

RECORDING REQUESTED BY:

County of San Benito

WHEN RECORDED MAIL TO:

County of San Benito

Resource Management Agency

2301 Technology Parkway

Hollister, CA. 95023

THIS SPACE FOR RECORDER'S USE ONLY

Memorandum of Understanding

This Memorandum of Understanding (MOU) is made this 24th day of January, 2017 by and between the following parties: the County of San Benito (COSB), a political subdivision of the State of California, and the Community Services Development Corporation (CSDC), a California nonprofit corporation.

WHEREAS, COSB is the owner of real property commonly known as the "abandoned hospital site" located at 3100 Southside Road, Hollister, CA 95023, Assessor's Parcel No. 020-320-032 (the Subject Property), which real property is more particularly described in Exhibit "A" attached hereto and by this reference incorporated herein, as well as the adjacent parcel located at 3220 Southside Road, Hollister, CA 95023, Assessor's Parcel No. 020-320-029 (the Adjacent Parcel), which real property is more particularly described in Exhibit "B" attached hereto and by this reference incorporated herein; and

WHEREAS, COSB, through its Board of Supervisors, has taken previous official action to conduct a Request for Proposals (RFP) from interested bidders for the sale of the subject property; and

WHEREAS, the Board of Supervisors did rank CSDC as the preferred bidder; and

WHEREAS, COSB and CSDC desire to have the subject property undergo an environmental remediation, demolition and cleanup; and

WHEREAS, CSDC intends to purchase the property and conduct the needed environmental remediation, demolition and cleanup; and

WHEREAS, CSDC intends to apply for cleanup funds from the California EPA, and needs to be the legal owner of the property in order to do so; and

WHEREAS, CSDC intends to complete the needed remediation, demolition and cleanup in order to render the property suitable as a building site for development of affordable housing for low and very low income households by CSDC; and

WHEREAS, CSDC also would like to acquire a portion of the adjacent parcel located at 3220 Southside Road, Hollister, CA 95023, Assessor's Parcel No. 020-320-029, as depicted in Exhibit "C" attached hereto and by this reference incorporated herein; and

WHEREAS, COSB is willing to transfer ownership of the subject property and a portion of the adjacent parcel to CSDC for CSDC's environmental remediation, demolition and cleanup of the subject property, and for the purpose of building affordable housing for low and very low income households on both the subject property and the portion of the adjacent parcel depicted in Exhibit C.

NOW THEREFORE BE IT RESOLVED AND UNDERSTOOD that the parties shall engage in activities as set forth below that are directed towards accomplishing the transfer of the subject property and a portion of the adjacent parcel. The responsibilities and activities of the Parties are set forth below:

ACTIVITIES AND RESPONSIBILITIES OF COSB:

1. Enter into a working partnership with CSDC in order to fulfill the understandings of this MOU.
2. Assign a COSB staff person to work cooperatively with CSDC. The COSB representative will have responsibility to coordinate the sale of the property to CSDC.
3. COSB understands and is willing to execute an Option to Purchase Agreement granting CSDC the exclusive right to purchase the property for one (1) dollar, together with CSDC's performance of environmental remediation, demolition and cleanup of the subject property. The option will be good for one year from the date of signature by both parties. The COSB shall grant a one year extension if requested by CSDC, as long as CSDC is demonstrating reasonable due diligence in obtaining the needed funding to remediate the site and construct the planned affordable housing project on the property.
4. COSB also is willing to include in this purchase additional land that is adjacent to the subject property in order to support the economic feasibility of the CSDC affordable housing project plans. The additional land will include a portion of APN 020-320-029 as depicted in Attachment C to this MOU. The purchase of this additional property will be included in the \$1 sales price, together with CSDC's performance of environmental remediation, demolition and cleanup of the subject property.
5. COSB has relied on professionally completed environmental assessment reports to accurately identify the contamination on the subject property. In the event that new contamination is discovered that was not previously identified in the subject reports, then the COSB shall be responsible for the added costs to address any additional remediation required, and shall indemnify CSDC against any such cost of unforeseen and additional contamination.

