



CITY OF FIREBAUGH

OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE CITY OF FIREBAUGH REDEVELOPMENT AGENCY MEETING AGENDA

Location of Meeting: Firebaugh Community Center
1655 13th, Firebaugh, CA 93622
Date/Time: January 21, 2016/11:00 a.m.

CALL TO ORDER

ROLL CALL Ben Gallegos, Employee of Former RDA (City) Representative
Elsa Lopez, County Board of Supervisor Representative
Craig Knight, County Board of Supervisor Representative
Jack Minnite, City of Firebaugh Mayor's Appointed Representative
Conlin Reis, Special District Representative
Russell Freitas, County Superintendent of Schools Representative
Ken Stoppenbrink, Chancellor of Ca Community College Representative

PLEDGE OF ALLEGIANCE

CONSENT CALENDAR

BUSINESS ITEMS

1. **REVIEW A THE PROPERTY DISPOSITION PROCEDURE AND PURCHASE AND SALE AGREEMENT FOR 1320 N STREET AND 1458 11TH STREET.**

Recommended Action: Oversight Board receives public comment, Informational Item only.

2. **RESOLUTION NO. OB 16-01 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A CONTRACT WITH ROSENOW SPEVACEK GROUP, INC. TO PROVIDE CONSULTING SERVICES TO THE SUCCESSOR AGENCY IN FISCAL YEAR 2016-17.**

Recommended Action: Oversight Board receives public comment and approves Res. OB 16-01.

3. **RESOLUTION NO. OB 16-02 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2016 THROUGH JUNE 30, 2017 AND THE ADMINISTRATIVE BUDGET FOR JULY 1, 2016 THROUGH JUNE 30, 2017.**

Recommended Action: Oversight Board receives public comment and approves Res. OB 16-02.

ADJOURNMENT

Certification of posting the Agenda

I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, January 15, 2016 at 5:00 p.m. by Rita Lozano, Deputy City Clerk.



STAFF REPORT

TO: Oversight Board to Successor Agency to the Firebaugh Redevelopment Agency
FROM: Ben Gallegos, Interim City Manager
DATE: January 21, 2016
SUBJECT: Acceptance of Purchase Offers for Two LRPMP Properties

RECOMMENDATION:

Accept the Firebaugh Successor Agency's recommendation for a purchase offer and authorize the Successor Agency to enter into a Purchase and Sale Agreement and open escrow for purchase and development of the following Firebaugh Successor Agency properties:

- 1320 N Street; and
- 1458 11th Street

BACKGROUND AND OVERVIEW:

Assembly Bill ("AB") x1 26, amended by AB 1484 and Senate Bill 107, codified in the California Health & Safety Code ("H&SC") requires successor agencies to prepare a Long-Range Property Management Plan ("LRPMP") that addresses the disposition and use of the real properties of the former redevelopment agency. The Firebaugh Successor Agency ("Successor Agency") prepared a LRPMP, which was approved by the Oversight Board to the Firebaugh Successor Agency ("Oversight Board") on September 19, 2013 and by the Department of Finance ("DOF") on February 10, 2014.

Disposing LRPMP properties is complex process. AB 1484 required successor agencies to dispose of all former redevelopment agency properties, but provided little direction for how to go about doing this. In particular, the law did not clearly define the role of the Successor Agency and Oversight Board in the property disposition process. To provide greater clarity and transparency in the disposition process, the Successor Agency and Oversight Board adopted Disposition Procedures to govern the sale of all Firebaugh LRPMP properties. These Disposition Procedures were approved by DOF on May 23, 2014. A copy of the Disposition Procedures is included as Attachment 1.

The LRPMP prepared by the Successor Agency identified seven properties to dispose. Of those seven properties, the Fresno County Housing Authority purchased two properties in the summer of 2014 for the Gateway Project. The Successor Agency took several different approaches to disposing the remaining five properties.

- First, the Successor Agency issued a Request for Proposals (“RFP”) for the two properties located on N Street. The RFP solicited only two responses and the Successor Agency put the process on hold.
- Next, the Successor Agency entered into an agreement with Colliers International to market and sell the properties. Colliers cancelled this contract before they sold any properties.
- Lastly, the Successor Agency retained Rosenow Spevacek Group (“RSG”), the Successor Agency’s general consultant, to serve as real estate advisor and list the properties on the open real estate market.

RSG received several inquiries and offers to purchase the LRPMP properties. All offers were presented in detail to the Successor Agency during open and closed sessions at public City Council meetings. For the more coveted properties, the Successor Agency requested each potential buyer to communicate their plans for the property and propose a Schedules of Improvements. These plans were used in determining which offer to recommend to the Oversight Board. Section 203 of the Disposition Procedures lists factors to consider when deciding on a recommended offer to purchase a property. When reviewing each offer for the LRPMP properties and in selecting a recommended buyer, the Successor Agency took these factors into consideration.

ANALYSIS:

The Successor Agency received the following offers for **1320 N Street**:

#	Date Received	Buyer	Broker	Agent	Offer Price
1	9/21/2015	Elke Braun	Oro Financial	Chris Mathys	\$110,000
2	9/30/2015	Adnan Obaid	None	None	\$120,000
3	10/2/2015	Abdoo Yahya	Century 21	Lucy Salazar	\$110,000
4	11/10/2015	Pedro Perez	None	None	\$165,000

Recommendation: The Successor Agency recommends that the Oversight Board accept the offer from Mr. Adnan Obaid for \$120,000. An appraisal dated February 10, 2015 valued the property at \$95,000. Mr. Obaid, a local business owner, currently manages Fiesta Latino Market in Firebaugh. He stated that he possesses many years of business experience and that he would invest \$140,000 to renovate the abandoned building and make it presentable. Mr. Obaid plans to open a coffee shop similar to Starbucks, which is currently not available in Firebaugh. A higher offer was submitted by Mr. Pedro Perez. The Successor Agency considered Mr. Perez’s proposal but was not amenable to his plan of opening an auto repair shop on the property.

The Successor Agency received the following offers for **1458 11th Street**:

#	Date Received	Buyer	Broker	Agent	Offer Price
1	10/30/2015	Salvador and Isidro Vasquez	Century 21	Lucy Salazar	\$22,000
2		City of Firebaugh	None	None	\$3,250

Recommendation: The Successor Agency recommends that the Oversight Board accept the offer from the City of Firebaugh for \$3,250. An appraisal dated April 10, 2015 valued the property at \$22,000. The City of Firebaugh wants to ensure that the property is properly cleared for development. The existing condemned building was to be demolished by the former redevelopment agency. However, the dissolution of redevelopment agencies stalled the plan.

The property was listed for sale on September 8, 2015. On October 30, 2015, RSG received one offer at an offer price of \$22,000. The interested buyer withdrew their offer because they did not want to be financially responsible for clearing the condemned building. No other offers have been received for this property. The City of Firebaugh is proposing to purchase the site for the appraised value less \$18,750, the cost of site clearance. An estimate for the site clearance cost is included as Attachment 4.

Next Steps

The Successor Agency has prepared and presented, for execution, to the City of Firebaugh, a Purchase and Sale Agreements (“PSA”) for the properties listed above. The PSAs will be presented to the Oversight Board for acceptance and approval.

If the Oversight Board agrees with the Successor Agency’s recommendations today, the Successor Agency can execute the Purchase and Sale Agreements and open escrow. Once a property is in escrow, RSG will no longer accept offers for the property. In the interim, RSG will continue to accept offers and present them to the Successor Agency for consideration.

If the Oversight Board objects to the recommendation, the Successor Agency will continue to entertain new offers, review current offers, and consider an alternative recommendation.

FISCAL IMPACT:

Proceeds from the sale of Successor Agency LRPMP properties will be distributed to the local taxing entities through the Recognized Obligation Payment Schedule process.

ATTACHMENTS:

Attachment 1 – Property Disposition Procedures

Attachment 2 – Review Recommending a Purchase Offers to the Oversight Board for Purchase and Development of 1320 N Street

Attachment 3 – Review Recommending a Purchase Offers to the Oversight Board for Purchase and Development of 1458 11th Street

Attachment 4 – Estimate for Site Clearance of 1458 11th Street

PROPERTY DISPOSITION PROCEDURES

The Successor Agency of the Redevelopment Agency of the City of Firebaugh and the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Firebaugh

(100) PURPOSE AND INTENT

On February 1, 2012, pursuant to the Assembly Bill 1x 26 (Blumenfield), Division 24, Parts 1.8 and 1.85 of the California Health & Safety Code ("Dissolution Act"), the Redevelopment Agency of the City of Firebaugh ("Former Redevelopment Agency") was dissolved. In connection with the implementation of the Dissolution Act, the City of Firebaugh ("City") serves as the successor agency ("Successor Agency") to the Former Redevelopment Agency. The Successor Agency, as part of the wind-down of former redevelopment activities, is responsible for the ongoing maintenance, marketing, and disposition of assets, including real and personal property, of the Former Redevelopment Agency other than housing assets.

Assembly Bill ("AB") 1484, enacted in June of 2012, required all successor agencies to former redevelopment agencies to prepare a Long Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by former redevelopment agencies at the time of dissolution in 2012. The Successor Agency's PMP was adopted by Oversight Board Resolution No.13-10 on September 19, 2013 and by the California Department of Finance ("DOF") on February 10, 2014. As detailed in the PMP, the Successor Agency is disposing of seven (7) properties that will be sold and proceeds will be either used to fulfill enforceable obligations or will be remitted to the Fresno County Auditor-Controller for distribution to the taxing entities in accordance with the law. Section 34191.3 of the Health & Safety Code states that the PMP "shall govern, and supersede all other provisions relating to, the disposition and use of the real property assets of the former redevelopment agency."

PMP Properties to be Sold

Firebaugh Successor Agency

Address	APN	Acres	Current Zoning
1264 P Street	008-075-11	0.50	Residential
1238 P Street	008-075-03	0.33	Residential
1415 14 th Street	008-132-07	0.21	Commercial
1185 N Street	008-074-10	0.23	Commercial
1284 N Street	008-080-42	0.44	Commercial
1320 N Street	008-140-35	0.45	Commercial
1458 11 th Street	008-074-01	0.12	Commercial

However, the Dissolution Act does not define or otherwise include procedures or policies as to how properties will be disposed. Successor Agency staff has determined that the interests common to the affected taxing agencies ("Taxing Agencies") that receive

property taxes from the Firebaugh Redevelopment Project Area subject to the Firebaugh Redevelopment Plan previously adopted by the City Council ("Project Area"), and the interests of the community, will be best served by adopting these Disposition Procedures. Purposes and objectives of these Disposition Procedures include:

- i. Establishing a process that shall generally be applicable to the solicitation and submittal of offers and for the disposition of PMP properties that will promote orderly planning, marketing, and disposition;
- ii. Establishing a process will tend to promote efficiency and avoid duplicative efforts; and
- iii. Establishing a process will promote the establishment of standards of the Successor Agency and Oversight Board with respect to remarketing of, and solicitation and receiving offers relating to PMP properties.

Successor Agency staff intends that these Disposition Procedures will provide an orderly process for disposition, and provide interested parties an opportunity to:

- i. Review and identify their interests, if any, in acquiring all or a part of the Former Redevelopment Agency property(ies);
- ii. Submit development proposals, to receive good faith evaluation and consideration by the Successor Agency and Oversight Board of complete development proposals; and,
- iii. Acquire PMP properties if a development proposal is selected by the Successor Agency and Oversight Board.

(200) DISPOSITION PROCEDURES FOR PMP PROPERTIES

A primary objective of these Disposition Procedures is that the Successor Agency and Oversight Board obtain clear information on the capability of bidders to not only acquire, but to develop expeditiously, for development(s) that maximize(s) the value of the property(ies) and benefits affected taxing agencies. The Successor Agency acknowledges an express policy hereunder is that land banking (acquisition with no plan for development in the foreseeable future) generally will not result in expeditiously maximizing the value of PMP properties under the Dissolution Act. Therefore, interested parties who desired to acquire one or more PMP properties must follow the procedures that are set forth in these Disposition Procedures.

(201) Request for Proposals

- A. The Successor Agency will actively advertise all PMP properties that it wishes to sell. Examples include but are not limited to posting descriptions of the properties on the City's website, posting advertisements in real estate publications or online forums, or enlisting the services of real estate professionals. This is intended to generate interest in the properties and publicize their availability.

B. Working cooperatively with the Oversight Board, the Successor Agency may prepare a Request for Proposals ("RFP") for specific properties and post it to the City's website, mailed via first class mail to developers or parties that have requested such proposal in writing prior to the date of issuance, and other developers or parties at the Successor Agency's discretion. For marketing purposes and in an effort to achieve an orderly process and avoid concurrent exposure of a number of PMP properties that may confuse the marketplace or degrade marketability, the number of properties requested in the RFP is subject to the sound discretion of the Successor Agency. Each RFP shall include the following information:

- i. A description of the property(ies), consisting of a map, references to applicable land use policies and development standards, and a description of the intended redevelopment purpose of the property(ies);
- ii. Contact information for questions pertaining to the property(ies) and underlying land use policies and development standards;
- iii. The terms and conditions of sale or other disposition;
- iv. A description of the form and content of complete responses to the RFP, including but not limited to:
- v. Other information as determined by the Successor Agency.

(202) Submitting a Proposal

A. Parties interested in acquiring an identified asset or assets may submit a development proposal at any time until the property is sold and the sale is approved by the Oversight Board and DOF.

B. Proposals shall include the following:

- i. The proposed total consideration for the property(ies) and information supporting the offer price;
- ii. Any proposed alterations to the terms and conditions of sale, including the timeframe for closing;
- iii. The proposed uses must conform to the requirements, intent, goals, and objectives of the City General Plan, zoning, other applicable development standards, and other applicable federal, state and local laws, codes and regulations
- iv. A development program of sufficient detail to assure the Successor Agency and Oversight Board as to how and when the bidder intends to fulfill the intended use of the property(ies) pursuant to Section 201(B)(i) above and the time line for completion of the project.

- v. An explanation or analysis of the economic benefits of the proposed project to the City, other affected taxing agencies and the community.
- C. Interested parties shall provide such additional information as may be reasonably requested by the City Staff or the Successor Agency.
- D. Efforts to remarket PMP properties shall be conducted through the Successor Agency, as provided in these Disposition Procedures. In the event one or more affected taxing agencies has a potential prospect to submit a proposal for one or more of the properties, any such proposal shall be subject to the submittal and other components of these Disposition Procedures.
- E. All costs associated with submitting a proposal shall be borne solely by the applicant submitting such document(s).
- F. Costs incurred by the Successor Agency in the implementation of these Disposition Procedures shall be treated as Asset Disposition Costs (not part of the administrative cost allowance) for purposes of the Recognized Obligation Payments Schedule ("ROPS") of the Successor Agency; the ROPS includes a line item for these costs and may be amended from time to time to incorporate exact costs associated with these activities. Includable as costs are such items as: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the Disposition of property(ies), such as unpaid and outstanding tax liens or judgments. Costs so incurred by the Successor Agency may be paid from either the Redevelopment Property Tax Trust Fund (Section 34170.5(b) of the Dissolution Act) or the first proceeds from the remarketing of property(ies) as an above-the-line item before proceeds are spread among affected taxing agencies.
- G. The Successor Agency, through its staff, consultant(s) and counsel(s), will review proposals upon receipt thereof, and shall notify applicants whether the development proposals submitted comply with the requirements of these Disposition Procedures and have been determined to be complete or incomplete. In the event the Successor Agency staff notifies an applicant submitting a proposal that the proposal is incomplete or that additional information is required, such applicant may be allowed fifteen (15) days from such notification to complete and resubmit its proposal, or such greater period as the Successor Agency may determine in its reasonable discretion as may be appropriate for the gathering of necessary information. The failure to provide such additional information and resubmit the revised proposal in a timely manner shall automatically disqualify such proposal from any further consideration and shall be deemed a rejection by the Successor Agency of such proposal. Notwithstanding the foregoing, initial proposal submissions that do not include or address all of the required items may, in the discretion of the Successor Agency staff, be rejected without an opportunity for resubmission.

