



# County of Santa Cruz

0237

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## REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 950604000

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

TOM BURNS, AGENCY ADMINISTRATOR

March 29, 2000

Agenda: April 11, 2000

Board of Directors  
County of Santa Cruz Redevelopment Agency  
701 Ocean Street  
Santa Cruz, CA 95060

### Acquisition of APN 026-261-I 3

Dear Members of the Board:

The purpose of this letter is to recommend the purchase of a portion of a key site in Live Oak, on the southwest corner of 7<sup>th</sup> Avenue and Brommer Street. The letter provides a background on the site, possible ultimate uses, and a method of financing the purchase.

#### Background

When the Coastal Plan was developed for the County, key sites within the coastal communities were designated for priority uses and special development standards were adopted. One of those sites is located on the southwest corner of 7<sup>th</sup> Avenue and Brommer Street (Attachment 1). This site, which is approximately eight acres in size, has a combined land use designation of park and community commercial. Additionally, recognizing the unique nature of the site, in terms of its size and location, the Coastal Plan calls for coordinated development of the various parcels comprising the site.

This site offers a wide range of unique possibilities for the Live Oak community. In the context of your Board's recent discussions on creating year-round recreational opportunities, this site's location and size lends itself to careful consideration for such a facility, including in-door recreation. In addition, if found appropriate, commercial and visitor accommodations are other possible uses which could be considered on the property.

While it is premature at this time to define the ultimate uses on the property, it is clear that the site provides unique opportunities to the Agency and the community. In order to assure that the site is properly developed, staff is suggesting that this is an appropriate site for the Agency to oversee site assembly, provided through the County's policy which creates first right of purchase on designated park sites. In that capacity, the Agency would need to exercise its option at this time to purchase the first piece of this site — APN

026-261-13 (highlighted in Attachment 1).

### **Financing for Purchase**

While there are not funds currently allocated for the purchase of this property, there are means available to the Agency to make the necessary financing available at this time. Because there are no longer undesignated project reserves beyond contingencies for upcoming construction projects, it is necessary at this time to reduce funding for a project which is currently funded, but not anticipated to be constructed for several years. Such funds would then be replenished out of future bond proceeds, which are anticipated to be created through the sale of bonds later this year. This action would not result in the delay in the project. From reviewing the project schedules, it is recommended that funding for The Farm Park Project, currently scheduled for construction in 2002/03 be reduced at this time to allow for acquisition of a portion of the 7<sup>th</sup> Avenue Site.

In addition to the appraised value of \$802,000 for the property, estimated closing costs and preliminary design costs for evaluating options on the entire site require a total allocation of \$840,000 for the project at this time. An AUD 60 has been prepared for your Board's review and approval transferring funds from reserves to cover these costs (Attachment 2).

### **General Plan Consistency / Environmental Review**

The acquisition has been determined to be consistent with the General Plan. It has been reviewed by the Environmental Coordinator for CEQA compliance and a Negative Declaration has been recommended. As a part of the approval of the purchase today, your Board also needs to approve the Notice of Determination (Attachment 3) and direct the Clerk of the Board to file the notice of environmental action.

### **Acquisition Findings**

Redevelopment law requires the Board of Directors to make particular findings in order for the Agency to acquire real property. Attachment 4 is a resolution to accomplish that action, including the necessary findings and the purchase agreement. In addition, concurrence from the legislative body is required, and elsewhere on this agenda your Board, as the Board of Supervisors, is being asked to take the appropriate action.

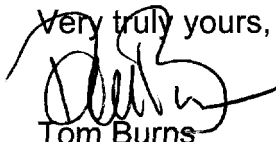
### **Recommendation**

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency, take the following actions:

1. Approve the Notice of Determination for the purchase of APN 026-261-I 3 (Attachment 3) and direct the Clerk of the Board to file the appropriate legal notice of the environmental action;

2. Approve the attached AUD 60 transferring \$840,000 from reserves for the acquisition and related costs and direct the RDA Administrator to reduce the funding allocation for The Farm Park/Community Center Project by that amount, with an understanding that these funds will be replenished from a future bond issue; and
3. Adopt the attached resolution concerning the purchase of APN 026-261-I 3, authorizing the Redevelopment Agency Administrator to take necessary actions to complete the purchase of this property (Attachment 4).

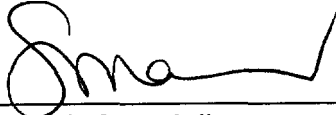
Very truly yours,



Tom Burns  
Redevelopment Agency Administrator

TB:RMcB

RECOMMENDED:



Susan A. Mauriello  
Redevelopment Agency Director

Attachments

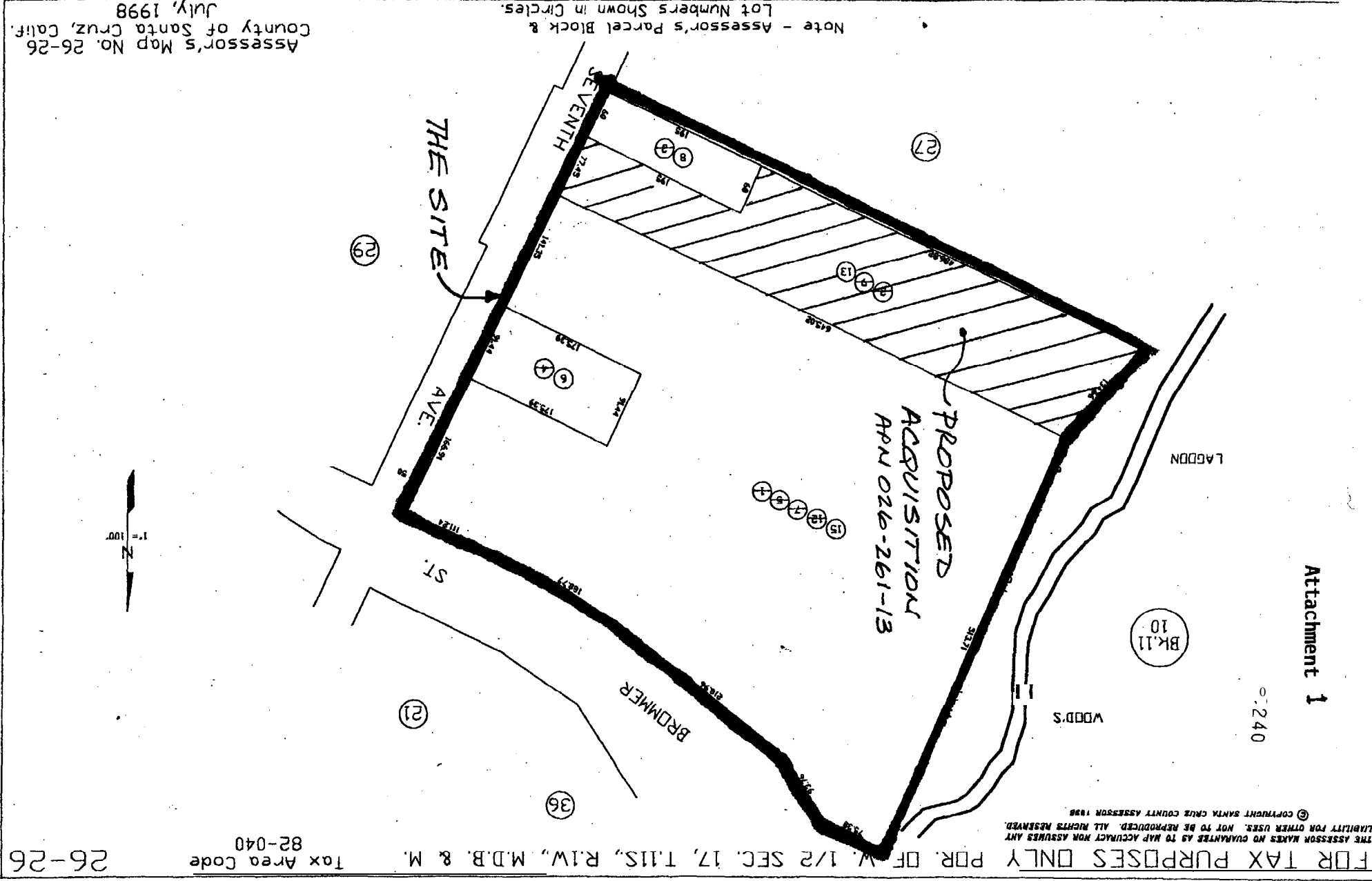
cc. RDA  
Auditor-Controller  
Real Property  
POSCS