6. COSB shall provide any future grant funds awarded to the COSB for remediation, demolition and/or clean-up costs on the subject property to CSDC to contribute to the payment of such costs.

ACTIVITIES AND RESPONSIBILITIES OF CSDC:

1. Enter into a working partnership with COSB in order to fulfill the understandings of this MOU.
2. Proceed with due diligence to obtain needed project funding for environmental remediation, demolition, and cleanup of the subject property and development of an affordable housing project for low and very-low income households.
3. Sign the Option to Purchase Agreement with the COSB and complete the purchase of the property.
4. Coordinate all activity necessary to implement the environmental remediation, demolition and cleanup after the Property has been transferred to CSDC.
5. Pay for the cost of environmental remediation demolition and cleanup, as identified in:
 - a. Phase I Environmental Site Assessment (01-DTSC-011) by The Source Group, Inc. dated 2/1/2016
 - b. Targeted Site Investigation Report (01-DTSC-011) by The Source Group, Inc. dated 4/28/2016

ADDITIONAL PROVISIONS TO THIS MOU:

- A. California Environmental Quality Act: The obligation of the parties to purchase and sell the real property is expressly subject to the condition precedent that environmental review be completed under the California Environmental Quality Act, CEQA Guidelines and County's Implementing Guidelines for CEQA, and that the Board of Supervisors make all appropriate findings, determinations and take all appropriate actions, as required under CEQA and the CEQA Guidelines.
- B. Liability: No liability will arise or be assumed between the Parties as a result of this MOU.
- C. Term: The terms of this MOU shall remain in place from the date that this MOU is fully executed until the property has been transferred to CSDC and all environmental remediation, demolition and cleanup is completed.
- D. Governing Law: This MOU shall be governed in accordance with the laws of the State California and applicable federal law.
- E. Assignment: Neither party may assign, transfer or amend the responsibilities or agreements made herein without the prior written consent of the non-assigning party, which approval shall not be unreasonably withheld.
- F. Prior Understandings, whether oral or written, are superseded by this MOU.

The follow individuals through their signatures represent the parties to this MOU and by their signatures support the goals and activities in this MOU:

Signatories:

County of San Benito:

By: _____
Jamie De La Cruz, Chair
Board of Supervisors

Date: _____, 2017

APPROVED AS TO LEGAL FORM:
SAN BENITO COUNTY COUNSEL'S OFFICE

By: Shirley L. Murphy
Shirley L. Murphy, Deputy County Counsel

Date: Jan. 17, 2017

Community Services Development Corporation (CSDC):

By: _____
Sonny Flores, Executive Director

Date: _____, 2017

APPROVED AS TO LEGAL FORM:

By: _____

Date: _____, 2017

**MEMORANDUM OF UNDERSTANDING
EXHIBIT A**

PARCEL 1

BEING A PORTION of that certain Parcel 3 as described in the Grant Deed from the County of San Benito to the County of San Benito recorded April 24, 2013 at Instrument Number 2013-0004124 San Benito County Records, bounded by a line more particularly described as follows:

BEGINNING at the most northerly corner of the above said parcel of land conveyed to the county of San Benito at a point in the westerly line of Southside Road; thence running along said westerly line South 3° 00' 00" West 156.36 feet; thence South 27° 47' 00" East 272.25 feet; thence South 48° 02' 00" East 259.22 feet; thence leaving said westerly line of Southside Road and running along an existing chain link fence South 61° 06' 18" West 114.05 feet; thence South 31° 36' 57" West 75.28 feet; thence South 28° 27' 07" East 86.81 feet; thence South 73° 08' 38" West 41.99 feet to the southeasterly corner of an existing shed; thence along the southerly and westerly lines thereof South 60° 25' 18" West 50.33 feet; thence North 29° 34' 42" West 20.00 feet to a chain link fence; thence running along said chain link fence and its southwesterly prolongation South 60° 36' 27" West 141.38 feet to a point in the westerly line of the above said parcel conveyed to the county; thence along said westerly line North 21° 21' 42" West 405.24 feet; thence North 5° 06' 11" East 73.52 feet; thence North 19° 42' 01" East 429.22 feet to the point of beginning.