(203) Successor Agency and Oversight Board Evaluation of Proposals

- A. The Successor Agency shall consider in good faith all proposals timely submitted by interested parties, and determined by Successor Agency staff to be complete. Proposals shall be evaluated by the Successor Agency with consideration of factors determined by the Successor Agency to maximize the value of the asset in question as well as furthering the objectives of the City's General Plan.
- B. The Successor Agency will submit all complete proposals to the Oversight Board for review. The Successor Agency will provide the Oversight Board with proposal recommendations.
- C. The Oversight Board shall evaluate all proposals with consideration of factors which may include, but are not limited to, some or all of the following (the following factors are not listed in any particular order of ranking):
 - i. The economic benefits to the City, the taxing entities, and the community, if the proposal were to be approved and the proposed project is implemented;
 - ii. Conformity of the proposal, including proposed uses, with the requirements, intent, goals, and objectives of the City's General Plan, any specific plans, applicable redevelopment criteria specified by the Successor Agency in the RFP as provided in Section 201, zoning, other development standards, and other applicable federal, state and local laws, codes and regulations;
 - ii. Quality of design and project concept;
 - iii. The employment opportunities and economic benefits to the City that can be reasonably expected to result from the implementation of the proposal;
 - iv. The qualifications, experience and references of the applicant or its developer entity team proposed to develop the project described in the proposal, including financial capacity to undertake the project, specific prior experience with similar development, quality of prior development projects, degree of site control, ability to obtain financing both construction and permanent, ability to abide by City design and development standards and controls, and readiness to proceed;
 - v. The estimated cost, if any, of City financial involvement, including the provision of City public services, subsidies, or public improvements required if the proposal is accepted, and the availability of sufficient City funds to pay such costs;
 - vi. The probability of successful implementation of the proposal;
 - vii. The probability of realization of a substantial portion of the economic benefits attributable to a proposed project;

- viii. The time schedule for completion of the proposed project;
 - viii. The environmental benefits or impacts of the proposed development, and evaluation of the cost and method of mitigation of such impacts, if any;
 - x. Likelihood of closing the sale of the subject property(ies), including without limitation the scope of environmental review required, the cost to process such environmental review, the willingness (or not) of the proponent to pay for processing, and whether there are any further contingencies to closing contained in the proposal;
 - xi. The impact of the proposal on existing buildings and improvements; and
 - xii. The merits of the proposal relative to the merits of other proposals for the same proposed development property(ies) or for other sites within the City.
- D. The Oversight Board may choose to accept or reject the Successor Agency's recommendations.
- i. If the Oversight Board rejects the Successor Agency's recommendation, the proposals will be submitted to the Successor Agency again for reconsideration.
 - ii. If the Oversight Board accepts the Successor Agency's recommendation, the Oversight Board can take formal action to approve the proposal. Successor Agency staff will forward the Oversight Board action to the DOF for final approval.
- E. Upon approval from the DOF, Successor Agency staff is authorized to negotiate with the interested party. In the interest of time, the Successor Agency may submit various proposals and a Purchase and Sale Agreement with the recommended buyer to the Oversight Board for simultaneous consideration.

(204) Negotiating Agreements

Successor Agency staff shall use good faith efforts to 1) negotiate with a project proponent, 2) negotiate exclusively with a particular proponent at the discretion of the Successor Agency and Oversight Board, and 3) develop a sales contract with a selected applicant whose proposal has been selected or conditionally selected by the Successor Agency and Oversight Board. The purpose of any such Negotiating Agreement is to establish a time period during which the chosen applicant shall have the right to negotiate the terms and conditions of a sales contract.

(205) Final Oversight Board Approval

Once Successor Agency staff prepares a Purchase and Sale Agreement, the Successor Agency will seek final approval from the Oversight Board to confirm compliance with the PMP and that the sale of the property is in the best interest of the taxing entities. Approval of a Purchase and Sale Agreement requires at least 10 days' notice to the public pursuant to Section 34181(f).

(300) PROCEDURE FOR AMENDING DISPOSITION PROCEDURES

The Oversight Board or Successor Agency may amend these Disposition Procedures at a regular or special meeting upon the giving of at least thirty (30) days prior notice to all of the members of the Oversight Board or Successor Agency. Both bodies must agree to concurrently amend these Disposition Procedures.

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
(1320 N Street; Adnan Obaid)

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("PSA"), dated for reference purposes only as of December __, 2015, is by and between the City of Firebaugh, a municipal corporation, as Successor Agency to the Firebaugh Redevelopment Agency ("Successor Agency" or "Seller"), and Adnan Obaid ("Purchaser"). Seller and Purchaser are referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. Seller is the fee owner of approximately 19,602 square feet of real property located at 1320 N Street in the City of Firebaugh, Fresno County, California, described as Assessor's Parcel Number 008-140-35 and more particularly described in the Legal Description attached hereto as Exhibit A, attached hereto and incorporated herein, including all improvements located thereon ("Property"); and all rights, privileges, easements and appurtenances to the Property, if any, including, without limitation, all of Seller's right, title and interest, if any, in and to all minerals, oil, gas and other hydrocarbon substances, development rights and water stock relating thereto; and all of Seller's right, title and interest in and to any easements and other appurtenances used or connected with the beneficial use or enjoyment of the Property together with Seller's interest in and to any architectural, site, landscaping, or other permits, applications, development rights or agreements, licenses, approvals, certificates, authorizations and other entitlements, will serve letters, transferable guarantees and warranties covering the Property, all contract rights (including rights under the Service Contracts as hereinafter defined), books, records, reports, test results, environmental assessments, as-built plans, specifications and other similar documents and materials relating to the use or operation, maintenance or repair of the Property or the construction or fabrication thereof, and all transferable utility contracts relating to the Property, to the extent assignable and accepted by Purchaser.

B. In December 2011, a California State Supreme Court ruling on the constitutional validity of two 2011 legislative budget trailer bills, Assembly Bill ("AB") 1X 26 (Chapter 5, Statutes of 2011) and AB1X 27 (Chapter 6, Statutes of 2011), resulted in the outright elimination of all 425 redevelopment agencies in the State of California. The dissolution procedures under AB1X 26 include a process for the disposition and/or transfer of assets, including property holdings of former redevelopment agencies. Subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012), which was passed, signed, and enacted on June 28, 2012, made significant changes to the provisions of AB1X 26, including the process for asset management/disposition/transfers. Senate Bill ("SB") 107, which was signed by the Governor on September 22, 2015 also made changes to the property disposition provisions of AB1X 26 and AB 1484. All three pieces of legislation are herein referred to as the Dissolution Act.

C. Under the Dissolution Act, the Property is subject to the disposition process requiring the State Department of Finance ("DOF") to approve a Long-Range Property Management Plan ("PMP") prepared by the Successor Agency describing the proposed sale of

properties owned by the Successor Agency, including the Property. The Property is also subject to the Property Disposition Procedures, attached hereto as Exhibit B, adopted by the Successor Agency to the Redevelopment Agency of the City of Firebaugh ("Successor Agency") on April 15, 2015 and the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Firebaugh ("Oversight Board") on May 15, 2015.

D. Seller desires to sell, and Purchaser desires to purchase, the Property, all in accordance with the terms set forth below.

TERMS & CONDITIONS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Purchaser agree as follows:

1. **Sale.** On the terms contained herein and subject to the conditions of this PSA, Purchaser hereby agrees to purchase from Seller, and Seller agrees to sell to Purchaser the Property, on the Closing Date (as defined in Section 12).

2. **Acceptance.** Within three (3) Business Days from Oversight Board approval, Seller shall accept and execute PSA ("Acceptance"). The PSA shall be deemed accepted upon approval by the Oversight Board and full execution by the Seller and Purchaser.

3. **Opening of Escrow.** Within three (3) Business Days of Acceptance, the parties shall open an escrow ("Escrow") with Escrow Holder by causing an executed copy of this PSA to be deposited with Rick Jacobsen, Escrow Officer, Orange Coast Title Company, 3536 Concours, #120 Ontario, CA 91764, Telephone: (909) 987-5433, Email: rickj@octitle.com ("Escrow Holder"). Escrow shall be deemed open on the date that a fully executed copy of this PSA is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder's execution of this PSA ("Opening of Escrow").

4. **Purchase Price.** The purchase price for the Property ("Purchase Price") shall be in the amount of One Hundred Twenty Thousand and 00/100 Dollars (\$120,000.00), which the Seller and Purchaser agree to be the fair market value of the Property. The Purchase Price shall be paid as follows:

4.1 **Deposit.** Upon receipt by Purchaser of a signed copy of this PSA from Seller, and acceptance of the terms and execution of this PSA by Purchaser, Purchaser shall, within five (5) Business Days thereafter, deposit the sum of Five Thousand and 00/100 Dollars (\$5,000.00) ("Deposit") with the Escrow Holder, to be held in escrow for the benefit of the parties and applied against the Purchase Price at Closing (as defined in Section 12) or refunded or forfeited in accordance with the terms of this PSA.

The Deposit shall be held by Escrow Holder in an interest-bearing account and any interest earned and accrued on the Deposit shall become part of the Deposit. The Deposit shall be fully refundable to Purchaser on or before the expiration of the Contingency Period and any Extended Contingency Periods without need for further instruction or approval of the Parties. In the event Purchaser expressly waives contingencies in writing and elects to continue and does not terminate this PSA on or prior to the expiration of the Contingency Period, the

Deposit shall become immediately non-refundable and held in Escrow, except in the event of a Seller default, a failure of a condition precedent in favor of Purchaser (other than contingency items required to be approved during the Contingency Period or Extended Contingency Period), or as otherwise specifically set forth in this PSA, but in all events the Deposit shall be applicable to the Purchase Price. If the purchase and sale of the Property is not consummated because of a default under this PSA on the part of Purchaser after the expiration of the Contingency Period or Extended Contingency Period, the Escrow Holder shall disburse the Deposit to Seller as liquidated damages pursuant to Section 10.1 below.

4.2 Cash at Closing. Upon the Escrow Holder's receipt of all Closing Items (as defined in Section 5), Purchaser shall deposit with the Escrow Holder, in cash, by certified check or by wire transfer of immediately available funds the balance of the Purchase Price less the Deposit plus or minus closing pro-rations, adjustments, and costs related to the Closing. The Purchase Price shall be disbursed to Seller by the Escrow Holder upon confirmation of the recordation of the Deed (as defined in Section 5.1.1) in the Official Records of Fresno County.

5. Closing Deliveries to Escrow Holder.

5.1 By Seller. Seller hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder within one (1) Business Day prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Purchaser.

5.1.1 Deed. An executed grant deed in the form attached hereto as Exhibit C ("Deed").

5.1.2 Non-Foreign Certification. Seller shall deliver to Escrow Holder a certification duly executed by Seller under penalty of perjury in the form of, and upon the terms set forth in, the Transferor's Certification of Non-Foreign Status ("FIRPTA Certificate"), setting forth Seller's address and federal tax identification number and certifying that Seller is a "United States Person" and that Seller is not a "foreign person" in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

5.1.3 Closing Statement. An executed settlement statement reflecting the pro-rations and adjustments required under Section 10.

5.1.4 Closing Documents. Any additional tax forms, recordation forms, 1099s or other documents as may be reasonably required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this PSA.

5.1.5 Cash Pro-rations. The amount, if any, required of Seller under Section 10.

5.2 By Purchaser. Purchaser hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder on or prior to the Closing Date the following instruments and

documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Seller.

5.2.1 Purchase Price. Purchaser shall deliver to Escrow Holder the Purchase Price in accordance with Section 4.

5.2.2 Preliminary Change of Ownership Report. Purchaser shall deliver to Escrow Holder a Preliminary Change of Ownership Report completed in the manner required in Fresno County.

5.3 Additional Closing Items. Each party shall also execute and deliver to the Escrow Holder such documents, certificates and instruments as may customarily be required in transactions of this type. The items required to be submitted to the Escrow Holder pursuant to this Section and Sections 5.1 and 5.2 are referred to herein collectively as the "Closing Items."

6. **Title**. As evidence of title, within five (5) days of the Opening of Escrow, or as soon thereafter as is reasonably practical, the Seller shall deliver to the Purchaser a commitment for an owner's policy of title insurance with standard exceptions ("Title Insurance Commitment") issued by Orange Coast Title Company (Rick Jacobsen, Escrow Officer, Orange Coast Title Company, 3536 Concours, #120 Ontario, CA 91764, Telephone: (909) 987-5433, Email: rickj@octitle.com) ("Title Company"), in the amount of the Purchase Price (or such amount as required by Purchaser), dated later than the Opening of Escrow, and guaranteeing the title in the condition required for performance of this PSA, together with copies of all documents shown in the commitment as affecting title ("Title Documents") and a scaled and dimensioned plot showing the location of any easements on the Property. At Closing, the Seller shall pay the premium for a CLTA standard coverage owner's policy.

The Purchaser shall have thirty (30) days from receipt of the Title Insurance Commitment and Title Documents to inspect the state of the title and matters affecting title, and to object to the matters shown thereby. Failure to object in writing within the above period shall constitute a waiver of the Purchaser's objections to title. If the Purchaser objects to any matter disclosed by the Title Insurance Commitment or Title Documents, then the Seller shall have ten (10) Business Days from the date it is notified in writing of the particular defects claimed, to elect, in its reasonable discretion, either: (1) to remedy the title defect that is the subject of the Purchaser's objection, or (2) not remedy the title defect that is the subject of the Purchaser's objection, at Seller's option: Seller's election shall be communicated in writing to Purchaser. If Seller elects not to remedy such title defect, then Purchaser shall have two (2) Business Days following receipt of Seller's notification under the preceding sentence to elect to either (x) waive its title objection and accept title subject to the alleged title defect, or (y) terminate this PSA and receive a refund of the Deposit.

Seller may cure any title objection that may be cured by the payment of a sum certain (such as existing mortgages, land contracts and other liens) by paying or depositing that sum at Closing.

Notwithstanding the foregoing, Purchaser hereby objects to all liens evidencing monetary encumbrances (other than liens for non-delinquent general real property taxes to be paid by

Purchaser under this PSA) and Seller agrees to cause all such liens to be eliminated at Seller's sole cost (including all prepayment penalties and charges) prior to the Closing Date. At the Closing, Seller will provide the Title Company with a commercially reasonable owner's affidavit, which will include a representation by the Seller (if accurate as of the Closing) that will allow the Title Company to issue an endorsement to Purchaser's title policy against potential mechanic's and materialmen's liens; provided, however that if such representation is not accurate, Seller will work with the Title Company to provide alternative assurances to allow the Title Company to issue to Purchaser such lien endorsement at the Closing.

Notwithstanding anything to the contrary contained in this PSA, if, at any time prior to the Closing, any updates to the Title Insurance Commitment are received by Purchaser, Purchaser shall have ten (10) Business Days (regardless of the date) following Purchaser's receipt of such update and legible copies of all underlying documents referenced therein (that were not referenced in the Title Documents previously provided to Purchaser) to notify Seller of objections to items on any such updates ("Title Updates"). Purchaser, at its sole election, may hire a land surveyor for the purpose of preparing an ALTA survey for the Property (the "Survey"). Notwithstanding the foregoing, Purchaser shall have ten (10) Business Days after receipt of the Survey to object to any matters of survey in writing to Seller, in which event the procedure set forth in this Section shall apply to such Survey objections.

7. **Possession.** Unless this PSA is earlier terminated pursuant to the terms hereof, the Seller shall deliver and the Purchaser shall accept possession of the Property on the Closing Date, without any rights of tenants or any other party in possession.

8. **Conditions to Closing.** Seller's obligation to sell and Purchaser's obligation to purchase the Property shall be subject to and expressly conditioned upon satisfaction (or waiver) of the following conditions precedent to the Closing set forth in Sections 8.1 through 8.3, which shall be exclusively for the benefit of Seller and Purchaser.

8.1 Financial Information. This is an all cash purchase. This contract is not contingent on financing. No loan is needed to purchase the property. The offer is NOT contingent on the Purchaser obtaining a loan. Purchaser shall provide Seller with written verification of sufficient funds to close this transaction within five (5) days after Acceptance.

8.2 DOF Approval. Purchaser acknowledges that this PSA shall be expressly contingent upon and subject to the approval by the DOF of the sale of the Property ("Final Approval Date"). Seller shall give Purchaser prompt written notice once the Final Approval Date has occurred. Purchaser shall have the right to terminate this PSA by written notice to the Seller if DOF approval is not obtained by the Seller within three hundred sixty-five (365) days following the Opening of Escrow.

8.3 Schedule of Performance. The Parties agree to the Schedule of Performance and the times set in the Schedule of Performance, attached hereto as Exhibit "D."

8.4 Schedule of Improvements. The Parties agree to the Schedule of Improvements and the times set in the Schedule of Improvements, attached hereto as Exhibit "E." The improvements and timeline listed in the Schedule of Improvements were provided by

the Purchaser. The Schedule of Improvements shall be a separate agreement to be recorded against the property. Pursuant to Section 10.2, the Seller shall be responsible for the cost of recording.

9. Purchaser's Contingencies, Contingency Period, Survey and Development Approvals. Within one hundred eighty (180) calendar days following the Opening of Escrow (the "Contingency Period"), Purchaser shall have the right to perform and to seek any and all necessary investigations, inspections and approvals necessary to develop and operate the Project at the Property, as described in Sections 9.1, 9.2, and 9.3:

9.1 Review and Approval of Documents and Materials. Within ten (10) days of the Opening of Escrow, Seller shall deliver to Purchaser any and all documents, reports, surveys, environmental assessments, engineering reports, building plans and blueprints for the Property and other materials in Seller's possession or under its control or that of its agents, respecting the Property, including any Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties, any Natural Hazard Zone Disclosure Report, and all lease agreements relating to any tenant or occupant then occupying the Property (collectively, "Materials"). During the Contingency Period, Purchaser may review and evaluate the Materials to determine whether the Property is appropriate for Purchaser's proposed use, in its sole discretion.

9.2 Purchaser's Due Diligence & Survey. During the Contingency Period or Extended Contingency Period, the Purchaser and its agents may, at the Purchaser's sole expense, conduct tests and physical inspections of the property, including building inspections and environmental site assessments desired by the Purchaser. Purchaser shall also conduct such investigations with regard to zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Purchaser shall restore the Property to the condition that it was in prior to those tests and inspections and shall indemnify, defend and hold Seller harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Purchaser's activities, acts and omissions on the Property.

