

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO**

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**Oversight Board to the
Successor Agency to the Redevelopment Agency
of the City of Fresno**

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AGENCY BRIEFING REPORT

Date: September 29, 2015
To: Oversight Board
From: Debbie Barletta
Through: Marlene Murphey
RE: Line 22 – CMC Regional Medical Center (formerly Jefferson Line 2, pg 9)

The enforceable obligation is Amendment Number 2 to the 1995 Development agreement and Land Sale Contract between the Community Hospitals of Central California and the Redevelopment Agency. The Agency's monetary obligations are limited to a maximum annual sum of \$148,000 in each of 10 consecutive years ending in FY 2016. At that time the contract will terminate and the Agency's obligation ends.

Payee: Community Regional Medical Center

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Clovis Community

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Fresno Heart & Surgical



CITY COUNCIL RESOLUTION NO. 2006-560
REDEVELOPMENT AGENCY RESOLUTION NO. 1689

A JOINT RESOLUTION OF THE CITY COUNCIL AND THE
REDEVELOPMENT AGENCY OF THE CITY OF FRESNO
APPROVING AMENDMENT NO. 2 TO 1995
DEVELOPMENT AGREEMENT AND LAND SALE
CONTRACT BETWEEN THE REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO, THE CITY OF FRESNO, AND
COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA,
AND MAKING CERTAIN FINDINGS

WHEREAS, the Redevelopment Agency of the City of Fresno (the "Agency") is engaged in activities necessary to carry out the Jefferson Redevelopment Project and the Urban Renewal Plan for the Mariposa Project (the "Plans") for that area of the City of Fresno, California, described in the Plans (the "Project Areas"); and,

WHEREAS, the Project Areas are within the Merger 1 Project Area ("Merger 1"); and

WHEREAS, June 7, 2005, the Agency adopted a Five-Year Implementation Plan for Merger 1, and other plan areas by Agency Resolution No. 1661 ("Implementation Plan"); and

WHEREAS, February 21, 1995, the Council and Agency Board adopted a joint Council (No. 95-57) and Redevelopment Agency (No. 1414) resolution approving a Development Agreement and Land Sales Contract (the "1995 Contract") with Community Hospitals of Central California (the "Hospital"), and making certain findings including, without limitation, findings under Health and Safety Code Section 33433 that the price was less than the fair market value; and

Adopted _____
Approved _____
Effective _____

2006-560/1689



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WHEREAS, July 18, 1995, the Agency, the City of Fresno (the "City"), and the Hospital entered the 1995 Contract, regarding the acquisition and disposition of property, and the phased development of a regional medical center within an area identified by boundaries (the "Medical Center Campus Area") for a long-term development project referred to as the "Regional Medical Center" or herein as the "Project" and

WHEREAS, October 22, 1996, by Joint Resolution No. 96-260/1444, the Council and Agency Board ratified the 1995 Contract, as executed; and

WHEREAS, February 12, 2002, by Joint Resolution No. 2002-56/1598, the Council and Agency Board approved, and March 26, 2002, the City, Agency, and the Hospital entered, Amendment No. 1 to the 1995 Contract ("Amendment No. 1"); and

WHEREAS, the 1995 Contract, as thus amended is referred to herein as the ("Amended 1995 Contract"); and

WHEREAS, Section 2 of the 1995 Contract fixes the purchase price that the Hospital is to pay for any land that the Agency acquires in all four phases of development and conveys to the Hospital (the "Purchase Price"), and the Purchase Price includes an escalator clause to increase the price based on a consumer price index; and

WHEREAS, the Hospital has asked that the 1995 Contract be further amended to maintain the Purchase Price at the original \$4 a square foot, without applying the



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escalator to the Purchase Price, and the Agency has considered the facts and prepared a 33433 report to eliminate the escalator clause from the Purchase Price; and

WHEREAS, Section 33433 of the Law authorizes the Agency, with the majority approval of the Council after public hearing, to agree to convey property for redevelopment purposes after determining that the sale or lease will help eliminate blight, and that the consideration for the sale or lease is not less than either fair market value or the fair reuse value according to the covenants and conditions governing the sale or lease and development costs thereof; and,

WHEREAS, the Agency wishes to fix its obligations under the 1995 Amended Agreement to a maximum sum each year for a 10 year period; and

WHEREAS, the Agency and Hospital wish to the Council and Agency to ratify past transactions involving a Hospital contracting party not expressly named in the 1995 Amended Contract, and authorize the entity as an assignee for future transactions; and

WHEREAS, the Project conforms with and furthers the objectives stated in the Implementation Plan; and

WHEREAS, a joint public hearing of the Agency and Council on Amendment No. 2 was duly noticed following the requirements of Health and Safety Code Sections 33433; and

WHEREAS, the Amendment No. 2, and a Summary Report meeting the requirements of Health and Safety Code Sections 33433 was made available for public inspection consistent with the requirements of the Law; and,



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WHEREAS, November 14, 2006, the Housing and Community Development Commission, in a regular public meeting, considered Amendment No. 2, and recommended that the Council and Agency adopt a joint resolution approving the amendment, and making certain findings; and,

WHEREAS, December 12, 2006, the Agency and Council held a joint public hearing on the proposed Amendment No. 2 and evaluated all of the information, testimony, and evidence presented during the public hearing; and,

WHEREAS, the Agency and Council have reviewed the staff report, the Amendment No. 2, and the Summary Report required pursuant to Health and Safety Code Section 33433 and evaluated other information and public testimony provided to it concerning the findings required pursuant to Section 33433; and,

WHEREAS, the 1995 Amended Contract as further amended by Amendment No. 2, will improve the quality of life for City residents and visitors by eliminating blight, improve the health care facilities and services available in the community, and continue the development of a quality redevelopment project in the Project Areas that provides the reuse of vacant and underutilized property; and,

WHEREAS, the modified Purchase Price is equal to the fair reuse value of the properties, as set forth in the Summary Report; and,

WHEREAS, the Agency and Council have duly considered the change in terms set forth in Amendment No. 2, and believes that the disposition of the Agency Parcels pursuant to the 1995 Amended Agreement, as further modified by Amendment No. 2 is



in the best interests of the City and the health, safety, and welfare of its residents, and consistent with the public purposes and provisions of applicable state and local laws and requirements; and,

WHEREAS, all actions required by applicable law respecting the proposed Amendment No. 2 have been timely and appropriately taken.

NOW, THEREFORE, IT IS RESOLVED as follows:

Section 1. Based upon facts and substantial evidence provided in the record before it including, without limitation, the Summary Report, the Council and the Agency find and determine the following:

Finding No. 1.1 The consideration (modified Purchase Price) for the real property within the Project Site is not less than the fair reuse value of the Project Site, considering the covenants and conditions of, and the development costs required under, the 1995 Amended Contract, as further amended by Amendment No. 2.

Finding No. 1.2 The Project and the Agency's expenditure of funds for all parcels that it may convey to the Hospital will help eliminate one or more blighting conditions in the Project Areas.

Finding No. 1.3 The Hospital's or its assignee's development of the Project Site pursuant to the Agreement will eliminate blight within the Project Areas by reusing and redeveloping the Project Areas that have been declared blighted.

Finding No. 1.4 The Amendment No. 2, and the 1995 Amended Agreement is consistent with the Implementation Plan, and with the Regional Medical



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Center campus concept, and will further the goals of the Implementation Plan and the Plans.

Section 2. The Council and Agency approve the Amendment No. 2, substantially in the form attached, subject to any nonmaterial changes after this approval, that Agency's Executive Director and the City Manager may authorize, that are consistent with this resolution, and that the City Attorney and Ex Officio Attorney for the Agency approves as to form.

Section 3. The Council and Agency authorize and direct the Executive Director for the Agency, and the City Manager or his designee for the City, to sign the Amendment No. 2 and deposit a copy of the amendment with the City Clerk.

Section 4. The Council and Agency authorize and direct the City Clerk and Ex Officio Clerk of the Agency, to attest thereto, and record the amendment if called for under the 1995 Amended Agreement, as further amended, in the Official Records of Fresno County.

Section 5. The Council and Agency authorize the Executive Director for the Agency, and the City Manager for the City, to sign such further documents and to take such further actions as may be necessary or appropriate to carry out the Agency's obligations under the Agreement.

Attachment: Amendment No. 2 to the 1995 Contract.



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STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council and the Board of the Redevelopment Agency of the City of Fresno, at a joint public hearing held the 12th day of December, 2006, and that the same was passed by the following vote.