MEMORANDUM OF UNDERSTANDING
EXHIBIT B

PARCEL 2

BEING A PORTION of that certain Parcel 3 conveyed by the County of San Benito by Grant Deed to the County of San Benito, recorded April 24, 2013 at Instrument Number 2013-0004124, San Benito County Records and all of that certain parcel of land conveyed by Grant Deed from the County of San Benito to the County of San Benito recorded January 28, 1999 at Instrument Number 9901202, San Benito County Records, bounded by a line more particularly described as follows:

BEGINNING at the southeasterly corner of the Riverview Estates Subdivision according to the map thereof recorded May 4, 2000 in Book 13 of Maps, page 22, San Benito County Records at an angle point in the westerly line of the above said parcel conveyed to the county of San Benito at Instrument Number 9901202; thence along the westerly line thereof and the easterly line of said Riverview Estates North 21° 21' 42" West 23.28 to the northerly corner of Instrument Number 9901202 at an angle point in the westerly line of the above said Parcel 3; thence along the westerly line thereof and the easterly line of said Riverview Estates North 21° 21' 42" West 171.48 feet to a point; thence leaving said lines and running North 60° 36' 27" East 141.38 feet along an existing chain link fence and its westerly prolongation to the northwesterly corner of an existing shed; thence along the westerly and southerly walls thereof South 29° 34' 42" East 20.00 feet; thence North 60° 25' 18" East 50.33 feet; thence leaving said shed and running along an existing chain link fence North 73° 08' 38" East 41.99 feet; thence North 28° 27' 07" West 86.81 feet; thence North 31° 36' 57" East 75.28 feet; thence North 61° 06' 18" East 114.05 feet to a point in the westerly line of Southside Road and the easterly line of the said Parcel 3; thence along said easterly line and the said westerly line of Southside Road South 48° 02' 00" East 332.23 feet; thence South 33° 11' 00" East 353.46 feet; thence South 19° 23' 00" East 384.44 feet; thence South 32° 30' 00" East 382.42 feet, more or less, to a point in the line common to the westerly line of that certain parcel of land conveyed to the County of San Benito recorded May 5, 1896, in Book 17 of Deeds, page 350, San Benito County Records, and the easterly line of that certain parcel of land conveyed to the County of San Benito and recorded October 24, 1907 in Book 40 of Deeds, page 16, San Benito County Records; thence along said common line North 52° 25' 28" West 815.67 feet, more or less, to the most easterly corner of the above said parcel conveyed to the County of San Benito and recorded at Instrument Number 9901202; thence along the southeasterly line thereof South 19° 00' 00" West 488.37 feet to the most southerly corner thereof; thence along the southwesterly line North 43° 30' 09" West 776.16 feet to the most westerly corner thereof, said corner also being a point on the southeasterly line of the above said Riverview Estates Subdivision; thence along said southeasterly line North 66° 43' 20" East 350.72 feet to the point of beginning.

EXEPTING therefrom that portion thereof conveyed to Eugene J. Corotto et al, by Deed from the County of San Benito, recorded in Volume 213 of Official Records, at page 558, San Benito County Records, being more particularly described as follows:

BEGINNING at an iron pipe in the line common to Lots 13 and 45 distant thereon North 43° 30' West 447.65 feet from the corner common to Lots 13, 14, and 45 as shown on Record of Survey Map filed in Book 5 of Maps, at page 47, San Benito County Records, and running thence along the line common to Lots 13 and 45 North 43° 30' West 420.82 feet to an iron pipe; thence leaving said Lot Line North 7° 55' West 594.76 feet to an iron pipe; thence South 48° 34' 20" East 929.98 feet to an iron pipe from which a Railroad Spike in the centerline of the Southside Road bears North 49° 25' East 162.04 feet; thence South 49° 25' West 428.87 feet to the point of beginning.