Notwithstanding anything to the contrary contained in this PSA, (i) the defense, indemnity and hold harmless provision contained in this Section shall not apply to the extent such liabilities arise in connection with the negligence or willful misconduct of Seller, its employees, agents, contractors, licensees or invitees and (ii) provided further that Purchaser shall have no liability to Seller or to its employees, agents or contractors by reason of, nor shall Purchaser have any duty to indemnify, defend or hold any person or entity harmless from or against, any liabilities, including, without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, resulting directly from Purchaser having merely discovered and/or reported (to the extent required by applicable law) any adverse physical condition, title condition, environmental condition or other defect with respect to the Property. The foregoing provisions shall survive the Closing or any termination of this PSA. Purchaser shall notify Seller in advance of its desire to conduct any inspections at the Property to give Seller adequate opportunity to make reasonable arrangements with the tenant in possession (if any). During the Contingency Period or Extended Contingency Period, the Purchaser shall have the right, but not the obligation, to cause a Survey of the Property at its own expense. The

Survey report shall also: (1) be certified to the Purchaser and (2) be prepared and sealed by a registered California Property Surveyor. Copies of any final non-privileged, non-attorney-client work product reports and/or surveys prepared pursuant to this PSA shall be delivered to Seller. Purchaser shall not be liable for reports/Survey and said reports/Survey are provided to the Seller for reference purposes only.

9.3 Purchaser's Objections. Purchaser shall have the right at any time on or before the expiration of the Contingency Period to terminate this PSA if, during the course of Purchaser's due diligence investigations of the Property and in connection with its obtaining of the Approvals, Purchaser determines in its sole and absolute discretion that the Property is not acceptable to Purchaser. Purchaser has termination rights during the Extended Contingency Periods as described in Section 9.4.

9.4 Extended Contingency Period. Notwithstanding anything contained herein to the contrary, provided that Purchaser has been diligently pursuing its due diligence investigations of the Property and obtaining the Approvals, Purchaser and Seller shall extend the Contingency Period (each, an "Extended Contingency Period") by Purchaser notifying the Seller of its desire to do so before the prior Contingency Period or Extended Contingency Period, as applicable, has lapsed. Upon the exercise of an Extended Contingency Period, all references in this PSA to "Contingency Period" shall be deemed to include the exercised Extended Contingency Period.

(a) Each Extended Contingency Period is also referred to herein individually as an "Extended Contingency Period" and collectively as "Extended Contingency Periods."

9.5 Termination Notice. Purchaser may exercise Purchaser's termination rights pursuant to Sections 9.3 and 9.4 by delivering written notice of termination to Seller and Escrow Agent (a "Termination Notice") on or before the expiration of the Contingency Period or Extended Contingency Period, as applicable. Upon the timely delivery of such Termination Notice, (i) Escrow Agent shall immediately return the Deposit to Purchaser without the need for further instruction or approval of the parties, and (ii) this PSA shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder.

9.6 Disclaimer of Warranties. Purchaser shall acquire the Property in its "AS IS" condition and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property. Except as expressly set forth in this PSA, Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Purchaser acknowledges that, once Purchaser obtains title to the Property, any liability of the Seller for the environmental condition of the Property shall be extinguished, and that Seller shall have no liability for remediating any environmental condition of the Property. Purchaser shall indemnify Seller against any claim or liability relating to the environmental condition of the Property; provided, however, that Seller shall remain liable for (1) any hazardous materials released into the Property

while Seller owned the Property, (2) any third party claim that arose during Seller's ownership of the Property; (3) Seller's fraud or willful misconduct in connection with this PSA; and (4) breach of Seller's Representation and Warranties. The foregoing indemnity obligation shall survive the Closing.

10. **Prorated and Adjusted Items.** The following items shall be prorated and/or adjusted as follows:

10.1 Taxes. Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller is a public agency and therefore exempt from the payment of property taxes. Purchaser shall be responsible for all applicable prorated taxes once Purchaser obtains title to the Property.

10.2 Other Costs. Seller shall pay all water, sewer, telephone, and all other applicable utility charges incurred on or before the Closing Date with respect to the Property. After the Closing, Purchaser shall pay all such charges. Seller shall pay the applicable transfer taxes, the cost of recording any curative instruments and the cost of a CLTA standard coverage owner's title policy. Purchaser shall pay the cost of recording the Deed conveying title to the Property, the costs associated with Purchaser's financing, the cost of any extended coverage or ALTA owner's title policy and the cost of any title endorsements. Escrow fees shall be shared equally by the parties. Each party shall pay its own legal fees.

11. **Default.**

11.1 PURCHASER'S DEFAULT. IF PURCHASER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY UNCURED MATERIAL DEFAULT OF PURCHASER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO PURCHASER. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY SELLER AS A RESULT OF SUCH DEFAULT BY PURCHASER, AND AGREE THAT THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT PURCHASER BREACHES THIS AGREEMENT BY DEFAULTING IN THE COMPLETION OF THE PURCHASE, THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF SELLER, AND SHALL BE PAID BY PURCHASER TO SELLER AS SELLER'S SOLE AND EXCLUSIVE REMEDY. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 24 AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, SELLER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST PURCHASER WHICH SELLER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY PURCHASER. THE PAYMENT OF THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY,

BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: _____

11.2 SELLER'S DEFAULT. IF SELLER FAILS TO COMPLETE THE SALE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY MATERIAL DEFAULT OF SELLER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), PURCHASER MAY EITHER (I) PROCEED AGAINST SELLER BY BRINGING AN ACTION FOR SPECIFIC PERFORMANCE UNDER THIS AGREEMENT WITHOUT ANY RIGHT TO SEEK DAMAGES OF ANY KIND OR NATURE, OR (II) TERMINATE THIS AGREEMENT IN WHICH EVENT THE INITIAL DEPOSIT AND ANY ADDITIONAL DEPOSITS SHALL BE RETURNED TO PURCHASER AND SELLER WILL REIMBURSE PURCHASER FOR ITS OUT-OF-POCKET COSTS RELATING TO THIS TRANSACTION AND INCURRED AS OF THE DATE OF SELLER'S DEFAULT UP TO A MAXIMUM THE AMOUNT DEPOSITED OF \$25,000.00. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY PURCHASER AS A RESULT OF SUCH MATERIAL DEFAULT BY SELLER AND AGREE THAT THE REMEDY SET FORTH IN CLAUSE (II) ABOVE IS A REASONABLE APPROXIMATION THEREOF.

ACCORDINGLY, IN THE EVENT THAT SELLER BREACHES THIS AGREEMENT BY MATERIALLY DEFAULTING IN THE COMPLETION OF THE SALE, AND PURCHASER ELECTS NOT TO EXERCISE THE REMEDY SET FORTH IN CLAUSE (I) ABOVE BUT INSTEAD ELECTS THE REMEDY SET FORTH IN CLAUSE (II) ABOVE, SUCH SUMS SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF PURCHASER WHICH IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 24 BELOW AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, PURCHASER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY SELLER.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: _____

12. **Closing.** Consummation of this sale and purchase ("Closing") shall take place within thirty (30) days following the expiration of the Contingency Period, as it may be extended by one or more Extend Contingency Periods, at which time Purchaser shall provide a written waiver to Seller ("Purchaser's Closing Notice") of all conditions to Purchaser's obligation to proceed to Closing, unless this PSA has been duly and timely terminated pursuant to the provisions of this PSA. Closing shall take place at the offices of the Escrow Holder and coordinated through their affiliate offices. As used herein, "Closing Date" means the date and time on which the Deed is recorded in the Official Records of the County.

12.1 Outside Closing Date. In no event shall the Closing occur later than one hundred twenty (120) days following the Opening of Escrow (the "Outside Closing Date"). Notwithstanding Section 30.7 or any other provision of this PSA, the Outside Closing Date shall not be subject to extension for force majeure delays.

13. Pre-Closing Covenants. Seller shall between the date hereof and the Closing Date, unless otherwise consented to in writing by Purchaser:

13.1 Maintain the Property in compliance with all applicable laws and in its present condition, reasonable wear and use excepted.

13.2 Not suffer or permit any new easements, encumbrances, liens or security interests to attach to the Property, or transfer or convey the Property or any portion or portions of the Property.

13.3 Not enter into or amend any contracts or agreements pertaining to the Property, which would survive the Closing and be binding upon Purchaser.

13.4 Maintain hazard and liability insurance with respect to the Property, in amounts determined to be appropriate by Seller, in Seller's reasonable discretion.

14. **Risk of Loss.**

14.1 Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain with respect to the Property or any portion of the Property, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding ("Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the buildable area at the Property, or reduce or eliminate access to the Property, then Purchaser may either (a) terminate this PSA, or (b) proceed with the Closing without modifying the terms of this PSA and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Purchaser will be entitled to keep, all awards for the Condemnation that accrue to Seller; provided, however, if any award is rendered specifically to compensate Seller for Seller's lost goodwill, such an award shall belong to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Purchaser's written consent. Seller must notify Purchaser of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of such notice, and Purchaser must exercise its option(s) as provided in this Section within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Purchaser the full 15-day period to make such election. Notwithstanding the foregoing, if any condemnation action is commenced prior to the Closing Date, Purchaser shall have the right to terminate this PSA and to receive the return of the Deposit, as well as a sum equal to Purchaser's out-of-pocket costs incurred in connection with this transaction.

14.2 Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, occurs, then within three (3) days after determination of the amount of the Insurance Proceeds (defined below) to be received with respect to such loss, Purchaser must elect, by written notice to Seller, either to: (a) terminate this

PSA (in which event the Deposit, and all accrued interest thereon, shall forthwith be returned to Purchaser and thereupon neither party shall have any further rights or obligations hereunder); or (b) receive an assignment of the Insurance Proceeds with respect to such loss and proceed to Closing without any reduction in the Purchase Price (in which event the Closing shall occur within thirty (30) days after such election). If Purchaser shall fail to provide such written notice of election within ten (10) days after determination of the amount of the Insurance Proceeds to be received with respect to such loss, then Purchaser shall be deemed to have elected to terminate this PSA. As used herein, "Insurance Proceeds" means the proceeds from any and all insurance maintained by Seller with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance.

15. Representations and Warranties of Seller. Seller represents and warrants to Purchaser that, to Seller's actual knowledge, except as set forth or otherwise disclosed in this PSA, or in any exhibit to this PSA, or in any schedule attached to this PSA:

15.1 This PSA has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this PSA constitutes a valid and binding agreement, enforceable in accordance with its terms. As of the Opening of Escrow, Seller has obtained all consents, releases and permissions and has given all required notifications related to the transaction herein contemplated and required under any covenant, agreement, encumbrance, law or regulation to which Seller is a party or by which Seller is bound.

15.2 Seller is the fee simple owner of the Property. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the Property.

15.3 Seller has not received notice of violation of any applicable law, ordinance, regulation, order or requirement relating to Seller's operation or use of the Property.

15.4 To Seller's actual knowledge: (i) neither the Property nor any part thereof is in breach of any environmental laws; (ii) no part of the Property has ever been used as a landfill, dump, toxic waste disposal site or storage area; (iii) there are no underground storage tanks at the Property, or, with respect to removed tanks, at the time of removal, any contaminated soil was removed; and (iv) the Property is free of any Hazardous Materials that would trigger response or remedial action under any environmental laws or any existing common law theory based on nuisance or strict liability. This warranty is limited to matters of which Seller has actual knowledge, and Purchaser acknowledges that Seller has not made any affirmative investigation as to environmental issues affecting the Property in connection with this PSA. As used in this PSA, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

15.5 There is no litigation pending or to the actual knowledge of Seller, threatened, against or by Seller or the Property which relates to, or if decided adversely, could have a material adverse effect upon, the Property (including condemnation or similar proceedings).

15.6 Except as disclosed in writing to Purchaser by Seller as part of the Materials, there are no leases, licenses or other occupancy or use agreements, written or oral, in effect in which Seller has granted any party rights to possession or use of the Property or any portion thereof, nor has Seller given any party an option or right of first refusal to purchase any portion of the Property.

15.7 Except as disclosed in writing to Purchaser by Seller as part of the Materials, the Property is not subject to any operating, maintenance or repair contract or other agreements that will bind the Property or Purchaser after the Closing ("Service Contracts").

15.8 Except as disclosed in the Materials, Seller has no actual knowledge of any violations of health, environmental or other applicable law, ordinance, code, order or regulation in any respect with regard to the Property.

15.9 Seller is not aware of any inaccuracy or incompleteness of any of the documents, materials or reports contained in the Materials.

15.10 To Seller's actual knowledge and except for matters of record as of the date hereof, there are no bonds or assessments or charges for any public improvements or utilities made against the Property which remain unpaid (or which will remain unpaid by Seller as of the Closing Date).

15.11 No representation, statement or warranty by Seller contained in this PSA or in any exhibit attached hereto contains or will contain any untrue statements or omits, or will omit, a material fact necessary to make the statement of fact therein recited not misleading. If, after Seller's execution hereof and prior to the Closing, any event occurs or condition exists of which Seller becomes aware which renders any of the representations contained herein untrue or misleading, Seller shall promptly notify Purchaser in writing.

All representations and warranties contained in this PSA shall be deemed remade as of the Closing Date, except in the event of a change in circumstances not within the control of Seller affecting any representations or warranties set forth herein, in which case Seller shall provide written notice to Purchaser regarding such changed circumstances within a reasonable time following such change (not to exceed five (5) Business Days following the date the City Manager/City Clerk obtains actual knowledge of the changed circumstance), and prior to the Closing. As used herein, "actual knowledge" of Seller refers to the actual knowledge of Seller's employees and agents directly involved in the negotiation and/or drafting of this PSA, those responsible for the acquisition or maintenance of the Property, the City's Legal Counsel and the City Clerk.

16. **Assignment.** This PSA shall not be assigned by any party hereto to any person or entity without the express written consent of Seller. In the event of an assignment of Purchaser's interests under this PSA, the assignee shall agree in writing to assume and be bound by the terms

and provisions hereof, in which event any assignment will not release Purchaser from any of its obligations hereunder, until the Closing at which point Purchaser's assignee shall be responsible for all obligations of Purchaser hereunder.

17. **Business Days.** As used herein, the term "Business Days" refers to Monday through Friday, excluding holidays on which the City of Firebaugh or Seller are closed for business.

18. **Binding Effect.** The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.

19. **Brokers.** Seller has retained Rosenow Spevacek Group, Inc. (CalBRE Corporate Broker License #01930929) for its services as real estate advisor in this transaction ("Seller's Advisor"). Under separate agreement, the Seller will pay the Seller's Advisor a fee for advisory services. The Seller's Advisor shall not receive a commission in this transaction. Purchaser has retained Virginia Mendez-Buelna of Guarantee Real Estate (CalBRE Broker License #01100967 for her services as an agent/broker in this transaction ("Purchaser's Broker"). The Seller agrees to pay to the Purchaser's Broker a commission equal to 3 percent of the Purchase Price upon the recorded transfer of the Property to the Buyer.

20. **Integration; Merger; Amendment; Survival of Representations.** Seller and Purchaser have not made any covenants, warranties or representations not set forth in this PSA. This PSA constitutes the entire PSA between the parties. Except as otherwise provided herein, all representations, warranties and covenants set forth in this PSA shall survive closing. This instrument shall as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective instrument between them as to the provisions set forth in this PSA. None of the terms and provisions hereof shall be altered or amended unless in writing and signed by the parties.

21. **Execution in Counterparts and by Fax/Email.** This document may be validly executed and delivered by facsimile transfer/e-mail and/or portable document format (collectively, "Electronic Copy"). Any signer who executes this document and transmits this document by Electronic Copy intends that the Electronic Copy of their signature is to be deemed an original signature for all purposes. Any such Electronic Copy printout and any complete photocopy of such Electronic Copy printout are hereby deemed to be an original counterpart of this document. This PSA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **Notices.** All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) Business Day after depositing with an overnight air courier, or two (2) Business Days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or email:

If to Seller: City of Firebaugh
1133 "P" St.
Firebaugh, CA 93622
Attn: City Manager
Fax: (559) 659-2043
Email: citymanager@ci.firebaugh.ca.us

with a copy to: Lozano Smith LLP
7404 North Spalding
Fresno, CA 93720-3370
Attn: Roy C. Santos, Legal Counsel
Email: rsantos@lozanosmith.com

If to Purchaser: NEED PURCHASER INFORMATION
Attn: Adnan Obaid
Phone: (559) 816-3044
Fax:
Email: fiestalatino@sbcglobal.net

23. **Governing Law.** This PSA shall be construed according to the laws of the State of California.

24. **Attorney's Fees.** In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this PSA, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

25. **Expenses.** Seller and Purchaser shall pay their respective expenses and costs in connection with the preparation of this PSA and other agreements and documents related to this PSA and the transactions contemplated herein.

26. **Severability.** If any term of this PSA is held by a court of competent jurisdiction to be invalid or unenforceable, then this PSA, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

27. **Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this PSA, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this PSA. Headings used in this PSA are provided for convenience only and shall not be used to construe meaning or intent. As used in this PSA, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates

28. **Qualification; Authority.** Each individual executing this PSA on behalf of a party which is an entity, represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this PSA on behalf of such entity in accordance

with authority granted under the organizational documents of such entity, and (b) such entity is bound under the terms of this PSA.

29. **Counterparts.** This PSA may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile or e-mailed PDF copy of such execution shall be deemed an original.

30. **Miscellaneous.**

30.1 Execution of Documents. The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this PSA.

30.2 Inducement. The making, execution and delivery of this PSA by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

30.3 Incorporation of Exhibits. The exhibits attached hereto are incorporated herein by reference.

30.4 Relationship of Parties. Notwithstanding anything to the contrary contained herein, this PSA shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

30.5 Survival of Warranties. It is the express intention and agreement of the parties to this PSA that all covenants, representations and warranties made by Seller in this PSA shall survive this PSA, the recordation of the Deed and the Closing for a period of twelve (12) months.