AYES : Boyajian, Dages, Perea, Sterling, Westerlund, Duncan
NOES : None
ABSENT : None
ABSTAIN : None
RECUSED : Calhoun

APPROVED AS TO FORM:
JAMES C. SANCHEZ
City Attorney and Ex Officio
Attorney for the Redevelopment Agency

BY: 
Sf. Deputy

ATTEST:
REBECCA E. KLISCH
City Clerk and Ex Officio Clerk
Of the Redevelopment Agency

BY: 
Deputy



**SUMMARY REPORT REGARDING THE
AMENDMENT NO. 2 TO
1995 DEVELOPMENT AGREEMENT AND LAND SALE CONTRACT
BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO
AND COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
REGIONAL MEDICAL CENTER (RMC) PROJECT
SECTION 33433 REPORT**

This summary report has been prepared for the Fresno Redevelopment Agency ("Agency") pursuant to Sections 33433 of the California Community Redevelopment Law (Health & Safety Code Section 33000 *et sequentes*) (the "Law"). In 1995, the City of Fresno, a municipal corporation (the "City"), the Redevelopment Agency of the City of Fresno (the "Agency") and Community Hospitals of Central California, a California nonprofit public benefit corporation ("CMC") entered a Development Agreement and Land Sale Contract (the "1995 Contract") regarding the development of a 58-acre Regional Medical Center campus (the "Project"). The 1995 Contract has been amended once (the "1995 Amended Contract"). CMC and the Agency have negotiated proposed Amendment No. 2, among other things that will modify the Purchase Price for land within the Project that the Agency may hereafter convey to CMC or its assignee/s pursuant to the Contract as modified by Amendment No. 2 (the "Second Amended Contract").

The redevelopment plans covering the Project are the Jefferson Area Community Redevelopment Plan (the "Jefferson Plan") and the Mariposa Project Urban Renewal Plan (the "Mariposa Plan") (collectively the "Plans") (the land area described in each Plan referred to herein as the "Jefferson Project Area" or the "Mariposa Project Area" or collectively as the "Project Areas"). The parcels that are the subject of this Section 33433 Report (the "Report") are all within the Jefferson Project Area. The Plans are within the Merger No. 1 Project Area.

Section 33433 requires a redevelopment agency, before selling or leasing land for redevelopment according to the redevelopment plan that the agency acquired directly or indirectly with tax increment, to hold a public hearing and make available for public inspection and copying, a report that contains the following:

1. A copy of the proposed Amendment No. 2, with the 1995 Revised Contract attached, (the "Second Amended Contract") is attached.
2. A summary (this Report) which describes and specifies the following:
 - a. The remaining costs of the Second Amended Contract to the Agency for the remaining amended term. Costs include, for instance, land acquisition costs, clearance costs, and relocation costs.
 - b. The estimated value of the interests to be hereafter conveyed or leased, determined at the highest and best uses permitted under the Jefferson Plan.



- c. The estimated value of the interests to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. If the price is less than fair market value of the interest conveyed or leased, then the agency is to provide an explanation of the reasons for the difference.
- d. An explanation of why the sale or lease of property will assist in the elimination of blight, with reference to supporting facts and materials relied on.

This report sets forth certain details of the Second Amended Contract. A copy of the Second Amended Contract is attached to (see Attachment "B") and made a part of this Report. The Second Amended Contract provides for the City and Agency to convey property to CMC for redevelopment at the original 1995 Purchase Price, without the CPI adjustment provided in the 1995 Contract. The CMC is still obligated to develop the site with medical structures, and related parking and landscaping, within the 58 acre Medical Center Campus, the boundaries of which are defined in the 1995 Contract (the "Medical Center Campus").

This report is based upon information in the proposed Second Amended Contract and is organized into the following sections:

- A. SALIENT POINTS OF THE 1995 AMENDED CONTRACT AS PROPOSED TO BE FURTHER AMENDED. - This section includes a description of the development and the major responsibilities of the Agency, City, and CMC.
- B. COST OF THE AGREEMENT TO THE AGENCY - This section outlines the estimated total and net cost of the 1995 Amended Contract as proposed to be further amended, including site assembly costs (acquisition, relocation, demolition) for 15 parcels that the Agency owns and is prepared to convey and all other Agency costs for the remaining amended term of the Second Amended Contract.
- C. BENEFITS OF THE RMC PROJECT - This section describes the benefits to the immediate neighborhood around the Project, the Project Areas, and to downtown revitalization.
- D. FINANCIAL SUMMARY - This section describes the overall Agency costs of acquiring the 15 parcels that the Agency owns and is prepared to convey, and of its remaining obligations under the Second Amended Contract that may include property acquisition and disposition.
- E. VALUE OF INTEREST TO BE CONVEYED - This section describes the estimated reuse value of the property interests to be conveyed after Amendment No. 2 to the 1995 Contract, determined at the use and with the conditions, covenants, and development costs required by the Contract.

- F. **BLIGHT ELIMINATION** - This section describes the existing or former blighting conditions on the property, and explains how the Agency payment for the land and how the Project will continue to help eliminate blight.
- G. **CONSISTENCY WITH IMPLEMENTATION PLAN** - This section describes how the Agency payment for land and the Project are consistent with the Implementation Plan for the Merger 1 Project Areas that includes the Mariposa and Jefferson Plan Areas.
- H. **REDEVELOPMENT PURPOSE** - This section describes the redevelopment purpose for which redevelopment tax increment will be used in assisting with the land assembly for the Project.

This report is made available for public inspection and copying on the date that the first notice of the public hearing is published.



A. **SALIENT POINTS OF THE PROPOSED SECOND AMENDED CONTRACT**

1. **Project Description:** The Project includes four phases of development totaling 58 acres. The proposed Amendment No. 2 will limit Agency obligations under the Second Amended Contract to a maximum annual sum over 10 years. Any further land acquisition is limited to parcels, the land area of which totals approximately 10.16 acres, all within the Jefferson Project Area, northwest of the existing Fresno Community Hospital, and north of the new trauma and burn center. This 10.16 acres is comprised of 40 non-contiguous parcels that includes 15 non-contiguous parcels in Phase II that the Agency already owns ("Agency Parcels") and 25 additional non-contiguous parcels in Phase III and IV that are still privately owned. The Agency may acquire the identified parcels in Phases III and IV under the maximum monetary obligations that the Agency may incur under the Second Amended Contract.

The Hospital will construct various medical structures and related improvements on property within all phases of the Medical Center Campus, along with associated parking and landscaping.

2. **Redevelopment Agency and/or City Responsibilities**

The Agency, under the terms of the Second Amended Contract, if amended as proposed, will convey the 15 Agency Parcels in Phase II, and any of the other 25 parcels within Phases III and IV, identified in Amendment No. 2, that it may acquire, at the amended Purchase Price. Under the Amendment No. 2, the Agency's monetary obligations will be limited to a maximum annual sum for each of 10 years following adoption or approval of Amendment No. 2 and its due execution. At the end of the 10 years, the Second Amended Contract will terminate and the Agency obligations will end. Under the Second Amended Contract, Agency obligations, including any to acquire and convey properties, are limited. All costs must remain within the limits of the Agency's annual maximum contractual obligation to CMC (\$148,000.00 annually). The Agency will convey the 15 Agency Parcels, and any parcels that the Agency may subsequently acquire with its own funds under the Second Amended Contract to CMC for \$4.00 a square foot.



B. COST OF THE SECOND AMENDED AGREEMENT TO THE AGENCY FOR THE REMAINING TERM This section estimates Agency costs (payable or paid from tax increments) of providing the 15 Agency Parcels to CMC for the Project and states the maximum costs to the Agency for the remainder of the Second Amended Contract term including any future property acquisitions and dispositions.

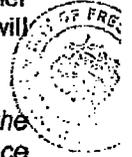
1. Property Acquisition. Agency costs to acquire and clear (including relocation costs) the 15 Agency Parcels were approximately \$2,019,000. Estimated costs to acquire the remaining 25 non-contiguous parcels in Phases III and IV would be approximately \$5,707,552 (acquisition, relocation, demolition) (See Attachment "A"). However, under the proposed Second Amended Contract, the Agency costs, including any property acquisition costs, will be limited to a total of \$1,480,000 over 10 years. The 15 Agency Parcels include Assessor's Parcel Numbers 459-262-02, 459-262-04, 459-262-05, 459-262-06, 459-262-08, 459-262-25, 459-262-28, 459-263-01, 459-263-18, 459-263-19, 454-263-20, 459-263-21, 459-263-22, 459-263-24 and 459-263-25. These 15 non-contiguous parcels contain approximately 1.91 acres. The Agency incurred the acquisition costs for these Agency Parcels under and according to the 1995 Contract. The additional 25 parcels identified for possible acquisition within Phases III and IV include Assessor's Parcel Numbers 459-254-01U, 459-254-02, 459-254-04, 459-254-05, 459-254-06, 459-254-07, 459-254-08, 459-254-09, 459-254-10, 459-254-11, 459-254-12, 459-261-01, 459-261-02, 459-261-11, 459-261-16, 459-261-17, 459-261-19, 459-261-20, 459-261-21, 459-261-23, 459-261-24, 459-334-03, 459-334-04, 459-334-23S, and 459-334-24S (the "Phase III and IV Parcels").

