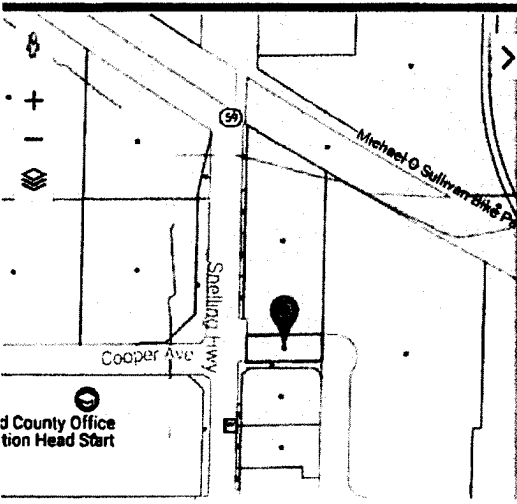
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for Highway 59/Cooper Avenue project, and development of affordable housing.

Revenue Generation: None

2900 N., Highway 59




Cooper Ave

Spelling Hwy

Michael O Sullivan Blvd

Merced County Office
tion Head Start



Google

City Of Merced

2900 N State Highway 59 Merced, CA 95348
Merced County

APN: 058-110-068-000 Zone: Built:

Type: Commercial / Federal Property Bldg Sq Ft: Lot Sq Ft: 11,155

[Order Customer Service](#) [CostsFirst™](#) [Add to Farm List](#)

Report Name	Actions	Available	Allowance
-------------	---------	-----------	-----------

ADMINISTRATIVE REPORT

AGENDA
ITEM: I-3

MTG.
DATE: 9-2-08

TO: James G. Marshall, City Manager/Executive Director

FROM: Daniel Ainslie, Development Coordinator

DATE: September 2, 2008

SUBJECT: Purchase Agreement for Apartment Complex on Highway 59 &
Cooper Avenue

RECOMMENDATION:

Redevelopment Agency: Adopt a motion:

- A. Approving Purchase Agreement between the Redevelopment Agency of the City of Merced and Angel Ramirez Lamas and Juana V. Ramirez.
- B. Authorizing Executive Director to execute necessary documents.

City Council: Adopt a motion:

- A. Authorizing the City Manager to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or,
- 2. Approve, subject to modifications as conditioned by Council/Agency; or,
- 3. Deny the request completely; or,
- 4. Refer back to staff for reconsideration of specific items as requested by Council/Agency; or,
- 5. Continue item to a future Council/Agency meeting (date and time to be specified in City Council/Agency motion).

AUTHORITY: Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION: The Agency is conducting a project to extend Cooper Avenue and install a signal at its intersection with Highway 59. This project will require the acquisition of right of way to widen Highway 59 and to extend Cooper Avenue. Currently there is an apartment complex directly across from the terminus of Cooper Avenue. Preliminary plans that have been reviewed by Caltrans indicate the need to demolish this complex.

The Redevelopment Agency entered into an agreement with Real Property Analysts on November 19, 2007 to appraise this complex. The resulting appraised value for the complex was \$740,000. Staff approached the owner of this complex and offered to purchase the property for the appraised value. The owners were unwilling to sell the property for that price as they had purchased the property in January of 2006 for \$940,000. Since then the owners have stated that they have invested additional sums painting the exterior of the buildings and renovating the interior of the apartments.

After negotiating for several months a purchase price of \$870,000 was agreed upon. If the Agency and City agree to this price, it will avoid the necessity to enter into eminent domain proceedings. The proposed purchase price is less than the owners' recent purchase price and grants the Agency and City protection from having to pay a loan prepayment penalty, which would likely be the responsibility of the Agency if eminent domain were necessary. In addition, this agreement requires the owners to keep two existing vacant units unoccupied in addition to any other units which should become vacant. This serves to ultimately reduce the relocation payments the Agency would have to pay to tenants occupying the structure upon the close of escrow.

FUNDING: Highway 59 Cooper Avenue CIP # 104033 has adequate funding for the purchase. The funds originated from impact fees paid by the Merced Marketplace development and were earmarked for this project. Additional funds will be needed to pay for the relocation of the current tenants once the demolition actually begins. The Redevelopment Agency has sufficient funds in CIP #108052 to pay for this upcoming expense.

PROPOSED TERMS: Key proposed sales terms include the following:

- Property:** 18,000± sq. ft. (subject to verification) also known as Assessor's Parcel Number 058-110-005;
- Consideration:** Agency shall pay \$870,000 in cash at the close of escrow;
- Closing Costs:** Agency shall pay the premiums for the CLTA Title Insurance policy and the customary escrow fees normal in Merced County;
- Prepayment:** If any prepayment penalty becomes due, such penalty shall be the responsibility of the Seller;
- Title Company:** Escrow shall be opened with TransCounty Title Company;
- Open Escrow:** Escrow shall open within three (3) days of the approval of the sale by the Agency;
- Due Diligence:** Agency will have 25 days after the opening of escrow to complete all due diligence studies. Agency is responsible for the administration and costs of any and all studies and reports during the due diligence period;
- Vacant Units:** Seller agrees to keep all currently vacant units vacant, in the event a unit is rented, total consideration will be decreased by \$15,000.
- Close of Escrow:** Escrow shall close within 87 days from the date that it is opened (escrow closing is subject to the time required for Agency legal review, modification and/or approval of escrow instructions);
- Contract:** A Purchase and Sale Agreement has been drawn by the City Attorney's Office. The Purchase and Sale Agreement has been signed by the Purchaser and is attached.

RECOMMENDATION: Staff recommends approval of the purchase agreement as presented. The purchase of this land will allow the Highway 59 Cooper Avenue intersection project to continue.

RESPECTFULLY SUBMITTED:


Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:


William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:


James G. Marshall
Executive Director

ATTACHMENTS

- A. Purchase and Sale Agreement
- B. Site Map
- C. Preliminary plans for Cooper and Highway 59

ATTACHMENT A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2008, by and between the Angel Ramirez Lamas and Juana V. Ramirez ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

W I T N E S S E T H

WHEREAS, Seller owns a certain real property known as APN 058-110-005 on Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 18,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an intersection (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property pursuant to the terms of this Agreement.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Eight Hundred Seventy Thousand Dollars (\$870,000.00) for approximately 18,000 square feet of the Subject Property without any liens or encumbrances, subject to the provisions of Section 20.

Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of Eight

Hundred Seventy Thousand Dollars (\$870,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be paid by Redevelopment Agency. If any prepayment penalty becomes due, such penalty shall be the responsibility of the Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be

deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Angel Ramirez
Juana V. Ramirez
2423 Cedar Crest Avenue
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a copy to:

Agency Counsel
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed

between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations

or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties

hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 20. STATUS OF SUBJECT PROPERTY. The parties agree that ten (10) dwelling units on the Subject Property are currently occupied and two (2) dwelling units on the Subject Property are currently unoccupied. Seller agrees that if, at the close of escrow, more than ten (10) dwelling units are occupied, the purchase price for the Subject Property shall be reduced by Fifteen Thousand Dollars (\$15,000) for each dwelling unit above ten (10) that is occupied.

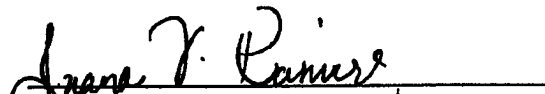
SECTION 21. SECTION HEADINGS. The section headings contained in this Agreement are for convenience and identification only and shall not be deemed to limit or define the contents to which they relate.

SECTION 22. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed
on the date first above written.

SELLER:


ANGEL RAMIREZ LAMAS


JUANA V. RAMIREZ

BUYER:

THE REDEVELOPMENT AGENCY OF THE
CITY OF MERCED
A Public Body, Corporate and Politic, of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY:  8/19/08

Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

EXHIBIT A

LEGAL DESCRIPTION OF THE WHOLE PROPERTY

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

That portion of Lot 18, according to "MAP OF BEAR CREEK COLONY MERCED, CO., CAL", recorded January 29, 1896, in Book 2 of Maps, Page 36, Merced County Records, described as follows:

BEGINNING at a point that is North $1^{\circ}04'$ East 280.0 feet from the Southwest corner of said Lot 18, said point of beginning being on the East line of the County Road (now State Highway) and on the West line of said Lot 18; thence North $1^{\circ}04'$ East 100.0 feet along the East line of said road and the West line of said Lot 18, to a point that is South $1^{\circ}04'$ West 462.0 feet from the Northwest corner of said Lot 18; thence North $89^{\circ}14'$ East 200.0 feet parallel to the South line of said Lot 18; thence South $1^{\circ}04'$ West 100.0 feet parallel to the West line of said Lot 18; thence South $89^{\circ}14'$ West 100 feet parallel to the South line of said Lot 18 to the point of beginning.

EXCEPTING THEREFROM the West 10 feet.

EXHIBIT B

ASSESSOR'S PARCEL MAP

58-11

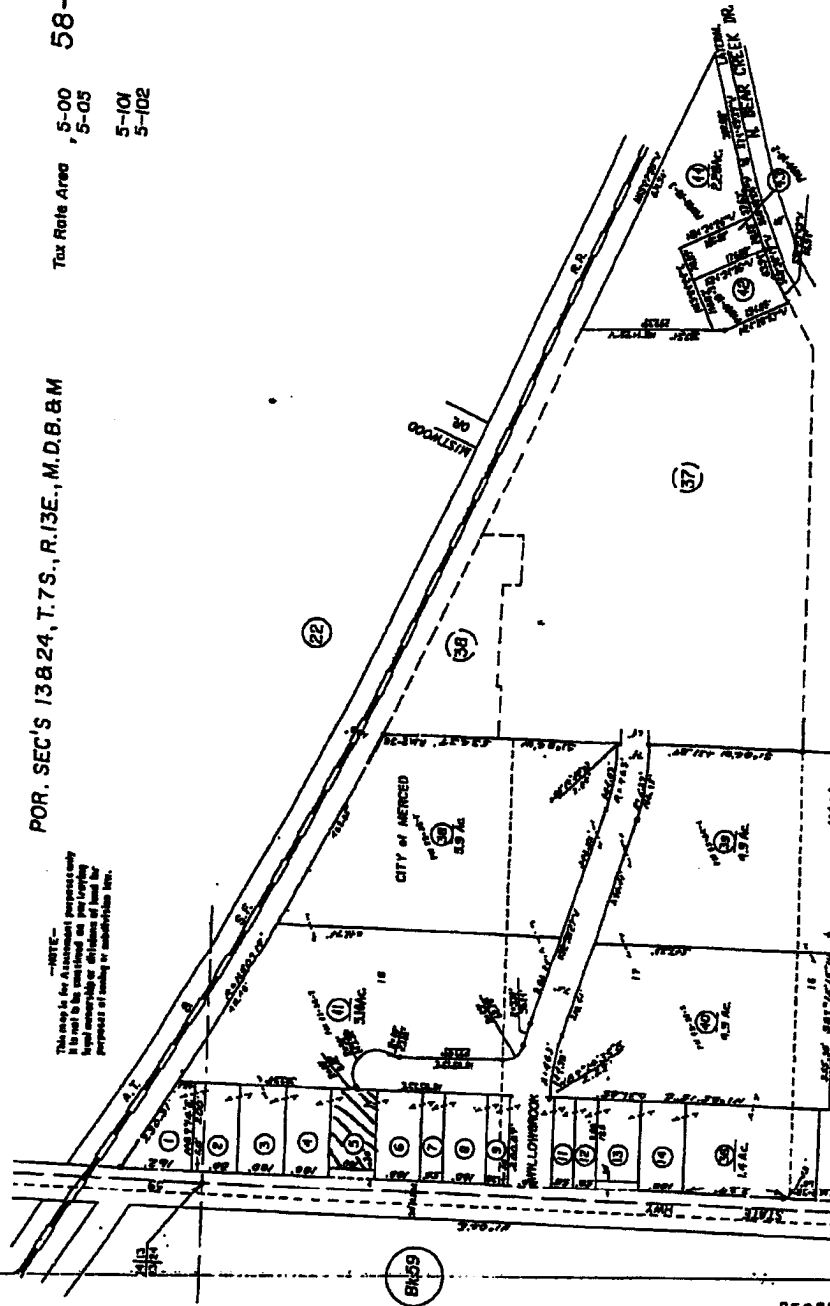
5-00
5-03

Tax Rate Area

5-01
5-02

POR. SEC'S 13&24, T.7S., R.13E., M.D.B.B.M

NOTE:
This map is for Assessment purposes only
It is not to be construed as providing
warranty or assurance of title for
purposes of conveyance or subdivision.