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THE ASSessor MAKES NO GUARANTEE AS TO MAP ACCURACY NOR ASSURES ANY LIABILITY FOR OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED. © COPYRIGHT SANTA CRUZ COUNTY ASSESSOR 1998

01240

Attachment 1



Note - Assessor's Parcel Block & Lot Numbers Shown in Circles.

Assessor's Map No. 26-26  
County of Santa Cruz, Calif.  
July, 1998

BEFORE THE BOARD OF DIRECTORS  
OF THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY  
STATE OF CALIFORNIA

0241

RESOLUTION NO. \_\_\_\_\_

On the motion of Director  
duly seconded by Director  
the following resolution is adopted.

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the Santa Cruz County Redevelopment Agency is a recipient of funds from Bond Proceeds Reserve for 7<sup>th</sup> and Brommer site; and

WHEREAS, the Agency is a recipient of funds in the amount of \$840,000 which are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the Agency; and

WHEREAS, pursuant to Government Code Section 29130(c), such funds may be made available for specific appropriation by a four-fifths vote of the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller accept funds in the amount of \$840,000 as follows:

<u>T/C</u>	<u>Index</u> <u>Number</u>	<u>Revenue</u> <u>Subobject</u> <u>Number</u>	<u>Account Name</u>	<u>Amount</u>
001	611100	2500	RDA Capital Projects	\$840,000

and that such funds be and are hereby appropriated as follows:

<u>T / C</u>	<u>Index</u> <u>Number</u>	<u>Expenditure</u> <u>Subobject</u> <u>Number</u>	<u>PRJ/UCD</u>	<u>Account Name</u>	<u>Amount</u>
021	611139	9832		7" & Brommer site	\$840,000

DEPARTMENT HEAD: I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (have been) (will be) received within the current fiscal year.

By [Signature]  
Department Head

Date 3/30/00

\*\*\*\*\*

COUNTY ADMINISTRATIVE OFFICER \_\_\_\_\_ Recommended to Board

\_\_\_\_\_ Not Recommended to Board

\*\*\*\*\*

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz County Redevelopment Agency, State of California, this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_ by the following vote (requires four-fifths vote for approval):

AYES: DIRECTORS

NOES: DIRECTORS

ABSENT: DIRECTORS

\_\_\_\_\_  
Chairperson of the Board

ATTEST:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

[Signature]  
Agency Counsel

APPROVED AS TO ACCOUNTING DETAIL:

[Signature] 3/31/00  
Auditor-Controller

Distribution:

- Auditor-Controller
- County Counsel
- County Administrative Officer
- Redevelopment



# County of Santa Cruz <sup>0243</sup>

## PLANNING DEPARTMENT

701 OCEAN STREET, SUITE 400, SANTA CRUZ, CA 950604073

(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 464-2123

ALVIN D. JAMES, DIRECTOR

### NEGATIVE DECLARATION AND NOTICE OF DETERMINATION

APPLICANT: County of Santa Cruz Redevelopment Agency

APPLICATION NO.: 00-0115

APN: 026-261-13

Findings:

This project, if conditioned to comply with required mitigation measures or conditions shown below, will not have significant effect on the environment. The expected environmental impacts of the project are documented in the Initial Study on this project attached to the original of this notice on file with the Planning Department, County of Santa Cruz, 701 Ocean Street, Santa Cruz, California.

Required Mitigation Measures or Conditions:

No n e

Are Attached

Review Period Ends April 5, 2000.

Date Approved By Environmental Coordinator April 5, 2000.

KEN HART  
Environmental Coordinator  
(408) 454-3127

If this project is approved, complete and file this notice with the Clerk of the Board:

### NOTICE OF DETERMINATION

The Final Approval of This Project was Granted by \_\_\_\_\_

on \_\_\_\_\_. No EIR was prepared under CEQA.

THE PROJECT WAS DETERMINED TO NOT HAVE SIGNIFICANT EFFECT ON THE ENVIRONMENT.

Date completed notice filed with Clerk of the Board:



# County of Santa Cruz .

## PLANNING DEPARTMENT

701 OCEAN STREET, SUITE 400, SANTA CRUZ, CA 95060-4073

(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

ALVIN D. JAMES, DIRECTOR

### NOTICE OF ENVIRONMENTAL REVIEW PERIOD

#### SANTA CRUZ'COUNN

APPLICANT: County of Santa Cruz Redevelopment Agency

APPLICATION NO.: 00-0115

APN: 026-261-13

The Environmental Coordinator has reviewed the Initial Study for your application and made the following preliminary determination:

Neaative Declaration  
(Your project will not have a significant impact on the environment.)

Mitigations will be attached to the Negative Declaration.

No mitigations will be attached.