2. Relocation. Relocation cost estimates for the remaining 25 Phase III and IV Parcels are \$1,734,306 in business and residential relocation costs. Nonetheless, Agency obligations for any such costs will be subject to the maximum annual Agency annual obligations identified in Amendment No. 2.
3. Demolition and Asbestos Removal. Structures and improvements on Agency-acquired parcels will either be demolished or relocated. Such costs for the remaining 25 Phase III and IV Parcels are estimated at approximately \$727,000. However, Agency obligations for any such costs will be subject to the maximum annual Agency obligations identified in Amendment No. 2.
4. Total Agency Costs. Total Agency costs for the 15 Agency Parcels in Phase II including property acquisition, relocation, demolition/asbestos removal and consulting costs are approximately \$2,019,000. Under the Second Amended Contract, the additional costs to Agency for any purposes under the amended term of the Contract are capped at \$1,480,000 total (\$148,000 annually over ten years).

C. BENEFITS OF THE PROJECT This section describes the benefits of the Project to the Community Medical Center Campus, to the immediate neighborhood, to the Project Areas, and the Merger No. 1 Project Area. The benefits include direct and indirect, financial and non-financial benefits.

1. *The Project provides and will provide medical residents and students with the best learning opportunities and highest standards of clinical practice available. The Fresno*

program emphasizes hands-on training in community-based facilities and rural settings and is not bound by traditional hospital-based training sites. In addition to the general medical services the Campus includes the UCSF-Fresno program housed within the new Medical Education Research Center located on the southeast corner of the Regional Medical Center Campus. It is anticipated that most trainees will remain in Fresno and the surrounding areas to practice medicine.



2. *The Project does and will help retain and expand employment opportunities in the Project Areas and other Merger No. 1 Project Areas, and allow consolidated space needs for its medical education programs. UCSF plans to move residency programs from the University Medical Center and consolidate widely scattered medical education programs in one location.*
3. *The Project does and will provide Valley residents access to the highest quality health care services while enabling doctors in training - working alongside the finest physicians - to experience the dynamic interplay of scholarship, research, patient care and health.*
4. *The Project does and will help alleviate blight in the Jefferson and Mariposa Redevelopment Project Areas, and in other nearby Merger No. 1 Project Areas. The single greatest benefit resulting from the Agency providing land for development of the Project, is that the Project has and will alleviate blighting conditions within the Project Areas, and other Merger No. 1 Project Areas. It is anticipated that the Project will increase private development in the Jefferson and in other Merger No. 1 Project Areas, thus increasing assessed property values, and tax increment available for additional redevelopment activities. Increased tax increments means that more 20 percent housing set-aside funds will be available, making it possible for the Agency to achieve many goals and objectives identified in the Housing Element of the City's General Plan and the Agency's Implementation Plan for the Jefferson Project Area, including providing home-ownership opportunities and improving housing for special needs groups. It is important to the City and the Agency that these benefits are retained in the Merger No. 1 Project Area.*
5. *The Project has and will encourage private development and enhance economic growth in the immediate neighborhood, the Project Areas, and the surrounding redevelopment areas, primarily those within Merger No. 1 Project Area.*

Currently the Medical Center Campus still contains vacant and underutilized parcels. It is anticipated that spin-off development related to medical support services will be developed in the surrounding area. The Project will return vacant and underutilized parcels to productive use, and attract an increased level of development to the Jefferson and other Merger No. 1 Project Areas. The Project has and will increase economic activity in the Project Areas by drawing complementary commercial uses (i.e., medical related support services) and private development. The Project has and will provide employment opportunities. Its employees, students, and clients will contribute to additional downtown activity, thus providing a catalyst for further growth in downtown Fresno.

6. *The Project in the Project Areas is consistent with adopted Agency and City policies for locating medical services and related hospital functions in the Central Area of*

Fresno. Through its land use plans, including the Plan, the General Plan and Central Area Community Plan, the City of Fresno has adopted policies that are intended to make the Medical Center Campus the center for state-of-the-art medical facilities and related support activities.

One goal of the Central Area Community Plan is to improve the overall structure, diversity and vitality of the Central Area businesses to provide a unique, urban retail and service center with a broad range of goods and services. The Central Area Community Plan identified implementing actions to achieve this goal, including supporting the continued expansion of the Community Hospital and related medical uses in the Community Hospital District.

One objective of the Plans is to provide for the development of the Project to improve the delivery of health care services to the residents of Central California, support the retention and expansion of the Community Hospital facility, and serve as a major catalyst for the improvement of downtown Fresno and the Project Areas.

D. FINANCIAL SUMMARY

The Agency has spent approximately \$2,019,000 for the 15 Agency Parcels. The Agency will spend up to \$1,480,000 total over 10 years for Project costs permissible under the Second Amended Agreement and Community Redevelopment Law including, e.g., costs to acquire any of the Phase III and IV Parcels (may include acquisition, demolition and relocation costs)

1. Property Acquisition. The Agency's property acquisition costs for the 15 Agency Parcels are as stated above for the purchase price, relocation and demolition costs, and for any of the 25 Phase III and IV properties will be similar costs, but limited to the cap on Agency obligations.
2. Relocation. (See above re Agency relocation costs for the 15 Agency Parcels.) Any additional Agency costs for relocation, if any, will be related to the 25 Phase III and IV Parcels, subject to the Agency's annual cap on Agency obligations identified in Amendment No. 2.
3. Demolition. (See above re Agency demolition and land clearance costs for the 15 Agency Parcels). Any additional Agency costs relating to land clearance, if any, will be related to the 25 Phase III and IV Parcels, subject to the Agency's annual cap on obligations identified in Amendment No. 2.
4. Title and Closing Costs. The Agency will pay costs as set forth in the Second Amended Agreement including, e.g., half the escrow fees, recording fees, and documentary stamp taxes, if any, to convey the 15 Agency Parcels to the CMC, and to convey any of the 25 Phases III and IV Parcels that the Agency may acquire. The Agency will pay the premium for a CLTA owner's policy of title insurance, insuring the title to the Agency parcels as described in the Contract. All such costs are subject to the Agency's annual cap on obligations as identified in Amendment No. 2. These costs are estimated at less than \$3,500 for the 15 Agency Parcels.



5. Miscellaneous Costs. The Agency will incur miscellaneous administrative costs including legal review and personnel costs.



E. VALUE OF INTEREST TO BE CONVEYED

1. Highest and Best Use. The Plans incorporate, as its land use plan, the City's general community and specific plans. The highest and best use permitted under the Jefferson Plan is Central Area Mixed Land Use Level 2 and C-6 zoning. The Project is consistent with the permitted commercial uses, and existing commercial development that surrounds the Medical Center Campus.

2. Fair Market Value The Agency Site parcels consist of 40 (forty) non-contiguous parcels in Phases II, III and IV that contain approximately 10.16 acres or 442,485 square feet. On April 14, 2004, Agency staff estimated the land's fair market value at approximately \$5.2 million. A more recent estimate completed in October, 2006, estimates the value of the interest in these parcels, as determined at the highest and best uses permitted under the plan, to be approximately \$1,310,400 for the 15 Phase II parcels and \$5,658,739 for the 25 Phase III and IV parcels, for a total of \$6,969,139.

3. Fair Reuse Value. To determine the reuse value of the 15 Agency Parcels, and of the other 25 Phase III and IV Parcels as conditioned by the Second Amended Contract, several factors must be considered. These include the profitability of the Project to the CMC, development costs and the revenues of the Project. This value is unique to the Project and must be based on the expected economic performance of the Project as it is structured in the Contract. The Project business structure includes conditions, covenants, restrictions, limitations and constraints placed on the Project through the Contract, which exceed those typically encountered in the unrestricted market.

The Agency proposes to sell parcels it acquires/owns to the CMC at a ~~discounted cash price of \$4.00 per square foot~~, the original reuse value determined in 1995 to be the fair reuse value of the parcels listed for possible acquisition, and considering the use, the covenants, conditions, restrictions, criteria and development costs authorized or imposed under the Second Amended Contract on development and use of the Project and the 15 Agency Parcels and the 25 Phase III and IV Parcels. These include the CMC's agreement to build-out the remainder of Phases II, III, and IV, thereby completing the Medical Center Campus.

Under the Second Amended Contract, the CMC continues to assume developmental risks not normally encountered in constructing a similar structure outside the Project Areas, and will be bound by the covenants, conditions, and restrictions imposed by the Second Amended Contract. The development risks of locating in a blighted area, and the contractual risks assumed under the Second Amended Contract, supports a reuse value less than fair market value.