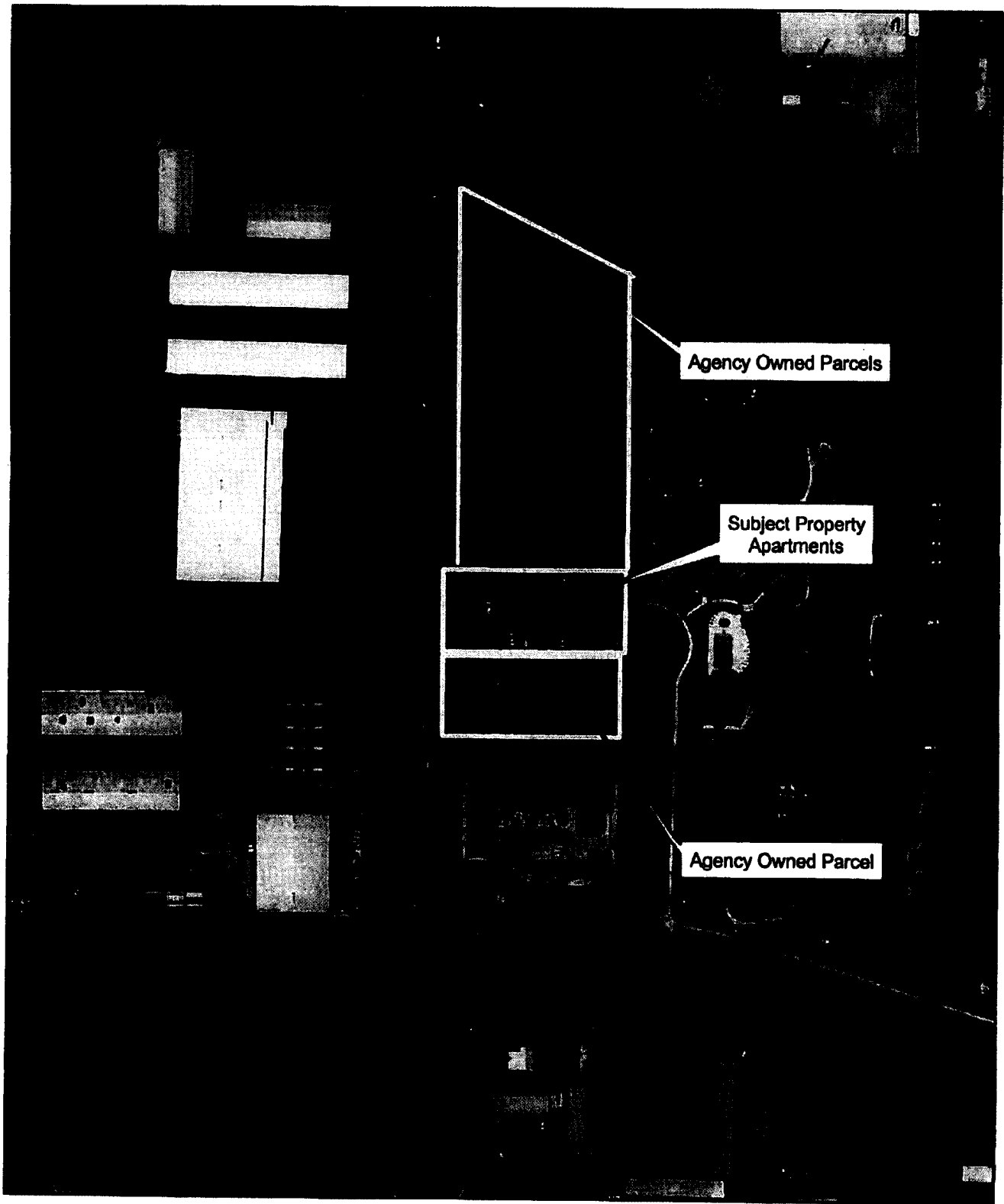
Assessor's Map Bk. 58 - Pg. 11
County of Merced, Calif.
1975

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

Bear Creek Colony, R. M. Vol. 2, Pg. 36

KEY:
1-00
1-01
1-02
1-03
1-04
1-05
1-06
1-07
1-08
1-09
1-10

Subject Site



[illegible][illegible]

M E M O R A N D U M

DATE: September 3, 2008 **AGENDA ITEM:** I-3 & J-10
TO: Bill Cahill, Assistant City Manager
FROM: James G. Marshall, City Manager
RE: Purchase Agreement for Apartment Complex on
Highway 59 & Cooper Avenue

On Tuesday, September 2, 2008, the Redevelopment Agency and City Council adopted a motion:

Redevelopment Agency:

- A. Approving the Purchase Agreement between the Redevelopment Agency of the City of Merced and Angel Ramirez Lamas and Juana V. Ramirez; and,
- B. Authorizing the Executive Director to execute necessary documents.

City Council:

- A. Authorizing the City Manager to execute necessary documents.

Please proceed with implementation of this action.



James G. Marshall
Executive Director/City Manager

JGM:dw:Cahill

cc: Brad Grant
Deneen Proctor
Frank Quintero
Daniel Ainslie

EXHIBIT B-10

Address/APN: 2902 N. Highway 59 (APN 058-110-066)
(Previously a portion of 2906 N. Highway 59; APN 058-110-004)

Description: Right-of-way, sidewalk, landscaping

Parcel Size: 1,000 sq.ft / .023 ac.

Date Purchased: Unknown

Purchase Price: Unknown

Property Background:

City staff was unable to determine how and when APN 058-110-004 was acquired by the former Redevelopment Agency. However, the Redevelopment Agency acquired numerous properties along Highway 59 as part of a project to widen Highway 59, extend Cooper Avenue and install a signal at its intersection with Highway 59. The original properties acquired by the Redevelopment Agency were reparcelized; a portion used to widen Highway 59 and the remaining property merged with other properties acquired by the Redevelopment Agency and subsequently sold for development of a multi-family affordable housing project located adjacent to this subject property.

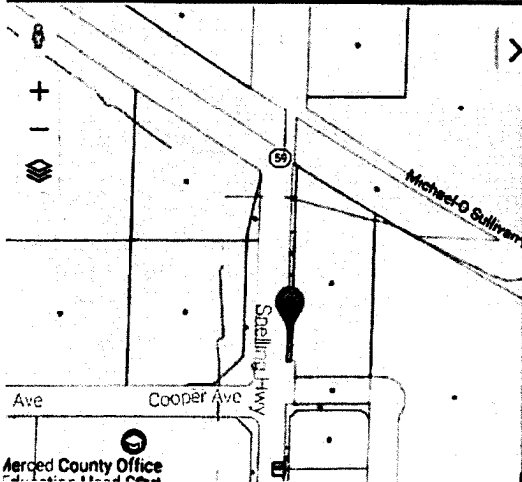
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

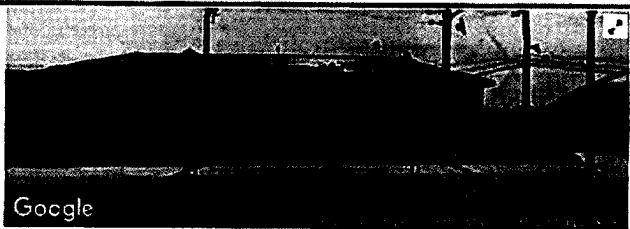
Purpose for Which Property Acquired: Assembly of land for Highway 59/Cooper Avenue project and development of affordable housing.

Revenue Generation: None

2902 N. Highway 59



Map showing the location of the property at the intersection of Highway 59 and Cooper Ave. The map includes labels for "Ave", "Cooper Ave", and "Spelling Hwy". A black dot marks the property location. The map is credited to "Merced County Office".



Aerial view of the property showing a large, dark, rectangular structure, likely a building or warehouse, surrounded by a fence. The Google logo is visible in the bottom left corner of the image.

City Of Merced
2902 N State Highway 59 Merced, CA 95348
Merced County

APN: 058-110-066-000	Zone:	Built:
Type: Commercial / Federal Property Bldg 5q Ft:		Lot Sq Ft: 1,000

[Order Customer Service](#) [CostaFirst™](#) [Add to Farm List](#)

EXHIBIT B-11

Address/APN: 2910 N. Highway 59 (APN 058-110-064)
(Previously a portion of 2922 N. Highway 59; APN 058-110-003)

2920 N. Highway 59 (APN 058-110-062)
(Previously a portion of 2940 N. Highway 59; APN 058-110-002)

2930 N. Highway 59 (APN 058-110-060)
(Previously a portion 2960 N. Highway 59; APN 058-110-001)

Description: Right-of-way, sidewalk, landscaping

Parcel Size: 998 sq.ft / .022 ac.
1,000 sq.ft / .022 ac.
1,569 sq.ft / .036 ac.

Date Purchased: 2007

Purchase Price: \$ 11,976
\$ 13,750
\$ 9,210
\$ 34,936
(Based upon the original per sq.ft. purchase prices)

Property Background:

2910 N. Highway 59: Acquired in 2007 as part of a larger parcel (20,000 sq.ft. total, purchased for \$240,000, or approximately \$12 per sq.ft.).

2920 N. Highway 59: Acquired in 2007 as part of a larger parcel (20,000 sq.ft. total, purchased for \$275,000, or approximately \$13.75 per sq.ft.).

2930 N. Highway 59: Acquired in 2007 as part of a larger parcel (23,000 sq.ft. total, purchased for \$135,000, or approximately \$5.87 per sq.ft.).

The original property acquired by the Redevelopment Agency was reparcelized; a portion (the subject property) was used to construct a transition lane from Cooper Avenue onto Highway 59, and provide right of way for the lighted intersection at Cooper Avenue and Highway 59 (see page 2, Administrative Report), and the remainder was merged with other properties acquired by the Redevelopment Agency and subsequently sold for development of a multi-family affordable housing project located adjacent to this subject property.

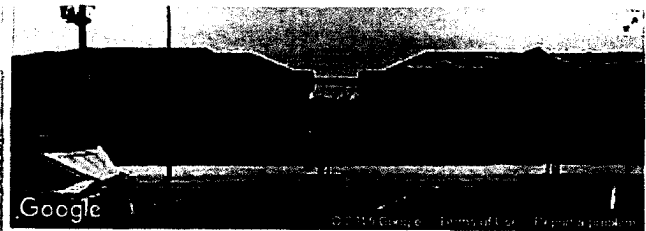
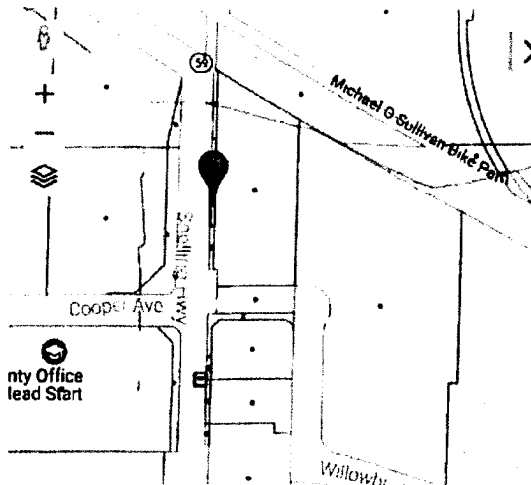
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for Highway 59/Cooper Avenue project and development of affordable housing.

Revenue Generation: None

2910, 2920, 2930 N. Highway 59



City Of Merced

2910 N State Highway 59 Merced, CA 95348
Merced County

APN: 058-110-064-000

Zone:

Built:

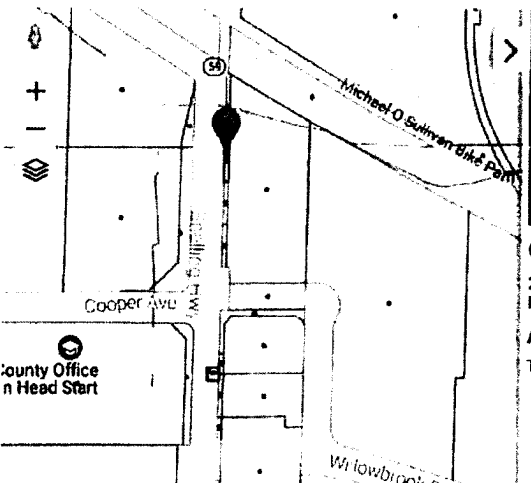
Type: Commercial / Federal Property Bldg Sq Ft:

Lot Sq Ft: 998

[Order Customer Service](#)

[CostsFirst™](#)

[Add to Farm List](#)



City Of Merced

2920 N State Highway 59 Merced, CA 95348
Merced County

APN: 058-110-062-000

Zone:

Built:

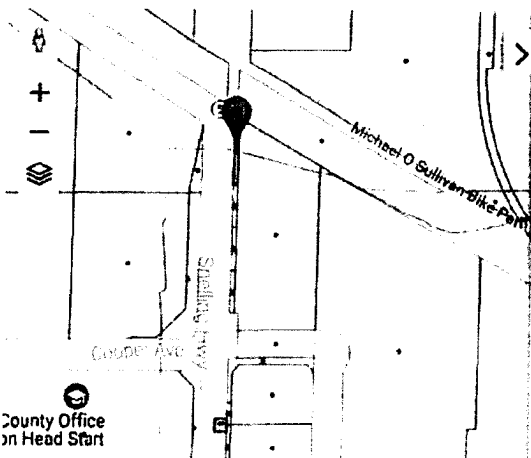
Type: Commercial / Federal Property Bldg Sq Ft:

Lot Sq Ft: 1,000

[Order Customer Service](#)

[CostsFirst™](#)

[Add to Farm List](#)



City Of Merced

2930 N State Highway 59 Merced, CA 95348
Merced County

APN: 058-110-060-000

Zone:

Built:

Type: Commercial / Federal Property Bldg Sq Ft:

Lot Sq Ft: 1 569

[Order Customer Service](#)

[CostsFirst™](#)

[Add to Farm List](#)



ADMINISTRATIVE REPORT

AGENDA
ITEM: H-4

MTG.
DATE: 7-02-07

TO: James G. Marshall, Executive Director

FROM: Daniel Ainslie, Development Coordinator

DATE: June 22, 2007

SUBJECT: Purchase Agreement for three parcels at Highway 59 & Cooper Avenue

RECOMMENDATION: Adopt a motion:

- A. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and the Cauwels Trust.
- B. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and Douglas Bernard.
- C. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and Jose and Cremilde Azevedo.
- D. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Defer action until a date certain (specify date); or
- 4. Take no action.