30.6 Limitation of Liability. The parties agree that neither the holders of beneficial interests nor the trustees, officers, members, employees or agents of either party or any assignee or affiliate of either party shall be personally liable under the PSA and all parties hereto shall look solely to the assets of the entity, for the payment of any claim or the performance of any obligation of either under this PSA.

30.7 Force Majeure. If either Party is delayed or prevented from performing any act required in this PSA by reason of any event beyond the reasonable control of either Party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such Party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such Party has been delayed.

31. **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

32. **1031 Exchange.** Both Seller and Purchaser agree to reasonably cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange.

33. **Independent Review.** The Parties have had the opportunity to obtain, and have obtained, independent legal or other professional advice with regard to this PSA. The Parties acknowledge that the terms of this PSA have been read and fully explained and that those terms are fully understood and voluntarily accepted.

34. **Voluntary Agreement.** The Seller and Purchaser represent that they have read this PSA in full and understand and voluntarily agree to all of its provisions. Both the Seller and Purchaser further declare that, prior to signing this PSA, they availed themselves of relevant data, through sources of their own selection, including a legal representative, in deciding whether to execute this PSA.

35. **Entire Agreement.** This PSA constitutes the final agreement between the Parties. It is the complete and exclusive expression of the Parties' agreement on the matters contained in this PSA. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this PSA are expressly merged into and superseded by this PSA. In entering into this PSA, neither Party has relied upon any statement, representation, warranty, or agreement of the other Party except for those expressly contained in this PSA. There are no conditions precedent to the effectiveness of this PSA other than those expressly stated in this PSA.

36. **Amendments.** This PSA may not be amended or modified except in writing signed by each of the Parties to this agreement.

37. **Third Parties.** This PSA does not and is not intended to confer any rights or remedies upon any party other than the Parties.

38. **Interpretation.** This PSA shall be construed as to its fair meaning and not strictly for or against either Party. The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed this PSA on the date and year first-above written.

SELLER:

CITY OF FIREBAUGH,
a California municipal corporation, as Successor
Agency to the Firebaugh Redevelopment Agency

Freddy Valdez, Mayor

ATTEST:

Rita Lozano, Deputy City Clerk

APPROVED AS TO FORM:
LOZANO SMITH LLP

Roy C. Santos, Legal Counsel

PURCHASER:

ADNAN OBAID,

By: _____
Adnan Obaid

EXHIBIT A

DESCRIPTION OF PROPERTY

The Property referred to herein is that certain real property located in the City of Firebaugh, County of Fresno, State of California, and is described as follows:

PARCEL 2 OF PARCEL OF MAP NO. 00-01, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 61 PAGE 17 OF PARCEP MAPS, FRESNO COUNTY RECORDS.

APN: 008-140-35

EXHIBIT B

PROPERTY DISPOSITION PROCEDURES

The Successor Agency of the Redevelopment Agency of the City of Firebaugh and the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Firebaugh

(100) PURPOSE AND INTENT

On February 1, 2012, pursuant to the Assembly Bill 1x 26 (Blumenfield), Division 24, Parts 1.8 and 1.85 of the California Health & Safety Code ("Dissolution Act"), the Redevelopment Agency of the City of Firebaugh ("Former Redevelopment Agency") was dissolved. In connection with the implementation of the Dissolution Act, the City of Firebaugh ("City") serves as the successor agency ("Successor Agency") to the Former Redevelopment Agency. The Successor Agency, as part of the wind-down of former redevelopment activities, is responsible for the ongoing maintenance, marketing, and disposition of assets, including real and personal property, of the Former Redevelopment Agency other than housing assets.

Assembly Bill ("AB") 1484, enacted in June of 2012, required all successor agencies to former redevelopment agencies to prepare a Long Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by former redevelopment agencies at the time of dissolution in 2012. The Successor Agency's PMP was adopted by Oversight Board Resolution No.13-10 on September 19, 2013 and by the California Department of Finance ("DOF") on February 10, 2014. As detailed in the PMP, the Successor Agency is disposing of seven (7) properties that will be sold and proceeds will be either used to fulfill enforceable obligations or will be remitted to the Fresno County Auditor-Controller for distribution to the taxing entities in accordance with the law. Section 34191.3 of the Health & Safety Code states that the PMP "shall govern, and supersede all other provisions relating to, the disposition and use of the real property assets of the former redevelopment agency."

PMP Properties to be Sold Firebaugh Successor Agency

Address	APN	Acres	Current Zoning
1264 P Street	008-075-11	0.50	Residential
1238 P Street	008-075-03	0.33	Residential
1415 14 th Street	008-132-07	0.21	Commercial
1185 N Street	008-074-10	0.23	Commercial
1284 N Street	008-080-42	0.44	Commercial
1320 N Street	008-140-35	0.45	Commercial
1458 11 th Street	008-074-01	0.12	Commercial

However, the Dissolution Act does not define or otherwise include procedures or policies as to how properties will be disposed. Successor Agency staff has determined that the interests common to the affected taxing agencies ("Taxing Agencies") that receive property taxes from the Firebaugh Redevelopment Project Area subject to the Firebaugh Redevelopment Plan previously adopted by the City Council ("Project Area"), and the interests of the community, will be best

served by adopting these Disposition Procedures. Purposes and objectives of these Disposition Procedures include:

- i. Establishing a process that shall generally be applicable to the solicitation and submittal of offers and for the disposition of PMP properties that will promote orderly planning, marketing, and disposition;
- ii. Establishing a process will tend to promote efficiency and avoid duplicative efforts; and
- iii. Establishing a process will promote the establishment of standards of the Successor Agency and Oversight Board with respect to remarketing of, and solicitation and receiving offers relating to PMP properties.

Successor Agency staff intends that these Disposition Procedures will provide an orderly process for disposition, and provide interested parties an opportunity to:

- i. Review and identify their interests, if any, in acquiring all or a part of the Former Redevelopment Agency property(ies);
- ii. Submit development proposals, to receive good faith evaluation and consideration by the Successor Agency and Oversight Board of complete development proposals; and,
- iii. Acquire PMP properties if a development proposal is selected by the Successor Agency and Oversight Board.

(200) DISPOSITION PROCEDURES FOR PMP PROPERTIES

A primary objective of these Disposition Procedures is that the Successor Agency and Oversight Board obtain clear information on the capability of bidders to not only acquire, but to develop expeditiously, for development(s) that maximize(s) the value of the property(ies) and benefits affected taxing agencies. The Successor Agency acknowledges an express policy hereunder is that land banking (acquisition with no plan for development in the foreseeable future) generally will not result in expeditiously maximizing the value of PMP properties under the Dissolution Act. Therefore, interested parties who desired to acquire one or more PMP properties must follow the procedures that are set forth in these Disposition Procedures.

(201) Request for Proposals

- A. The Successor Agency will actively advertise all PMP properties that it wishes to sell. Examples include but are not limited to posting descriptions of the properties on the City's website, posting advertisements in real estate publications or online forums, or enlisting the services of real estate professionals. This is intended to generate interest in the properties and publicize their availability.

B. Working cooperatively with the Oversight Board, the Successor Agency may prepare a Request for Proposals (“RFP”) for specific properties and post it to the City’s website, mailed via first class mail to developers or parties that have requested such proposal in writing prior to the date of issuance, and other developers or parties at the Successor Agency’s discretion. For marketing purposes and in an effort to achieve an orderly process and avoid concurrent exposure of a number of PMP properties that may confuse the marketplace or degrade marketability, the number of properties requested in the RFP is subject to the sound discretion of the Successor Agency. Each RFP shall include the following information:

- i. A description of the property(ies), consisting of a map, references to applicable land use policies and development standards, and a description of the intended redevelopment purpose of the property(ies);
- ii. Contact information for questions pertaining to the property(ies) and underlying land use policies and development standards;
- iii. The terms and conditions of sale or other disposition;
- iv. A description of the form and content of complete responses to the RFP, including but not limited to:
- v. Other information as determined by the Successor Agency.

(202) Submitting a Proposal

A. Parties interested in acquiring an identified asset or assets may submit a development proposal at any time until the property is sold and the sale is approved by the Oversight Board and DOF.

B. Proposals shall include the following:

- i. The proposed total consideration for the property(ies) and information supporting the offer price;
- ii. Any proposed alterations to the terms and conditions of sale, including the timeframe for closing;
- iii. The proposed uses must conform to the requirements, intent, goals, and objectives of the City General Plan, zoning, other applicable development standards, and other applicable federal, state and local laws, codes and regulations
- iv. A development program of sufficient detail to assure the Successor Agency and Oversight Board as to how and when the bidder intends to fulfill the intended use of the property(ies) pursuant to Section 201(B)(i) above and the time line for completion of the project.
- v. An explanation or analysis of the economic benefits of the proposed project to the City, other affected taxing agencies and the community.

- C. Interested parties shall provide such additional information as may be reasonably requested by the City Staff or the Successor Agency.
- D. Efforts to remarket PMP properties shall be conducted through the Successor Agency, as provided in these Disposition Procedures. In the event one or more affected taxing agencies has a potential prospect to submit a proposal for one or more of the properties, any such proposal shall be subject to the submittal and other components of these Disposition Procedures.
- E. All costs associated with submitting a proposal shall be borne solely by the applicant submitting such document(s).
- F. Costs incurred by the Successor Agency in the implementation of these Disposition Procedures shall be treated as Asset Disposition Costs (not part of the administrative cost allowance) for purposes of the Recognized Obligation Payments Schedule ("ROPS") of the Successor Agency; the ROPS includes a line item for these costs and may be amended from time to time to incorporate exact costs associated with these activities. Includable as costs are such items as: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the Disposition of property(ies), such as unpaid and outstanding tax liens or judgments. Costs so incurred by the Successor Agency may be paid from either the Redevelopment Property Tax Trust Fund (Section 34170.5(b) of the Dissolution Act) or the first proceeds from the remarketing of property(ies) as an above-the-line item before proceeds are spread among affected taxing agencies.
- G. The Successor Agency, through its staff, consultant(s) and counsel(s), will review proposals upon receipt thereof, and shall notify applicants whether the development proposals submitted comply with the requirements of these Disposition Procedures and have been determined to be complete or incomplete. In the event the Successor Agency staff notifies an applicant submitting a proposal that the proposal is incomplete or that additional information is required, such applicant may be allowed fifteen (15) days from such notification to complete and resubmit its proposal, or such greater period as the Successor Agency may determine in its reasonable discretion as may be appropriate for the gathering of necessary information. The failure to provide such additional information and resubmit the revised proposal in a timely manner shall automatically disqualify such proposal from any further consideration and shall be deemed a rejection by the Successor Agency of such proposal. Notwithstanding the foregoing, initial proposal submissions that do not include or address all of the required items may, in the discretion of the Successor Agency staff, be rejected without an opportunity for resubmission.

(203) Successor Agency and Oversight Board Evaluation of Proposals

- A. The Successor Agency shall consider in good faith all proposals timely submitted by interested parties, and determined by Successor Agency staff to be complete. Proposals shall be evaluated by the Successor Agency with consideration of factors determined by the Successor Agency to maximize the value of the asset in question as well as furthering the objectives of the City's General Plan.

- B. The Successor Agency will submit all complete proposals to the Oversight Board for review. The Successor Agency will provide the Oversight Board with proposal recommendations.
- C. The Oversight Board shall evaluate all proposals with consideration of factors which may include, but are not limited to, some or all of the following (the following factors are not listed in any particular order of ranking):
- i. The economic benefits to the City, the taxing entities, and the community, if the proposal were to be approved and the proposed project is implemented;
 - ii. Conformity of the proposal, including proposed uses, with the requirements, intent, goals, and objectives of the City's General Plan, any specific plans, applicable redevelopment criteria specified by the Successor Agency in the RFP as provided in Section 201, zoning, other development standards, and other applicable federal, state and local laws, codes and regulations;
 - ii. Quality of design and project concept;
 - iii. The employment opportunities and economic benefits to the City that can be reasonably expected to result from the implementation of the proposal;
 - iv. The qualifications, experience and references of the applicant or its developer entity team proposed to develop the project described in the proposal, including financial capacity to undertake the project, specific prior experience with similar development, quality of prior development projects, degree of site control, ability to obtain financing both construction and permanent, ability to abide by City design and development standards and controls, and readiness to proceed;
 - v. The estimated cost, if any, of City financial involvement, including the provision of City public services, subsidies, or public improvements required if the proposal is accepted, and the availability of sufficient City funds to pay such costs;
 - vi. The probability of successful implementation of the proposal;
 - vii. The probability of realization of a substantial portion of the economic benefits attributable to a proposed project;
 - viii. The time schedule for completion of the proposed project;
 - viii. The environmental benefits or impacts of the proposed development, and evaluation of the cost and method of mitigation of such impacts, if any;
 - x. Likelihood of closing the sale of the subject property(ies), including without limitation the scope of environmental review required, the cost to process such environmental review, the willingness (or not) of the

proponent to pay for processing, and whether there are any further contingencies to closing contained in the proposal;

- xi. The impact of the proposal on existing buildings and improvements; and
- xii. The merits of the proposal relative to the merits of other proposals for the same proposed development property(ies) or for other sites within the City.

D. The Oversight Board may choose to accept or reject the Successor Agency's recommendations.

- i. If the Oversight Board rejects the Successor Agency's recommendation, the proposals will be submitted to the Successor Agency again for reconsideration.
- ii. If the Oversight Board accepts the Successor Agency's recommendation, the Oversight Board can take formal action to approve the proposal. Successor Agency staff will forward the Oversight Board action to the DOF for final approval.

E. Upon approval from the DOF, Successor Agency staff is authorized to negotiate with the interested party. In the interest of time, the Successor Agency may submit various proposals and a Purchase and Sale PSA with the recommended buyer to the Oversight Board for simultaneous consideration.

(204) Negotiating PSAs

Successor Agency staff shall use good faith efforts to 1) negotiate with a project proponent, 2) negotiate exclusively with a particular proponent at the discretion of the Successor Agency and Oversight Board, and 3) develop a sales contract with a selected applicant whose proposal has been selected or conditionally selected by the Successor Agency and Oversight Board. The purpose of any such Negotiating PSA is to establish a time period during which the chosen applicant shall have the right to negotiate the terms and conditions of a sales contract.

(205) Final Oversight Board Approval

Once Successor Agency staff prepares a Purchase and Sale PSA, the Successor Agency will seek final approval from the Oversight Board to confirm compliance with the PMP and that the sale of the property is in the best interest of the taxing entities. Approval of a Purchase and Sale PSA requires at least 10 days' notice to the public pursuant to Section 34181(f).

(300) PROCEDURE FOR AMENDING DISPOSITION PROCEDURES

The Oversight Board or Successor Agency may amend these Disposition Procedures at a regular or special meeting upon the giving of at least thirty (30) days prior notice to all of the members of the Oversight Board or Successor Agency. Both bodies must agree to concurrently amend these Disposition Procedures.

EXHIBIT C

Deed

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Rita Lozano, City Clerk
City of Firebaugh
1133 P Street
Firebaugh, CA 93622

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF FIREBAUGH, a California municipal corporation as Successor Agency to the Firebaugh Redevelopment Agency ("Grantor"), hereby grants to ADNAN OBAID ("Grantee"), all of its respective rights, title, and interest in the real property hereinafter referred to as the "Property" in the City of Firebaugh, County of Fresno, State of California, as more particularly described in Attachment 1 attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

CITY OF FIREBAUGH,
a California municipal corporation,
Successor Agency to the Firebaugh Redevelopment
Agency

Freddy Valdez, Mayor

ATTEST:

Rita Lozano, Deputy City Clerk

APPROVED AS TO FORM:
LOZANO SMITH LLP

Roy C. Santos, Legal Counsel

Attachment 1 to Grant Deed

Legal Description of the Property

The Property referred to herein is that certain real property located in the City of Firebaugh, County of Fresno, State of California, and is described as follows:

PARCEL 2 OF PARCEL OF MAP NO. 00-01, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 61 PAGE 17 OF PARCEP MAPS, FRESNO COUNTY RECORDS.

APN: 008-140-35

EXHIBIT D

SCHEDULE OF PERFORMANCE

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
1.	Purchaser executes and delivers Purchase and Sale PSA ("PSA") to Seller		
2.	Purchaser provides Seller with written verification of sufficient funds.	Within 5 days of the execution of PSA	8.1
3.	Seller approves and executes PSA	Within 3 days of Oversight Board Approval	2
4.	Open Escrow	Within 3 days after execution of PSA by Seller	3
5.	Seller delivers to Purchaser Preliminary Title Report	Within 5 days after Seller execution of PSA	6
6.	Purchaser approves or disapproves title exceptions	Within 30 days after delivery to Purchaser of Preliminary Title Report, all documents listed in the Preliminary Title Report	6
7.	Seller delivers notice to Purchaser as to whether it will cure disapproved exceptions	Within 10 days after receipt of Purchaser's notice	6
8.	Seller delivers to Purchaser all relevant reports, plans, documents and other materials	Within ten (10) days of the Opening of Escrow	9.1
9.	Seller makes Property available to Purchaser for inspection	Within 10 days of the Opening of Escrow	9.2

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
10.	Purchaser approves or disapproves the environmental and physical condition of the Property, waives condition, or extends contingency period.	Within 180 days after Opening of Escrow	9
11.	Escrow Agent gives notice of fees, charges, and costs to close escrow	No later than one (1) week prior to Closing	
12.	Deposits into escrow by Seller:		
	a) Executed Deed	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.1
	b) Payment of Seller's Share of Escrow Costs	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.5; 10
	c) Taxpayer ID Certificate	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.2
	d) FIRPTA Certificate	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1.2
13.	Deposits into escrow by Purchaser:		
	a) The Purchase Price required by Section 4.2.	On or before 1:00 p.m. on the business day preceding the Closing Date	5.2.1; 4.2
	b) Payment of Purchaser's Share of Escrow Costs	On or before 1:00 p.m. on the business day preceding the Closing Date	5.3; 10
	c) Preliminary Change of Ownership Statement	Prior to Closing Date	5.2.2

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
14.	Close of escrow; recordation and delivery of documents	Within 30 days after Expiration of Contingency Period	12

It is understood that the foregoing Schedule of Performance is subject to all of the terms and conditions set forth in the text of the PSA. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the PSA, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both Purchaser and Seller. A failure by either party to enforce a breach of any particular time provision shall not be construed as a waiver of any other time provision.