Environmental Impact Report  
(Your project may have a significant effect on the environment. An EIR must be prepared to address the potential impacts.)

Please contact Ken Hart, Environmental Coordinator at (408) 454-3127, if you wish to comment on the preliminary determination. Comments will be received until 5:00 p.m. on the last day of the review period.

Review Period Ends: April 5, 2000

Sheryl Mitchell  
Staff Planner

Phone: 454-3 104

Date: March 2, 2000



ATTACHMENT 4

**BEFORE THE BOARD OF DIRECTORS  
OF THE REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ,  
STATE OF CALIFORNIA**

**RESOLUTION NO. \_\_\_\_\_**

On the motion of Director \_\_\_\_\_ duly seconded by Director \_\_\_\_\_ the following resolution is adopted:

**RESOLUTION FOR REAL PROPERTY ACQUISITION**

RESOLVED by the Board of Directors of the Redevelopment Agency of the County of Santa Cruz, State of California:

WHEREAS, the acquisition of APN 026-261-13 (the "Property"), as a portion of a larger site for future development of a recreational/mixed use facility, will benefit the Live Oak Soquel Redevelopment Project Area ; and

WHEREAS, there are no other reasonable means of financing the Property acquisition available to the community; and

WHEREAS, the payment of Redevelopment Agency funds for the acquisition of the Property will assist in the elimination of one or more blighted conditions inside the Project Area; and

WHEREAS, the Redevelopment Agency of the County of Santa Cruz is desirous of acquiring the real property described in the attached purchase agreement (Exhibit A); and

WHEREAS, the owner(s) of the real property will execute and deliver a deed or other appropriate legal instrument conveying the property to the Agency, and upon condition that the Agency approve this resolution binding itself to the performance of the terms set forth in the purchase agreement; and

WHEREAS, the Board of Directors of the Agency hereby finds the terms set forth in the purchase agreement to be fair and reasonable consideration for the acquisition of the real property.

NOW THEREFORE, BE IT RESOLVED AND ORDERED that the Redevelopment Agency of the County of Santa Cruz does hereby accept the terms of the sale as described in the purchase agreement; and

BE IT FURTHER ORDERED that the Redevelopment Agency Administrator is authorized and directed to sign and process all documents and take necessary actions related to the Property acquisition.

**PASSED AND ADOPTED** by the Board of Directors of the Redevelopment Agency of the County of Santa Cruz, State of California, this day \_\_\_\_\_, 2000, by the following vote:

AYES:

NOES:

ABSENT:

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CHAIRPERSON OF THE BOARD OF DIRECTORS

ATTEST: \_\_\_\_\_  
Clerk of said Board

Approved as to form:

Quight Y. Hen  
County Counsel

Distribution: Redevelopment Agency  
Auditor-Controller  
County Counsel  
Public Works (Real Property)

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**CONTRACT FOR PURCHASE OF APN 026-261-13**

**855 Seventh Avenue  
Santa Cruz, California**

**SELLER:**

**Harriett Palmer**

**February 7, 2000**

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**CERTIFICATE OF FEE EXEMPTION****De minimis Impact Finding****Project Title/Location (Santa Cruz County):**

00-0115

County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060**Project Description:**

Proposal by the Santa Cruz County Redevelopment Agency to acquire Assessor's Parcel Number (APN) 026-261-13 for an unspecified use at this time (future plans for the project will be subject to Environmental Review when a Development Permit application is submitted). Acquisition requires Environmental Review. Project is located on the west side of 7<sup>th</sup> Avenue (855 7<sup>th</sup> Avenue) about 300 feet south of Brommer Street.

**Findings of Exemption (attach as necessary):**

An Initial Study has been prepared for this project by the County Planning Department according to the provisions of CEQA. This analysis shows that the project will not create any potential for adverse environmental effects on wildlife resources.

**Certification:**

I hereby certify that the public agency has made the above finding and that the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 71 1.2 of the Fish and Game Code.



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KEN HART  
Environmental Coordinator  
for Alvin D. James, Planning Director  
County of Santa Cruz

Date: 4/5/00

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**CONTRACT FOR PURCHASE OF APN 026-261-13  
855 SEVENTH AVENUE  
SANTA CRUZ, CALIFORNIA**

**PREAMBLE**

CONTRACT OF SALE entered into \_\_\_\_\_, by and between Harriett Palmer (hereafter referred to as "Seller") and the REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ (hereafter referred to as "Buyer/Agency").

**RECITALS**

A. Seller is the owner of the real property situated in an unincorporated area of Santa Cruz County, California, commonly known as 855 Seventh Avenue, Santa Cruz County, California, Assessor's Parcel Number 026-261-13, which is more particularly described in Exhibit A, to be attached to this Contract and incorporated herein by reference (hereafter referred to as the "Property");

B. Seller desires to sell the Property to the Buyer/Agency in accordance with the terms and conditions of this Contract, including all improvements constructed on the Real Property;

C. The Buyer/Agency is the public body which exercises the powers conferred on the County of Santa Cruz by the California Community Redevelopment Law, California Health and Safety Code Sections 33000 ~~and~~ pursuant to Health and Safety Code Section 33391, the Buyer/Agency is authorized to acquire real property for the purposes of redevelopment;

D. The Buyer/Agency desires to purchase the Property from the Seller in order to serve the goals of the Redevelopment Plan for the Live Oak / Soquel Redevelopment Project Area ("Redevelopment Plan"), and pursuant to its powers under Health and Safety Code Section 33391 and the Redevelopment Plan;

E. The Buyer/Agency has determined that this purchase is of benefit to residents of the project area, and that no other means of financing are available.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained in this Contract, the parties agree as follows:

## ARTICLE 1. PURCHASE PRICE

### Section 1.1. Amount and Allocation.

The total purchase price of the real property, fixtures, and settlement of all claims is \$802,000 (Eight Hundred Two Thousand Dollars).

### Section 1.2. Terms of Payment.

The purchase price shall be payable by Buyer/Agency in cash or equivalent. Buyer/Agency shall deposit, prior to close of escrow, the funds required to be deposited by it in order to allow escrow to close.

## ARTICLE 2. ESCROW

### Section 2.1. Opening of Escrow.

An escrow shall be opened to consummate the sale of the Property according to the terms of this Contract at the **office** of Santa Cruz Title Company, 9055 Soquel Drive, Aptos, CA 95003, (hereinafter referred to as the "escrow holder,"). The escrow shall be opened within fifteen (15) business days after the effective date of this Contract. Written escrow instructions in accordance with the terms of this Contract. shall be prepared by each party and the instructions shall be signed by the parties and delivered to the escrow holder five (5) days prior to the scheduled close of escrow. Buyer/Agency and Seller shall also deposit with the escrow holder all instruments, documents, and other items identified in the escrow instructions or reasonably required by the escrow holder to close the sale on the closing date specified below.