AUTHORITY: Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan.

DISCUSSION: Two of the primary objectives of the Gateways Project Area are to increase quality affordable housing and to eliminate blight. Highway 59 is within the boundaries of the newly expanded Gateways Project Area. The highway is bounded by several blighted lots including vacant parcels and parcels with obsolete structures. The Agency is actively seeking to improve the aesthetics and functionality of this arterial. The 2007-08 budget funded a new project to construct an affordable housing development at this location.

The three parcels in question are located directly north of a 20,000 sq. ft. parcel the Agency recently acquired. The vast majority of this land will be transformed into a high quality affordable housing project. Agency staff have been in discussions with the neighboring land owner, Maxwell Homes, on the development of an approximately 20 unit affordable housing development. Upon the completion of the land acquisition, a Disposition and Development Agreement will be presented to the City Council for the development of this project.

In addition to eliminating blight and providing affordable housing, the proposed property purchase will provide right of way for the future lighted intersection at Cooper Avenue and Highway 59. The western portions of these parcels will be used to construct a transition lane from the newly extended Cooper Avenue into Highway 59.

All three properties are currently for sale. Staff has negotiated accepted letters of intent that are below the seller's asking price. The details are as follows:

Cauwels Trust	\$135,000	23,000 sq. ft.	058-110-001
Vacant parcel, irregular triangle			
Douglas Bernard	\$275,000	20,000 sq. ft.	058-110-002
Mobile home, regular rectangular parcel			
Jose & Cremilde Azevedo	\$240,000	20,000 sq. ft.	058-110-003
Vacant parcel, regular rectangular parcel			

FUNDING: The 2007-08 Project Area 2 budget includes \$2,500,000 for the construction of an affordable housing development at Highway 59 & Cooper Avenue. The proposed purchases will provide the property necessary for the housing development. The additional subsidy required for the future development is not expected to exceed the remaining project balance.

BENEFITS: The proposed purchases will eliminate blight, provide an opportunity for affordable housing and grant needed right of way for Highway 59. In addition, the future development of this site will increase the tax increment for the Gateways Project Area.

Executive Director
June 22, 2007
Page 3

RECOMMENDATION: The Redevelopment Advisory Committee unanimously recommended approval of the three property purchases.

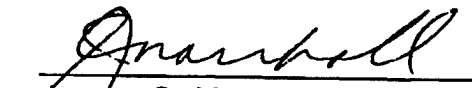
RESPECTFULLY SUBMITTED:


Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:


William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:


James G. Marshall
Executive Director

ATTACHMENTS

- A. Cauwels Trust Purchase and Sale Agreement
- B. Douglas Bernard Purchase and Sale Agreement
- C. Jose and Cremilde Azevedo Purchase and Sale Agreement
- D. Site Map
- E. Preliminary plans for Cooper and Highway 59

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 13th day of June, 2007, by and between the Cauwels Trust, Paul and Jacqueline Cauwels, Trustees ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 058-110-001 on Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 23,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Hundred Thirty Five Thousand Dollars (\$135,000.00) for approximately 23,000 square feet of the Subject Property without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of One Hundred Thirty Five Thousand Dollars (\$135,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at First American Title in Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be

deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Tony Azevedo
Century 21
530 W. 16th Street, Suite H
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of

the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and

approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

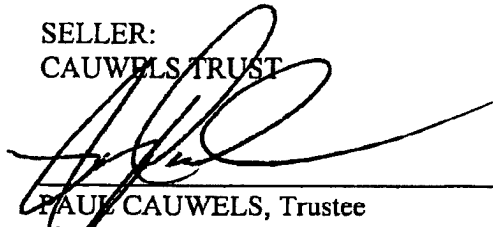
SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the

party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
CAUWELS TRUST



PAUL CAUWELS, Trustee

JACQUELINE CAUWELS, Trustee

BUYER:

THE REDEVELOPMENT AGENCY OF THE
CITY OF MERCED
A Public Body, Corporate and Politic, of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: *S. Marc Golemb* *6-8-07*
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

EXHIBIT "A"

THE LAND REFERRED TO IN THIS GUARANTEE IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF MERCED AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT IS NORTH 1 DEGREE 04 MINUTES EAST 680.0 FEET FROM THE SOUTHWEST CORNER OF LOT 18, AS SHOWN ON THE MAP ENTITLED "MAP OF BEAR CREEK COLONY", FILED JANUARY 29, 1896 IN THE OFFICE OF THE COUNTY RECORDER OF MERCED COUNTY, IN BOOK 2 OF OFFICIAL PLATS, AT PAGE 36; SAID POINT OF BEGINNING BEING ON THE EAST LINE OF THE COUNTY ROAD (NOW STATE HIGHWAY) AND ON THE WEST LINE OF SAID LOT 18; THENCE NORTH 89 DEGREES 14 MINUTES EAST 200.0 FEET PARALLEL TO THE SOUTH LINE OF SAID LOT 18; THENCE NORTH 1 DEGREE 04 MINUTES EAST 42.1 FEET PARALLEL TO THE WEST LINE OF SAID LOT 18; TO A POINT ON THE SOUTHWESTERLY LINE OF THE SANTA FE RAILROAD RIGHT OF WAY AND ON THE NORTHEASTERLY LINE OF SAID LOT 18; THENCE IN A NORTHWESTERLY DIRECTION, A DISTANCE OF 230.3 FEET ALONG THE SOUTHWESTERLY LINE OF SAID RAILROAD RIGHT OF WAY AND THE NORTHEASTERLY LINE OF SAID LOT 18; TO THE NORTHWEST CORNER OF SAID LOT 18; THENCE SOUTH 1 DEGREE 04 MINUTES WEST 162.0 FEET ALONG THE EAST LINE OF THE ABOVE MENTIONED ROAD AND THE WEST LINE OF SAID LOT 18 TO THE POINT OF BEGINNING.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 13th day of June, 2007, by and between the Douglas Bernard, an unmarried man ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 058-110-002 on Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 20,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Two Hundred Seventy Five Thousand Dollars (\$275,000.00) for approximately 20,000 square feet of the Subject Property without any liens or encumbrances.

a. Deposit: Buyer will make a non-refundable deposit in the sum of Ten Thousand Dollars (\$10,000.00) into escrow within fourteen (14) business days following the mutual execution of this Agreement.

b. Balance of Purchase Price: Buyer shall have until close of escrow ("Final Payment Date") to pay the balance of the purchase price of Two Hundred Sixty Five Thousand Dollars (\$265,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at First American Title in Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any

commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the

individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Tony Azevedo
Century 21
530 W. 16th Street, Suite H
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no

presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and

Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:


DOUGLAS BERNARD

BUYER:

THE REDEVELOPMENT AGENCY OF THE
CITY OF MERCED
A Public Body, Corporate and Politic, of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: *S. MacIsaac* *6-8-07*
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

EXHIBIT "A"

Beginning at a point that is North 1 deg. 04' East, 580.0 feet from the Southwest corner of Lot 18, as said Lot is shown upon the official "Map of Bear Creek Colony" on file in the office of the County Recorder, Merced County, State of California, said point of beginning being on the East line of the County Road (now State Highway) and on the West line of said Lot 18; thence North 1 deg. 04' East, 100.0 feet, along the East line of said road and the West line of said Lot 18, to a point that is S. 1 deg. 04' West, 162.00 feet from the Northwest corner of said Lot 18; thence North 89 deg. 14' East, 200.0 feet, parallel to the South line of said Lot 18; thence South 1 deg. 04' West, 100.0 feet, parallel to the West line of said Lot 18; thence South 89 deg. 14' West, 200.0 feet, parallel to the South line of said Lot 18, to the point of beginning.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 14th day of June, 2007, by and between the Jose L. and Cremilde Azevedo, joint tenants ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 058-110-003 on Highway 59 in the City of Merced, County of Merced, State of California, consisting of approximately 20,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Two Hundred Forty Thousand Dollars (\$240,000.00) for approximately 20,000 square feet of the Subject Property without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of Two Hundred Forty Thousand Dollars (\$240,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at First American Title in Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be

deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Tony Azevedo
Century 21
530 W. 16th Street, Suite H
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of

the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and

approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

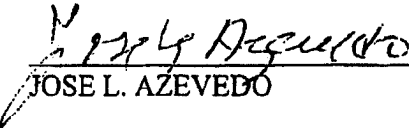
SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the

party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:


JOSE L. AZEVEDO


CREMILDE AZEVEDO

BUYER:

THE REDEVELOPMENT AGENCY OF THE
CITY OF MERCED
A Public Body, Corporate and Politic, of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: *S. Isaac Escobar* *6-8-07*
Agency General Counsel Date

ACCOUNT DATA:

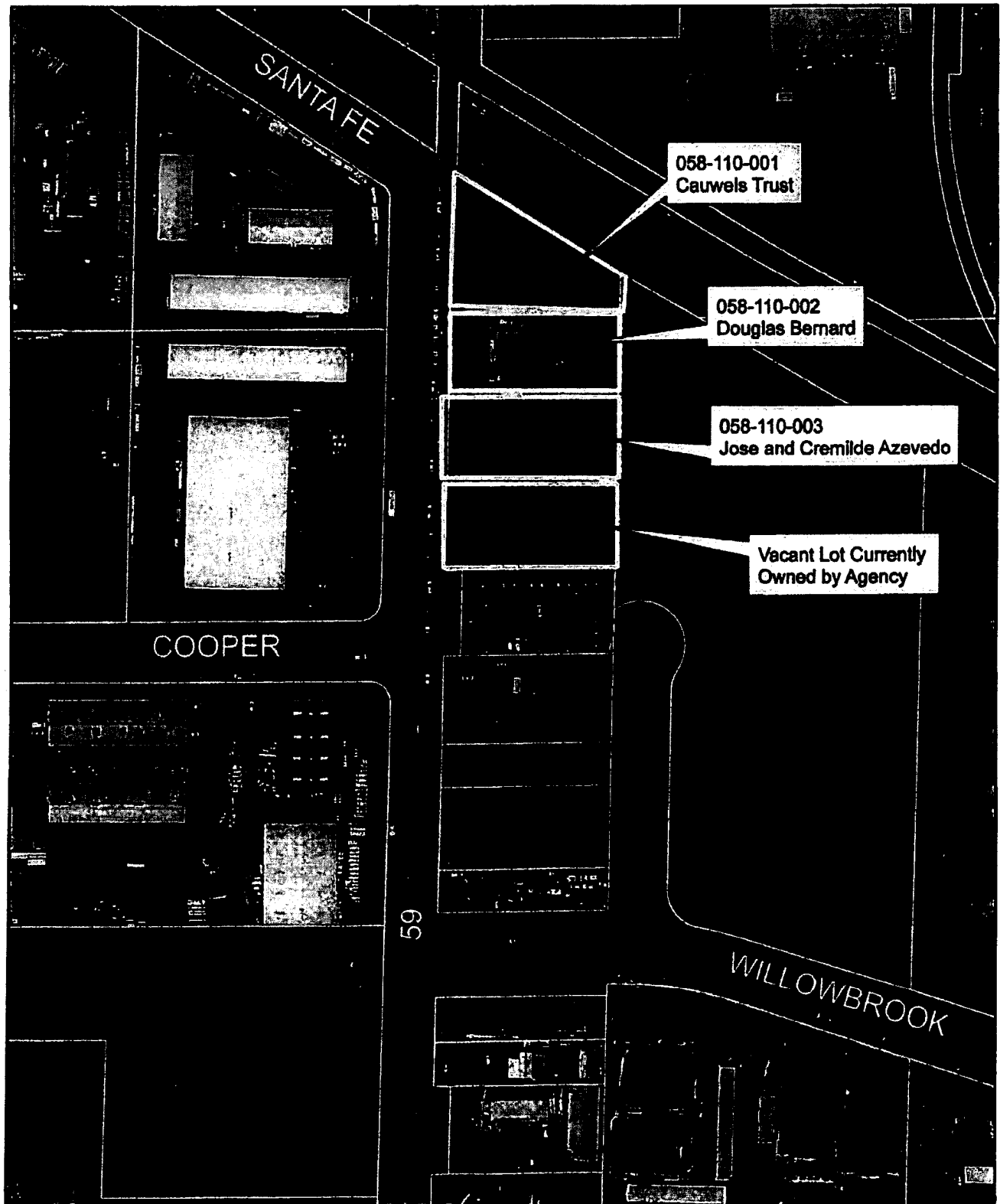
BY: _____
Verified by Finance Office

EXHIBIT "A"

Beginning at a point that is North 1° 04' East, 480.0 feet from the Southwest corner of Lot 18, as said Lot is shown upon the official map entitled "Map of Bear Creek Colony Merced Co. Cal." Recorded January 29, 1896 in Book 2 of maps, page 36, Merced County Records, said point of BEGINNING being on the East line of County Road (now state highway) and on the West line of said Lot 18; thence North 1° 04' East 100.0 feet along the East line of said road and the West line of said Lot 18 to a point that is South 1° 04' West 262.0 feet from the Northwest corner of said Lot 18; thence North 89° 14' East 200.00 feet parallel to the South line of said Lot 18; thence South 1° 04' West 100.0 feet parallel to the West line of said Lot 18; thence South 89° 14' West 200.0 feet parallel to the South line of said Lot 18 to the point of beginning.