EXHIBIT E

SCHEDULE OF IMPROVEMENTS

This SCHEDULE OF IMPROVEMENTS AGREEMENT (“Improvements Agreement”), dated December __, 2015, is by and between the City of Firebaugh, a municipal corporation, and Adnan Obaid (“Purchaser”). City and Purchaser are referred to herein individually as a “Party” and collectively as the “Parties.”

The Purchaser shall be responsible for completing the improvements listed below on the real property located at 1320 N Street in the City of Firebaugh, Fresno County, California, described as Assessor’s Parcel Number 008-140-35, as provided in this Schedule of Improvements. It shall be the duty of the City of Firebaugh to enforce this Improvements Agreement.

The Purchaser and the City agree to the following on-site improvements to be completed by the Purchaser by or before the expiration of the stated Improvement Period.

<u>Improvement Period</u>	<u>Improvements</u>
183 Days after Close of Escrow	<ul style="list-style-type: none">• New Make Up Cooler• New A/C Unit & Ducting• New Tile on Short Wall• New Hood & Controls• New Stove• New Deep Fryer• New 3-Compartment Sink• New Vegetable Sink• Hand Sink• Mop Sink• New Store Front Door• All New Ceiling Tile• Repair Roof Leak• Paint Interior• Paint Exterior• New Wall Sign• New Walk-in Box

Compliance Enforcement Procedures and Requirements

A representative from the City shall, within sixty (60) days after each improvement period expires, determine if the Purchaser has complied with the terms detailed in this Schedule of Improvements. A determination of compliance indicates that the Purchaser has completed the improvements listed. A determination of noncompliance indicates that the Purchaser has failed to complete the improvements listed.

If the City fails to make a determination the Purchaser within sixty (60) days after any improvement period, Purchaser shall be deemed as having complied with the terms of this Agreement for that period.

In order to convey evidence of compliance, the Purchaser shall submit documents indicating the completion of the improvements to the City. These documents may include photos and descriptions of the capital improvement, related permits or plans, copies of any bids submitted, proof of payment, and invoices for the work performed.

Penalties and Attorney Fees

Failure to comply with the terms of the Schedule of Improvements will result in a liquidated damages penalty of One Thousand Dollars (\$1,000.00) per day. The penalty will be assessed each calendar day, beginning on the day after the improvement period ends for each phase, until the City determines that the Purchaser is compliant with the terms of the Schedule of Improvements. In addition, the Purchaser shall be responsible for awarding attorney fees to the City should the City incur such costs in order to enforce the terms of this agreement.

Termination

Once the improvement period expires, if the City deems that the improvements are acceptable, the City will issue to the Purchaser a letter certifying compliance ("Letter of Compliance") with this Agreement. This agreement shall terminate after a Letter of Compliance is issued.

Successors and Assigns

This Agreement and each Party's obligations hereunder shall be binding on the representatives, assigns, and successors of such Party and shall inure to the benefit of the assigns and successors of such party. Neither Party shall assign this Agreement without the prior written consent of the other Party.

Governing Law

This Agreement and all matters arising out of or relating to it shall be governed by and construed in accordance with the laws of the State of California. Any action brought to enforce the terms of this Agreement shall be brought in the appropriate court in Fresno County, California, subject to any lawful change of venue.

Independent Review

The Parties have had the opportunity to obtain, and have obtained, independent legal or other professional advice with regard to this Agreement. The Parties acknowledge that the terms of this Agreement have been read and fully explained and that those terms are fully understood and voluntarily accepted.

Voluntary Agreement

The Purchaser and City represent that they have read this Agreement in full and understand and voluntarily agree to all of its provisions. The Parties further declare that, prior to signing this Agreement, they have availed themselves of relevant data, through sources of their own selection, including a legal representative, in deciding whether to execute this Agreement.

Severability

If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement remain in full force and effect and are not affected or impaired in any way.

Specific improvements may be severed if they are deemed illegal or unallowable. The completion of the drive-through installation improvement, in particular, is subject to the approval of the City along with any other agencies governing the allowable uses and activities occurring on the Property. If any such improvement is deemed invalid, illegal, or unenforceable, it shall be omitted from the Schedule of Improvements.

Amendments

This Agreement may not be amended or modified except in writing signed by each of the Parties to the Agreement.

Third Parties

This Agreement does not and is not intended to confer any rights or remedies upon any party other than the Parties.

Interpretation

This Improvements Agreement shall be construed as to its fair meaning and not strictly for or against either Party. The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

By signing below, you hereby agree to the terms of this Schedule of Improvements.

Purchaser Signature

Date

City

Date

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
(1458 11th Street; City of Firebaugh)

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“PSA” or “Agreement”), dated for reference purposes only as of January __, 2016, is by and between the City of Firebaugh, a municipal corporation, as Successor Agency to the Firebaugh Redevelopment Agency (“Successor Agency” or “Seller”), and the City of Firebaugh (“City” or “Purchaser”). The Successor Agency and the City shall be deemed as separated legal entities. Seller and Purchaser are referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Seller is the fee owner of approximately 5,405 square feet of real property located at 1458 11th Street in the City of Firebaugh, Fresno County, California, described as Assessor’s Parcel Number 008-074-01 and more particularly described in the Legal Description attached hereto as Exhibit A, attached hereto and incorporated herein, including all improvements located thereon (“Property”); and all rights, privileges, easements and appurtenances to the Property, if any, including, without limitation, all of Seller’s right, title and interest, if any, in and to all minerals, oil, gas and other hydrocarbon substances, development rights and water stock relating thereto; and all of Seller’s right, title and interest in and to any easements and other appurtenances used or connected with the beneficial use or enjoyment of the Property together with Seller’s interest in and to any architectural, site, landscaping, or other permits, applications, development rights or agreements, licenses, approvals, certificates, authorizations and other entitlements, will serve letters, transferable guarantees and warranties covering the Property, all contract rights (including rights under the Service Contracts as hereinafter defined), books, records, reports, test results, environmental assessments, as-built plans, specifications and other similar documents and materials relating to the use or operation, maintenance or repair of the Property or the construction or fabrication thereof, and all transferable utility contracts relating to the Property, to the extent assignable and accepted by Purchaser.

B. In December 2011, a California State Supreme Court ruling on the constitutional validity of two 2011 legislative budget trailer bills, Assembly Bill (“AB”) 1X 26 (Chapter 5, Statutes of 2011) and AB1X 27 (Chapter 6, Statutes of 2011), resulted in the outright elimination of all 425 redevelopment agencies in the State of California. The dissolution procedures under AB1X 26 include a process for the disposition and/or transfer of assets, including property holdings of former redevelopment agencies. Subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012), which was passed, signed, and enacted on June 28, 2012, made significant changes to the provisions of AB1X 26, including the process for asset management/disposition/transfers. Senate Bill (“SB”) 107, which was signed by the Governor on September 22, 2015 also made changes to the property disposition provisions of AB1X 26 and AB 1484. All three pieces of legislation are herein referred to as the Dissolution Act.

C. Under the Dissolution Act, the Property is subject to the disposition process requiring the California State Department of Finance (“DOF”) to approve a Long-Range Property Management Plan (“PMP”) prepared by the Successor Agency describing the proposed

sale of properties owned by the Successor Agency, including the Property. The Property is also subject to the Property Disposition Procedures, attached hereto as Exhibit B, adopted by the Successor Agency to the Redevelopment Agency of the City of Firebaugh ("Successor Agency") on April 15, 2015 and the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Firebaugh ("Oversight Board") on May 15, 2015.

D. Seller desires to sell, and Purchaser desires to purchase, the Property, all in accordance with the terms set forth below.

TERMS & CONDITIONS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Purchaser agree as follows:

1. **Sale.** On the terms contained herein and subject to the conditions of this PSA, Purchaser hereby agrees to purchase from Seller, and Seller agrees to sell to Purchaser the Property, on the Closing Date, as defined in Section 12.

2. **Acceptance.** Following Oversight Board approval, Seller shall accept and execute this PSA ("Acceptance"). The PSA shall be deemed accepted upon approval by the Oversight Board and full execution by the Seller and Purchaser.

3. **Opening of Escrow.** Within five (5) business days of Acceptance, the parties shall open an escrow ("Escrow") with Escrow Holder by causing an executed copy of this PSA to be deposited with Claudia Holcomb, Escrow Officer, Orange Coast Title Company, 3536 Concourse, #120 Ontario, CA 91764, Telephone: (909) 987-5433, Email: claudiah@octitle.com ("Escrow Holder"). Escrow shall be deemed open on the date that a fully executed copy of this PSA is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder's execution of this PSA ("Opening of Escrow").

4. **Payment of Purchase Price and Deposit.** The purchase price for the Property ("Purchase Price") shall be in the amount of Three-Thousand Two-Hundred Fifty and 00/100 Dollars (\$3,250.00). City agrees to pay to Successor Agency, and Successor Agency agrees to accept from City, as and for the full purchase price for said real property, fixtures & equipment, improvements pertaining to the realty, severance damages, and relocation claims pursuant to Government Code §7260 et. seq., the total sum of Three Thousand Two Hundred Fifty and 00/100 Dollars (\$3,250.00). City agrees to deposit said purchase price in escrow with the Escrow Agent within thirty (30) days from and after the date on which the PSA is deemed accepted as defined in Section 2. The full payment of the purchase price shall serve as the escrow deposit. The Escrow Holder is hereby authorized to pay the same to Agency upon and after: (a) Conveyance of said real property by Agency to City as hereinabove provided; (b) Acceptance by City of a Grant Deed conveying said real property to City; (c) Delivery to City of the policy of title insurance as hereinabove provided; (d) Recordation of the Deed conveying said real property to City.

5. Closing Deliveries to Escrow Holder.

5.1 By Seller. Seller hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder within one (1) Business Day prior to the Closing Date the following documents:

5.1.1 Deed. An executed grant deed in the form attached hereto as Exhibit C ("Deed").

5.1.2 Non-Foreign Certification. Seller shall deliver to Escrow Holder a certification duly executed by Seller under penalty of perjury in the form of, and upon the terms set forth in, the Transferor's Certification of Non-Foreign Status ("FIRPTA Certificate"), setting forth Seller's address and federal tax identification number and certifying that Seller is a "United States Person" and that Seller is not a "foreign person" in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

5.1.3 Closing Statement. An executed settlement statement reflecting the pro-rations and adjustments required under Section 10.

5.1.4 Closing Documents. Any additional tax forms, recordation forms, 1099s or other documents as may be reasonably required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this Purchase and Sale Agreement.

5.1.5 Cash Pro-rations. The amount, if any, required of Seller under Section 10.

5.2 By Purchaser. Purchaser hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder on or prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Seller.

5.2.1 Purchase Price. Purchaser shall deliver to Escrow Holder the Purchase Price in accordance with Section 4.

5.2.2 Preliminary Change of Ownership Report. Purchaser shall deliver to Escrow Holder a Preliminary Change of Ownership Report completed in the manner required in Fresno County.

5.3 Additional Closing Items. Each party shall also execute and deliver to the Escrow Holder such documents, certificates and instruments as may customarily be required in transactions of this type. The items required to be submitted to the Escrow Holder pursuant to this Section and Sections 5.1 and 5.2 are referred to herein collectively as the "Closing Items."

6. **Title.** As evidence of title, within five (5) days of the Opening of Escrow, or as soon thereafter as is reasonably practical, the Seller shall deliver to the Purchaser a commitment

for an owner's policy of title insurance with standard exceptions ("Title Insurance Commitment") issued by Orange Coast Title Company (Rick Jacobsen, Escrow Officer, Orange Coast Title Company, 3536 Concoors, #120 Ontario, CA 91764, Telephone: (909) 987-5433, Email: rickj@octitle.com) ("Title Company"), in the amount of the Purchase Price (or such amount as required by Purchaser), dated later than the Opening of Escrow, and guaranteeing the title in the condition required for performance of this PSA, together with copies of all documents shown in the commitment as affecting title ("Title Documents") and a scaled and dimensioned plot showing the location of any easements on the Property. At Closing, the Seller shall pay the premium for a CLTA standard coverage owner's policy.

The Purchaser shall have thirty (30) days from receipt of the Title Insurance Commitment and Title Documents to inspect the state of the title and matters affecting title, and to object to the matters shown thereby. Failure to object in writing within the above period shall constitute a waiver of the Purchaser's objections to title. If the Purchaser objects to any matter disclosed by the Title Insurance Commitment or Title Documents, then the Seller shall have ten (10) Business Days from the date it is notified in writing of the particular defects claimed, to elect, in its reasonable discretion, either: (1) to remedy the title defect that is the subject of the Purchaser's objection, or (2) not remedy the title defect that is the subject of the Purchaser's objection, at Seller's option: Seller's election shall be communicated in writing to Purchaser. If Seller elects not to remedy such title defect, then Purchaser shall have two (2) Business Days following receipt of Seller's notification under the preceding sentence to elect to either (x) waive its title objection and accept title subject to the alleged title defect, or (y) terminate this PSA.

Seller may cure any title objection that may be cured by the payment of a sum certain (such as existing mortgages, land contracts and other liens) by paying or depositing that sum at Closing.

Notwithstanding the foregoing, Purchaser hereby objects to all liens evidencing monetary encumbrances (other than liens for non-delinquent general real property taxes to be paid by Purchaser under this PSA) and Seller agrees to cause all such liens to be eliminated at Seller's sole cost (including all prepayment penalties and charges) prior to the Closing Date. At the Closing, Seller will provide the Title Company with a commercially reasonable owner's affidavit, which will include a representation by the Seller (if accurate as of the Closing) that will allow the Title Company to issue an endorsement to Purchaser's title policy against potential mechanic's and materialmen's liens; provided, however that if such representation is not accurate, Seller will work with the Title Company to provide alternative assurances to allow the Title Company to issue to Purchaser such lien endorsement at the Closing.

Notwithstanding anything to the contrary contained in this PSA, if, at any time prior to the Closing, any updates to the Title Insurance Commitment are received by Purchaser, Purchaser shall have ten (10) Business Days (regardless of the date) following Purchaser's receipt of such update and legible copies of all underlying documents referenced therein (that were not referenced in the Title Documents previously provided to Purchaser) to notify Seller of objections to items on any such updates ("Title Updates"). Purchaser, at its sole election, may hire a land surveyor for the purpose of preparing an ALTA survey for the Property (the "Survey"). Notwithstanding the foregoing, Purchaser shall have ten (10) Business Days after

receipt of the Survey to object to any matters of survey in writing to Seller, in which event the procedure set forth in this Section shall apply to such Survey objections.

7. **Possession.** Unless this PSA is earlier terminated pursuant to the terms hereof, the Seller shall deliver and the Purchaser shall accept possession of the Property on the Closing Date, without any rights of tenants or any other party in possession.

8. **Conditions to Closing.** Seller's obligation to sell and Purchaser's obligation to purchase the Property shall be subject to and expressly conditioned upon satisfaction (or waiver) of the following conditions precedent to the Closing set forth in Sections 8.1,:

8.1 Department of Finance Approval. Purchaser acknowledges that this transaction and agreement shall be contingent upon the approval of the California State DOF ("Final Approval Date"). Seller shall give Purchaser prompt written notice once the Final Approval Date has occurred. Purchaser shall have the right to terminate this PSA by written notice to the Seller if DOF approval is not obtained by the Seller within three hundred sixty-five (365) days following the Opening of Escrow.

9. **Purchaser's Contingencies, Contingency Period, Survey and Development Approvals.** Within thirty (30) calendar days following the Opening of Escrow (the "Contingency Period"), Purchaser shall have the right to perform and to seek any and all necessary investigations, inspections and approvals necessary to develop and operate the Project at the Property, as described in Sections 9.1, 9.2, and 9.3:

9.1 Review and Approval of Documents and Materials. Within ten (10) days of the Opening of Escrow, Seller shall deliver to Purchaser any and all documents, reports, surveys, environmental assessments, engineering reports, building plans and blueprints for the Property and other materials in Seller's possession or under its control or that of its agents, respecting the Property, including any Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties, any Natural Hazard Zone Disclosure Report, and all lease agreements relating to any tenant or occupant then occupying the Property (collectively, "Materials"). During the Contingency Period, Purchaser may review and evaluate the Materials to determine whether the Property is appropriate for Purchaser's proposed use, in its sole discretion.

9.2 Purchaser's Due Diligence & Survey. During the Contingency Period or Extended Contingency Period, the Purchaser and its agents may, at the Purchaser's sole expense, conduct tests and physical inspections of the property, including building inspections and environmental site assessments desired by the Purchaser. Purchaser shall also conduct such investigations with regard to zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Purchaser shall restore the Property to the condition that it was in prior to those tests and inspections and shall indemnify, defend and hold Seller harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Purchaser's activities, acts and omissions on the Property.

