

**RESOLUTION NO. OB-2014-05**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER GONZALES REDEVELOPMENT AGENCY APPROVING A "PROPERTY PURCHASE AGREEMENT" BETWEEN THE SUCCESSOR AGENCY AND CLINICA DE SALUD DEL VALLE DE SALINAS FOR REAL PROPERTY LOCATED AT 126 FIFTH STREET, CITY OF GONZALES, AND AUTHORIZING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT**

**WHEREAS**, in February of 2007, the Gonzales Redevelopment Agency ("Agency") purchased a parcel of property, identified as 126 Fifth Street (hereafter "the Property"); and

**WHEREAS**, the Agency's intended use for the Property was for interim parking purposes and other long term purposes compatible with the Agency's Redevelopment Plan; and

**WHEREAS**, the Agency was dissolved by Health and Safety Code Section 34172(a)(1) in February of 2012, with the City thereafter electing to serve in the capacity of the Successor Agency to the Gonzales Redevelopment Agency; and

**WHEREAS**, as part of the dissolution process, pursuant to the provisions of AB 1484, each successor agency must prepare and adopt a "Long Range Property Management Plan," detailing the successor agency's intent to retain, use or sell former Agency real property assets; and

**WHEREAS**, on July 15, 2013, the Gonzales Successor Agency adopted Resolution No. SA-2013-05, approving a Long Range Property Management Plan, with said Plan being subsequently approved by the Successor Agency Oversight Board by Resolution OB-2013-04 on July 22, 2013, and the California Department of Finance thereafter; and

**WHEREAS**, the Long Range Property Management Plan identifies the 126 Fifth Street property as a parcel of property that the Successor Agency intends to sell at or about an appraised value of \$118,000.00, and the Plan states that in accordance with HSC § 34191.5 (c)(2), the net proceeds from the sale of the of the property will be deposited in the Successor Agency Trust Fund and will be used by the Successor Agency to fulfill enforceable obligations, with any surplus funds to be distributed as property taxes to taxing entities; and

**WHEREAS**, the Successor Agency has successfully completed negotiations for the sale of the Property to Clinica de Salud del Valle de Salinas ("Clinica"), a non-profit public benefit corporation providing a broad array of medical services at affordable prices primarily to members of the agricultural community, in accordance with the terms and conditions of a Property Purchase Agreement; and

**WHEREAS**, pursuant to the terms of the Property Purchase Agreement, the Property will be sold for \$118,000.00, with the Successor Agency retaining an easement for four parking spaces on the Property for use by City staff and ingress and egress by vehicular and pedestrian traffic upon, over and across the driveway entry to the Property; and

**WHEREAS**, the Successor Agency held a properly noticed public meeting on May 19, 2014, and adopted Resolution No. SA-2014-04 approving the Property Purchase Agreement and notwithstanding the Agency's action with regard to the approval of the Agreement, the Agency's action is conditioned upon the subsequent approval of the Oversight Board; and

**WHEREAS**, the Oversight Board of the Successor Agency held a properly noticed public meeting on June 2, 2014 to consider approval of the Property Purchase Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board for the Successor Agency to the Gonzales Redevelopment Agency as follows:

Section 1. All of the recitals set forth above are true and correct to the best of its knowledge and by this reference, are incorporated herein as findings.

Section 2. The land sale has been determined to be categorically exempt from the provisions of the California Environmental Quality Act as a Class 12 exemption pursuant to California Code of Regulations Section 15312.

Section 3. Based on consistency with the DOF approved Long Range Property Management Plan, the Oversight Board hereby approves the "Property Purchase Agreement," attached hereto as Attachment '1' and by this reference incorporated herein, and authorizes the Successor Agency Executive Director to execute the same on behalf of the Successor Agency.

Section 4. The Oversight Board hereby directs that in accordance with HSC § 34191.5 (c)(2), proceeds from the sale of the of the property shall be deposited in the Successor Agency Trust Fund and shall be used by the Successor Agency to fulfill enforceable obligations, with any surplus funds to be distributed as property taxes to taxing entities.

Section 5. The Oversight Board directs that the "Property Purchase Agreement" shall be approved by any other body charged by law with approval authority.