MEMORANDUM OF UNDERSTANDING
EXHIBIT C

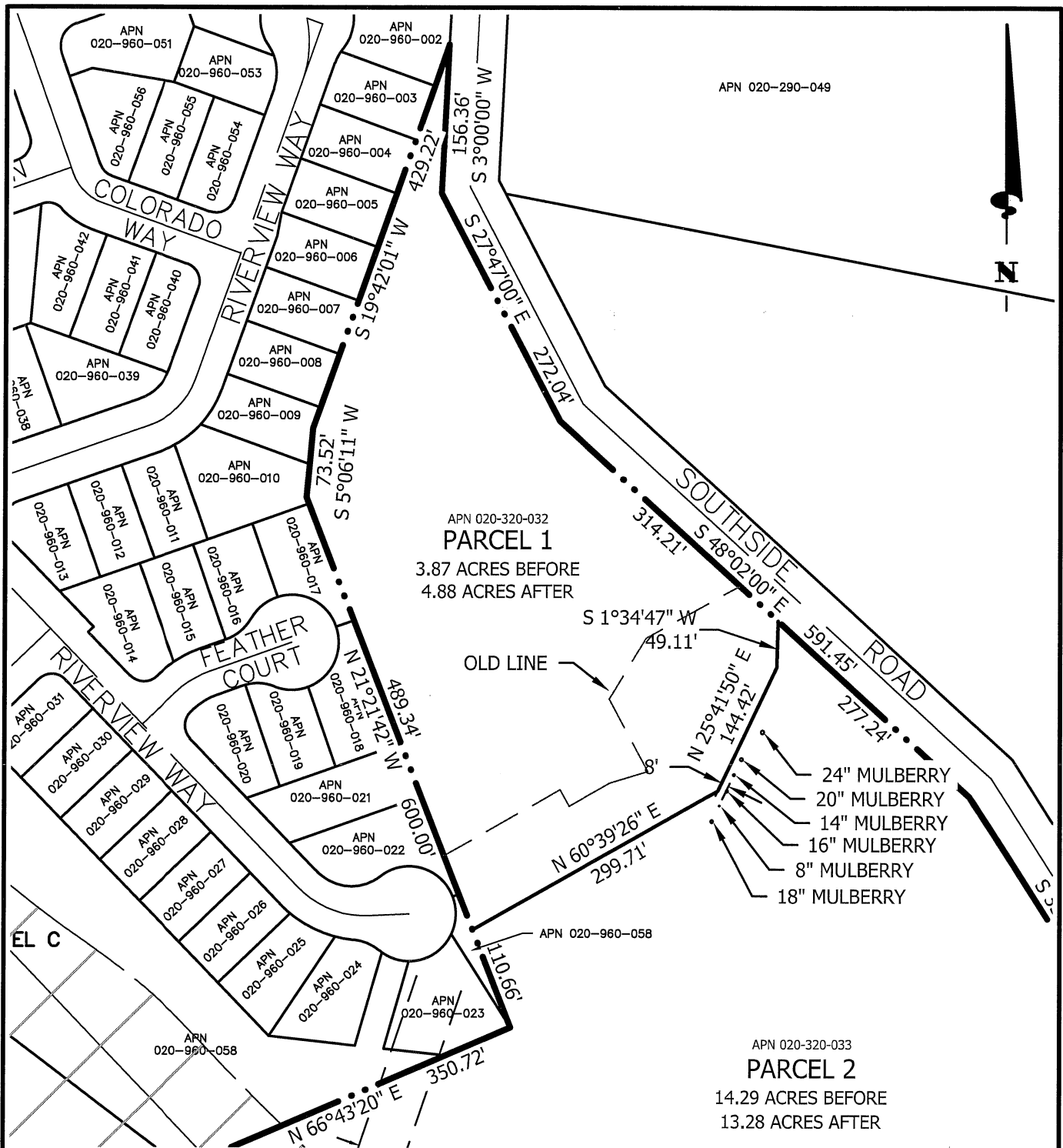


EXHIBIT MAP

APN 020-320-032 & 033

JANUARY, 2017 SCALE 1" = 150'
SAN BENITO ENGINEERING & SURVEYING, INC.
502 MONTEREY STREET
HOLLISTER, CA 95023
831-637-2763