Development risks under the Contract include the following:

Sale and assignment restrictions;

Agency's restriction on the use of the property;

All risks associated with an "AS IS" purchase, such as the physical condition of the Site, including any environmental conditions;

Requirements to improve the property consistent with the Contract;

Requirements to complete construction by a certain date; and

Requirements to maintain the Property.

In determining the reuse value of \$4.00 per square foot, the Agency did the following: (a) considered the restrictions on development of the property; (b) considered the conditions imposed on the development of the property; (c) considered the conditions and restrictions concerning the property and (d) considered the potential negative impact on the value of the covenants, conditions, and restrictions imposed under the Contract including, without limitation, (i) construction covenants requiring that CMC complete permanent improvements on each parcel in Phases II, III and IV in the 58 acres Regional Medical Center Campus within fifteen years after the Agency conveys any such parcel (ii) The covenant to maintain the Site and the RMC Project for the life of the Plan, (iii) The covenant to use the Site for a medical purposes, or other use allowed by the Plan, for the life of the Plan.

F. BLIGHT ELIMINATION

The reuse and redevelopment of the 15 Agency Parcels and any of the remaining 25 Phase III and IV Parcels pursuant to the proposed Second Amended Contract represent an opportunity to address and alleviate blight within the Jefferson and other Merger No. 1 Project Areas. The Project will return vacant and underutilized parcels to productive use, and attract an increased level of development to the Jefferson and other Merger No. 1 Project Areas. The Project will increase economic activity in the Project Areas by drawing complementary commercial uses (i.e., medical related support services) and private development. The Project will provide employment opportunities. Its employees, students, and clients will contribute to additional downtown activity, thus providing a catalyst for further growth in downtown Fresno.

The Project, with landscaping, and parking will improve the visual appearance of the Medical Center Campus and adjacent areas, increase public visibility, and contribute to an increase in spin-off economic activity. The ongoing RMC Project reinforces the continued economic and operational viability of the existing Regional Medical Center medical facilities and improvements and supports continued development of subsequent Phases, all of which will encourage the spin-off commercial development and housing improvements in the Project Areas. This will strengthen the adjacent commercial uses and provide an additional destination point for other downtown activity areas, and from other

metropolitan and regional destinations. The Project will provide incentive for upgrading and/or adaptive reuse of older commercial structures with new compatible, related businesses (pharmacies, doctors' offices, drug stores, restaurants, retail shops, service commercial uses, etc.) in the neighboring plan areas. The Project and related spin-off development will also increase the viability of attracting additional public and private enterprises to vacant and underutilized land near the Medical Center Campus and in nearby locations in the Project Areas.

The Project will return the vacant and underutilized parcels to productive use, and attract an increased level of development to the Jefferson and other Merger No. 1 Project Areas. The Project will increase economic activity in the Project Areas by drawing complementary commercial uses (i.e., medical related support services) and private development. The Project will provide employment opportunities. Its employees, students, and clients will contribute to additional downtown activity, thus providing a catalyst for further growth in downtown Fresno.



G. CONSISTENCY WITH IMPLEMENTATION PLAN

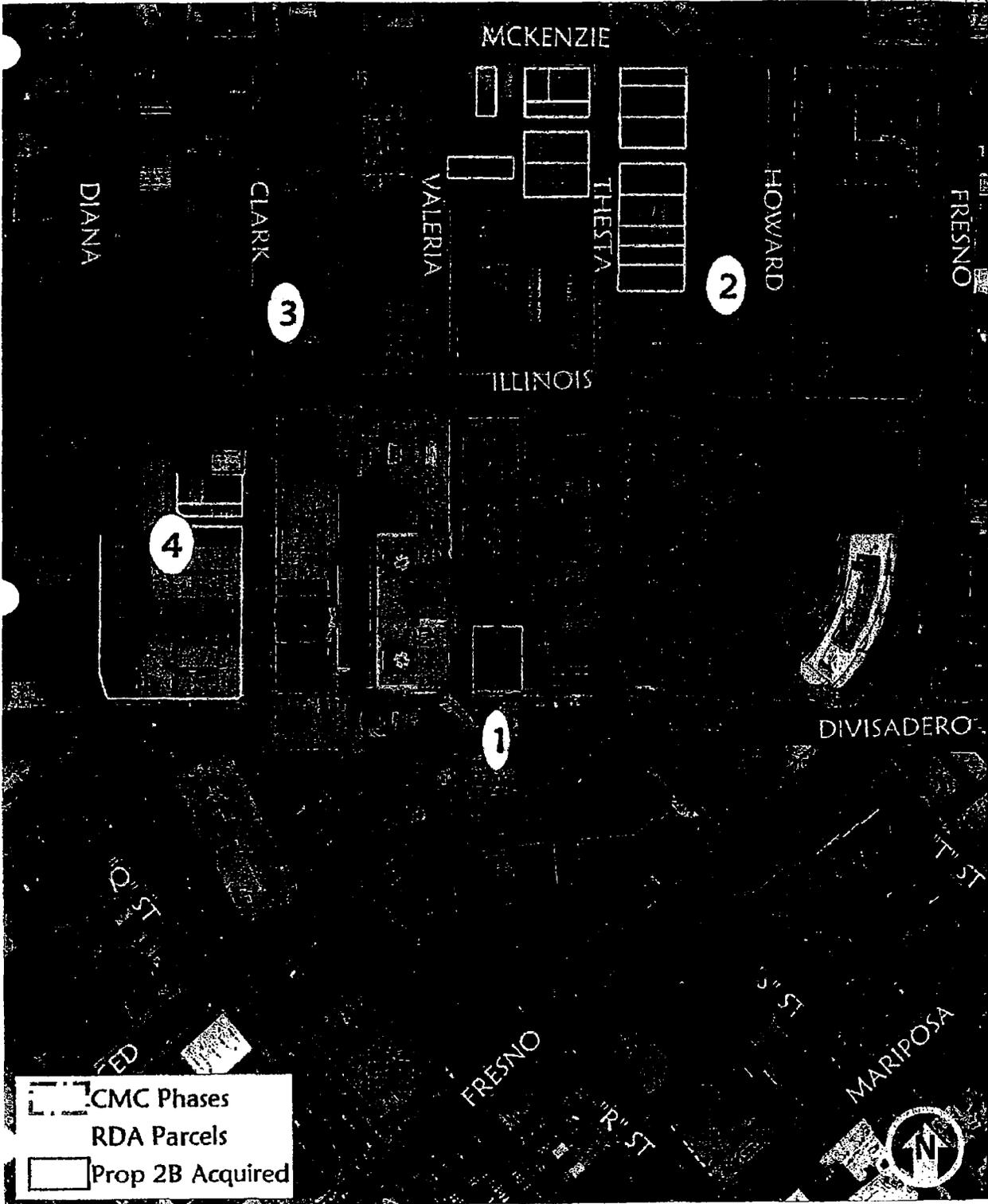
June 7, 2005, the Agency adopted a Five-Year Implementation Plan for Merger 1, and other plan areas by Agency Resolution No. 1661, that includes the Project Areas. The Project will help the Agency reach many goals of the Implementation Plan and help eliminate blight and deterioration in the Merger No. 1 Project Area. Some of these goals and programs outlined in the Implementation Plan, which the Project will fulfill, include business attraction and retention, and the revitalization of the area. In addition, the continuing activity for the Project furthers the goals and objectives set forth in the Jefferson and Mariposa Plans and other Merger No. 1 redevelopment plans.

1. *The Public Infrastructure Improvement Program* includes the development of new urban infrastructure (site improvements, utilities, parking, landscaping, etc.) and public facilities. The Project, with its build-out of the remaining phases containing buildings and amenities which include parking and landscaping, will encourage upgrades of existing infrastructure to handle anticipated commercial/supportive businesses attracted to the area.

H. REDEVELOPMENT PURPOSE

As described above, the Project will help further the objectives of the Jefferson and Mariposa Redevelopment Plans by allowing and promoting productive reuse of vacant and underutilized property, thus generating economic activity and reducing blight within the Project Areas. This will accomplish primary purposes of redevelopment including job creation, attraction of new private investments, provision of public improvements, parking, commercial facilities, and assistance in the improvement of physical, economic, social, and environmental conditions to remove and prevent the recurrence of blight.

The Project also reinforces the existing Regional Medical Center facilities and improvements and will support the continued development of subsequent phases of the Project and encourage the spin-off commercial development and housing improvements in the Project Areas.