**PASSED AND ADOPTED** by the Oversight Board at a regular meeting held on the 2<sup>nd</sup> day of June 2014 by the following vote:

- |                 |                       |  |
|-----------------|-----------------------|--|
| <b>AYES:</b>    | <b>BOARD MEMBERS:</b> | Chair Simon Salinas, Scott Funk, Rene Mendez, Jayanti Addleman, and Alfred Munoz |
| <b>NOES:</b>    | <b>BOARD MEMBERS:</b> | None   |
| <b>ABSENT:</b>  | <b>BOARD MEMBERS:</b> | Sara Perez   |
| <b>ABSTAIN:</b> | <b>BOARD MEMBERS:</b> | Vice Chair Matt Gourley  |

  
\_\_\_\_\_  
**Simon Salinas, Chairman**

**ATTEST:**  
  
\_\_\_\_\_  
**René L. Mendez, Secretary**

**PROPERTY PURCHASE AGREEMENT**

Buyer: Clinica de Salud del Valle de Salinas, a California nonprofit public benefit corporation

Parcel: 126 Fifth Street, Gonzales CA 93926  
APN No. 020-073-013

Seller: City of Gonzales as Successor Agency to the Gonzales Redevelopment Agency

Escrow Company: Chicago Title

Escrow Officer: Denise Johnson

Escrow No.: TBD

THE PARTIES TO THIS AGREEMENT (“Agreement”) are Clinica de Salud del Valle de Salinas, a California nonprofit public benefit corporation (“Buyer”), and the City of Gonzales, as Successor Agency to the Gonzales Redevelopment Agency (“Seller”). The parties agree as follows:

1. Seller agrees to grant to Buyer fee title to certain property located at 126 Fifth Street, Gonzales, California, and known as APN 020-073-013, subject to a parking easement of four (4) parking spaces for use by City Staff and employees, and ingress and egress by vehicular and pedestrian traffic upon, over and across the entry driveway into the property, as more particularly described on Exhibit A attached hereto and as depicted on the drawing attached as Exhibit A hereto (“Property”), subject to the terms and conditions of this Agreement.

2. Buyer agrees to pay One Hundred and Eighteen Thousand Dollars (\$118,000.00) into escrow with the above Escrow Company for the account of Seller (“Purchase Price”), with Five Thousand Dollars (\$5,000.00) of the Purchase Price to be deposited at time of opening of escrow (the “Deposit”), and the remainder to be deposited prior to close of escrow, conditioned on the Property vesting in Buyer, free and clear of all liens, leases, encumbrances, easements of records or otherwise, and of taxes, except easements or right of ways or record for public roads or public utilities. Except as provided in Section 16, the Deposit shall remain fully refundable until all conditions to close of escrow (the “Closing”) are either waived or satisfied. All payments shall be in legal tender of the United States of America, paid by cash or by wire transfer of immediately available funds to the Escrow Company as escrow agent.

3. The sale and transfer provided for herein shall be by grant deed, to be deposited with the Escrow Company by Seller prior to close of escrow. The Escrow Company shall prepare and deliver to Buyer a CLTA Standard Owner’s Policy of title insurance (Form B - 1970 amended 4-6-90) in the amount of the Purchase Price, showing fee simple title to the Property vested in the name of Buyer and showing title in the condition described in Section 2.

4. The Escrow Company may expend all or any portion of the Purchase Price (and deduct such amount from the proceeds due to Seller) to discharge any liens upon the Property, including, but not limited to, those arising from judgments, assessment, taxes, or debts secured by deeds of trust or mortgages, and/or to defray any other incidental costs of Closing other than those costs to be paid by Buyer as specified herein. Property taxes for the fiscal year in which the escrow closes, if unpaid, shall be paid by Seller in escrow to and including the date of close of escrow. The payment shall be based on the most recent information applicable to the fiscal year and obtainable through the taxing agencies. Buyer shall not be responsible for any tax refund.

5. Buyer and Seller shall pay equal shares of all escrow and recording fees. Buyer shall pay the cost of title insurance premiums incurred in this transaction.

6. Title to the Property shall pass immediately upon the Closing. The issuance of escrow instructions shall be the sole responsibility of Buyer, with Seller's cooperation.

7. Escrow is to close on or before thirty (30) days from removal of all contingencies and both parties shall deposit all funds and documents with the Escrow Company as necessary to complete the sale in accordance with the terms of this Agreement. Escrow shall be considered closed when the grant deed to the Property is recorded.

8. Buyer shall perform a diligent and thorough inspection and investigation of each and every aspect of the Property, either independently or through agents of Buyer's choosing, including without limitation, the following matters (collectively, the "Property Conditions"):

(a) All matters relating to title including, without limitation, the existence, quality, nature and adequacy of Seller's interest in the Property and the existence of physically open and legally sufficient access to the Property;

(b) The zoning and other legal status of the Property, including, without limitation, the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances and private or public covenants, conditions and restrictions, and all governmental and other legal requirements such as taxes, assessments, use permit requirements and building and fire codes;

(c) The quality, nature, adequacy and physical condition of the Property, including, but not limited to, the structural elements, foundation, roof, interior, landscaping, parking facilities, and the electrical, mechanical, HVAC, plumbing, sewage and utility systems, facilities and appliance, and all other physical and functional aspects of the Property;

(d) The quality, nature, adequacy, and physical geological and environmental condition of the Property (including soils and any groundwater), and the presence or absence of any Hazardous Materials in, on under or about the property or any other real property in the vicinity of the Property. As used in this Agreement, "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical

or chemical characteristics, is now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment;

(e) The suitability of the Property for Buyer's intended uses. Buyer represents and warrants that its intended use of the Property is for the establishment of a low-cost medical and dental clinic;

(f) The economic and development potential, if any, of the Property;

(g) All other matters of material significance affecting the Property.