### Section 2.2. Closing Date.

The escrow shall be closed on the date the deed is recorded. The escrow shall be considered to be in a condition to close when the escrow holder is authorized under the escrow instructions, and when the escrow holder is otherwise able, to record the grant deed. The escrow must be closed no later than one hundred twenty (120) days from the effective date of this contract unless the closing date is extended pursuant to an agreement of the parties in writing and the terms of this Contract.

### Section 2.3. Prorations.

#### (a) Payments.

(i) County consolidated property tax charges shall be paid current by Seller and



**Contract for the Purchase of APN 026-261-13**

prorated between Buyer/Agency and Seller as of the day of recordation of the deed, as provided in subparagraph (ii) below. Payments on bonds and assessments assumed by Buyer/Agency, prepaid utilities, premiums on insurance acceptable to Buyer/Agency, and other similar items shall be paid current by Seller and prorated between Buyer/Agency and Seller as of the day of recordation of the deed. Bonds or assessments now a lien shall be paid current by Seller; bond payments not yet due shall be assumed by Buyer/Agency, except that Buyer/Agency shall have the right to approve or disapprove the amount of any bond or assessment not paid in **full** by close of escrow.

(ii) If the County Treasurer-Tax Collector has prepared the tax bill for the fiscal year in which escrow will close, County consolidated property tax charges shall be paid current by Seller and prorated between Buyer/Agency and Seller as of the day of recordation of the deed. If the tax bill has not yet been prepared for the fiscal year in which escrow will close, an unsecured or other tax bill will be sent directly to Seller, and shall be for periods prior to close of escrow. These payments are the responsibility of Seller.

(b) Utility Meters. Seller shall have all utility meters read as of the close of escrow and cooperate with Buyer/Agency to transfer accounts to its name.

(c) After Close of Escrow: Tax Bill. Because the Buyer/Agency is a public entity, a supplemental tax bill will not be issued **after** close of escrow. In the event taxes and other assessments are not paid in full, an unsecured or other tax bill will be sent directly to Seller, and shall be for periods prior to close of escrow. These payments are the responsibility of Seller.

(d) Tax Proration. Unpaid property taxes for the current year and all prorations and adjustments for items other than property taxes made in this escrow shall be based upon a 30-day month. This shall include, but is not limited to, rents, prepaid utilities, and other similar items.

(e) Seller's Prepaid Taxes. Seller's **prorated** share of overpaid or prepaid taxes, if any, will be forwarded to it, or the title company which acted on its behalf, outside of escrow by the Treasurer-Tax Collector upon receipt of an application for refund, together with a receipt tax bill showing the taxes that have been prepaid.

**Section 2.4. Broker Commission(s).**

Each party represents that it has not had dealings with any real estate broker, finder, or other person, with respect to the sale of this property, and warrants to the other that no real estate broker's commission is due. Buyer/Agency and Seller each agrees to indemnify and hold harmless the other, from and against any costs, expenses, or liability for compensation claimed inconsistent with the representation of this Section and this Contract.

Section 2.5. Closing Costs.

Seller shall pay any real estate broker's commission, and the reconveyance fees charged for the reconveyance of any deeds of trust against the Property. Other expenses of the escrow and title insurance and escrow fees shall be shared equally between Seller and Buyer/Agency. Seller shall pay the transfer tax, if applicable. Buyer/Agency is a public entity, and this transaction is not subject to the California Documentary Stamp Act.

Section 2.6. Vesting of Title.

Unless otherwise designated in the escrow instructions of the Buyer/Agency, title will vest as follows: REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ.

**ARTICLE 3. ADDITIONAL TERMS AND CONDITIONS**

Section 3.1. Preliminary Title Report.

Within thirty (30) days after the effective date this Contract, Buyer/Agency shall obtain a preliminary California Land Title Association report of the title to the Property and may obtain each document shown as an exception or encumbrance in the report. Seller will be provided with a copy of the report, Seller shall convey title to Buyer/Agency in the condition as set forth in paragraph 3.2(a) ("Marketable Title"), except that Buyer/Agency may notify Seller in writing within thirty (30) days of the receipt of the preliminary title report of any exceptions it approves.

Section 3.2. Other Conditions.

The' close of escrow opened pursuant to Section 2.1, and Buyer/Agency's obligation to purchase the Property pursuant to this Contract, are subject to the satisfaction of the following **conditions**, which are solely for Buyer/Agency's benefit unless otherwise indicated:

(a) Marketable Title. The conveyance to Buyer/Agency of good and marketable title to the Property, as evidenced by a California Land Title Association standard coverage title insurance **policy**, in an amount equal to the purchase price, insuring that title to the Property is vested in Buyer/Agency free and clear of all title defects, liens, encumbrances, conditions, covenants, restrictions, and other adverse interests of record or known to Seller, subject only to those exceptions approved by Buyer/Agency in writing.

(b) Related Agreements. Delivery to Buyer/Agency within thirty (30) days of the effective date of this Contract of the originals or true copies of the following items relating to this Contract and the operation of the Property: All current leases, rental agreements, service contracts, employment and other agreements; a rental statement including names of tenants, rental rates,

**Contract for the Purchase of APN 026-261-13**

period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any rebate, concession, or other benefit except as set forth in the documents. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business. Buyer/Agency shall approve or disapprove in writing an item delivered pursuant to this condition within forty-five (45) days of Buyer/Agency's receipt of the item. All documents provided under this Section shall be accompanied by schedules that describe and summarize the documents, and updated through close of escrow.

(c) Other Agreements. The execution and delivery of this Agreement by Seller, Seller's performance hereunder, and the consummation of the transaction contemplated hereby in a manner which shall not constitute a violation of any order or decree or result in the breach of any contract or agreement to which Seller is at present a party, or by which Seller is bound.

(d) Seller's Books and Records. Delivery to Buyer/Agency within thirty (30) days after the effective date of this Contract of true copies of all books and records, and a statement of income and expenses relating to the operation and management of the Property during the past year. Buyer/Agency shall notify Seller of Buyer/Agency's approval or disapproval in writing of these books and records within forty-five (45) days following their receipt by Buyer/Agency.

(e) Permits, Certificates and Licenses. Delivery to Buyer/Agency within thirty (30) days of the date of the effective date of this Contract, copies of all permits and approvals concerning the Property obtained from any governmental entity, including but not limited to, Certificates of Occupancy, Conditional Use Permits and Development Plans, and licenses and permits pertaining to the operation of the Property.