Notwithstanding anything to the contrary contained in this PSA, (i) the defense, indemnity and hold harmless provision contained in this Section shall not apply to the extent such liabilities arise in connection with the negligence or willful misconduct of Seller, its employees, agents, contractors, licensees or invitees and (ii) provided further that Purchaser shall have no liability to Seller or to its employees, agents or contractors by reason of, nor shall Purchaser have any duty to indemnify, defend or hold any person or entity harmless from or against, any liabilities, including, without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, resulting directly from Purchaser having merely discovered and/or reported (to the extent required by applicable law) any adverse physical condition, title condition, environmental condition or other defect with respect to the Property. The foregoing provisions shall survive the Closing or any termination of this PSA. Purchaser shall notify Seller in advance of its desire to conduct any inspections at the Property to give Seller adequate opportunity to make reasonable arrangements with the tenant in possession (if any). During the Contingency Period or Extended Contingency Period, the Purchaser shall have the right, but not the obligation, to cause a Survey of the Property at its own expense. The Survey report shall also: (1) be certified to the Purchaser and (2) be prepared and sealed by a registered California Property Surveyor. Copies of any final non-privileged, non-attorney-client work product reports and/or surveys prepared pursuant to this PSA shall be delivered to Seller. Purchaser shall not be liable for reports/Survey and said reports/Survey are provided to the Seller for reference purposes only.

9.3 Purchaser's Objections. Purchaser shall have the right at any time on or before the expiration of the Contingency Period to terminate this PSA if, during the course of Purchaser's due diligence investigations of the Property and in connection with its obtaining of the Approvals, Purchaser determines in its sole and absolute discretion that the Property is not acceptable to Purchaser. Purchaser has termination rights during the Extended Contingency Periods as described in Section 9.4.

9.4 Extended Contingency Period. Notwithstanding anything contained herein to the contrary, provided that Purchaser has been diligently pursuing its due diligence investigations of the Property and obtaining the Approvals, Purchaser and Seller shall extend the Contingency Period (each, an "Extended Contingency Period") by Purchaser notifying the Seller of its desire to do so before the prior Contingency Period or Extended Contingency Period, as applicable, has lapsed. Upon the exercise of an Extended Contingency Period, all references in this PSA to "Contingency Period" shall be deemed to include the exercised Extended Contingency Period.

(a) Each Extended Contingency Period is also referred to herein individually as an "Extended Contingency Period" and collectively as "Extended Contingency Periods."

9.5 Termination Notice. Purchaser may exercise Purchaser's termination rights pursuant to Sections 9.3 and 9.4 by delivering written notice of termination to Seller and Escrow Agent (a "Termination Notice") on or before the expiration of the Contingency Period or Extended Contingency Period, as applicable. Upon the timely delivery of such Termination Notice, this PSA shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder.

9.6 Disclaimer of Warranties. Purchaser shall acquire the Property in its "AS IS" condition and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property. Except as expressly set forth in this PSA, Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Purchaser acknowledges that, once Purchaser obtains title to the Property, any liability of the Seller for the environmental condition of the Property shall be extinguished, and that Seller shall have no liability for remediating any environmental condition of the Property. Purchaser shall indemnify Seller against any claim or liability relating to the environmental condition of the Property; provided, however, that Seller shall remain liable for (1) any hazardous materials released into the Property while Seller owned the Property, (2) any third party claim that arose during Seller's ownership of the Property; (3) Seller's fraud or willful misconduct in connection with this PSA; and (4) breach of Seller's Representation and Warranties. The foregoing indemnity obligation shall survive the Closing.

10. **Prorated and Adjusted Items.** The following items shall be prorated and/or adjusted as follows:

10.1 Taxes. Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller and Purchaser are public agencies and therefore exempt from the payment of property taxes.

10.2 Other Costs. Seller shall pay all water, sewer, telephone, and all other applicable utility charges incurred on or before the Closing Date with respect to the Property. After the Closing, Purchaser shall pay all such charges. Seller shall pay the applicable transfer taxes, the cost of recording any curative instruments and the cost of a CLTA standard coverage owner's title policy. Purchaser shall pay the cost of recording the Deed conveying title to the Property, the costs associated with Purchaser's financing, the cost of any extended coverage or ALTA owner's title policy and the cost of any title endorsements. Escrow fees shall be shared equally by the parties. Each party shall pay its own legal fees.

11. **Default.**

11.1 PURCHASER'S DEFAULT. IF PURCHASER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY UNCURED MATERIAL DEFAULT OF PURCHASER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO PURCHASER.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: _____

11.2 SELLER'S DEFAULT. IF SELLER FAILS TO COMPLETE THE SALE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY MATERIAL DEFAULT OF SELLER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), PURCHASER MAY EITHER (I) PROCEED AGAINST SELLER BY

BRINGING AN ACTION FOR SPECIFIC PERFORMANCE UNDER THIS AGREEMENT WITHOUT ANY RIGHT TO SEEK DAMAGES OF ANY KIND OR NATURE, OR (II) TERMINATE THIS AGREEMENT.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: _____

12. **Closing.** Consummation of this sale and purchase ("Closing") shall take place within ten (10) days following the expiration of the Contingency Period, as it may be extended by one or more Extend Contingency Periods, at which time Purchaser shall provide a written waiver to Seller ("Purchaser's Closing Notice") of all conditions to Purchaser's obligation to proceed to Closing, unless this PSA has been duly and timely terminated pursuant to the provisions of this PSA. Closing shall take place at the offices of the Escrow Holder and coordinated through their affiliate offices. As used herein, "Closing Date" means the date and time on which the Deed is recorded in the Official Records of the County.

12.1 Outside Closing Date. In no event shall the Closing occur later than one hundred twenty (120) days following the Opening of Escrow (the "Outside Closing Date"). Notwithstanding Section 30.7 or any other provision of this PSA, the Outside Closing Date shall not be subject to extension for force majeure delays.

13. Pre-Closing Covenants. Between the date hereof and the Closing Date, unless otherwise consented to in writing by Purchaser, the Seller shall:

13.1 Maintain the Property in compliance with all applicable laws and in its present condition, reasonable wear and use excepted.

13.2 Not suffer or permit any new easements, encumbrances, liens or security interests to attach to the Property, or transfer or convey the Property or any portion or portions of the Property.

13.3 Not enter into or amend any contracts or agreements pertaining to the Property, which would survive the Closing and be binding upon Purchaser.

13.4 Maintain hazard and liability insurance with respect to the Property, in amounts determined to be appropriate by Seller, in Seller's reasonable discretion.

14. **Risk of Loss.**

14.1 Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain with respect to the Property or any portion of the Property, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding ("Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the buildable area at the Property, or reduce or eliminate access to the Property, then Purchaser may either (a) terminate this PSA, or (b) proceed with the Closing without modifying the terms of this PSA and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Purchaser will be entitled to keep, all awards for the Condemnation that accrue to Seller;

provided, however, if any award is rendered specifically to compensate Seller for Seller's lost goodwill, such an award shall belong to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Purchaser's written consent. Seller must notify Purchaser of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of such notice, and Purchaser must exercise its option(s) as provided in this Section within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Purchaser the full 15-day period to make such election. Notwithstanding the foregoing, if any condemnation action is commenced prior to the Closing Date, Purchaser shall have the right to terminate this PSA and to receive the return of an amount equal to Purchaser's out-of-pocket costs incurred in connection with this transaction.

14.2 **Damage and Destruction.** If before the Closing Date any damage or destruction of the Property, or any portion of it, occurs, then within three (3) days after determination of the amount of the Insurance Proceeds (defined below) to be received with respect to such loss, Purchaser must elect, by written notice to Seller, either to: (a) terminate this PSA; or (b) receive an assignment of the Insurance Proceeds with respect to such loss and proceed to Closing without any reduction in the Purchase Price (in which event the Closing shall occur within thirty (30) days after such election). If Purchaser shall fail to provide such written notice of election within ten (10) days after determination of the amount of the Insurance Proceeds to be received with respect to such loss, then Purchaser shall be deemed to have elected to terminate this PSA. As used herein, "Insurance Proceeds" means the proceeds from any and all insurance maintained by Seller with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance.

15. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser that, to Seller's actual knowledge, except as set forth or otherwise disclosed in this PSA, or in any exhibit to this PSA, or in any schedule of exceptions attached to this PSA:

15.1 This PSA has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this PSA constitutes a valid and binding agreement, enforceable in accordance with its terms. As of the Opening of Escrow, Seller has obtained all consents, releases and permissions and has given all required notifications related to the transaction herein contemplated and required under any covenant, agreement, encumbrance, law or regulation to which Seller is a party or by which Seller is bound.

15.2 Seller is the fee simple owner of the Property. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the Property.

15.3 Seller has not received notice of violation of any applicable law, ordinance, regulation, order or requirement relating to Seller's operation or use of the Property.

15.4 To Seller's actual knowledge: (i) neither the Property nor any part thereof is in breach of any environmental laws; (ii) no part of the Property has ever been used as a landfill, dump, toxic waste disposal site or storage area; (iii) there are no underground storage tanks at the Property, or, with respect to removed tanks, at the time of removal, any contaminated soil was removed; and (iv) the Property is free of any Hazardous Materials that would trigger

response or remedial action under any environmental laws or any existing common law theory based on nuisance or strict liability. This warranty is limited to matters of which Seller has actual knowledge, and Purchaser acknowledges that Seller has not made any affirmative investigation as to environmental issues affecting the Property in connection with this PSA. As used in this PSA, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

15.5 There is no litigation pending or to the actual knowledge of Seller, threatened, against or by Seller or the Property which relates to, or if decided adversely, could have a material adverse effect upon, the Property (including condemnation or similar proceedings).

15.6 Except as disclosed in writing to Purchaser by Seller as part of the Materials, there are no leases, licenses or other occupancy or use agreements, written or oral, in effect in which Seller has granted any party rights to possession or use of the Property or any portion thereof, nor has Seller given any party an option or right of first refusal to purchase any portion of the Property.

15.7 Except as disclosed in writing to Purchaser by Seller as part of the Materials, the Property is not subject to any operating, maintenance or repair contract or other agreements that will bind the Property or Purchaser after the Closing ("Service Contracts").

15.8 Except as disclosed in the Materials, Seller has no actual knowledge of any violations of health, environmental or other applicable law, ordinance, code, order or regulation in any respect with regard to the Property.

15.9 Seller is not aware of any inaccuracy or incompleteness of any of the documents, materials or reports contained in the Materials.

15.10 To Seller's actual knowledge and except for matters of record as of the date hereof, there are no bonds or assessments or charges for any public improvements or utilities made against the Property which remain unpaid (or which will remain unpaid by Seller as of the Closing Date).

15.11 No representation, statement or warranty by Seller contained in this PSA or in any exhibit attached hereto contains or will contain any untrue statements or omits, or will omit, a material fact necessary to make the statement of fact therein recited not misleading. If, after Seller's execution hereof and prior to the Closing, any event occurs or condition exists of which Seller becomes aware which renders any of the representations contained herein untrue or misleading, Seller shall promptly notify Purchaser in writing.

All representations and warranties contained in this PSA shall be deemed remade as of the Closing Date, except in the event of a change in circumstances not within the control of Seller affecting any representations or warranties set forth herein, in which case Seller shall provide written notice to Purchaser regarding such changed circumstances within a reasonable time following such change (not to exceed five (5) Business Days following the date the City Manager/City Clerk obtains actual knowledge of the changed circumstance), and prior to the Closing. As used herein, "actual knowledge" of Seller refers to the actual knowledge of Seller's employees and agents directly involved in the negotiation and/or drafting of this PSA, those responsible for the acquisition or maintenance of the Property, the City's Legal Counsel and the City Clerk.

16. **Assignment.** This Purchase and Sale Agreement shall not be assigned by any party hereto to any person or entity without the express written consent of Seller. In the event of an assignment of Purchaser's interests under this PSA, the assignee shall agree in writing to assume and be bound by the terms and provisions hereof, in which event any assignment will not release Purchaser from any of its obligations hereunder, until the Closing at which point Purchaser's assignee shall be responsible for all obligations of Purchaser hereunder.

17. **Business Days.** As used herein, the term "Business Days" refers to Monday through Friday, excluding holidays on which the City of Firebaugh or Seller are closed for business.

18. **Binding Effect.** The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.

19. **Brokers.** Seller has retained Rosenow Spevacek Group, Inc. (CalBRE Corporate Broker License #01930929) for its services as real estate advisor in this transaction ("Seller's Advisor"). Under separate agreement, the Seller will pay the Seller's Advisor a fee for advisory services. The Seller's Advisor shall not receive a commission in this transaction. Purchaser is not represented by a Broker. No commission shall be paid as a result of this transaction.

20. **Integration; Merger; Amendment; Survival of Representations.** Seller and Purchaser have not made any covenants, warranties, or representations not set forth in this PSA. This PSA constitutes the entire Agreement between the parties. Except as otherwise provided herein, all representations, warranties and covenants set forth in this PSA shall survive closing. This instrument shall as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective instrument between them as to the provisions set forth in this PSA. None of the terms and provisions hereof shall be altered or amended unless in writing and signed by the parties.

21. **Execution in Counterparts and by Fax/Email.** This document may be validly executed and delivered by facsimile transfer/e-mail and/or portable document format (collectively, "Electronic Copy"). Any signer who executes this document and transmits this document by Electronic Copy intends that the Electronic Copy of their signature is to be deemed an original signature for all purposes. Any such Electronic Copy printout and any complete photocopy of such Electronic Copy printout are hereby deemed to be an original counterpart of

this document. This PSA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **Notices.** All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) Business Day after depositing with an overnight air courier, or two (2) Business Days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or email:

If to Seller: City of Firebaugh
1133 P St.
Firebaugh, CA 93622
Attn: City Manager
Fax: (559) 659-2043
Email: citymanager@ci.firebaugh.ca.us

with a copy to: Lozano Smith LLP
7404 North Spalding
Fresno, CA 93720-3370
Attn: Roy C. Santos, Legal Counsel
Email: rsantos@lozanosmith.com

If to Purchaser: City of Firebaugh
1133 P St.
Firebaugh, CA 93622
Attn: Mayor Freddy Valdez
Phone: (559) 659-2043
Email: citymanager@ci.firebaugh.ca.us

23. **Governing Law.** This PSA shall be construed according to the laws of the State of California.

24. **Attorney's Fees.** In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this PSA, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

25. **Expenses.** Seller and Purchaser shall pay their respective expenses and costs in connection with the preparation of this PSA and other agreements and documents related to this PSA and the transactions contemplated herein.

26. **Severability.** If any term of this PSA is held by a court of competent jurisdiction to be invalid or unenforceable, then this PSA, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

27. **Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this PSA, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this PSA. Headings used in this PSA are provided for convenience only and shall not be used to construe meaning or intent. As used in this PSA, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates

28. **Qualification; Authority.** Each individual executing this PSA on behalf of a party which is an entity, represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this PSA on behalf of such entity in accordance with authority granted under the organizational documents of such entity, and (b) such entity is bound under the terms of this PSA.

29. **Counterparts.** This PSA may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile or e-mailed PDF copy of such execution shall be deemed an original.

30. **Miscellaneous.**

30.1 Execution of Documents. The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this PSA.

30.2 Inducement. The making, execution and delivery of this PSA by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

30.3 Incorporation of Exhibits. The exhibits attached hereto are incorporated herein by reference.

30.4 Relationship of Parties. Notwithstanding anything to the contrary contained herein, this PSA shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

30.5 Survival of Warranties. It is the express intention and agreement of the parties to this PSA that all covenants, representations and warranties made by Seller in this PSA shall survive this PSA, the recordation of the Deed and the Closing for a period of twelve (12) months.

30.6 Limitation of Liability. The parties agree that neither the holders of beneficial interests nor the trustees, officers, members, employees or agents of either party or any assignee or affiliate of either party shall be personally liable under the PSA and all parties hereto shall look solely to the assets of the entity, for the payment of any claim or the performance of any obligation of either under this PSA.

30.7 **Force Majeure.** If either Party is delayed or prevented from performing any act required in this PSA by reason of any event beyond the reasonable control of either Party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such Party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such Party has been delayed.

31. **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

32. **Independent Review.** The Parties have had the opportunity to obtain, and have obtained, independent legal or other professional advice with regard to this PSA. The Parties acknowledge that the terms of this PSA have been read and fully explained and that those terms are fully understood and voluntarily accepted.

33. **Voluntary Agreement.** The Seller and Purchaser represent that they have read this PSA in full and understand and voluntarily agree to all of its provisions. Both the Seller and Purchaser further declare that, prior to signing this PSA, they availed themselves of relevant data, through sources of their own selection, including a legal representative, in deciding whether to execute this Agreement.

34. **Entire Agreement.** This PSA constitutes the final agreement between the Parties. It is the complete and exclusive expression of the Parties' agreement on the matters contained in this PSA. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this PSA are expressly merged into and superseded by this PSA. In entering into this PSA, neither Party has relied upon any statement, representation, warranty, or agreement of the other Party except for those expressly contained in this PSA. There are no conditions precedent to the effectiveness of this PSA other than those expressly stated in this Agreement.

35. **Amendments.** This PSA may not be amended or modified except in writing signed by each of the Parties to the PSA.

36. **Third Parties.** This PSA does not and is not intended to confer any rights or remedies upon any party other than the Parties.