Buyer's written approval of the Property Conditions shall be a condition of Closing. If Buyer is dissatisfied with any or all of the Property Condition, it may terminate this Agreement at time before Closing and the Deposit shall be returned to Buyer.

9. Close of escrow shall be contingent upon Seller giving all offers and notices regarding sale of the Property required by the California Government Code, and the lapse of all notice and negotiation periods required thereunder. Buyer acknowledges and agrees that Seller may, in accordance with such statutory procedures, enter into an agreement to sell the Property with another party, in which case the Deposit shall be refunded to Buyer and Seller shall have no further liability to Buyer under this Agreement or with regard to sale of the Property.

10. Seller shall deliver possession to Buyer free of all tenancies upon close of escrow and recordation of the deed.

11. Upon and after the Effective Date, Buyer shall have the right to go upon the Property to conduct such inspections and tests as Buyer deems necessary, including but not limited to, soils tests and geological hazard testing. All expenses of such tests or inspections shall be of Buyer's sole expense, and Buyer shall be responsible for the repair and restoration of any damage to the Property that may be caused by such tests or inspections. All such tests or inspections shall be conducted by Buyer so as not to unreasonably interfere with any current use of the Property. Buyer shall keep the Property free of all liens by mechanics, materialmen, laborers, architects, engineers and any other persons or firms engaged by Buyer to work on the Property, and shall hold Seller harmless from any such claims as may arise. Seller may file a notice of non-responsibility under applicable California law. At the sole discretion of Buyer, if the results of the inspections not acceptable to Buyer, then this Agreement may be terminated by Buyer by written notice to Seller and the Deposit shall be returned to Buyer. Buyer shall be deemed not to have waived this condition unless written notice of approval of inspections is delivered to Seller by the Closing.

12. Within thirty (30) calendar days from the Effective Date, Buyer shall order a preliminary title report for the Property, together with copies of any underlying exceptions, and shall examine the title to the Property and report any unacceptable title exceptions to Seller in writing. Buyer may, at its option, arrange for a survey of the Property prepared by a licensed surveyor, in which case Buyer shall have an additional thirty (30) calendar days to give Seller



may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

14. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

**15. If Buyer fails to complete the transaction set forth in this Agreement due to default by Buyer, the parties agree that Seller shall, as Seller' sole and exclusive remedy, retain the amount of the Deposit as liquidated damages, which the parties agree is a reasonable sum considering all the circumstances existing on the date of this Agreement, including the relationship of the sum to the range of harm to Seller that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or inconvenient. In placing their initials below, each party specifically confirms the accuracy of the statements made above and indicates their agreement with the liquidated damages provision contained in this section by setting forth their initials below.**

**Seller:**

**Buyer:**

**Initial** \_\_\_\_\_

**Initial** \_\_\_\_\_

16. Time is of the essence of this Agreement.

17. This Agreement contains the entire agreement of the parties and supersedes any prior written or oral agreements between and among them concerning the subject matter contained herein which are not fully expressed herein.

18. This Agreement shall be construed in accordance with the laws of the State of California, and in the event there is any litigation with respect to any part of this Agreement, the parties hereto agree that the venue for such litigation will be Monterey County, California. This Agreement shall be binding upon and shall inure to the benefit of all the parties hereto, their beneficiaries, successors and assigns. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest. This Agreement may be executed in counterparts and each counterpart shall be deemed an original.

19. As used herein, "Effective Date" shall mean date upon which this Agreement has been executed by both parties. Notwithstanding the foregoing, this Agreement and the obligations of both parties hereunder shall be contingent on ratification and approval by the City

of Gonzales, as Successor Agency to the Gonzales Redevelopment Agency and the Gonzales Successor Agency Oversight Board.

**IN WITNESS WHEREOF**, the Parties have entered into this Purchase Agreement as of the Effective Date.

**SELLER**

**BUYER**

SUCCESSOR AGENCY OF THE CITY OF GONZALES, a public body, corporate and politic

CLINICA DE SALUD DEL VALLE DE SALINAS, a California Nonprofit Public Benefit Corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Rene L. Mendez

Name: Maximiliano Cuevas

Title: Executive Director

Title: Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

Approved as to Form:

\_\_\_\_\_  
Michael F. Rodriquez  
Successor Agency Counsel

\_\_\_\_\_  
Troy Kingshaven  
Counsel for Clinica de Salud del Valle de Salinas

Attest:

\_\_\_\_\_  
Successor Agency Secretary

**NOTARY ACKNOWLEDGMENT**

State of California  
County of Monterey

On \_\_\_\_\_, 2014, before me, \_\_\_\_\_,  
a Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
(Signature)

(Notary Seal)