**AMENDMENT NO. 2 TO
1995 DEVELOPMENT AGREEMENT AND LAND SALE CONTRACT**

between

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO,
a public body, corporate and politic**

and

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA,
a California nonprofit public benefit corporation**

and

**CITY OF FRESNO,
a municipal corporation**

**JEFFERSON AREA REDEVELOPMENT PLAN
MARIPOSA PROJECT URBAN RENEWAL PLAN**

**AMENDMENT NO. 2 TO DEVELOPMENT
AGREEMENT AND LAND SALE CONTRACT**

The REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, a public body, corporate and politic (the "Agency"), the CITY OF FRESNO, a municipal corporation (the "City"), and COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA, a California nonprofit corporation (the "Developer"), enter this Amendment No. 2 to the Development and Land Sale Contract ("Second Amendment") as of the Effective Date defined herein. The Agency, City, and Developer are collectively referred to hereafter as "the Parties."

RECITALS

The Parties enter this Amendment based on the following facts, understandings, and intentions:

- A. Under the Law, the Agency is responsible for carrying out the Jefferson Area Community Redevelopment Plan ("Jefferson Plan") and the Mariposa Project Urban Renewal Plan ("Mariposa Plan"), each as amended from time to time (collectively the "Plans"), within the Merger No. 1 Project Area.
- B. The Plans are recorded in the official Records of Fresno County and each plan affects real property development and use within that land area of the City of Fresno, California, described therein (individually the Jefferson Project Area or the Mariposa Project Area, and collectively the "Project Areas")
- C. July 18, 1995, the City, Agency, and Hospital entered a Development Agreement and Land Sale Contract (the "Contract") for the phased development of a regional medical center (the "Project"). The terms of the Contract are incorporated into and made a part of this Amendment. A copy of the Contract is on file with the office of the City Clerk at 2600 Fresno Street, Second Floor, Fresno, CA 93721, and the offices of the Agency at 2344 Tulare, Suite 200, Fresno, CA 93721
- D. Effective January 1, 2002, the State Legislature amended Labor Code Section 1720 to redefine "public works" relating to the payment of prevailing wages.
- E. Effective March 26, 2002, the Parties entered Amendment No. 1 to 1995 Development Agreement and Land Sale Contract ("First Amendment"), relating to a project by The Regents of the University of California, a California corporation and political subdivision of the State of California. The terms of the First Amendment are incorporated into and made a part of this Amendment. A copy of the First Amendment is on file with the offices of the

City Clerk and the Agency as noted above.

- F January 15, 2002, the Agency Board and Council received a staff report and recommendations and directed staff to prepare an amendment to the Contract and to establish a fixed amount at \$3.5 million to meet the proposed financial commitment under the proposed amendment, all as consistent with the staff report.
- G The Agency has expended \$2,019,667 to acquire and clear properties, and for other Project costs including, but not limited to, legal fees and interest expenses.
- H. The Agency has incurred additional Project costs under a settlement agreement relating to the acquisition of the Nottoli office complex at 2021-2045 Divisadero / 141-159 N Clark Street (the "Nottoli Office Complex"). The Agency is acquiring the Nottoli Office Complex under a lease-purchase agreement. Unless or until the Developer acquires the Nottoli Office Complex from the Agency, the Agency may deduct further costs including, without limitation, operating losses, and possible capital expenditures.
- I. Agency and City obligations include, without limitation, acquiring, clearing and conveying property to the Developer, with all Agency obligations under the Contract being contingent upon the tax increment generated in and available from the Project Areas. The Agency and City wish to revise and limit their obligations under the Contract by capping annual costs of such obligations for each year during a fixed ten-year term, after which the Agency and City obligations under the Contract shall terminate. Such obligations include, without limitation, obligations to acquire, clear, and convey property, to pay any rezone, permit, or development fees, to provide public infrastructure, etcetera.
- J This Second Amendment and the terms herein are intended to be an accord and satisfaction of all Agency and City obligations under the Contract.
- K. The Parties wish to amend the Contract as the Agency Board and Council directed, and to set forth any responsibilities relating to prevailing wages.

AMENDMENT

The above recitals are incorporated herein by this reference. In consideration of the mutual covenants contained herein, the Parties amend the Contract as follows.

- 1 **Effective Date.** The Effective Date of this Second Amendment shall be the latest date that the City or Agency signs this Amendment after the Developer signs, and the Council and Agency Board approve it.
- 2 **Superseded Agency Funding Sources and Obligations.** The Agreement resulting from

this Second Amendment supersedes any conflicting or inconsistent terms of the Contract. The Agreement replaces and limits all Agency and City funding and reimbursement or repayment obligations identified or reasonably inferred under the Contract. After the Effective Date, the Agency and City obligations shall be for Eligible Project Costs only, shall be subject to the annual cap, and shall be limited to the ten-year duration set forth herein, and shall terminate on June 30, 2016 or such earlier date that the Agency has met the capped monetary obligations set forth in this Second Amendment.

3 **Definitions.** For transactions and performances under the Agreement, following the Effective Date of this Second Amendment, the following definitions shall apply:

3.1 **"Agreement"** means the Contract, as amended by the First and Second Amendments.

3.2 **"Advance/s"** means those funds that the Developer advances to the Agency under Section 6 of the Agreement for any activities that the Developer requests the Agency undertake, but the costs of which will exceed the Agency's annual funding cap established hereunder. The Agency shall not be obligated to repay any such Advances.

3.3 **"Available Funds,"** for purposes of the obligations hereunder for Eligible Project Costs, means net tax increment (net of housing set aside and net of County administrative charges) from the Jefferson and Mariposa Project Areas, and any other funds legally available to the Agency for Project use.

3.4 **"Developer"** means Community Hospitals of Central California, a California nonprofit corporation. "Developer" shall include Developer assignees under Section 7 of this Agreement, except where the Parties enter a separate agreement with an acceptable third party for disposition and development of property within the 58-acre campus (e.g., the agreement with the Regents of the University of California).

3.5 **"Developer Advances"** means those advances that the Developer made to the Agency under the Contract, up to the Effective Date of this Second Amendment, and for which the Developer provides an accounting and evidence to the Agency, in form and substance satisfactory to the Agency, that the Agency owes repayment to the Developer.

3.6 **"Eligible Project Costs"** means those costs whether identified as Agency or City obligations herein involving the expenditure of funds and otherwise permissible for Agency assistance under the Law including, without limitation, environmental audits [See Contract Section 10(a)], site acquisition, relocation costs, site clearance, property holding costs, site survey, rezoning and special permits and other development fees, any public infrastructure improvement costs allocable to the

Agency or City; any sewer, water, and flood control fees allocable to the Agency; any title and escrow fees, any Agency repayment of Developer Advances, and any operating losses and reasonable capital expenditures associated with the Nottoli Office Complex. "Reasonable capital expenditures" shall include any expenditure for improvements or equipment or fixtures with a useful life of at least five years.

3.7 "Law" means the California Community Redevelopment Law set forth in Health and Safety Code Sections 33000 through 34160, as may be amended from time to time.

4. **Purchase Price.** The parties acknowledge that at the end of the first five years of the Contract, the purchase price was adjusted using the CPI index in Section 2(c); and that the Contract provides for only the one adjustment, applicable to the second five years. The Contract does not set forth the purchase price for or the method for determining the purchase price at the end of the 10 years. Section 2(c) of the Contract is amended as follows.

4.1 Section 2(b) is amended to add the following paragraph

"Notwithstanding the foregoing, the Developer may pay the purchase price in cash, by cashier's check, or other immediately available funds acceptable to the escrow holder or title company. The Agency, however, will permit a one-time exception to the foregoing payment requirements, at the Developer election, and in connection with the conveyance, if any, of only 15 parcels listed by common address and assessor's parcel numbers, and legally described, in Exhibit A, attached hereto (the "15 Phase 2 Parcels") Developer may elect to offset the purchase price payable for the 15 Phase 2 Parcels against the annual Agency obligation described herein to Developer for not to exceed the first three years' Annual Agency Obligation (fiscal years 2006-2007, 2007-2008, and 2008-2009).

4.2 Section 2(c) is amended to add the following paragraphs immediately following the CPI computation.

"Beginning July 1, 2006 (the 2006-2007 fiscal year), the foregoing provisions regarding purchase price shall be superseded by the following: The Council/Agency Board may modify the Purchase Price at any time by complying with the Section 33433 and any other applicable provisions of the Law. The modification or adjustment shall be set forth in an amendment to this Agreement, and signed by the Parties. Thereafter, the Purchase Price shall be as set forth in the amendment unless further modified according to this paragraph.

"The Parties acknowledge that the Agency and City have prepared a 33433 report, and have held a noticed public hearing to adjust the Purchase Price. The Council and Agency Board determined that from the Effective Date of this Second Amendment until June 30, 2016, the Purchase Price for any Property within the Project Site that

the Agency conveys to the Developer shall be \$4.00 a square foot."