(f) Delivery of Possession. Delivery of possession of the Property (with all keys or means to operate all locks or alarms, if any) to Buyer/Agency immediately on the close of escrow **free** and clear of all uses and occupancies except those approved in writing by Buyer/Agency.

(g) Abandoned Personalty. Any personal property remaining on the Property after close of escrow shall be deemed abandoned.

(h) Physical, Environmental and Geological Inspection. The preparation and deposit in escrow of a written report or reports regarding the condition of the Property, and the approval by Buyer/Agency in writing of the contents of these reports. The reports shall be prepared at Buyer/Agency's expense by a licensed contractor and/or other qualified professionals selected by the Buyer/Agency to ascertain the condition of the Property by inspections (including tests, surveys, other studies, inspections, investigations) of the subject property including, but not limited to, structural, plumbing, sewer, heating, ventilation, and air conditioning systems, electrical, built in appliances, roof, soils, foundation, mechanical systems, if any, geologic conditions, and a written environmental inspection report prepared by an appropriately licensed entity. An environmental

**Contract for the Purchase of APN 026-261-13**

inspection may include, but is not limited to, Phase I and Phase II (Level I and II) environmental assessments which address any environmental toxic concerns originating **from** on-site or off-site sources that would affect the soil and/or groundwater resources at the Property, or its value. The obtaining of these reports and the purchase of the Property shall not be construed as limiting Seller's responsibility and/or Buyer/Agency's rights concerning hazardous materials discovered before or after purchase of the Property by Buyer/Agency.

These reports shall be approved or disapproved by Buyer/Agency within forty-five (45) days from receipt of a report but no later than close of escrow.

If Buyer/Agency disapproves of the results set forth in the reports, Buyer/Agency shall notify Seller in writing of the specific conditions that are unacceptable to Buyer/Agency. If the parties are unable to reach agreement regarding the correction of these matters, Buyer/Agency may terminate the Contract by providing Seller with written notice of this decision no later than the close of escrow. If Buyer/Agency approves of the results set forth in these reports, Buyer/Agency shall notify Seller in writing of the approval.

Notwithstanding the foregoing, Buyer/Agency shall not be required to deposit into escrow any report which it approves.

(i) Walk Through Inspection. Buyer/Agency making a physical inspection of the property by way of an initial walk through and site inspection within fifteen (15) days **after** the effective date of this contract and a final walk through no later than five (5) days prior to close of escrow to ascertain the condition of the property is as represented in this Contract and during escrow. Buyer/Agency shall approve or disapprove its findings in writing.

**Section 333. Failure of Condition and Seller's Breach of Warranty.**

Except as provided in this Section, if any of the conditions set forth in this Contract fail to occur, or if Buyer/Agency notifies Seller in writing prior to the close of escrow of Seller's breach of any of Seller's warranties set forth in this Contract, or if Buyer/Agency disapproves of any fact subject to its approval as set forth herein, then Buyer/Agency may cancel the escrow, terminate this Contract, and recover any amounts paid by Buyer/Agency to the escrow holder toward the purchase price of the Property (less Buyer/Agency's share of costs and expenses of escrow as established in this section).

Buyer/Agency shall exercise this power to terminate by complying with any applicable notice requirements specified in the relevant condition and, in all other cases, by providing written notice to Seller and the escrow holder within thirty (30) days of the failure or breach. The exercise of this power shall not waive any other rights Buyer/Agency may have against Seller for breach of this Contract, except for the rights and obligations set forth in this section. Seller shall instruct the escrow holder, in the escrow instructions delivered pursuant to Section 2.1 "Opening of Escrow",

to refund to Buyer/Agency any money (as established in this section) and instruments deposited in escrow by Buyer/Agency pursuant to this Contract upon failure of a condition or conditions or breach of a warranty or warranties and receipt of a termination notice. In the event of such a termination due to Seller's breach of any of Seller's warranties or obligations set forth in this Buyer/Agency making a physical inspection of the property by way of an initial walk through and site inspection within fifteen (15) days after the effective date of this contract and a final walk through no later than five (5) days prior to close of escrow to ascertain the condition of the property is as represented in this Contract and during escrow. Buyer/Agency shall approve or disapprove its findings in writing. Contract' Seller shall bear any costs and expenses of escrow. In the event of such a termination due to failure of a condition or Buyer/Agency's disapproval, Seller and Buyer/Agency shall share the costs and expenses of escrow as set forth in Section 2.6 "Closing Costs."

#### Section 3.4. Seller's Obligation to Cure Defects.

Notwithstanding any provisions of this Contract to the contrary, Buyer/Agency shall immediately notify Seller in writing of Buyer/Agency's discovery, prior to the close of escrow, of a violation of any of the provisions or failure of any of the conditions of this Contract.

For these purposes, the foregoing violations and conditions shall be referred to as "defects." If Buyer/Agency gives that notice, the notice shall set forth the particular matter disapproved of or breached.

(a) If the reasonable cost to remove the defect is \$25,000 (Twenty-five Thousand Dollars) or less, on receipt of the notice, Seller shall immediately and diligently endeavor to remedy the defect at the sole expense of Seller. If Seller does not remedy the defect within thirty (30) days of the receipt of Buyer/Agency's notice or by the close of escrow, whichever occurs first, then Buyer/Agency shall have the right to terminate the Contract without any liability on the on the part of Buyer/Agency, or at Buyer/Agency's option, extend the escrow for a period of up to ninety (90) days and make its **own** effort to remedy the defect. If Buyer/Agency is unable to remove the defect, then Buyer/Agency shall have the right to elect to do one of the following:

(1) Terminate the Contract without any liability on the part of Buyer/Agency.

(2) Purchase the Property for the purchase price less \$25,000 (Twenty-five Thousand Dollars).

(b) If the reasonable cost to remove the defect is greater than \$25,000 (Twenty-five Thousand Dollars), on receipt of the notice, Seller may elect to immediately and diligently endeavor to remedy the defect at the sole expense of Seller. Seller shall notify Buyer/Agency within fifteen (15) days of receipt of the notice if it elects not to remedy the defect. If Seller elects not to remedy the defect' or if Seller does not remedy the defect within thirty (30) days of the receipt of

**Contract for the Purchase of APN 02626143**

Buyer/Agency's notice or by the close of escrow, whichever occurs first, then Buyer/Agency shall have the right to elect to do one of the following:

- (1) Terminate the Contract without any liability on the part of Buyer/Agency.
- (2) Purchase the Property for the purchase price less the amount required to remedy the defect, up to \$25,000 (Twenty-five Thousand Dollars).
- (3) Purchase the Property after negotiations with Seller to determine the amount of the reduction in market value due to the unremedied defect and responsibility for and timing of the removal of the defect' provided that (i) the parties are able to mutually agree on terms, and (ii) that the reduction in price shall be applied to purchase price.