APN: 058-110-003

Subject Sites



[illegible]

M E M O R A N D U M

DATE: July 3, 2007 **AGENDA ITEM:** H-4
TO: Bill Cahill, Assistant City Manager
FROM: James G. Marshall, City Manager
RE: Purchase Agreements for Three Parcels at
Highway 59 and Cooper Avenue

On Monday, July 2, 2007, the Redevelopment Agency Commission adopted a motion:

- A. Approving purchase agreement between the Redevelopment Agency of the City of Merced and the Cauwels Trust;
- B. Approving purchase agreement between the Redevelopment Agency of the City of Merced and Douglas Bernard;
- C. Approving purchase agreement between the Redevelopment Agency of the City of Merced and Jose and Cremilde Azevedo; and
- D. Authorizing the Executive Director to execute necessary documents.

Please proceed with implementation of this action.



James G. Marshall
City Manager

JGM:nr:Cahill

cc: Brad Grant
Deneen Proctor/
Daniel Ainslie

EXHIBIT B-12

Address/APN: 1801 M Street (APN 031-054-027)
606 W. 19th Street (APN 031-054-026)
(Also referred to as 605 W. 18th Street)

Description: Public parking structure (Merced Center Arcade)

Parcel Size: 28,027 sq.ft. / .64 ac.
27,507 sq.ft. / .63 ac.

Date Purchased: 1970s

Purchase Price: Unknown

Property Background:

This property, and other adjacent parcels in the block bounded by M Street, N Street, 18th Street and 19th Street, were acquired by the City of Merced and/or the Redevelopment Agency in the 1970s, from several previous owners. In November 2005, as part of the Merced Center Project, the Redevelopment Agency approved plans and specifications for the construction of the Merced Center Parking Garage on this property. Construction of the Merced Center Hotel and Merced College Building was planned for the adjacent properties. (See Administrative Report, 11/7/2005.)

In 2006, gasoline contamination was discovered in the soils beneath three of the four parcels at this site. (See Administrative Report, 9/15/2008) The Redevelopment Agency carried out site investigation and cleanup of the gasoline contamination, and the Merced Center Project was constructed. The Redevelopment Agency paid the costs for construction of the public parking garage located on this site pursuant to its authority under Health and Safety Code Section 33445.

The parking structure includes approximately 335 public parking spaces, and 10,180 square feet of leasable retail space on the ground floor level along M Street and 18th Street. The parking structure is primarily used to provide free public parking. A portion of the parking structure is used for parking for City employees and for the Merced College teaching facility located next door. The property is located in the Public Parking District Zone, which requires that at least four hours of free parking per day be provided to the public (Merced Municipal Code Chapter 20.40). Thus, the costs of maintaining the parking structure far exceed any revenues, as described below.


Environmental History: Gasoline contamination was discovered in the vicinity of this site in 2006, and the Redevelopment Agency carried out site investigation and cleanup.

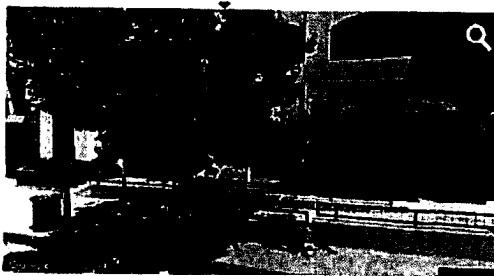
Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Merced Center Project; public parking structure.

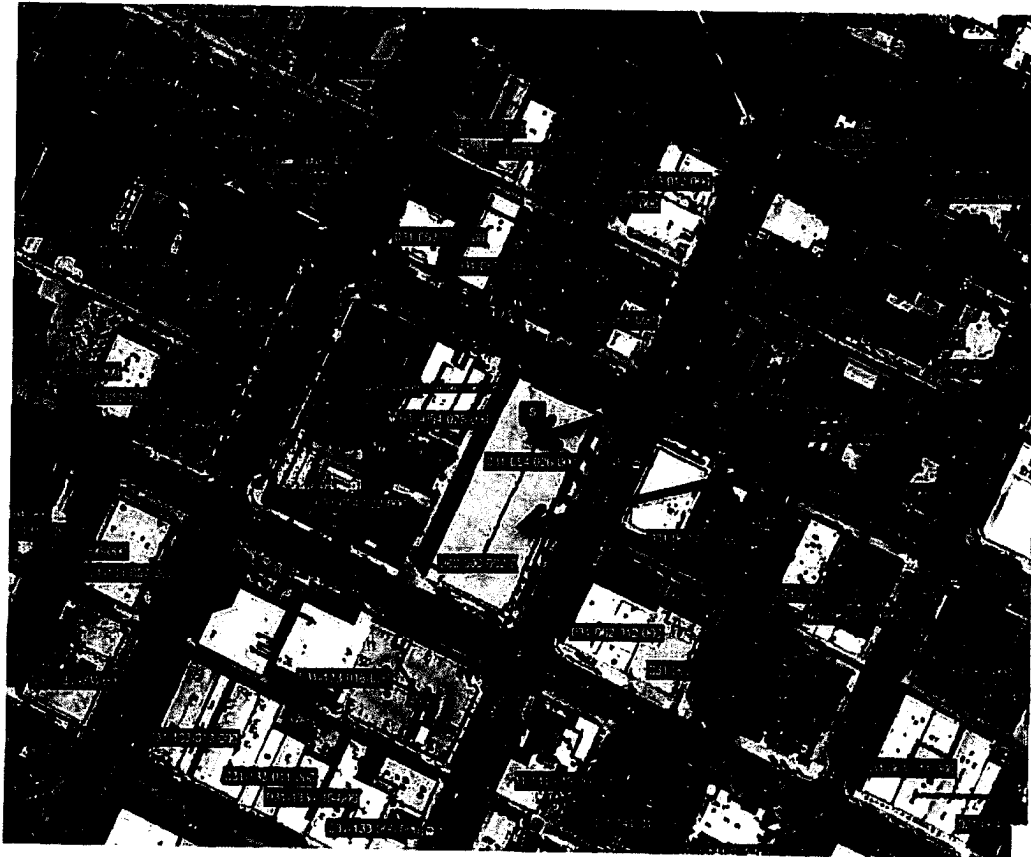
Revenue Generation: This property generates some revenue from the leasing of a portion of the parking spaces, and rent for the retail space located on the ground floor of this structure (see Revenue and Expenditures for Merced Center Parking Garage). Costs to maintain this property for the past five years equaled approximately \$350,000 per year (\$1,611,185.56 for the period February 2011 through June 2016). Revenues over this same period totaled approximately \$100,000 per year (\$562,258.22 for the period February 2011 through June 2016), or approximately 35% of the total costs to maintain the property (see Revenue and Expenditures for Merced Center Parking Garage). Based on this information, this property meets the criteria under Health and Safety Code Section 34181(a)(2) for a parking facility or lot dedicated solely to public parking, as this property does not “generate revenues in excess of reasonable maintenance costs of the property.”

27,507 sq ft


 2025 RELEASE UNDER E.O. 14176



28,027 sq ft



Merced Center Parking Garage

	Fund 902		Fund 930					Total
	*Feb-June FY 10-11	**July - Feb FY 11-12	**March-June FY 11-12					
Investment Revenue***	\$3.80	\$24.34	\$0.00	\$1,507.94	\$2,361.94	\$2,623.45	\$1,770.19	\$8,291.66
Leased Parking Spaces			2,147.25	6,494.41	6,532.76	6,305.25	6,372.38	27,852.05
Rent of Facilities	39,653.90	65,010.40	32,749.60	101,052.68	102,750.98	91,939.18	92,947.77	526,104.51
Total Revenue	39,657.70	65,034.74	34,896.85	109,055.03	111,645.68	100,867.88	101,090.34	562,248.22
Utilities								
DSC-Facilities	2,332.94	2,402.72	794.63	1,563.11	3,084.89	2,993.08	2,564.48	15,735.85
Support Services***	12,794.00	33,170.00		30,290.00	35,936.00	33,447.00	35,632.00	181,269.00
Admin***	224.29	374.50		2,551.28	2,823.32	949.26	554.16	7,476.81
Depreciation Expense	1,465.46	2,022.13		1,529.12	2,689.62	5,307.06	2,298.52	15,311.91
Total Expense	113,833.19	1,771.52	26,687.24	312,275.01	312,275.01	312,275.01	312,275.01	1,391,391.99
	130,649.89	33,740.87	27,481.87	348,208.53	356,808.84	354,971.41	353,324.17	1,611,185.56
Revenue over Expenditures	(\$90,992.19)	\$25,293.88	\$7,414.98	(\$239,153.50)	(\$245,163.16)	(\$254,103.53)	(\$252,233.83)	(\$1,048,937.34)

*Admin Report to transfer to PFEDA was approved for 2/1/11.

**Admin Report to transfer to Parking Authority was approved by PFEDA Board on March 5, 2012.

***Indirect revenue and expenses based on a pro-rated calculation.

Note: PFEDA board approved transferring of assets to Parking Authoring on March 5, 2012 and balances of capital assets are as of this date.

Parking Authority Capital Assets Balance:

<u>Ref. #</u>	<u>Asset #</u>	<u>Building</u>		Prking Authority 939			
				<u>Cost</u>	<u>Accum. Depr</u>	<u>Book Value</u>	
'	4985-148	Parking Garage on M St. between 18th and 19th St.		10,821,695	293,088	10,528,608	Reclassified to Parking Authority on 6/21/12
'	6805-195	Merced Center Parking Structure		781,507	-	781,507	Reclassified from CIP to Building on 6/26/12
		Subtotal		11,603,202	293,088	11,310,115	
		Land	APN				
'	4985-158	Land portion of the Parking Garage, 1801 "M" St.	031-054-027	394,404	-	394,404	
'	4985-159	Fire Stone 1805 "M" st.		49,900	-	49,900	
'	7572-00	Land portion of the Parking Garage	031-054-026	688,286	-	688,286	
		Subtotal		1,132,590	-	1,132,590	
		Improvement					
'	5090-64	Merced Center		53,146	9,965	43,181	
		Total Capital Assets		12,788,938	303,052	12,485,885	

Note: PFEDA board approved transferring of assets to Parking Authoring on March 5, 2012 and balances of capital assets are as of this date.



<u>Ref. #</u>	<u>Descriptions</u>
----------------------	----------------------------

3

Parking Garage (Merced Center Arcade)

Address: 1801/1085 "M" Street and 606 W. 19th Street ("M" Street between 18th and 19th)

APNs: 031-054-026 and 031-054-027

Purpose: Public parking structure providing free public parking . A portion of the parking structure is used for parking for the Merced College teaching facility located next door and the parking structure is also used as a parking lot for City employees. The property is located in the Public Parking District Zone, which requires that at least four hours of free parking per day be provided to the public. (Merced Municipal Code Chapter 20.40)



ADMINISTRATIVE REPORT

AGENDA
ITEM: H-3

MTG.
DATE: 11-24-05

TO: James G. Marshall, Executive Director/City Manager

FROM: Daniel Ainslie, Development Coordinator

DATE: November 7, 2005

SUBJECT: Merced Center Parking Garage - Project #104064

RECOMMENDATION:

Redevelopment Agency: Adopt a motion:

- A. Approving plans and specifications for the Merced Center Parking Garage Project, Project No. 104064, and
- B. Authorizing a call for bids.