- 5 **Funding.** Section 4 of the Contract is amended by deleting subparagraph (e) and replacing the subparagraph with the following:

"(e) **Agency funding.** For each of 10 consecutive fiscal years, beginning in the 06-07 fiscal year (July 1, 2006-June 30, 2007), and each fiscal year (July 1 to June 30) through the 2015-2016 fiscal year, the Agency obligations under the Agreement for Eligible Project Costs shall be capped at \$148,000 ("Annual Agency Obligation") including, without limitation, any purchase price that the Developer elects to offset against the Annual Agency Obligation for the 15 Phase 2 Properties under Section 4 l of this Agreement. June 30 of each fiscal year, the Annual Agency Obligation shall lapse as to any unused portion, and shall not carry over to the next fiscal year. June 30, 2016, the Agreement, and all Agency and City obligations under the Agreement shall terminate including, without limitation, any obligation to pay Eligible Project Costs. This Agreement shall be deemed an accord and satisfaction as to any Agency and City obligations accruing before the Effective Date including, without limitation, any Agency debt for Advances."

- 6 **Construction Schedule.** The second paragraph of Section 4(g) of the Contract is amended in its entirety to read as follows.

"Within 18 months after the Agency acquires property from third parties and conveys the parcels to the Developer, the Developer shall construct similar improvements on the parcels. After the Agency acquires any parcel and clears the parcel of improvements the Agency will notify the Developer. Upon such notice and until such time as the Agency conveys any parcel to the Developer, the Developer shall maintain the parcel including, without limitation, maintaining the parcel free of weeds, hazardous materials, and debris. In doing so, the Developer shall indemnify, defend, and hold the Agency harmless from and against any claims or damages arising from the property or its conditions or any Developer acts or omissions.

"This construction schedule shall be extended in writing for a reasonable period for delays caused by any strike, natural disaster, and other causes beyond the control of the Developer. All such parcels shall eventually be incorporated into the Central California Regional Medical Center in substantial conformance with the Master Conditional Use Permit ("CUP"), the Conceptual Land Use Plan, and the Master EIR and any supplements or other CEQA review tiered off the Master EIR.

"The Developer requires substantial flexibility on timing to construct permanent improvements because of design criteria dependent upon including other health care providers in the Project and their facility needs. The Developer shall construct permanent improvements in each Phase, according to the approved the master plan CUP, and within a reasonable time, given the facts and circumstances of this Project. Notwithstanding any other provision of this Agreement, Developer shall finance, construct, and complete, or cause

to be completed, all permanent Phase I improvements within 15 years of the date it executed the 1995 Contract. Developer shall finance, construct, and complete or cause to be completed, all Phase II, Phase III, and Phase IV permanent improvements, as to each parcel that the Agency conveys, within 15 years after the Agency conveys any such parcels to Developer.”

- 7 **Developer Funding.** As of the Effective Date of this Amendment, Section 6 of the Contract is amended in its entirety to read as follows.

“In no event shall the Agency be obligated to expend funds in excess of the \$148,000.00 cap for Eligible Project Costs in any one fiscal year. If in any fiscal year following the Effective Date of the Second Amendment to this Agreement, the Agency has reached the cap on its obligations for Eligible Project Costs, and the Developer wants the Agency to acquire property or to take any other actions permitted by Law to advance or implement the Project that requires the expenditure of funds, the Developer shall deposit the funds therefor with the Agency (“Developer Funding”), and the Agency shall use the Developer Funding for the purposes advanced. The Agency shall create a segregated account or fund with the deposited funds, and enter any additional writing regarding the use and purposes of the Developer Funding.”

- 8 **Assignment.** Developer has assigned its rights and obligations regarding previously conveyed properties to Fresno Community Hospital and Medical Center, without notice to the Agency. The Parties wish to ratify those assignments.

- 8.1 Section 7 of the Contract is amended by adding the following sentences to the beginning paragraph of Section 7

“Developer may, without notice, assign its rights and obligations, in whole or in part to the entity listed in subsection (a), below, Fresno Community Hospital and Medical Center, a wholly owned subsidiary of Developer. The Agency and City waive any requirement for 20-day notice for any such assignments to such entity that occurred between July 1995 and the Effective Date of the Second Amendment

- 8.2 Section 7 of the Contract is further amended to delete the last paragraph thereof. It is the Parties' intent that the Developer, its nominee, or assignee shall complete Project improvements as set forth in the Agreement, as required by Community Redevelopment Law, and according to the Plans.

- 9 **Special Provisions.** The Contract is amended to add the following as Section 13A.

“Sec. 13A. Compliance with Laws. In performing its obligations under the Agreement, Developer shall comply with all applicable laws, regulations, and rules of any governmental agency having jurisdiction including, without limitation, applicable federal and state labor standards, environmental laws and regulations, City zoning and development standards, local laws and ordinances, the Plans, and applicable access requirements for the disabled. Developer, not the Agency or City, is responsible for determining applicability of and compliance with all local, state, and federal laws including, without limitation, the California Labor Code, Public Contract Code, Public Resources Code, Health & Safety Code, Government Code, the Fresno City Charter, and the Fresno Municipal Code. Neither the Agency nor the City makes any representations regarding the applicability of any such laws to this Agreement, the Project, or the Parties' respective rights or obligations hereunder including, without limitation, payment of prevailing wages, competitive bidding, subcontractor listing, or other matters. Neither the City nor the Agency shall be liable or responsible, in law or equity, to any person for Developer's failure to comply with any such laws, whether the Agency or City knew or should have known of the need for Developer to comply, or whether the Agency or City failed to notify Developer of the need to comply

“(a) Prevailing wages. Neither the City nor the Agency has nor does either make any representations regarding prevailing wages. Developer is solely responsible for and assumes all risks relating to any Developer Project and the payment of prevailing wages. If Developer, its legal counsel, or the Department of Industrial Relations determines that prevailing wage applies to any Developer Project or activity, Developer shall pay and/or shall require its contractors to pay prevailing wages and to maintain and make available for inspection certified payroll records specified under Labor Code Section 1776, and shall comply with apprenticeship requirements required under Labor Code Section 1777.5. Neither the Agency nor the City shall be required to monitor or verify the payment of prevailing wages for projects or activities under the Agreement

“If prevailing wages apply to any Developer Project, Developer and all its contractors and subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations (DIR Director) under Section 1720 et seq of the California Labor Code. Developer is solely responsible for obtaining any DIR Director's determination that may be necessary or advisable relating to prevailing wages.

“(b) Indemnification for any failure to comply with laws. Developer shall defend, indemnify and hold the Agency and City, and each entity's officers, employees, agents, representatives, and volunteers (collectively the "Indemnitees") harmless from and against all present and future liabilities, obligations, orders, claims, damages, fines, penalties and expenses (including attorneys' fees and costs) (collectively, "Claims"), arising out of or in any way connected with Developer's obligation to comply with any provision of this Section 3

“(c) Waiver under Civil Code. The Developer waives, releases and forever discharges the Agency and City, all Agency or City employees, officers, agents, representatives, and

volunteers from and against all present and future Claims arising out of or in any way connected with Developer's obligation to comply with all laws. Developer knows the provisions of Section 1542 of the California Civil Code that provides as follows.

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor

"As to any application or potential application of Section 1542 to this subsection and the indemnification and waiver, the Developer here waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code."

10 Miscellaneous. The Contract is amended to include the following as added Sections.

10.1 Entire Agreement. The Exhibits referenced herein are by such references incorporated into and made a party of this Amendment. The Contract, the First Amendment and this Second Amendment, including the exhibits thereto constitute the Parties' entire agreement of the Parties relating to the Project (the "Agreement"). The Agreement supersedes all prior discussions, understandings, and written agreements. This Second Amendment shall govern any conflict or inconsistency with the Contract or the First Amendment.

10.2 Notice, demands and communication. The Parties shall give any notices, demands, approvals, disapprovals, and communications between or among the Parties in writing as follows (i) by personal delivery, or (ii) delivery by a reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) by facsimile via a machine that issues a confirmation showing the date and time of transmission, and the office name and number to which the transmission was made, or (iv) by registered or certified mail, return receipt requested, postage prepaid, addressed to the principal offices of the Agency, the Developer, or City as follows.

AGENCY:
Redevelopment Agency of the City of Fresno
Attention. Executive Director
2344 Tulare Street, Suite 200
Fresno, CA 93721

Facsimile: (559) 498-1870

CITY:

City of Fresno
Attention. City Manager
2600 Fresno Street, Room 2064
Fresno, CA 93721-3601

Facsimile: (559) 488-1015

WITH COPIES TO:

City Attorney/Ex-Officio Attorney
to the Redevelopment Agency
2600 Fresno Street, Room 2031
Fresno CA 93721-3602

Facsimile: (559) 488-1815

DEVELOPER:

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
Attention Robert E. Ward, Chief Legal Officer
P O Box 1232
Fresno, CA 93715-1232

Facsimile: (559) 498-3774

A Party may change its address by notice given according to this subsection.