37. **Interpretation.** This PSA shall be construed as to its fair meaning and not strictly for or against either Party. The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

SELLER:

CITY OF FIREBAUGH,
a California municipal corporation, as Successor
Agency to the Firebaugh Redevelopment Agency

Freddy Valdez, Mayor

ATTEST:

Rita Lozano, Deputy City Clerk

APPROVED AS TO FORM:
LOZANO SMITH LLP

Roy C. Santos, Legal Counsel

PURCHASER:

CITY OF FIREBAUGH,

By: _____
CITY OF FIREBAUGH

EXHIBIT A

DESCRIPTION OF PROPERTY

The Property referred to herein is that certain real property located in the City of Firebaugh, County of Fresno, State of California, and is described as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATED, LYING, AND BEING A PORTION OF SECTION 29, TOWNSHIP 12 SOUTH, RANGE 14 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF FIREBAUGH, COUNT OF FRESNO, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHWESTERLY 60 FEET OF LOTS 14, 15, AND 16 IN BLOCK 55 AS SHOWN ON THE "MAP OF THE TOWN OF FIREBAUGH" FILED FOR RECORD IN BOOK 1 OF MISCELLANEOUS MAPS, AT PAGE 13, FRESNO COUNTY OF RECORDS.

APN: 008-074-01

EXHIBIT B

PROPERTY DISPOSITION PROCEDURES

The Successor Agency of the Redevelopment Agency of the City of Firebaugh and the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Firebaugh

(100) PURPOSE AND INTENT

On February 1, 2012, pursuant to the Assembly Bill 1x 26 (Blumenfield), Division 24, Parts 1.8 and 1.85 of the California Health & Safety Code (“Dissolution Act”), the Redevelopment Agency of the City of Firebaugh (“Former Redevelopment Agency”) was dissolved. In connection with the implementation of the Dissolution Act, the City of Firebaugh (“City”) serves as the successor agency (“Successor Agency”) to the Former Redevelopment Agency. The Successor Agency, as part of the wind-down of former redevelopment activities, is responsible for the ongoing maintenance, marketing, and disposition of assets, including real and personal property, of the Former Redevelopment Agency other than housing assets.

Assembly Bill (“AB”) 1484, enacted in June of 2012, required all successor agencies to former redevelopment agencies to prepare a Long Range Property Management Plan (“PMP”). The PMP governs the disposition and use of property held by former redevelopment agencies at the time of dissolution in 2012. The Successor Agency’s PMP was adopted by Oversight Board Resolution No.13-10 on September 19, 2013 and by the California Department of Finance (“DOF”) on February 10, 2014. As detailed in the PMP, the Successor Agency is disposing of seven (7) properties that will be sold and proceeds will be either used to fulfill enforceable obligations or will be remitted to the Fresno County Auditor-Controller for distribution to the taxing entities in accordance with the law. Section 34191.3 of the Health & Safety Code states that the PMP “shall govern, and supersede all other provisions relating to, the disposition and use of the real property assets of the former redevelopment agency.”

PMP Properties to be Sold **Firebaugh Successor Agency**

Address	APN	Acres	Current Zoning
1264 P Street	008-075-11	0.50	Residential
1238 P Street	008-075-03	0.33	Residential
1415 14 th Street	008-132-07	0.21	Commercial
1185 N Street	008-074-10	0.23	Commercial
1284 N Street	008-080-42	0.44	Commercial
1320 N Street	008-140-35	0.45	Commercial
1458 11 th Street	008-074-01	0.12	Commercial

However, the Dissolution Act does not define or otherwise include procedures or policies as to how properties will be disposed. Successor Agency staff has determined that the interests common to the affected taxing agencies (“Taxing Agencies”) that receive property taxes from the Firebaugh Redevelopment Project Area subject to the Firebaugh Redevelopment Plan previously adopted by the City Council (“Project Area”), and the interests of the community, will be best

served by adopting these Disposition Procedures. Purposes and objectives of these Disposition Procedures include:

- i. Establishing a process that shall generally be applicable to the solicitation and submittal of offers and for the disposition of PMP properties that will promote orderly planning, marketing, and disposition;
- ii. Establishing a process will tend to promote efficiency and avoid duplicative efforts; and
- iii. Establishing a process will promote the establishment of standards of the Successor Agency and Oversight Board with respect to remarketing of, and solicitation and receiving offers relating to PMP properties.

Successor Agency staff intends that these Disposition Procedures will provide an orderly process for disposition, and provide interested parties an opportunity to:

- i. Review and identify their interests, if any, in acquiring all or a part of the Former Redevelopment Agency property(ies);
- ii. Submit development proposals, to receive good faith evaluation and consideration by the Successor Agency and Oversight Board of complete development proposals; and,
- iii. Acquire PMP properties if a development proposal is selected by the Successor Agency and Oversight Board.

(200) DISPOSITION PROCEDURES FOR PMP PROPERTIES

A primary objective of these Disposition Procedures is that the Successor Agency and Oversight Board obtain clear information on the capability of bidders to not only acquire, but to develop expeditiously, for development(s) that maximize(s) the value of the property(ies) and benefits affected taxing agencies. The Successor Agency acknowledges an express policy hereunder is that land banking (acquisition with no plan for development in the foreseeable future) generally will not result in expeditiously maximizing the value of PMP properties under the Dissolution Act. Therefore, interested parties who desired to acquire one or more PMP properties must follow the procedures that are set forth in these Disposition Procedures.

(201) Request for Proposals

- A. The Successor Agency will actively advertise all PMP properties that it wishes to sell. Examples include but are not limited to posting descriptions of the properties on the City's website, posting advertisements in real estate publications or online forums, or enlisting the services of real estate professionals. This is intended to generate interest in the properties and publicize their availability.
- B. Working cooperatively with the Oversight Board, the Successor Agency may prepare a Request for Proposals ("RFP") for specific properties and post it to the City's website, mailed via first class mail to developers or parties that have requested such proposal in writing prior to the date of issuance, and other developers or parties at the Successor Agency's discretion. For marketing purposes and in an effort to achieve an orderly process and avoid concurrent exposure of a number of PMP properties that

may confuse the marketplace or degrade marketability, the number of properties requested in the RFP is subject to the sound discretion of the Successor Agency. Each RFP shall include the following information:

- i. A description of the property(ies), consisting of a map, references to applicable land use policies and development standards, and a description of the intended redevelopment purpose of the property(ies);
- ii. Contact information for questions pertaining to the property(ies) and underlying land use policies and development standards;
- iii. The terms and conditions of sale or other disposition;
- iv. A description of the form and content of complete responses to the RFP, including but not limited to:
- v. Other information as determined by the Successor Agency.

(202) Submitting a Proposal

- A. Parties interested in acquiring an identified asset or assets may submit a development proposal at any time until the property is sold and the sale is approved by the Oversight Board and DOF.
- B. Proposals shall include the following:
 - i. The proposed total consideration for the property(ies) and information supporting the offer price;
 - ii. Any proposed alterations to the terms and conditions of sale, including the timeframe for closing;
 - iii. The proposed uses must conform to the requirements, intent, goals, and objectives of the City General Plan, zoning, other applicable development standards, and other applicable federal, state and local laws, codes and regulations
 - iv. A development program of sufficient detail to assure the Successor Agency and Oversight Board as to how and when the bidder intends to fulfill the intended use of the property(ies) pursuant to Section 201(B)(i) above and the time line for completion of the project.
 - v. An explanation or analysis of the economic benefits of the proposed project to the City, other affected taxing agencies and the community.
- C. Interested parties shall provide such additional information as may be reasonably requested by the City Staff or the Successor Agency.
- D. Efforts to remarket PMP properties shall be conducted through the Successor Agency, as provided in these Disposition Procedures. In the event one or more affected taxing agencies has a potential prospect to submit a proposal for one or more

of the properties, any such proposal shall be subject to the submittal and other components of these Disposition Procedures.

- E. All costs associated with submitting a proposal shall be borne solely by the applicant submitting such document(s).
- F. Costs incurred by the Successor Agency in the implementation of these Disposition Procedures shall be treated as Asset Disposition Costs (not part of the administrative cost allowance) for purposes of the Recognized Obligation Payments Schedule (“ROPS”) of the Successor Agency; the ROPS includes a line item for these costs and may be amended from time to time to incorporate exact costs associated with these activities. Includable as costs are such items as: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the Disposition of property(ies), such as unpaid and outstanding tax liens or judgments. Costs so incurred by the Successor Agency may be paid from either the Redevelopment Property Tax Trust Fund (Section 34170.5(b) of the Dissolution Act) or the first proceeds from the remarketing of property(ies) as an above-the-line item before proceeds are spread among affected taxing agencies.
- G. The Successor Agency, through its staff, consultant(s) and counsel(s), will review proposals upon receipt thereof, and shall notify applicants whether the development proposals submitted comply with the requirements of these Disposition Procedures and have been determined to be complete or incomplete. In the event the Successor Agency staff notifies an applicant submitting a proposal that the proposal is incomplete or that additional information is required, such applicant may be allowed fifteen (15) days from such notification to complete and resubmit its proposal, or such greater period as the Successor Agency may determine in its reasonable discretion as may be appropriate for the gathering of necessary information. The failure to provide such additional information and resubmit the revised proposal in a timely manner shall automatically disqualify such proposal from any further consideration and shall be deemed a rejection by the Successor Agency of such proposal. Notwithstanding the foregoing, initial proposal submissions that do not include or address all of the required items may, in the discretion of the Successor Agency staff, be rejected without an opportunity for resubmission.

(203) Successor Agency and Oversight Board Evaluation of Proposals

- A. The Successor Agency shall consider in good faith all proposals timely submitted by interested parties, and determined by Successor Agency staff to be complete. Proposals shall be evaluated by the Successor Agency with consideration of factors determined by the Successor Agency to maximize the value of the asset in question as well as furthering the objectives of the City’s General Plan.
- B. The Successor Agency will submit all complete proposals to the Oversight Board for review. The Successor Agency will provide the Oversight Board with proposal recommendations.
- C. The Oversight Board shall evaluate all proposals with consideration of factors which may include, but are not limited to, some or all of the following (the following factors are not listed in any particular order of ranking):

- i. The economic benefits to the City, the taxing entities, and the community, if the proposal were to be approved and the proposed project is implemented;
- ii. Conformity of the proposal, including proposed uses, with the requirements, intent, goals, and objectives of the City's General Plan, any specific plans, applicable redevelopment criteria specified by the Successor Agency in the RFP as provided in Section 201, zoning, other development standards, and other applicable federal, state and local laws, codes and regulations;
- ii. Quality of design and project concept;
- iii. The employment opportunities and economic benefits to the City that can be reasonably expected to result from the implementation of the proposal;
- iv. The qualifications, experience and references of the applicant or its developer entity team proposed to develop the project described in the proposal, including financial capacity to undertake the project, specific prior experience with similar development, quality of prior development projects, degree of site control, ability to obtain financing both construction and permanent, ability to abide by City design and development standards and controls, and readiness to proceed;
- v. The estimated cost, if any, of City financial involvement, including the provision of City public services, subsidies, or public improvements required if the proposal is accepted, and the availability of sufficient City funds to pay such costs;
- vi. The probability of successful implementation of the proposal;
- vii. The probability of realization of a substantial portion of the economic benefits attributable to a proposed project;
- viii. The time schedule for completion of the proposed project;
- viii. The environmental benefits or impacts of the proposed development, and evaluation of the cost and method of mitigation of such impacts, if any;
- x. Likelihood of closing the sale of the subject property(ies), including without limitation the scope of environmental review required, the cost to process such environmental review, the willingness (or not) of the proponent to pay for processing, and whether there are any further contingencies to closing contained in the proposal;
- xi. The impact of the proposal on existing buildings and improvements; and
- xii. The merits of the proposal relative to the merits of other proposals for the same proposed development property(ies) or for other sites within the City.

D. The Oversight Board may choose to accept or reject the Successor Agency's recommendations.

- i. If the Oversight Board rejects the Successor Agency's recommendation, the proposals will be submitted to the Successor Agency again for reconsideration.
- ii. If the Oversight Board accepts the Successor Agency's recommendation, the Oversight Board can take formal action to approve the proposal. Successor Agency staff will forward the Oversight Board action to the DOF for final approval.

E. Upon approval from the DOF, Successor Agency staff is authorized to negotiate with the interested party. In the interest of time, the Successor Agency may submit various proposals and a Purchase and Sale PSA with the recommended buyer to the Oversight Board for simultaneous consideration.

(204) Negotiating PSAs

Successor Agency staff shall use good faith efforts to 1) negotiate with a project proponent, 2) negotiate exclusively with a particular proponent at the discretion of the Successor Agency and Oversight Board, and 3) develop a sales contract with a selected applicant whose proposal has been selected or conditionally selected by the Successor Agency and Oversight Board. The purpose of any such Negotiating PSA is to establish a time period during which the chosen applicant shall have the right to negotiate the terms and conditions of a sales contract.

(205) Final Oversight Board Approval

Once Successor Agency staff prepares a Purchase and Sale PSA, the Successor Agency will seek final approval from the Oversight Board to confirm compliance with the PMP and that the sale of the property is in the best interest of the taxing entities. Approval of a Purchase and Sale PSA requires at least 10 days' notice to the public pursuant to Section 34181(f).

(300) PROCEDURE FOR AMENDING DISPOSITION PROCEDURES

The Oversight Board or Successor Agency may amend these Disposition Procedures at a regular or special meeting upon the giving of at least thirty (30) days prior notice to all of the members of the Oversight Board or Successor Agency. Both bodies must agree to concurrently amend these Disposition Procedures.

EXHIBIT C

Deed

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
City of Firebaugh
1133 P Street
Firebaugh, CA 93622

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF FIREBAUGH, a California municipal corporation as Successor Agency to the Firebaugh Redevelopment Agency ("Grantor"), hereby grants to CITY OF FIREBAUGH ("Grantee"), all of its respective rights, title, and interest in the real property hereinafter referred to as the "Property" in the City of Firebaugh, County of Fresno, State of California, as more particularly described in Attachment 1 attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

CITY OF FIREBAUGH,
a California municipal corporation,
Successor Agency to the Firebaugh Redevelopment
Agency

Freddy Valdez, Mayor

ATTEST:

Rita Lozano, Deputy City Clerk

APPROVED AS TO FORM:
LOZANO SMITH LLP

Roy C. Santos, Legal Counsel

Attachment 1 to Grant Deed

Legal Description of the Property

The Property referred to herein is that certain real property located in the City of Firebaugh, County of Fresno, State of California, and is described as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATED, LYING, AND BEING A PORTION OF SECTION 29, TOWNSHIP 12 SOUTH, RANGE 14 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF FIREBAUGH, COUNT OF FRESNO, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHWESTERLY 60 FEET OF LOTS 14, 15, AND 16 IN BLOCK 55 AS SHOWN ON THE "MAP OF THE TOWN OF FIREBAUGH" FILED FOR RECORD IN BOOK 1 OF MISCELLANEOUS MAPS, AT PAGE 13, FRESNO COUNTY OF RECORDS.

APN: 008-074-01

KROEKER, INC.

DEMOLITION AND RECYCLING CONTRACTORS
CA LIC 621866 A C12 C21 C57 C61/D06 HAZ ASB • AZ LIC 131453 A • NV LIC 50909 A

December 22, 2015

Ben Gallegos
Public Works Director
City of Firebaugh
1133 "P" Street
Firebaugh CA 93622

Re: Demolition Proposal "City Owned Building"
Address unknown.

Ben,

Please find below our scope of work and clarifications to provide you with the following services, We propose to perform the demolition and clearing activities as presented in our walk yesterday 12-21-2015.

Removal of Building, foundations and on-site utilities. Water & Sewer will be capped at the property line.

Our Price L.S. \$18,750.00

Exclusions:

Permits, cost of bonds, hazardous waste removal, traffic control, any repairs to existing right of way facilities not clearly marked. SWPPP design, installation or maintenance except where disturbed by our operations, and protection of utilities to be used at a later date.

Clarifications:

The west wall composed of brick construction is in close proximity to an alley that contains Utility poles with a number of utilities utilizing the structure. The City must make arrangements with all the utilities and coordinate a clearance during the removal of that wall. Also there is a power line that runs directly over the building to be removed which will need to be reenergized during the demolition. It also appears the phone line to the adjacent building is still attached to the back of the building to be removed. It is our understanding the Asbestos abatement has been completed. We are requesting copies of the Notification, and Release from the SJVAPCD prior to signing a contract.

COSTS:

The price for the above work is **\$18,750.00**. Additional work beyond the Scope of Work will be charged in accordance with the current Kroeker, Inc. rate sheet. Our bid price is valid for thirty (30) days. Our terms are cash, net thirty (30) days. Past due accounts will be charged at 1-1/2% per month. This is an annual rate of 18%. Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, Box 26000, Sacramento, CA 95826.

Thank you again for the opportunity to submit this bid. To authorize our services, please sign and return one (1) copy of this letter, which will serve as our agreement and authorization to proceed. The prompt return of this signed proposal will help facilitate an early start.

Sincerely,



Rodney Ainsworth
General Manager



4627 S. Chestnut Ave. • Fresno, CA 93725-9370
Tel (559) 237-3764 (FROG) • Fax (559) 268-3366 (DEMO)
Toll Free (800) J KROEKER (557-6353)
www.kroekerinc.com





STAFF REPORT

TO: Oversight Board to Successor Agency to the Firebaugh Redevelopment Agency
FROM: Ben Gallegos, Interim City Manager
DATE: January 21, 2016
SUBJECT: Redevelopment Dissolution Consulting Services

RECOMMENDATION:

Approve the attached Proposal for Consulting Services from RSG relating to Successor Agency matters

BACKGROUND AND OVERVIEW:

The dissolution of the Firebaugh Redevelopment Agency is complex and arduous. The City of Firebaugh requires financial, real estate, and management consulting services to help manage the numerous deadlines and requirements of ABx1 26, AB 1484, SB 107 and any new legislation that may come into effect.