City Council: Adopt a motion:

- A. Approving plans and specifications for the Merced Center parking Garage Project, Project No. 104064, and
 - B. Authorizing a call for bids.
-

POSSIBLE ACTIONS:

- 1. Adopt the motion as recommended by the Design and Review Commission and the Redevelopment Advisory Committee; or,
 - 2. Approve, subject to modifications as conditioned by Council/Agency; or,
 - 3. Deny the request completely; or,
 - 4. Refer back to staff for reconsideration of specific items as requested by Council/Agency; or,
 - 5. Continue item to a future Council/Agency meeting (date and time to be specified in City Council/Agency motion).
-

AUTHORITY:

Redevelopment sections of the California Health and Safety Code, as amended. Charter of the City of Merced, Section 200. Article IV of Title 3 of the Merced Municipal Code dealing with the requirements and procedures for public works contracts and notice inviting bids.

Executive Director/City Manager
November 7, 2005
Page 2

OVERVIEW: Development of the Merced Center Project is the first objective of the Redevelopment Agency's fiscal year 2005-06 budget. The project is comprised of four separate developments: a three deck parking structure, a five story business class hotel, a two story office/classroom building for Merced College and an approximately .4 acre parcel reserved for future development. The Redevelopment Agency is directly building the Parking Garage as a Public Works project.

BACKGROUND: The Merced Redevelopment Agency entered into an agreement with International Parking Design (IPD) for design services for the Merced Center Parking Garage on May 2, 2005. Since that time, Agency staff have worked closely with IPD to design a parking facility that achieves a balance between the mass required for a large parking structure and the appearance of a pedestrian oriented downtown streetscape.

Preliminary plans were presented to the Design Review Commission on August 24. The Redevelopment Advisory Committee reviewed the plans on September 20. Following both highly positive reviews, the final plans were presented to the Design and Review Commission on October 12. Having no comments on the design, the Design and Review Commission approved the plans and recommended approval of the plans to the City Council/Redevelopment Agency Board.

The Redevelopment Agency approved a pre-qualification procedure on October 3 to ensure qualified bidders. Pre-qualification packets were mailed to contractors on October 11 and are due on November 21.

Design: The final design includes 335 parking spaces and 10,180 square feet of leaseable retail and storage space. The plans also include public improvements surrounding the parking garage site including: antique green

streetlights, a new sidewalk with brick paver accents and installation of new street trees. In addition to these public improvements, the plans include the construction of a new 24 foot wide driveway to the west of the garage connecting 18th and 19th streets. This driveway will serve as the only access for the garage and the hotel and will serve as the service entry for the hotel.

The new garage design integrates the new structure with the established buildings of downtown Merced. The facades and color scheme compliment colors of surrounding structures including the Masonic Lodge, the Ralph Shannon Arcade and the Elks Lodge. Particular design attention was paid to the M and 18th street frontages. The large bulk of the building was varied in both height and depth in order to achieve a pedestrian scaling and avoid a cavernous feeling. All the façade materials used throughout the structure are of high quality and include: stucco, brick veneer, powder coated steel grilles and dryvit finish.

A portion of the garage frontages on M Street and 18th Street includes ground floor retail space. This concept is similar to that of the Ralph Shannon Arcade. The retail spaces will facilitate street front activity and encourage visitors and guests at the Merced Center to venture past the block and into downtown.

CONSTRUCTION TIMELINE: Construction is scheduled to begin in early spring of 2006 and last for approximately 42 weeks. Construction of the Merced Center Hotel and Merced College Building is also set to begin during this timeframe; however, the garage is scheduled to be completed before either of the other two components. The staging area for the construction will be on the remaining vacant parcel located at 19th and N streets. Additional overflow area is available on the courtyard between the Hotel and College building.

Executive Director/City Manager
November 7, 2005
Page 4

ENVIRONMENTAL CLEARANCE: The entire Merced Center Project has already undergone a complete California Environmental Quality Act Review.

BID DOCUMENTS: The plans and specification have been prepared by International Parking Design according to the Merced Redevelopment Agency criteria. The project will be advertised to the approved pre-qualified bidders after approval of plans and specification. Staff anticipates returning to the Agency to award a bid at a regularly scheduled meeting early in 2006. As the street and associated infrastructure is owned by the City, the City Council should also consider the plans and specification and formally act on the project in addition to the Redevelopment Agency.

CONCLUSION/RECOMMENDATION: Staff recommends approval of the plans and specifications for Project No. 104064 and authorization for a call for bids from contractors pre-qualified. Once bids are received, staff will return to the Agency with a recommendation for award.

RESPECTFULLY SUBMITTED:


Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:


William D. Cahill
Assistant City Manager

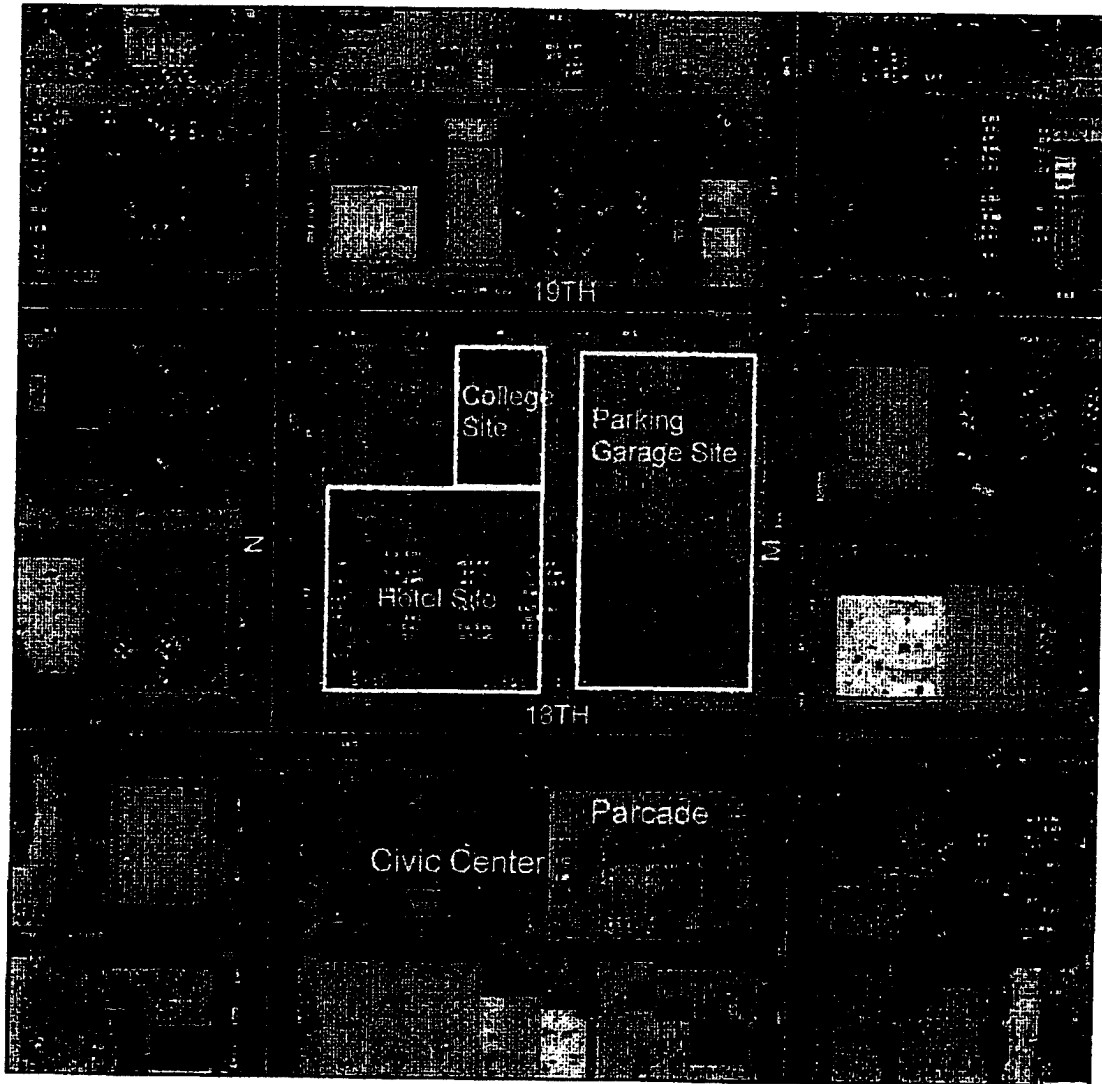
REVIEWED AND APPROVED:


James G. Marshall
Executive Director/City Manager

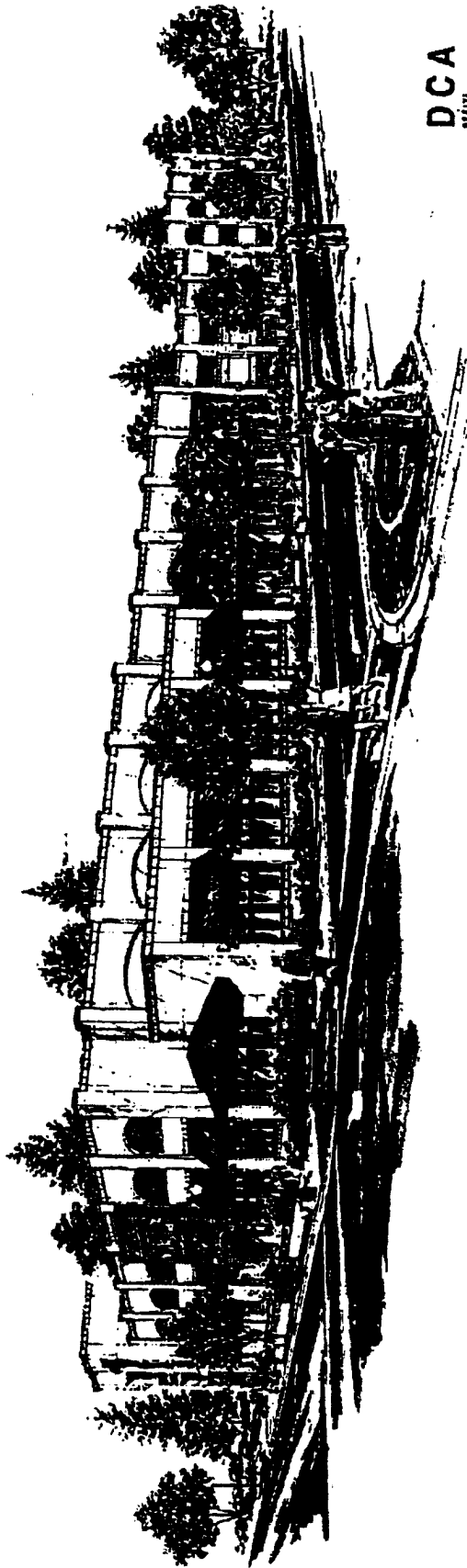
ATTACHMENTS

- A. Project Location Map
- B. Artist's Rendering
- C. Site Plan
- D. Elevations
- E. Landscaping