Buyer/Agency shall notify Seller in writing, prior to the close of escrow, of Buyer/Agency's election of one of the foregoing options. A failure to elect shall be deemed an election of option **(b)(1)**. If Buyer/Agency elects option (b)(3), Buyer/Agency shall be entitled to postpone the close of escrow up to a maximum of ninety (90) days for the purpose of negotiating with Seller. If Buyer/Agency is unable to negotiate an agreement with Seller prior to the close of escrow, including any postponement period, Buyer/Agency may then elect option (b)( 1) or (b)(2) within that period of time. The failure of Buyer/Agency to make that election shall be deemed an election of option **(b)( 1)**.

Seller shall instruct the escrow holder, in the escrow instructions delivered pursuant to Section 2.1, immediately to refund to Buyer/Agency all money and instruments deposited in escrow by Buyer/Agency pursuant to this Contract on termination of this Contract pursuant to this Section on receipt of notice of that termination from Buyer/Agency. In the event of such a termination, Seller shall bear any costs and expenses of the escrow.

**Section 3.5. Seller's Proceeds.**

Seller agrees that the proceeds from sale shall be disbursed as directed in escrow. Seller shall provide the escrow holder with such other instructions and documentation as may be reasonably required to disburse the proceeds in accordance with this paragraph.

Buyer/Agency is hereby relieved from any and all liability for the disbursement of proceeds as set forth in this contract.

## ARTICLE 4. WARRANTIES AND AGREEMENTS OF SELLER

### Section 4.1. Warranty as to Status of Title.

Seller hereby warrants that it owns the Real Property and improvements thereon, and all Personal Property free and clear of all liens, licenses, claims, encumbrances, easements, encroachments on the Property **from** adjacent properties, encroachments by improvements or vegetation on the Property' onto adjacent properties, and rights of way of any nature, subject only to those items disclosed to and approved by Buyer/Agency in writing and in accordance with the provisions of this Contract.

### Section 4.2. Warranty as to Leasehold Interests

Seller hereby warrants and represents that it owns the Real Property and improvements thereon **free** and clear of all leasehold interests. Seller further warrants and represents that as of the date of its signing of this contract and the effective date of this contract, no other leases of the property are or will be in effect; no one else has a right of possession, and no other agreements were made with any tenant.

### Section 4.3. Warranty as to Related Agreements.

Seller hereby warrants that all information provided under Section 3.2(b) "Related Agreements" or any document provided to Buyer/Agency as a requirement of this Contract is true and correct as of the date of this Contract. Seller hereby agrees to notify Buyer/Agency of any material changes of information occurring prior to the close of escrow.

### Section 4.4. Warranty Regarding Litigation.

Seller warrants that to its knowledge, no litigation, no eminent domain proceeding, and no governmental, administrative, or regulatory act or proceeding regarding the environmental, health, safety and use aspects of the Property is pending, proposed, or threatened with respect to the Property or Seller's ownership thereof as of the close of escrow. And further that Seller has not filed or been the subject of any filing of a petition under federal bankruptcy law, or any insolvency laws, or any laws for the discharge of indebtedness or assignment to creditors. And there are no pending or threatened claims, action, proceedings, or lawsuits of any kind, whether for personal injury, property damage, landlord-tenant disputes, property taxes, or otherwise, that could adversely affect title to or the operation of" or value of, the Property, or which questions the validity or enforceability of this Contract, nor is there any governmental investigation, threatened or pending or underway, of any type, about which Seller knows, against or relating to the Property or this Contract (other than those conducted by County or Agency).

**Contract for the Purchase of APN 026-261-13****Section 4.5. Warranty as to Defects.**

Seller warrants that Seller has no knowledge of any material defects in the Real Property, Improvements, and Personal Property except for those defects disclosed to the Buyer/Agency in writing prior to the close of escrow, normal, reasonable wear excepted.

**Section 4.6. Warranty as to Violations.**

Seller warrants that at present and as of close of escrow Seller has no knowledge or notice of any pending, proposed or threatened violations of any City, County, State, Federal, Building, Zoning, Fire or Health codes, regulations, or ordinances, statute, judicial order, or judicial holding pertaining to the Property or the right to use and occupy it; or of any unsatisfied mechanic or materialman lien(s) affecting the Property whether or not appearing in public records; or that any tenant is subject to bankruptcy. If Seller receives any such notice prior to close of escrow, Seller shall immediately **notify** Buyer/Agency. Buyer/Agency is allowed thirty (30) days **after** receipt of notification to give Seller a written notice of approval or disapproval. Seller further warrants that Seller has not received any notices regarding defects under or noncompliance with any of the foregoing.

**Section 4.7. Warranty as to Defaults.**

Seller warrants that:

(a) as of the date of the execution of this Contract' Seller has no knowledge of any default under any contract, agreement, lease, instrument, encumbrance, or transaction relating to the Property;

(b) the execution and delivery of this Contract shall not constitute or result in any default or event that with notice or lapse of time, or both, would be a default or breach, or in violation of any agreement under which Seller or the Property are bound, or any event which would permit any party to terminate any agreement or accelerate any **maturity** of any indebtedness or other obligation affecting Seller or the Property.

**Section 4.8. Continuation of Operations.**

Seller agrees to do the following until the close of escrow and the delivery of possession of the Property to Buyer/Agency pursuant to this Contract:

(a) Perform all obligations arising under the agreements and other relationships provided under Section 3.2(b) "Related Agreements."

(b) Maintain the Property in good repair and in the same condition, reasonable wear and



**Contract for the Purchase of APN 026-261-13**

tear excepted, as it was in on the date of the signing of this Contract by Seller.

(c) Continue to operate and manage the Property in a reasonable, diligent, and prudent manner, provided that Seller shall not enter into any additional leases or other contracts related to the Property, or modify or extend any current lease or other contract, **after** the effective date of this Contract without first obtaining Buyer/Agency's written consent.

**Section 4.9. Right to Enter Property.**

Seller grants to Buyer/Agency, including without limitation its agents, employees (including employees of the County, or contractors, the **right**, at any time after the opening of the escrow for this transaction, to enter onto the Property to conduct tests or investigations, provided that:

(a) The acts shall be conducted at the sole cost and expense of Buyer/Agency;

(b) The acts do not unreasonably interfere with Seller's possession; and

(c) Buyer/Agency shall indemnify and hold Seller harmless from any costs or liability resulting from the acts, and, if the escrow is canceled for a reason that is not the fault of Seller, for any damages to the Property resulting from the acts.