- 10.3 **Conflicts of interest** No member, official, officer or employee of the Agency or City shall have any direct or indirect interest in this Agreement, or shall participate in any decision relating to this Agreement where such interest or participation affects his or her personal interests or those of any business entity in which he or she is directly or indirectly interested, or is otherwise prohibited by law. No officer, employee, or agent of City or Agency who exercises any function or responsibility concerning the planning and carrying out of the Project, or any other person who exercises any function or responsibility concerning any aspect of this Agreement or the Project, shall have any personal financial interest, direct or indirect, in this Agreement or the Project.
- 10.4 **Executive Director to provide approvals and actions.** Whenever this Agreement references an action or approval required or permitted by the Agency, the Executive Director or his or her designee is authorized to act for the Agency unless this Agreement, the Law, or Agency bylaws, resolutions or procedures provide otherwise, or the context otherwise requires. The foregoing does not apply to a modification of this Agreement or to any action or approval that may materially or adversely affect the rights and obligations of the Agency

- 10.5 **City Manager to provide approvals and actions.** Whenever this Agreement references an action or approval required or permitted by the City, the City Manager or his or her designee is authorized to act for the City unless this Agreement, any law, the municipal code or city charter, or City resolutions or procedures provide otherwise, or the context otherwise requires. The foregoing does not apply to a modification of this Agreement or to any action or approval that may materially or adversely affect the rights and obligations of the City
- 10.6 **Nonliability of officials, employees and agents.** No member, official, officer, employee or agent of the Agency or City shall be personally liable to the Developer, or any successor in interest of Developer, for any Default or breach by the Agency or City
- 10.7 **Waiver** One Party's waiver of another Party's breach of any provision of this Agreement shall not constitute a continuing waiver, or constitute a waiver of any subsequent breach of the same or a different provision of this Agreement. No provision of this Agreement may be waived except in a writing signed by all parties. Waiver of any provision shall not be deemed to be a waiver of any other provision herein.
- 10.8 **Attorneys' fees.** If a Party initiates or defends litigation or any legal proceeding regarding the enforcement of this Agreement, the prevailing party in such litigation or proceeding, besides any other relief that may be granted, shall be entitled to reasonable attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal. A Party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating the action, retaining expert witnesses, taking depositions and discovery, and all other necessary costs incurred with respect to the action. All such fees shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not such action is prosecuted to judgment.
- 10.9 **Further assurances.** Each party will take any further acts and will sign and deliver any further instruments required to carry out the intent and purposes of this Agreement
- 10.10 **Consent, reasonableness.** Unless this Agreement specifically authorizes a Party to withhold its approval, consent, or satisfaction in its sole discretion, any consent, or approval, or satisfaction to be requested or required of a party, shall not be unreasonably withheld, conditioned, or delayed
- 10.11 **Partial invalidity** If any part of this Agreement is held to be invalid, void, or unenforceable in any legal, equitable, or arbitration proceeding, the remainder of the Agreement shall continue in effect, unless not giving effect to the invalid or unenforceable part would prevent accomplishing the redevelopment purposes of the

Project and this Agreement.

- 10.12 **Ambiguity** This Agreement is the result of the combined efforts of the parties, each represented by legal counsel of its choice. If any provision of this Agreement is found ambiguous, the ambiguity shall not be resolved by construing this Agreement in favor of or against any party, but by construing the terms according to their generally accepted meaning, considering the objective of the Agreement.
- 10.13 **Third party beneficiaries.** This Agreement is for the benefit of the Agency, City, and Developer. It is not for the benefit, directly or indirectly, of any other person.
- 10.14 **Legal representation.** Each party has been represented by independent legal counsel in the preparation of this Agreement.
- 10.15 **Number and gender** Masculine, feminine or neuter gender terms and singular or plural numbers will include others when the context so indicates.
- 10.16 **Headings.** All headings are for convenience only, are not a part of this Agreement, and are not to be used in construing this Agreement.
- 10.17 **Binding on successors.** This Agreement shall bind and inure to the benefit of the successors in interest, and assigns of each party, subject to the limitation on transfer and assignment contained in this Agreement. Any reference in this Agreement to a named party shall be deemed to apply to any successor or assign of the party who has acquired an interest in compliance with the terms of this Agreement, or under law.
- 10.18 **Relationship of the parties** The relationship between the Agency and the Developer is solely that of a California redevelopment agency and an independent, private Developer of property in a redevelopment project area. The relationship between the City and the Developer is solely that of a municipal corporation and an independent private property developer. Nothing in this Agreement shall be construed as creating a joint venture, agency, employment relationship or similar relationship between the Agency or City and the Developer or any of the Developer's contractors, subcontractors, employees, agents, representatives, transferees, successors-in-interest or assigns. Nothing in this Agreement establishes a principal and agent relationship between the parties.
- 10.19 **Nature of the project** The Project is a private undertaking of the Developer. The Developer shall have exclusive control over the Property, and over the development, operation, maintenance, and management of the Project, Improvements, and property conveyed to it, all subject to the terms of this Agreement, the Plans, the Law and all other applicable federal, state and local laws, ordinances, codes, regulations, standards and policies. The Agency enters this Agreement solely to implement the redevelopment purposes, goals, policies, and objectives of the Plans and the Law.

10.20 **Time of essence.** Time is of the essence of each term, condition, and covenant contained in this Agreement.

10.21 **Survival.** Each indemnification provision, and Developer's representations and warranties, set forth this Agreement, shall survive the termination of this Agreement shall survive the recording of any instrument hereunder and shall not merge with any document evidencing any interest in real property

10.22 **Effect of Amendment.** This Second Amendment, to the extent it conflicts with any provision of the Contract, shall be controlling, and shall supersede the Contract. Nothing in this Second Amendment is intended to apply retroactively, excepting the ratification of prior Developer assignments to its wholly owned subsidiary/warver of any Developer failure to provide the 20-day notice thereof, and excepting that the first year of the Annual Agency Obligation shall apply to the fiscal year 2006-2007 In all other respects, the Parties reaffirm the Contract, as amended herein and by the First Amendment.

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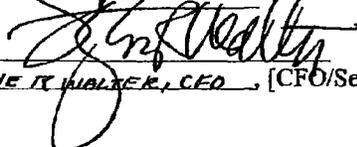
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IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by the duly authorized representatives of each, with the Agency and City signatures attested by the City Clerk/Ex-officio Clerk.

DEVELOPER:
COMMUNITY HOSPITALS OF
CENTRAL CALIFORNIA,
a California nonprofit corporation

By: 
Tim A. Justice, CMC, CEO

Dated: 12/19/06

By: 
STEVE R. WALKER, CEO, [CFO/Secretary]

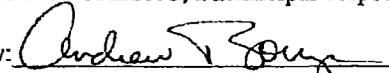
Dated: 12/18/06

AGENCY:
REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO, a public body, corporate
and politic

By: 
Marlene Murphey, Executive Director

Dated: 1/4/07

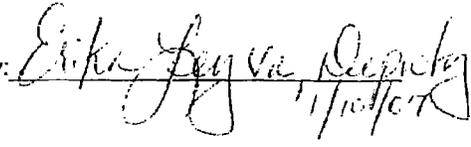
CITY
CITY OF FRESNO, a municipal corporation

By: 
Andrew T. Souza, City Manager

Dated: 1/9/2007

ATTEST

REBECCA E. KLISCH
City Clerk and Ex-officio Clerk

By: 
Erica Fey, Deputy
11/10/07

APPROVED AS TO FORM

JAMES C SANCHEZ
City Attorney and Ex-officio
Attorney

By: 
Sr. Deputy
Dated: 12-08-06

Exhibit A 15 Phase 2 Parcels (listed by common address, assessor's parcel number, and legal description)

EXHIBIT A

**RMC PHASE II PROPERTIES
City of Fresno, Fresno County, California**

Common Address	A.P.N
2212 E. McKenzie	459-262-02
2220 E McKenzie	459-262-04
275 N. Thesta	459-262-05
271 N Thesta	459-262-06
261 N. Thesta	459-262-08
254 N. Valeria	459-262-25
257 N. Thesta	459-262-28
292 N. Thesta	459-263-01
236 N Thesta	459-263-18
244 N Thesta	459-263-19
246 N Thesta	459-263-20
254 N Thesta	459-263-21
260 N Thesta	459-263-22
274 N. Thesta	459-263-24
Vacant Lot E Side of N Thesta	459-263-25

(See legal descriptions, following.)