Merced Center Parking Garage
Subject Site



ATTACHMENT B



Merced Center Parking Structure
City of Merced, California

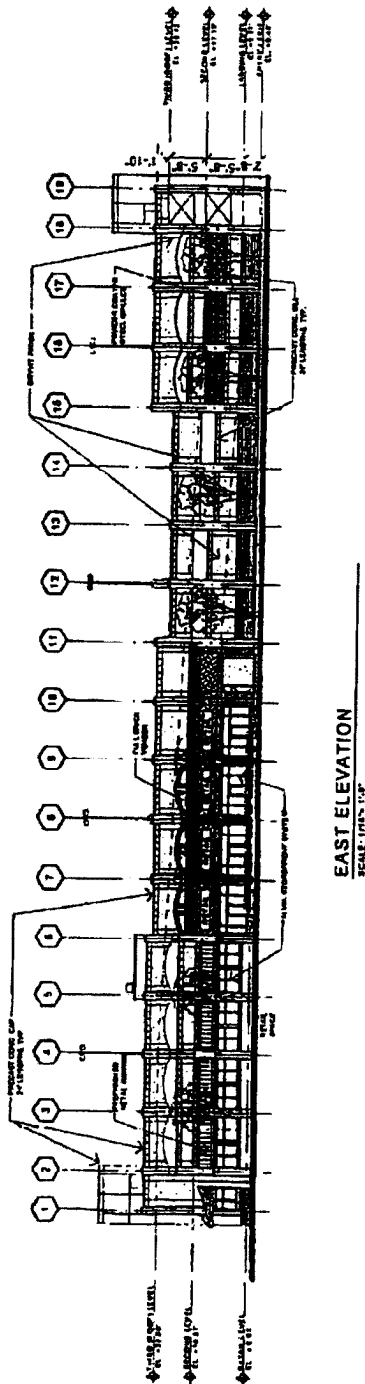
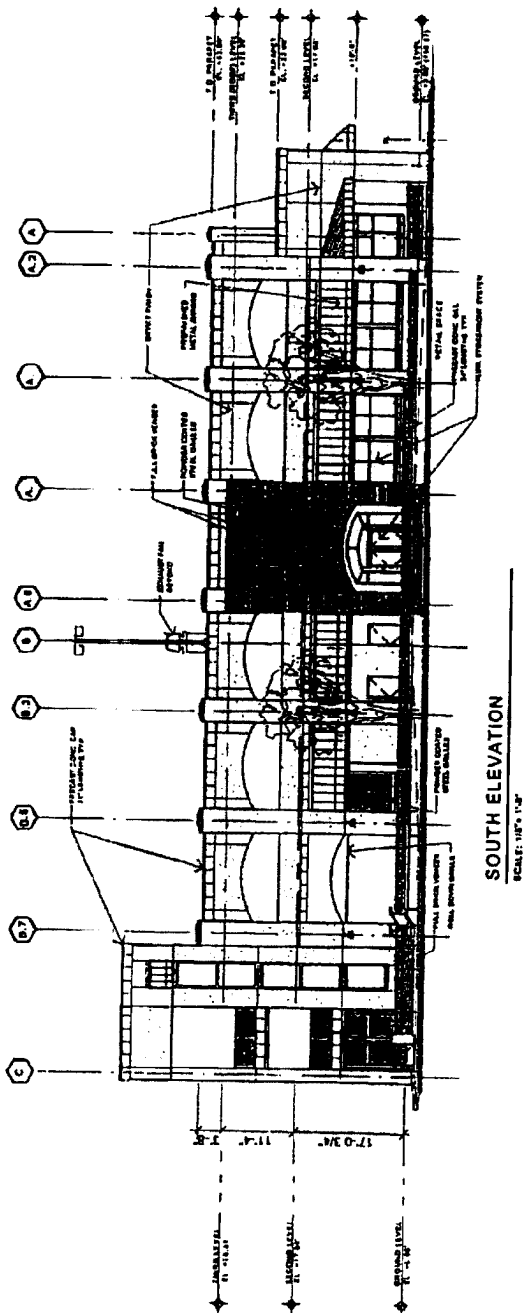
DCA
Design
Construction
Architecture

**International
Design, Inc.**
Architectural Firm
Merced, California

ATTACHMENT D

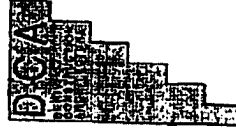
MERCED
CENTER
PARKING
STRUCTURE
for the
CITY OF
MERCED,
CALIFORNIA

Architect of Record
IRP International
Palo Alto, CA 94303
Tel: 650.321.1000
Fax: 650.321.1001
www.irp-international.com



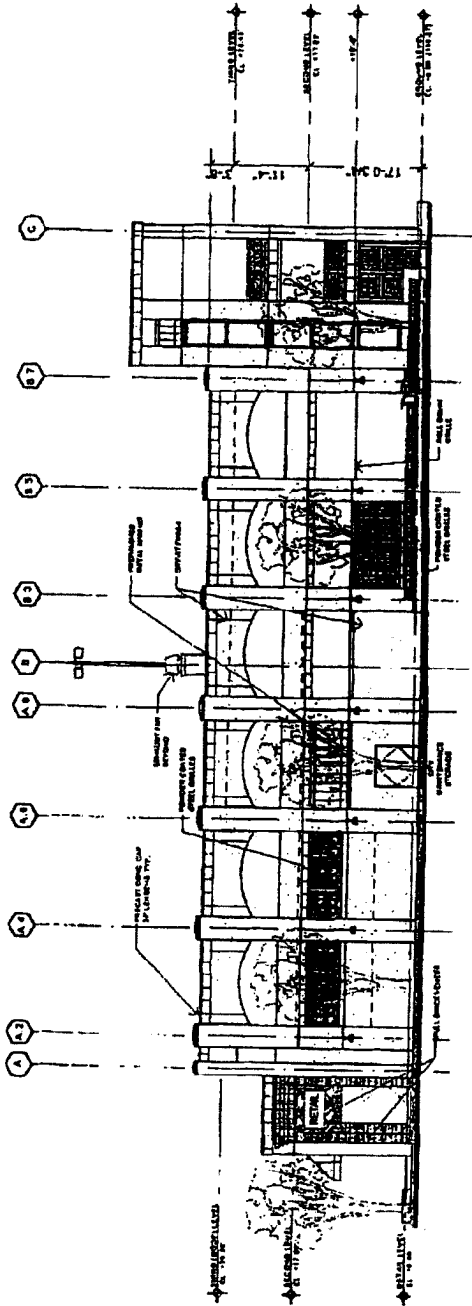
MERCER CENTER PARKING STRUCTURE for the CITY OF MERCED, CALIFORNIA

Architect / Engineer
REI International
Architectural
Design, Inc.
Architects, Engineers, Planners
and Scientists, Inc. 1000 North Zeeb Road
Merced, California 95324
Tel: (209) 385-1100
Fax: (209) 385-1101
www.rei-international.com



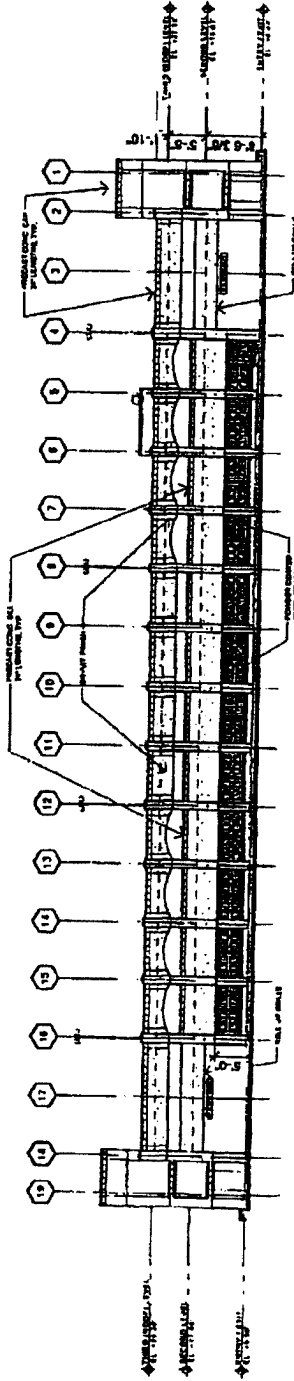
1000 North Zeeb Road
Merced, California 95324
Tel: (209) 385-1100
Fax: (209) 385-1101
www.dga.com

August 14, 2009





NORTH ELEVATION

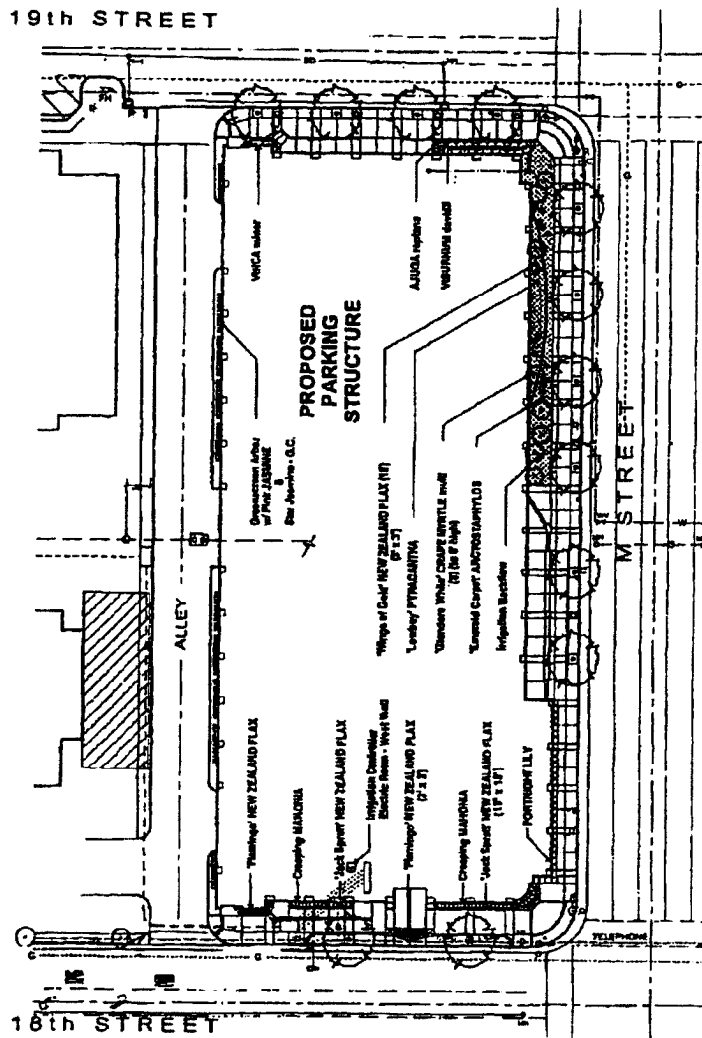
SCALE: 1/8" = 1'-0"



WEST ELEVATION

SCALE: 1/8" = 1'-0"

MERCED CENTER PARKING STRUCTURE for the CITY OF MERCED MERCED, CA	 International Professional Building, Inc. 10000 Wilshire Blvd., Suite 1000 Los Angeles, California 90024 Tel. (213) 709-1000	 DCA DESIGN CONSTRUCTION ARCHITECTURE 1500 North Vermont Street Berkeley, California 94709 Tel. (415) 863-1500	CONTRACT NO. 5312 PROJECT NO. 5312-01 DRAWING NO. 5312-01-01 DATE 11-1-89	SHEET NO. _____ OF _____ TITLE _____ DRAWN BY _____ CHECKED BY _____ DATE _____									
				PROJECT NO. _____ DRAWING NO. _____ DATE _____									



LANDSCAPE SITE PLAN
SCALE: 1" = 25'-0"



ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-2

MTG.
DATE:

9-15-08

TO: James G. Marshall, Executive Director

FROM: Joseph D. Angulo, Environmental Project Manager

DATE: September 15, 2008

SUBJECT: Award of Bid for the Merced Center Excavation Project - Project #108043 to Kroeker, Inc.

RECOMMENDATION: Adopt a motion:

- A. Awarding a Bid in the amount of \$129,638.20 to Kroeker, Inc. and approving the General Construction Contract (Attachment 2) for the Merced Center Excavation Project, (Project Number #108043);
 - B. Approving a License Agreement for property access between the Redevelopment Agency and Atman Hospitality Group Inc. (Attachment 3); and,
 - C. Authorizing the Executive Director to execute necessary documents.
-

POSSIBLE CITY COUNCIL ACTIONS:

- 1. Approve, as recommended by staff; or,
 - 2. Refer to staff for reconsideration of specific items; or,
 - 3. Deny.
-

AUTHORITY:

Article IV of Title 3 of the Merced Municipal Code deals with the requirements and procedures for public works contracts and notice inviting bids.

Redevelopment Sections of the California Health and Safety Code, as amended;
and Project Area No. 2 Plan, as amended.

CODE SECTION:

City Charter, Article XI, Section 1109 - Contracts on public works.

Every project involving an expenditure of more than fifty thousand dollars for the construction or improvement of public buildings, works, streets, drains, sewers, utilities, parks, and playgrounds shall be let by contract to the lowest responsible bidder after notice by publication in the official newspaper by one or more insertions, the first of which shall be at least ten days before the time for opening bids.

DISCUSSION:

Project History: The Merced Center subject properties, bounded by M Street, N Street, 18th Street and 19th S have been previously owned by the City of Merced and/or its Redevelopment Agency since the 1970s, having been acquired from several previous owners. The Merced Center subject parcels are: the Merced Community College Business Resource Center, the City parking garage facility and the proposed Merced Gaia Hotel.

In January 2006 a geotechnical boring was drilled in preparation for building construction. This led to the discovery of gasoline contamination in the soils beneath the proposed Merced Community College Business Resource Center parcel. Since the Redevelopment Agency of the City of Merced (Agency) was the property owner at the time of discovery, the Merced County Division of Environmental Health (MCDEH) subsequently named the Agency as the responsible party for the gasoline contamination found beneath three of the four parcels at the site. The Agency has not contested and has carried out site investigation and cleanup. Regulatory oversight of the project is conducted by the MCDEH as the lead agency but they must seek concurrence on groundwater related issues from the California Regional Water Quality Control Board, Central Valley Region (RWQCB). The contamination on the properties was suspected to have resulted from leaks in underground storage tank (UST) systems but this was not confirmed. There are no known active underground storage tanks in the vicinity of the properties.