(d) Buyer/Agency shall not be required to give Seller any notice of the intention to enter the Property during the escrow period. Both parties acknowledge that the Property is unoccupied and vacant.

**Section 4.10. Warranty as to Information.**

Seller warrants that it shall by close of escrow provide all information required to be furnished by it under the terms of this purchase contract.

**Section 4.11. Survival of Warranties.**

All warranties, covenants, and other obligations described in this Article and elsewhere in this Contract shall survive close of escrow and delivery of the deed to the Property.

**ARTICLE 5. APPROVAL****Section 5.1. Approval.**

This Contract for Purchase is subject to the approval of the Santa **Cruz** Redevelopment

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Agency Board of Directors and does not bind Buyer/Agency until such time as their approval and consent has been received in writing and as required by law.

## ARTICLE 6. FULL AND COMPLETE SETTLEMENT

### Section 6.1. Full and Complete Settlement.

Seller hereby acknowledges that the compensation provided for pursuant to this Contract constitutes a full and complete settlement for any and all claims which Seller and tenants or occupants of the Seller's Property (if any) might have against the Buyer/Agency or the County, and the officers, employees, and agents of both of them, for compensation for the real property for improvements pertaining to the realty, compensation for personal property, furniture, fixtures and equipment; pre-condemnation damages, compensation for unreasonable pre-condemnation conduct, claims for inverse condemnation (whether or not the Property is ultimately conveyed to Buyer/Agency), loss of business goodwill, any relocation assistance to which Seller might otherwise be entitled under any local, state, or federal law or regulation; costs, severance damages, interest, attorney's fees, or any other damages whatsoever which might arise out of or relate in any respect to the acquisition of the Property by Buyer/Agency and the displacement of Seller from the Property, or other claims compensable in an eminent domain proceeding. Seller acknowledges that receipt of the purchase price described in Section 1.1 of this Contract constitutes payment in full which might arise out of or relate in any respect to this acquisition.

## ARTICLE 7. MISCELLANEOUS PROVISIONS

### Section 7.1. Loss, Destruction, and Condemnation.

The parties agree that the following provisions shall govern the risk of loss, destruction or condemnation if all or a material part of the Property is destroyed or damaged, from any cause including but not limited to flood or earthquake, or is taken by eminent domain by any governmental entity:

- (a) The Seller bears the loss if legal title has not been transferred to the Buyer/Agency.
- (b) The Buyer/Agency bears the loss **when** legal title has been transferred to the Buyer/Agency.

For these purposes, "material part of the Property" means any portion of the Real Property, Improvements or Personal Property which is a part of this sale that would cost \$5,000 (Five Thousand Dollars) or more to replace or to restore to their condition as of the date of the execution of this Contract by Seller.

**Contract for the Purchase of APN 026-261-13****Section 7.2. Insurance.**

Seller shall deliver to Buyer/Agency within thirty (30) days of the effective date of this Contract, copies of all of the insurance policies provided pursuant to this Contract. Buyer/Agency shall notify Seller and the escrow holder at least ten (10) days prior to the close of escrow whether Buyer/Agency will or will not assume each policy. If Buyer/Agency fails to **notify** Seller in the required manner of Buyer/Agency's election concerning any insurance policy, the failure shall be deemed an election not to assume that policy.

**Section 7.3. Hazardous Materials.**

Seller represents that neither he/she/it nor, to the best of his/her/its knowledge, any previous owner, tenant, occupant, or user of the Property, used, generated, released, discharged, stored, or disposed of any hazardous waste, toxic substance, or related material ("Hazardous Materials") on, under, in, or about the Property, or transported any Hazardous Materials to or from the Property. The term "Hazardous Materials" shall mean any substance, material, or waste which is regulated by any governmental authority, including, but not limited to, any material or substance which is defined as a "hazardous substance," "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" in the California Health and Safety Code. Seller and Buyer/Agency acknowledge that under state and federal law a property owner retains liability pertaining to Hazardous Materials for actions that occurred during the Seller's ownership of the Property. Seller shall be subject to this liability to the same extent as all property owners are under state and federal law.

Seller agrees to indemnify, defend, and hold harmless Buyer/Agency from and against any claim, action, suit, proceeding, loss, cost, damage, deficiency, fine, penalty, liability, or expense (including, without limitation, attorneys' fees), arising out of any of the following matters in, on, or about the Property occurring during Seller's ownership of the Property: (i) the release, use, generation, discharge, storage, disposal, or transportation of any Hazardous Material, or (ii) the violation of any statute, ordinance, order, rule, regulation, permit, judgement, or license relating to the release, use, generation, discharge, storage, disposal, or transportation of Hazardous Materials.

**Section 7.4. Flood Hazard Disclosure.**

Sellers warrants that the property is not located in a "Special Flood Hazard Area" as set forth on a Federal Flood Management Agency (**FEMA**) "Flood Insurance Rate Map" (**FIRM**) or "Flood Hazard Boundary Map" (**FHBM**).

**Section 7.5. Tax Withholding.**

Under the Foreign Investment in Real Property Act (FIRPTA), IRC 1445, every Buyer of U. S. real property, must, unless an exemption applies, deduct and withhold from Seller's proceeds 10% of the gross sales price. Under the California Revenue and Taxation Code 18805 and 26 13 1,

the Buyer must deduct and withhold an additional one-third of the amount required to be withheld under federal law. The primary **FIRPTA** exemptions are: No withholding is required if (a) Seller provides Buyer/Agency with an affidavit under penalty of perjury, that Seller is not a “foreign person,” or (b) Seller provides Buyer/Agency with a “qualifying statement” issued by the Internal Revenue Service. Seller and Buyer/Agency agree to execute and deliver as directed any instrument, affidavit, or statement reasonably necessary to carry out those statutes and regulations promulgated thereunder.

Section 7.6. Survey, Plans and **Engineering** Documents.

Within thirty (30) days of the effective date of this Contract, Seller shall at no cost to Buyer/Agency, deliver to Buyer/Agency copies of surveys, plans, specifications and engineering documents regarding the property, if any, prepared on Seller’s behalf or in Seller’s possession.

Section 7.7. **Approval(s)** in Writing.

Any approval under this Contract shall be in writing and deposited in escrow or delivered to opposite party.

Section 7.8. **Triplicate**

This Contract shall be signed in triplicate, with original signatures on each document, and each signed triplicate shall be equivalent to a signed original for all purposes.

Section 7.9. **Time of Essence.**

Time is of the essence in this Contract.