Redevelopment Dissolution Consulting Services

The City of Firebaugh and the Successor Agency to the Firebaugh Redevelopment Agency have employed Rosenow Spevacek Group, Inc. ("RSG") to provide consulting services related to the dissolution of the former Firebaugh Redevelopment Agency since 2011. To date, RSG has assisted with:

- Operational startup activities to create the Successor Agency, Housing Successor Entity, and Oversight Board
- Recognized Obligation Payment Schedules (ROPS) covering six month periods from January 2012 to the present
- The Successor Agency's Administrative Budget for Fiscal Years 2012-13, 2013-14, 2014-15, and 2015-16
- Ten-Year Cash Flow Analyses to aid preparation of the ROPS and inform other planning activities
- City Loan Agreements to cover shortfalls in prior ROPS periods
- Due Diligence Review advisory services
- Property and asset disposition services including the Long Range Property Management Plan and the sale of three properties
- Review and analysis of contracts, agreements, and other documents
- Documents and presentations for City Council, Successor Agency, and Oversight Board Meetings

- Documents and presentations for meetings with State and County agencies
- Correspondence with State, County, and other agencies as needed
- General project advisory and management Services
- Legislative tracking, analysis, and advice
- Other services as needed

A new contract for administrative services is proposed in a not-to-exceed amount of \$50,000 to continue providing consulting services in FY 2016-17. The contract also amends the budgeted amount for FY 2015-16 to add \$15,000 to close out the remainder of the year. The FY 2015-16 amount will allow RSG to complete property disposition services and prepare the annual 2016-17 ROPS. The original amount was exceeded due to unforeseen property disposition costs.

RSG will consult on all activities required by the Dissolution Act, which may include but are not limited to:

- Financial Planning and Transition Services, including preparation of Recognized Obligation Payment Schedules (ROPS), Administrative Budgets, and Cash Flows
- Asset Disposition Strategic Planning, including preparation of transfer documents for Successor Agency assets
- General Financial Advisory Services
- Project Advisory Services
- Project Management Services
- Meeting, Agenda, Staff Report Assistance for the City Council, Successor Agency, and Oversight Board
- Meeting Preparation and Attendance with State, County and other agencies as required
- Taxing Entity Consultations
- Property Disposition
- Monitoring of Legal Requirements and Agreements
- Legislative Analysis
- Others Services as Designated

The fee stated in the proposal matches the amount approved by the Successor Agency and Oversight Board in the FY 2015-16 Administrative Budget. Property disposition cost will be charged to the respective line item on the ROPS. Costs for services will be paid on a monthly basis as they accrue on a time and material basis by the Successor Agency.

FISCAL IMPACT:

The increased cost of \$15,000 associated with the FY 2015-16 RSG Contract for Consulting Services will be paid out of the FY 2015-16 Administrative Allowance of \$250,000. The FY 2016-17 amount of \$50,000 will be paid from the subsequent FY 2016-17 Administrative Allowance. The Successor Agency has reduced its internal costs in recent ROPS cycles so it is anticipated that there will be sufficient Administrative Allowance to cover the costs of the RSG Contract.

ATTACHMENTS:

Attachment 1 – Consulting Services Proposal from RSG dated January 6, 2016

RESOLUTION NO. OB 16-01

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A CONTRACT WITH ROSENOW SPEVACEK GROUP, INC. TO PROVIDE CONSULTING SERVICES TO THE SUCCESSOR AGENCY IN FISCAL YEAR 2016-17

WHEREAS, the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency ("Oversight Board") has been established to direct the Successor Agency to the Firebaugh Redevelopment Agency ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

WHEREAS, the Successor Agency desires to enter into a contract with Rosenow-Spevacek Group ("RSG") to provide consulting services related to the dissolution of the Former Firebaugh Redevelopment Agency through Fiscal Year 2016-17 as detailed in the proposal attached as Exhibit "A" ("RSG Contract"); and

WHEREAS, the RSG Contract is to be funded by the administrative cost allowance pursuant to Health & Safety Code Section 34171(b); and

WHEREAS, Health & Safety Code Section 34177(j)(3) requires proposals for arrangements for administrative and operations services provided by a city, county, or other entity to be submitted to the oversight board for its approval; and

WHEREAS, Health & Safety Code Section 34177.3(b) states that successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including acquiring necessary professional administrative services; and

WHEREAS, the Successor Agency approved the proposed RSG Contract on January 13, 2016; and

WHEREAS, the Oversight Board desires to approve the RSG Contract.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FIREBAUGH REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The RSG Contract is hereby approved.

SECTION 2. The Oversight Board hereby authorizes the City Manager to take such other and further action consistent with this resolution and sign and transmit any documents, as necessary, in order to implement this Resolution on behalf of the Successor Agency.

SECTION 3. The Oversight Board Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED at a regular meeting of the Oversight Board to the Successor Agency to the City of Firebaugh Redevelopment Agency held this 21st day of January, 2016 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Chairperson Oversight Board

Oversight Board Secretary

EXHIBIT "A"

RSG PROPOSAL FOR FY 2016-17 SUCCESSOR AGENCY CONSULTING SERVICES

[Attached as a separate document]



BETTER COMMUNITIES. BOLDER FUTURES.

ROSENOW SPEVACEK GROUP INC.
309 WEST 4TH STREET
SANTA ANA, CALIFORNIA
92701-4502

T 714 541 4585
F 714 541 1175
E INFO@WEBRSG.COM
WEBRSG.COM

Via Electronic Mail

January 6, 2015

Mr. Ben Gallegos
Interim City Manager
CITY OF FIREBAUGH
1133 "P" St.
Firebaugh, CA 93622

PROPOSAL FOR SUCCESSOR AGENCY ADMINISTRATIVE CONSULTING SERVICES

Dear Mr. Gallegos:

RSG is pleased to present this proposed scope of work and budget to provide the Successor Agency to the Redevelopment Agency of the City of Firebaugh ("Successor Agency") administrative consulting services for the 2016-17 fiscal year. RSG has been working with the Successor Agency since the beginning of the dissolution of the Firebaugh Redevelopment Agency in 2011. With RSG's assistance, the Successor Agency has overcome many hurdles, fulfilled numerous state reporting requirements, and sold former redevelopment Agency property. RSG would like to continue to serve the Successor Agency in its capacity as Administrative Consultants and see the Successor Agency through to the end of this arduous process.

Senate Bill 107, approved by the Governor on September 22, 2015, modified the Dissolution Act and the wind-down process of former redevelopment agencies. Some notable changes include:

- Annual ROPS – Instead of preparing the ROPS twice per year, it will be completed once per year due on February 1st annually.
- Administrative Allocation – Beginning on July 1, 2016, a successor agency administrative allowance will be limited to 50% of the total Redevelopment Property Tax Trust Fund distributed to pay enforceable obligations in the preceding fiscal year reduced by administrative costs and revitalized loan repayments, the latter amount is the administrative cost allowance.
- County-wide Oversight Board – On July 1, 2018, there will be only oversight board for the entire county and your local oversight board will be terminated.
- Prior Period Adjustments - Commencing October 1, 2018 and annually thereafter, the differences between actual payments and past estimated obligations on the ROPS shall be submitted by SA to the county auditor-controller.

FISCAL HEALTH
ECONOMIC DEVELOPMENT
REAL ESTATE, HOUSING
AND HEALTHY COMMUNITIES

SCOPE OF SERVICES

The proposed Scope of Services is based upon our experience with the Successor Agency and upcoming tasks that we have identified. RSG is happy to discuss modifications to the scope as needed to satisfy the City's needs. RSG has identified the following tasks:

Task 1: Budget and Cash Flow Work

The Successor Agency has faced many challenges throughout the dissolution process, not the least of which has been budget shortfalls during Recognized Obligation Payment Schedule periods. RSG will continue to maintain a working cash flow model for the Successor Agency to anticipate any future budget shortfalls. In addition, RSG will assist the Successor Agency in working to close any budget gaps by employing the variety of methods.

Task 2: Complete Annual ROPS and accompanying Administrative Budgets

The Successor Agency must submit a Recognized Obligation Payment Schedule ("ROPS") to the Oversight Board and Department of Finance annually. RSG will assist the Successor Agency in completing the 2017-18 ROPS that will be addressed during the 2016-17 fiscal year. Should an issue arise during the Department of Finance's review of the ROPS, RSG would assist the Successor Agency in drafting a Meet and Confer request and is available to attend the meeting. The Successor Agency must submit an annual administrative budget supporting the use of the \$250,000 annual administrative allowance allowed by law. RSG will assist the Successor Agency in preparing the annual administrative budget for fiscal year 2017-18, which will be submitted along with ROPS. The Successor Agency is allowed to amend the ROPS once during the period. RSG can assist the Successor Agency if this needed arises.

Task 3: Help the Successor Agency Navigate New Legislation

RSG will keep abreast of these changes and help the Successor Agency adapt and adjust their processes as needed. One example is the proposal to change the ROPS process from bi-annual to annual. Should this change occur, RSG will help the Successor Agency in drafting their first annual ROPS.

Task 4: Assist the Successor Agency with Property Disposition

With an approved Long-Range Property Management Plan, the Successor Agency must now work to dispose of all properties it proposed to sell. While specific services associated with property disposition such as brokerage services or the cost of conducting appraisals can be listed on the ROPS outside the Administrative Budget, RSG's continued guidance through this complex process will be paid for through its general contract.

Task 5: Attend Meetings as Necessary

RSG will make a staff member available to the Successor Agency should they need assistance at any Successor Agency or Oversight Board meetings.

Task 6: Additional Administrative Services as Needed

RSG will assist the Successor Agency with any additional administrative tasks as they arise.

TIMELINE

RSG will begin this portion of its contract with the Successor Agency January 1, 2016 and will conclude June 30, 2017.

PROJECT TEAM

Ms. Tara Matthews, Partner will be the principal in charge of this engagement. Jane Carlson, Associate will be the Project Manager, and will be assisted by additional staff as needed.

FEE PROPOSAL

RSG will complete consulting services for remainder of FY 2015-16 for an additional \$15,000. RSG exceeded the original contract amount of \$50,000 due to unforeseen property disposition costs.

We will provide FY 2016-17 services on a time-and-materials basis, with a not to exceed amount of \$50,000. RSG does not charge clients for mileage (except direct costs related to field surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

HOURLY BILLING RATES:

Principal/Director	\$ 235
Senior Associate	180
Associate	160
Senior Analyst	135
Analyst	125
Research Assistant	110
Technician	80
Clerical	60
Reimbursable Expenses	Cost plus 10%

We appreciate the opportunity to submit our proposal to the City and Successor Agency, and look forward to working with you again. If you have any questions, please do not hesitate to contact me at 714.316.2111.

Mr. Ben Gallegos
Interim City Manager
CITY OF FIREBAUGH
January 6, 2015
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Sincerely,
ROSENOW SPEVACEK GROUP, INC.

A handwritten signature in blue ink that reads "Tara E. Matthews". The signature is written in a cursive, flowing style.

Tara Matthews
Principal



STAFF REPORT

TO: Oversight Board to Successor Agency to the Firebaugh Redevelopment Agency
FROM: Ben Gallegos, Interim City Manager
DATE: January 21, 2016
SUBJECT: Recognized Obligation Payment Schedule and Administrative Budget For July 1, 2016 Through June 30, 2017

RECOMMENDATION:

Adopt a resolution of the Oversight Board to the Successor Agency to the Firebaugh Redevelopment Agency approving the Recognized Obligation Payment Schedule ("ROPS") 2016-17 and Administrative Budget for the July 1, 2016 through June 30, 2017 period.

BACKGROUND AND OVERVIEW:

Assembly Bill ("AB") x1 26, amended by AB 1484 and codified in the California Health & Safety Code ("H&SC") requires successor agencies to adopt a Recognized Obligation Payment Schedule before each twelve-month fiscal period. A ROPS covering the period of July 1, 2016 through June 30, 2017 ("ROPS 16-17") is due to the California State Department of Finance ("DOF") and the Fresno County Auditor-Controller by February 1, 2016 pursuant to H&SC Section 34177(m). The ROPS estimates necessary payments for each enforceable obligation of the former Firebaugh Redevelopment Agency for the twelve-month period.

ANALYSIS:

Recognized Obligation Payment Schedule

Health and Safety Code Section (HSC) 34177(l) requires the Successor Agency to prepare a ROPS showing all the obligations of the former Redevelopment Agency and the sources of funds for the repayments. Staff has prepared a resolution adopting the ROPS for the Oversight Board's consideration, which is attached to this staff report. The Successor Agency adopted the ROPS at its meeting on January 13, 2016. If it is approved by the Oversight Board, Staff will transmit the ROPS electronically to the Department of Finance, State Controller, and Fresno County Auditor-Controller for their review. The adopted ROPS must be transmitted by February 1, 2016. If it is not transmitted on time the Successor Agency will be subject to a penalty of \$10,000 per day. With DOF approval, the Auditor-Controller will be authorized to disperse property tax revenue to pay ROPS obligations on June 1, 2016 and January 2, 2017.

The Successor Agency is requesting a total of \$313,224 in Redevelopment Property Tax Trust Fund (RPTTF) money to fund ROPS obligations. The obligations listed on the ROPS include funding for:

- 2014 Refunding Bond Debt Service
- Bond Disclosure Fees
- Successor Agency Employee Costs
- Property Disposition Costs

Administrative Budget

HSC Section 34177(j) requires the Successor Agency to prepare an Administrative Budget and submit it to the Oversight Board for approval. The Administrative Budget includes the proposed administrative expenditures, including the reclassified items per DOF, for the 2016-17 Fiscal Year. The Successor Agency anticipates spending the entire \$250,000 minimum annual administrative allocation described in HSC Section 34171(b).

FISCAL IMPACT:

Adoption and transmittal of the ROPS is necessary to receive revenue from the Redevelopment Property Tax Trust Fund to fund the Successor Agency's financial obligations from July 1, 2016 through June 30, 2017.

ATTACHMENTS:

Attachment 1 – Resolution approving the Recognized Obligation Payment Schedule 2016-17 and Administrative Budget for July 1, 2016 through June 30, 2017.

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Firebaugh
County: Fresno

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)				ROPS 16-17	
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				16-17A Total	16-17B Total
Sources (B+C+D):				16-17A Total	16-17B Total
A	Sources (B+C+D):			\$	\$
B	Bond Proceeds Funding			408,082	-
C	Reserve Balance Funding			408,082	-
D	Other Funding			-	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):			\$	\$
F	Non-Administrative Costs			290,623	185,229
G	Administrative Costs			125,000	125,000
H	Current Period Enforceable Obligations (A+E):			\$	\$
				823,705	310,229
				\$	\$
				1,133,934	

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named successor
agency.

Name

Title

Signature

Date

Firebaugh Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET .										
A	B	C	D	E	F	G	H	I		
		Fund Sources								
		Bond Proceeds		Reserve Balance		Other	RPTTF			
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin			
Cash Balance Information by ROPS Period										
ROPS 15-16A Actuals (07/01/15 - 12/31/15)										
1	Beginning Available Cash Balance (Actual 07/01/15)	484,151					237,573			
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					7,200	146,947			
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)									
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	76,069				7,200	280,299			
5	ROPS 15-16A RPTTF Balances Remaining	No entry required								
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 408,082	\$ -	\$ -	\$ -	\$ -	\$ 47,926			
ROPS 15-16B Estimate (01/01/16 - 06/30/16)										
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 408,082	\$ -	\$ -	\$ -	\$ -	\$ 104,221			
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016						256,929			
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)						313,224			
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)									
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 408,082	\$ -	\$ -	\$ -	\$ -	\$ 47,926			

Firebaugh Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017

Item #

Notes/Comments

FIREBAUGH SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (FISCAL YEAR 2016-17)

External Consultants	
Attorney Costs	\$ 20,000
Annual Audit	\$ 6,000
Consultant Costs	\$ 50,000
	\$ 76,000
Successor Agency Expenses	
Successor Agency rent and utilities	\$ 7,500
Successor Agency supplies	\$ 500
Successor Agency equipment	\$ 500
Successor Agency publications	\$ 500
Salaries and Benefits	\$ 140,000
Internet hosting	\$ 500
IT support	\$ 1,000
Travel expenses/seminars	\$ 500
Risk management/Insurance	\$ 7,000
	\$ 158,000
Oversight Board Expenses	
Legal Costs	\$ 15,000
Materials	\$ 1,000
	\$ 16,000
Estimated Grand Total	\$ 250,000
FY 2016-7 Administrative Activities	
County correspondence/coordination	Successor Agency Staff, RSG, Legal Counsel
State correspondence/coordination	Successor Agency Staff, RSG, Legal Counsel
Prepare ROPS	Successor Agency Staff, RSG, Legal Counsel
Prepare admin budget	Successor Agency Staff, RSG, Legal Counsel
Oversight Board staff support	Successor Agency Staff, RSG, Legal Counsel
Management of dissolution activities	Successor Agency Staff, RSG, Legal Counsel
Disclosure Services	Successor Agency Staff, RSG, Legal Counsel
Annual Audit	A.M. Peche
Manage/monitor finances	Bryant Jolley
Agendas/minutes/Brown Act records assistance	Successor Agency Staff,RSG
	Successor Agency Staff