The Agency sold the proposed Merced Gaia Hotel parcel to Mr. Wen Chang (Atman Hospitality, Inc.) in April 2006 under the terms of a Disposition and Development Agreement (DDA). This parcel has been used as a parking lot for over twenty years and has been surveyed at least twice for USTs and none have been found.

During 2006 and 2007, the Agency retained Kleinfelder Inc., a reputable environmental consulting firm, to investigate and remediate the contamination. Kleinfelder Inc. completed multiple activities including: soil borings, soil vapor monitoring, soil and groundwater sample analyses, human health risk assessments, and the operation of a soil vapor extraction treatment system to clean up the soils. These efforts resulted in the removal of a significant amount of the gasoline contamination at the site. But the source of the gasoline remained unknown and a localized plume containing elevated levels of gasoline exists in groundwater at the south-central portion of the block adjacent to the proposed Gaia Hotel, parking garage parcel and partially underlying West 18th Street.

The Kleinfelder Inc. human health risk assessments concluded that the remaining contamination posed an insignificant risk to human health and they requested site closure on the behalf of the Agency. Although concurring with the human health risk assessment of no significant threat, the MCDEH and RWQCB declined to issue regulatory closure due to the gasoline "hot spot" in groundwater. However, they did rule that the property could be developed. The design plans for the Merced Community College Business Resource Center and parking garage facilities were modified out of an abundance of caution to include vapor intrusion protective measures even though there was no significant risk to human health. After receiving design approval by the MCDEH and RWQCB, the two facilities were subsequently constructed and are currently in use.

The proposed Gaia Hotel design has also incorporated soil vapor protective measures out of an abundance of caution. These include plastic vapor barrier sheets under the building and passive venting of the concrete slab. But the hotel has not been built because the developer's financier will not loan funds until the site receives regulatory closure.

Current Status: On a positive note- the MCDEH announced in an August 21, 2008 letter their intention to issue site closure for the Merced Community College Business Resource Center parcel. The regulatory closure of the site will be issued pending the result of a thirty-day public comment period on the proposed action.

The other two parcels have not received MCDEH and RWQCB regulatory closure due to the gasoline plume in groundwater.

The discovery in July 2008 of new information relating to the historical use of the site changed the scope of the investigation. Fire Department records from the 1960's revealed that two 10,000-gallon gasoline USTs were located at a car wash business located on the southwest corner of the proposed Gaia Hotel parcel. This facility was inspected in 1968 and a Fire Department inspection report documents that a leak was present beneath a fuel pump dispenser. After receiving this new information the MCDEH agreed to supervise Agency staff obtaining two shallow soil samples at the site on July 25, 2008. Laboratory analysis of the two samples indicated that elevated levels of leaded gasoline are present in the location of the former UST system dispensers.

The presence of the shallow gasoline impacted soils would have been discovered during the initial construction phase of the proposed Gaia Hotel. Now the gasoline impacted soils have to be addressed to prevent potential exposures to construction workers at the site. Agency staff developed this excavation bid to protect future construction workers from exposure to gasoline in the soils as well as remove a potential source of the gasoline leaching to groundwater.

Once the excavation is complete, soil samples from the base and sides of the excavation will be submitted for laboratory analyses. Pending the results of these analyses, Agency staff will consult with and again request closure of the site from the MCDEH. The groundwater problem will likely require additional investigation and/or cleanup actions as mandated by MCDEH and the RWQCB, but this excavation will help move the site toward regulatory closure.

Mr. Wen Chang (Atman Hospitality, Inc.) has favorably granted the Agency access to the property to conduct this cleanup action. The License Agreement is included as Attachment 3.

Excavation Bids:

Since the amount of impacted soil and levels of contamination won't be known until the excavation proceeds, staff designed the bid package on a per unit basis for the removal of estimated quantities of "low", "medium" and "high" levels of contaminated soil.

The bids received are listed below. The bids were opened at 2:00 p.m. on September 4, 2008 with the following results:

- | | |
|----------------------------------|---------------|
| 1. Kroeker, Inc. | \$ 129,636.00 |
| 2. Jim Thorpe Oil, Inc. | - |
| 3. West Star Environmental, Inc. | - |

The Jim Thorpe Inc. bid was not valid because they did not submit a Bidder's Bond with their bid application in accordance with the City's requirements. The West Star Environmental bid was not valid because the insurance information they submitted did not conform to City requirements.

FUNDING:

Current appropriations in the 2008 – 2009 budget in Account No 843-2001-677.65-00-108043 are sufficient to cover the cost of the work.

RECOMMENDATION: Adopt a motion:

- A. Awarding a Bid in the amount of \$129,638.20 to Kroeker, Inc. and approving the General Construction Contract (Attachment 2) for the Merced Center Excavation Project, (Project Number #108043); and,
- B. Approving a License Agreement for property access between the Redevelopment Agency and Atman Hospitality Group Inc. (Attachment 3); and,
- C. Authorizing the Executive Director to execute necessary documents.

Executive Director
September 15, 2008
Page 6

Respectfully Submitted:



Joseph D. Angulo
Environmental Project Manager

Reviewed:



Michael Wegley
Acting City Engineer

Reviewed:



Bill Cahill
Assistant City Manager

Reviewed and Approved:



James G. Marshall
Executive Director

Attachments:

1. Bid Results
2. Contract
3. License Agreement

BID RESULTS #108043 Merced Center Excavation Project

Bid opening: Sept 4, 2008 at 2:00 p.m.

				West Star Environmental Fresno, CA		Kroeker, Inc CA		Fresno,		Jim Thorpe Oil, Inc CA		Lodi,
ITEM NO.	ITEM	UNIT OF MEASURE	ESTIMATED QUANTITY	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	
1	Permits, Bonds, Licenses & Insurance	LS	---	\$ 11,000.00	\$ 11,000.00	\$ 3,000.00	\$ 3,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
2	Public Convenience & Safety	LS	---	\$ 250.00	\$ 250.00	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
3	Excavation and Stockpiling	CY	570	\$ 52.10	\$ 29,697.00	\$ 55.53	\$ 31,652.10	\$ 26.22	\$ 14,945.40	\$ 26.22	\$ 14,945.40	
4	Backfill and Earthwork	CY	570	\$ 43.86	\$ 25,000.20	\$ 34.21	\$ 19,499.70	\$ 31.57	\$ 17,994.90	\$ 31.57	\$ 17,994.90	
5	Transport & Disposal of Low Level Soils	CY	260	\$ 92.31	\$ 24,000.60	\$ 92.00	\$ 23,920.00	\$ 111.53	\$ 28,997.80	\$ 111.53	\$ 28,997.80	
6	Transport & Disposal of Med. Level Soils	CY	260	\$ 92.31	\$ 24,000.60	\$ 130.64	\$ 33,966.40	\$ 111.53	\$ 28,997.80	\$ 111.53	\$ 28,997.80	
7	Transport & Disposal of High Level Soils	CY	50	\$ 144.00	\$ 7,200.00	\$ 232.00	\$ 11,600.00	\$ 111.53	\$ 5,576.50	\$ 111.53	\$ 5,576.50	
8	Work Stoppages and/or Delays	DY	1	\$ 1,500.00	\$ 1,500.00	\$ 3,500.00	\$ 3,500.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	
Total:				\$ 122,648.40		\$ 129,638.20		\$ 129,638.20		\$ 129,638.20		
												Non responsive
												\$162,121.40

GENERAL CONSTRUCTION CONTRACT

THIS CONTRACT made on _____, by and between the REDEVELOPMENT AGENCY OF THE CITY OF MERCED, a municipal corporation of the State of California, hereinafter called the Owner, and Kroeker, Inc., hereinafter called the Contractor:

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

1. **CONTRACT DOCUMENTS.** The complete contract consists of the following documents, to wit:

- (1) This General Construction Contract;
- (2) Faithful Performance Bond;
- (3) Laborers and Materialmens Bond;
- (4) Guaranty;
- (5) Special Provisions for PROJECT NO. 108043;
- (6) Amendments to the Standard Specifications;
- (7) Deleted;
- (8) Standard Specifications;
- (9) City Standards;
- (10) Proposal;
- (11) Instructions to Bidders;
- (12) Notice Inviting Bids;
- (13) Bidder's Bond;
- (14) Notice of Determination of Prevailing Wages;
- (15) List of Subcontractors and Material Dealers; and
- (16) Safety Provisions.

Any and all obligations of the Owner and the Contractor are fully set forth and described therein.

All of the above documents are intended to cooperate so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract are sometimes hereinafter referred to as the Contract Documents. In case of conflict between any of the documents, the order of documents first listed above shall be the order of precedence's, with the first item listed having the highest precedence.

2. **THE WORK.** Said Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete in a good and workmanlike manner all work of improvement in accordance with Contract Documents in the manner designated in, and in strict conformity with, the Plans and Specifications for PROJECT NO. 108043, which said Plans and Specifications are entitled, "MERCED CENTER EXCAVATION PROJECT," for construction in Merced County in Merced, and which were included in the award of bid made by the Agency on _____, 2008.

It is understood and agreed that said tools, equipment, apparatus, facilities, labor, transportation and material, except materials to be supplied by the Agency as designated in the Contract Documents, shall be furnished and said work performed and completed as required in said Plans and Specifications under the sole direction and control of the Contractor, and subject to inspection and approval of the Owner or its representative. The Owner hereby designates the City Engineer as its representative for the purpose of this Contract.

3. **CONTRACT PRICE.** The Owner agrees to pay, and the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and doing all work contemplated and embraced in this agreement to wit:

ITEM NO.	ITEM	UNIT OF MEASURE	ESTIMATED QUANTITY	UNIT PRICE	ITEM TOTAL
1	Permits, Bonds, Licenses & Insurance	LS	—	\$ 3,000.00	\$ 3,000.00
2	Public Convenience & Safety	LS	—	\$ 2,500.00	\$ 2,500.00
3	Excavation and Stockpiling	CY	570	\$ 55.53	\$ 31,652.10
4	Backfill and Earthwork	CY	570	\$ 34.21	\$ 19,499.70
5	Transport & Disposal of Low Level Soils	CY	260	\$ 92.00	\$ 23,920.00
6	Transport & Disposal of Med. Level Soils	CY	260	\$ 130.64	\$ 33,966.40
7	Transport & Disposal of High Level Soils	CY	50	\$ 232.00	\$ 11,600.00
8	Work Stoppages and/or Delays	DY	1	\$ 3,500.00	\$ 3,500.00

Total of Items 1 Through 8 \$129,638.20

4. **TERMINATION.** If the Contractor should be adjudged as bankrupt or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he or any of his subcontractors should violate any of the provisions of the Contract Documents, the Owner may serve written notice upon him and his surety of its intention to terminate the Contract; such notice to contain the reasons for such intention to terminate the Contract, and, unless within ten (10) days after serving of such notice such violation shall cease and satisfactory arrangements for correction thereof be made, the Contract shall, upon the expiration of said ten (10) days, cease and terminate.

In the event of any such termination, the Owner shall immediately serve written notice thereof upon the surety and the Contractor, and the surety shall have the right to take over and perform the Contract; provided however, that if the surety within fifteen (15) days after the serving upon it of notice of termination does not give the Owner written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty (30) days from the date of the serving of such notice, the Owner may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of the Contractor, and the Contractor and his surety shall be liable to the Owner for any excess cost occasioned the Owner thereby, and in such event the Owner may, without liability for so doing, take possession of and utilize in completing the work such materials, appliances, plant, and other property belonging to the Contractor as may be on the site of the work and necessary therefor.

5. **NOTICE AND SERVICE THEREOF.** Any notice from one party to the other under the Contract shall be in writing and shall be dated and signed by the party giving such notice, or by a duly authorized representative of such party. Any such notice shall not be effective for any purpose whatsoever unless served in the following manner; namely, (a) if the notice is given to the Owner, per personal delivery thereof to the City Engineer of said Owner, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to the Owner, postage prepaid and registered; (b) if the notice is given to the Contractor, by personal delivery thereof to said Contractor or to his duly authorized representative at the site of the project, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to said Contractor at **4627 S Chestnut Ave, Fresno CA 93725**, postage prepaid and registered; and (c) if the notice is given to the surety or any other person, by personal delivery to such surety or other person, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to such surety or person, as the case may be, at the address of such surety or person last communicated by him to the party giving the notice, postage prepaid and registered.

6. **ASSIGNMENT OF CONTRACT.** Neither the Contract nor any part thereof, nor moneys due, or to become due thereunder, may be assigned by the Contractor without the prior written approval of the Owner.