Section 7.10. **Notices.**

Any notice, tender, delivery, or other communication pursuant to this Contract shall be in writing and shall be deemed to be properly given if deposited in escrow or delivered, mailed, or sent by wire, fax or other telegraphic/electronic communication in the manner provided in this Section, to the following persons:

- (a) If to Buyer/Agency:  
 The Redevelopment Agency of the County of Santa **Cruz**  
 Agency Administrator  
 Attention: Tom Burns  
 70 1 Ocean Street, Room 5 10  
 Santa **Cruz**, CA 95060  
 Phone (83 1) 454-2280

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Fax (83 1) 454-3420

- (b) If to Seller:  
Harriett Palmer c/o Patricia Locatelli  
1238 Happy Valley Road  
Santa Cruz, CA. 95065  
(83 1) 429-8848

Either party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this Section.

If sent by mail, any notice, delivery, or other communication shall be effective or deemed to have been given 72 hours after it has been deposited in the United States mail, with postage prepaid, and addressed as set forth above. If sent by wire, fax or other form of telegraphic/electronic communication, any notice, delivery, or other communication shall be effective or deemed to have been given 24 hours after the date of electronic transfer or deposited with Western Union, or other carrier, prepaid and addressed as set forth above, or faxed. Any required notice by electronic transmission shall be followed by an original delivered via United States mail or other carrier, prepaid and addressed as set forth above.

Section 7.11. Attomevs' Fees.

If any action, proceeding, or arbitration arising out of or relating to this Contract is commenced by either party to this Contract or by the escrow holder, then as between Buyer/Agency and Seller, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action, proceeding, or arbitration by the prevailing party.

Section 7.12. Binding Effect.

This Contract shall be binding on and inure to the benefit of the parties to this Contract and their heirs, personal representatives, successors, and assigns, except as otherwise provided in this Contract.

Section 7.13. Govemina Law.

This Contract and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

Section 7.14. Headings.

The headings of the articles and sections of this Contract are inserted for convenience only.

**Contract for the Purchase of APN 026-261-13**

They do not constitute part of this Contract and shall not be used in its construction.

Section 7.15. Waiver.

The waiver by any party to this Contract of a breach of any provision of this Contract shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Contract.

Section 7.16. Singular and Plural; Gender.

Masculine, feminine, or neuter gender, and the singular and the plural number shall each be considered to include the other whenever the context so requires. If either party consists of more than one person, each such person shall be jointly and severally liable. Seller, as used herein, shall refer to Sellers collectively.

Section 7.17. Effective Date.

The effective date of this Contract is the date it is signed by the Redevelopment Agency Administrator, **after** authorization by the Buyer/Agency's Board of Directors to do so.

~~Section 7.18.~~ Regulatory Approvals.

Approval by Buyer/Agency of any action requiring approval by the terms of the Contract for Purchase does not constitute approval by the County of any required permits or applications, and in no way limits the discretion of the County as a regulator in the permit and approval process. Seller and Buyer/Agency will render to each other reasonable assistance in obtaining necessary County and other governmental permits or approvals.

Section 7.19. Exchange.

Seller may use this transaction as a part of a tax-deferred, like-kind (IRC 103 1) exchange. Seller requests that Buyer/Agency cooperate in order to effectuate such an exchange, including the execution of any documents necessary for such purpose, subject to the following limitations: (a) the Buyer/Agency shall not be obligated to either shorten or extend the closing date; (b) all costs associated with the exchange shall be paid by the Seller; (c) the Seller is the party requesting the exchange and shall indemnify and hold harmless the Buyer/Agency whose cooperation is requested from all liability arising from the exchange; (d) the Buyer/Agency shall not be required to take title to another property for purposes of accommodating an exchange unless specifically agreed upon in writing; (e) this transaction shall close as a sale on all other terms of this agreement, unless the Seller completes all steps necessary to close an exchange.,

**Contract for the Purchase of APN 026-261-13**

**Section 7.20. Entire Contract.**

**This Contract** and the attached Exhibits constitute the entire contract between the parties relating to the sale of the Property. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Contract are of no force and effect. Any amendment to this Contract shall be of no force and effect unless it is in writing and signed by Buyer/Agency and Seller.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the dates set forth herein.

**BUYER/AGENCY:**

REDEVELOPMENT AGENCY  
OF THE COUNTY OF SANTA CRUZ

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Tom Burns  
Redevelopment Agency Administrator

**Seller:**

By: Harriett Palmer Dated: Feb 7, 2000  
Harriett Palmer

Telephone: (83 1)429-8848

**APPROVED AS TO FORM:**

By: Dwight L. How  
Agency Counsel

**Contract for the Purchase of APN 026-261-13**

**DISTRIBUTION:**

**CAO**

Auditor

County Counsel

Seller

Risk Manager

RDA

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Contract for the Purchase of APN 026-261-13

EXHIBIT A

Legal Description of APN  
To be verified and approved by Buyer/Agency in Escrow

The land referred to herein is described as follows:

SITUATE IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PART OF LOT NO. 5 AS SHOWN AND DESIGNATED ON THE MAP SHOWING THE SUBDIVISION OF LANDS OF MANUEL RODRIGUEZ, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SANTA CRUZ COUNTY, AUGUST 8, 1891, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS, TO WIT:-

BEGINNING IN THE CENTER OF SEVENTH AVENUE AT THE SOUTHEASTERLY CORNER OF LANDS CONVEYED TO **GIACOMO CERESETTO** BY DEED RECORDED IN VOLUME 17 OF OFFICIAL RECORDS OF SANTA CRUZ COUNTY AT PAGE 95, ON SEPTEMBER 27TH, 1923; THENCE ALONG THE CENTER OF SAID SEVENTH AVENUE SOUTH 25 45' WEST 132.45 FEET TO A STATION; THENCE LEAVING THE CENTER OF SAID SEVENTH AVENUE AND RUNNING NORTH 65 10' WEST 992.75 FEET TO A STATION; THENCE NORTH 25 30' EAST 10.48 FEET TO A STATION; THENCE NORTH 50 30' EAST 135.53 FEET TO A STATION AT THE SOUTHWESTERLY CORNER OF SAID FIRST MENTIONED LANDS OF **GIACOMO CERESETTO**; AND THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID LAST MENTIONED LANDS SOUTH 65 10' EAST 936.16 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED IN THE DEED FROM EDWARD FREY TO EDWARD FREY, ET UX., RECORDED AUGUST 12, 1949, IN BOOK 733, PAGE 134, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED IN THE DEED FROM EDWARD FREY TO COUNTY OF SANTA CRUZ, RECORDED FEBRUARY 24, 1961, IN BOOK 1375, PAGE 339, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED IN THE DEED FROM EDWARD FREY TO THE SANTA CRUZ PORT DISTRICT RECORDED MAY 28, 1968, IN BOOK 1884, PAGE 1, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

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