7. **CONTRACT SECURITY.** The Contractor shall furnish a surety bond in an amount at least equal to 100 percent of the contract price as security for the faithful performance of this Contract. The Contractor shall also furnish a separate surety bond in an amount at least equal to 100 percent of the contract price as security for the payment of all persons for furnishing materials, provisions, provender, or other supplies used in, upon, for, or about the performance of the work contracted to be done, or for performing any work or labor thereon of any kind, and for the payment of amounts due under the Unemployment Insurance Code with respect to such work or labor in connection with this Contract, and for the payment of a reasonable attorney's fee to be fixed by the court in case suit is brought upon the bond.

8. **INSURANCE.** The Contractor shall not commence work under this Contract until he has obtained all insurance required by Section 7-3 of the Standard Specifications, as amended, and such insurance has been approved by the General Counsel of the Owner, nor shall the Contractor allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish the Owner with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Contract, and particularly paragraph 9 hereof. *Endorsement for additional insured shall be submitted on standard form CG 20101185. Endorsement forms CG 20101001 and CG 20371001, when used together, are acceptable in lieu of CG 20101185 for Public Works projects.* Any policy of insurance required of the Contractor under this Contract shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to the Owner of any pending change in the limits of liability or of any cancellation or modification of the policy.

9. **HOLD HARMLESS.** The contractor will indemnify, defend, save, keep, and hold harmless, the Owner and all officers, employees, and agents thereof from all damages, costs, or expenses, in law or in equity, that may at any time arise or be set up because of personal injury or damage to property sustained by any person or persons by reason of, or in the course of the performance of said work, or by reason of any infringement or alleged infringement of the patent rights of any person or persons, firm or corporation, in consequence of the use in, on, or about said work, of any article or material supplied or installed under this Contract. It is understood that the duty of Contractor to indemnify and hold harmless

includes the duty to defend as set forth in Section 2778 of the California Civil Code. Notwithstanding the above, the Contractor shall, wherever it is necessary, keep and maintain at his sole cost and expense during the course of his operations under this Contract such warnings, signs, and barriers as may be required to protect the public. The provisions of the preceding sentence shall not impose any liability upon the Owner and are for the express benefit of the general public.

Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

It is expressly understood that Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should contractor desire any insurance protection, the Contractor is to acquire such protection at its expense.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

10. ACCIDENT PREVENTION. Precaution shall be exercised at all times for protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Industrial Accident Commission of the State of California.

11. PAYMENT. The Owner will make partial and final payment to the Contractor in accordance with Section 9-3.2 of the Standard Specifications, as amended, except that the Owner will retain the ten percent (10%) of the final payment amount until the expiration of thirty-five (35) days from the date of recording by Owner of notice of acceptance of completion of all work covered by this Contract, if such notice be recorded within ten (10) days after the acceptance of completion of such Contract; or, if such notice be not so recorded within ten (10) days, until the expiration of ninety-five (95) days after the acceptance of completion of such work of improvement, at which time and not before, Owner shall pay to Contractor the whole of the remaining ten percent (10%) of said contract price so held back as provided.

The payment of progress payments by the Owner shall not be construed as an absolute acceptance of the work done up to the time of such payments, but the entire work is to be subjected to the inspection and approval of the Owner and subject to whatever inspection and approval may be required by law.

12. CALIFORNIA LABOR CODE. The Contractor is aware of, and hereby agrees to comply with Sections 1770, 1773, 1776, and 1777.5 of the California Labor Code.

13. SUBSTITUTION OF SECURITIES FOR WITHHELD AMOUNTS. Pursuant to Section 22,300 of the Public Contracts Code of the State of California, securities may be substituted for any moneys withheld by a public agency to ensure performance under a contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the public agency, or with a State or Federally-chartered bank as the escrow agent, who shall pay such moneys to the Contractor upon satisfactory completion of the Contract.

Securities eligible for substitution under this section shall include those listed in Section 16430 of the Government Code of the State of California, or bank or savings and loan certificate of deposit.

The Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

Any escrow agreement entered into pursuant to this section shall contain, as a minimum, the following provisions:

- (a) The amount of securities to be deposited;
- (b) The terms and conditions of conversion to cash in case of the default of the Contractor; and
- (c) The termination of the escrow upon completion of the Contract.

14. TRENCHES AND EXCAVATIONS. Should the Contractor be required to dig trenches or other excavations that extend deeper than four (4) feet below the surface, then the following clauses shall apply:

- (a) The Contractor shall promptly, and before the following conditions are disturbed, notify the Agency in writing of any:
 - (1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law;
 - (2) Subsurface or latent physical conditions at the site differing from those indicated;
 - (3) Unknown physical conditions at the site of any unusual nature different materially from those ordinarily encountered, and generally recognized as inherent in work of the character provided for in the contract.
- (b) The Agency shall promptly investigate the conditions, and if it finds that the conditions do materially so differ or do involve hazardous waste and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, shall issue a change order under the procedures described in this contract.
- (c) In the event that a dispute arises between the Agency and the Contractor whether the conditions materially differ or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of or time required for performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

15. CLAIMS. This clause applies to all Contractor claims of three hundred seventy-five thousand dollars (\$375,000), or less, which arise out of this contract.

- (a) "Claim" means a separate demand by the Contractor for (1) a time extension, (2) payment of money or damages arising from work done by, or on behalf of, the Contractor pursuant to this contract, and payment of which is not otherwise expressly provided for or the Contractor not otherwise entitled to, or (3) an amount the payment of which is disputed by the Agency.
- (b) The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing herein shall extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims.
- (c) For claims of less than fifty thousand dollars (\$50,000), the Agency shall respond in writing to any written claim within forty-five (45) days of receipt of the claim or may request, in writing within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the Agency may have against the Contractor.
 - (1) If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the Agency and the Contractor.
 - (2) The Agency's written response to the claim as further documented shall be submitted to the Contractor within fifteen (15) days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information, whichever is greater.
- (d) For claims of over fifty thousand dollars (\$50,000) and less than, or equal to, three hundred seventy-five thousand dollars (\$375,000), the Agency shall respond in writing to all written claims within sixty (60) days of receipt of the claim or may request, in writing within thirty (30) days of receipt of the claim, any additional documentation supporting the claim, or relating to defenses or claims the Agency may have against the Contractor.
 - (1) If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the Agency and the Contractor.
 - (2) The Agency's written response to the claim as further documented shall be submitted to the Contractor within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater
- (e) If the Contractor disputes the Agency's written response, or the Agency fails to respond within the time prescribed, the Contractor may so notify the Agency, in writing, either within fifteen (15) days of receipt of the Agency's response, or within fifteen (15) days of the Agency's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the Agency shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.
- (f) If, following the meet and confer conference, the claim or any portion remains in dispute, the Contractor may file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2

(commencing with Section 910) of Part 3 of Division 3.6 of Title I of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits its written claim pursuant to Subdivision (b) until the time the claim is denied, including any period of time utilized by the meet and confer conference.

(g) The following procedures shall be followed for all civil actions filed to resolve claims subject to this clause:

(1) Within sixty (60) days, but no earlier than thirty (30) days following the filing or responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) days of the submittal, and shall be concluded within fifteen (15) days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

(2) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

(3) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

(h) The Agency shall not fail to pay money as to any portion of a claim which is undisputed, except as otherwise provided in this contract.

(i) In any suit filed under Section 20104.4, the Agency shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

IN WITNESS WHEREOF, three (3) identical counterparts of this Contract, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the day and year first herein written.

ATTEST:

JAMES G. MARSHALL
EXECUTIVE DIRECTOR

REDEVELOPMENT AGENCY OF THE
CITY OF MERCED, a Public Corporation
(Herein called Owner)

By: _____
Deputy Clerk

By: _____
Chairperson

APPROVED AS TO FORM:

By: _____
Kroeker, Inc.

By: _____
General Counsel

Contractor Print Name

ACCOUNT DATA:

TAXPAYER I.D. NO: 77-0275632

PROJECT NO. 108043

VENDOR NUMBER:

Contract No. _____

ADDRESS: 4627 S. Chestnut Ave

843-2001-677.65-00-108043 \$129,638.20

Fresno, CA 93725

PHONE: 559-237-3764

FAX: 559-268-3366

By: _____
Finance Officer Verification

(SEAL)

Recording requested by:)
Jesse W. Jack, Esq.)
When recorded, mail to:)
Jesse W. Jack, Esq.)
Law Offices of Jesse W. Jack)
211 San Mateo Avenue)
Los Gatos, California 95030)

Space above line for Recorder's use

LICENSE AGREEMENT

This License Agreement (hereinafter "Agreement") is made and entered into on this __ day of September, 2008 by and between Atman Hospitality Group, Inc., whose principal place of doing business is located at 395 Oyster Point Blvd., #213, South San Francisco, California 94080 (hereinafter the "Licensor") and the Redevelopment Agency of the City of Merced, a body corporate and politic of the State of California, whose principal place of doing business is located at 678 West 18th Street, Merced, California 95340 (hereinafter the "Licensee" or "Agency.")

WHEREAS, Licensor is the owner of certain real property situated in the City of Merced, Merced County, California commonly known and located at the northeast corner of 18th and "N" Street, Merced, California (hereinafter referred to as the "Property"); and

WHEREAS, Licensee is a redevelopment agency; and

WHEREAS, the Agency is conducting an environmental investigation at the property and is seeking bids to perform an excavation and disposal of gasoline impacted soils and the importation of clean material to fill the excavation, on the terms, conditions and specifications set forth in Redevelopment Agency "Notice of Inviting Bids, Bid Forms, Contract Documents, and Special Provisions ("Notice of Bids") for Project No. 108043 scheduled for opening on September 4, 2008; and

WHEREAS, the Agency needs the consent to access the Property to undertake the work described in "Notice of Inviting Bids."

NOW, WHEREFORE, in contemplation of the mutual covenants and conditions herein contained, the parties hereto agree as follows:

AGREEMENT

Section 1. Grant of License. For a valuable consideration, the receipt of which is hereby acknowledged, Licensor grants to Licensee, its employees, agents, and contractors, a license (hereinafter referred to as the "License") to access, enter onto and use the Licensor's land above described for the purpose of excavating and disposing of contaminated soils and the importation of clean material to fill the excavation in accordance with the contract terms and specifications contained in the "Notice of Bids" and any use incidental thereto on the Property.

Section 2. Incidental Rights. The License does not include any rights to use the Property except those set forth above.

Section 3. License Non Assignable. This License is personal to the Licensee and shall not be assigned. Any attempt to assign the License shall automatically terminate it. No legal title or leasehold interest in the Property is created or vested in Licensee by the grant of this License.

Section 4. Termination of License. This License shall terminate upon completion of the Excavation Project in accordance with the terms and conditions set forth in the "Notice of Bids" and the final inspection and approval by the City of Merced. Licensee shall provide Licensor written notice that the project has been completed in accordance with the specifications, inspected and approved. After receipt of said notice, Licensee shall remove all of Licensee's personal property from the Property and shall surrender possession of the Property to Licensor.

Section 5. Indemnity. Licensee as a material part of the consideration to be rendered to Licensor under this Agreement, shall indemnify Licensor against all claims, demands, liabilities and expenses arising out of claims for bodily injury or property damage and caused by or related to performance of the Excavation Project by the Agency, its agents, employees, contractors or subcontractors of any tier retained by the Contractor, including any claims for damages caused to adjoining properties. This indemnity shall not apply in the event of any negligence by Licensor.

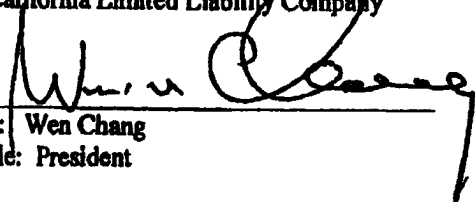
Section 6. Attorney's Fees. If any legal action or proceeding arising out of or relating to this Agreement is brought by either party to this Agreement, the prevailing party shall be entitled to receive from the other party in addition to any other relief that may be granted, the reasonable attorney's fees, costs and expenses incurred in the action or proceeding by the prevailing party.

Section 7. Entire Agreement. This Agreement constitutes the entire agreement between Licensor and Licensee relating to the License. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect. Any amendment to this Agreement shall be of no force and effect unless it is in writing and signed by Licensor and Licensee.

Executed on this ___ day of September, 2008 at the City of SOUTH SAN FRANCISCO
_____ County, State of California.

LICENSOR
ATMAN HOSPITALITY GROUP, INC.
a California Limited Liability Company

DATE: September __, 2008


By: Wen Chang
Title: President

LICENSEE
REDEVELOPMENT AGENCY OF THE
CITY OF MERCED
A body corporate and politic of the
State of California

DATE: September __ 2008

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Assistant Secretary

APPROVED AS TO FORM:

 9/10/08
KENNETH D. ROZELL Date
Deputy City Attorney IV