**Exhibit "A" to Amendment No. 2 to the 1995 Development Agreement and Land Sale Contract
Between the Redevelopment Agency of the City of Fresno and
Community Hospitals of Central California**

The following properties, are all in the City of Fresno, County of Fresno, State of California:

Parcel 1

The west 36.5 feet of the east 73.5 feet of Lots 38, 39 and 40 in Block 1 of Hadsell's Addition, according to the map thereof recorded in Book 1, Page 14 of Plats, Fresno County Records.

Assessor's Parcel No 459-262-02

Parcel 2

The West 45 feet of Lots 1 and 2 in Block 1 of Hadsell's Addition, according to the map thereof recorded in Book 1, Page 14 of Plats, Fresno County Records.

Assessor's Parcel No. 459-262-04

Parcel 3

The East 80 feet of Lots 1 and 2 in Block 1 of Hadsell's Addition to Fresno, according to the map thereof recorded in Book 1 Page 14 of Plats, Fresno County Records.

Assessor's Parcel No. 459-262-05

Parcel 4

Lot 3 in Block 1 of Hadsell's Addition, according to the map thereof recorded in Book 1, Page 14 of Plats, Fresno County Records

Assessor's Parcel No 459-262-06

Parcel 5

Lots 5 and 6 in Block 1 of Hadsell's Addition, according to the map thereof recorded in Book 1, Page 14 of Plats, Fresno County Records.

Assessor's Parcel No 459-262-08

Parcel 6

**Exhibit "A" to Amendment No. 2 to the 1995 Development Agreement and Land Sale Contract
Between the Redevelopment Agency of the City of Fresno and
Community Hospitals of Central California**

Lot 34 and the South 1/3 of Lot 35 in Block 1 of Hadsell's Addition, according to the map thereof recorded in Book 1, Page 14 of Plats, Fresno County Records.

Assessor's Parcel No 459-262-25

Parcel 7

Lots 7, 8 and the North 5 feet of Lot 9 in Block 1 of Hadsell's Addition, according to the map thereof recorded in Book 1, Page 14 of Plats, Fresno County Records.

Assessor's Parcel No 459-262-28

Parcel 8

Lot 20 in Block B of Fishers Addition to the Town (now City) of Fresno, as per map thereof recorded in Book 1, Page 25, of Plats, Fresno County Records.

Assessor's Parcel No 459-263-01

Parcel 9

Lots 4 and 5 in Block 1 of Banta's Addition to Fresno, according to the map thereof recorded in Book 1 Page 15 of Miscellaneous Maps, Fresno County Records.

Assessor's Parcel No 459-263-18

Parcel 10

Lot 3 and the South half of Lot 2 in Block 1, Banta's Addition to Fresno, according to the map thereof recorded in Book 1 Page 15 of Miscellaneous Maps, Fresno County Records.

Assessor's Parcel No 459-263-19

Parcel 11

Lot 1 and the North one-half of Lot 2 in Block 1 of Banta's Addition, according to the map thereof recorded in Book 1 Page 15, of Miscellaneous Maps, Fresno County Records

Assessor's Parcel No 459-263-20

Exhibit "A" to Amendment No. 2 to the 1995 Development Agreement and Land Sale Contract
Between the Redevelopment Agency of the City of Fresno and
Community Hospitals of Central California

Parcel 12

Lots 11 and 12 in Block B of Fishers Addition to the Town (now City) of Fresno, according to the map thereof recorded in Book 1 Page 25 of Plats, Fresno County Records.

Assessor's Parcel No: 459-263-21

Parcel 13

Lots 13 and 14 in Block B of Fishers Addition to the Town (now City) of Fresno, according to the map thereof recorded in Book 1 Page 25 of Plats, Fresno County Records.

Assessor's Parcel No 459-263-22

Parcel 14

Lots 16 and 17 in Block "B" of FISHERS ADDITION, according to the map thereof recorded in Book 1 Page 25 of Plats, Fresno County Records.

Assessor's Parcel No 459-263-24

Parcel 15

Lots 18 and 19 in Block B of Fishers Addition, according to the map thereof recorded in Book 1 Page 25 of Plats, Fresno County Records.

Assessor's Parcel No 459-263-25

[sms 11-16-06]

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("License"), is entered between the **REDEVELOPMENT AGENCY OF THE CITY OF FRESNO**, a political body, corporate and politic (the "**Agency**"), and **COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA**, a California nonprofit corporation (the "**Licensee**"), as of the Effective Date.

Recitals:

This License is entered on the following facts and understandings of the parties.

- A. **Agency and Licensee** are parties to that certain Development Agreement and Land Sale Contract dated as of July 18, 1995, and ratified by the **Agency** and the City of Fresno (the "**City**") on October 22, 1996, between the **Agency**, the **City**, and **Licensee's** assignor, and thereafter amended (collectively the "**Agreement**").
- B. The **Agreement** contemplates a four-phased project (Phases I, II, III, and IV).
- C. The land area covered by the **Agreement** is within the Jefferson Area Redevelopment Plan Area and Mariposa Redevelopment Project Area (collectively the "**Project Areas**").
- D. Pursuant to the **Agreement**, the **Agency** has acquired and cleared 15 parcels in Phase II, which vacant parcels are subject to conveyance to the **Licensee** in accordance with the **Agreement**.
- E. **Agency and Licensee** are in the process of negotiating and preparing Amendment No 2 to the **Agreement** that may result in a change in the purchase price.
- F. Pending the final negotiation and execution of any amendment to the **Agreement**, and any conveyance of the 15 parcels to **Licensee**, **Licensee** has asked the **Agency** to grant it a license to use the parcels for improvement and use as temporary surface parking. Exhibit A, attached hereto, includes the common addresses, the assessor's parcel numbers, and the legal descriptions of the parcels that are subject to this License (the "**Licensed Property**")

License

- 1 **License.** The **Agency** grants **Licensee** a revocable license to use the **Licensed Property** for temporary surface vehicular parking subject to the terms, conditions, and restrictions set forth below, and subject to any development and permit requirements of the **City**. This License does not grant an ownership, leasehold, easement or other property interest or estate to **Licensee**. **Licensee's** use and activities are limited to any site preparation, grading, and paving for temporary employee parking purposes.

Licensee may not use the Licensed Property for any other purpose without first obtaining the Agency's written consent. In exercising these rights, Licensee shall use reasonable care and may not unreasonably increase the burden on the Licensed Property. Licensee assumes all business, financial, and liability risks associated with its work on the Licensed Property before Licensee acquires fee title to the Licensed Property

- 2 **Licensee Acceptance of Licensed Property.** Licensee is familiar with the present physical condition of the Licensed Property. Licensee accepts the Licensed Property in its present physical "AS-IS" condition, and agrees to make no demands upon the Agency for any improvements or alterations. By signing this License, Licensee represents and warrants that Licensee has independently inspected the Licensed Property and the area immediately surrounding and made all investigations, tests, and observations necessary to satisfy Licensee as to the condition of the Licensed Property, zoning and land use laws, regulations, and ordinances affecting the Licensed Property, and all of the conditions, restrictions, encumbrances, and other matters of record relating to the Licensed Property. Licensee agrees that Licensee is relying solely on Licensee's independent inspection and that the Agency has made no warranty or representation with regard to the Licensed Property. The Agency shall not be responsible for any latent defect or change in condition in the Licensed Property and Licensee's obligations under this License shall not be diminished on account of any defect in the Licensed Property, any change of condition, or any damages occurring on the Licensed Property

- 3 **Limitations on Use.**

- 3.1 Licensee's use of the Licensed Property shall be limited to parking, and landscaping related to and for the benefit of the Licensed Property and uses reasonably and incidentally related thereto.

- 3.2 Licensee shall not install any improvements other than for temporary surface parking purposes and landscaping without first obtaining the Agency's written consent, which consent will not be unreasonably conditioned, delayed, or withheld.

- 3.3 Licensee shall not cause or permit any Hazardous Material to be used, stored, transported, generated, or disposed in or about the Licensed Property by Licensee or Licensee's agents, employees, contractors, licensees, or invitees. "Hazardous Material" means any hazardous, toxic, or infectious substance, material, or waste which is or becomes regulated by any local governmental entity, the State of California, or the United States Government under any law, regulation or ordinance regulating or controlling any Hazardous Material (the "Hazardous Materials Laws"), including, without limitation, any material, or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under California Health and Safety Code §§ 25115, 25117 or 25122.7, or listed pursuant to California Health and Safety Code § 25140, (ii) defined as a "hazardous substance" under California Health and Safety Code § 25316, (iii) defined as a

"hazardous material," "hazardous substance" or "hazardous waste" under California Health and Safety Code § 25501 (v) defined as a "regulated medical waste" under 40 C.F.R. § 259.10(a) or § 259.30, (v) petroleum or petroleum product, (vi) asbestos, (vii) designated as a "hazardous substance" pursuant to § 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317), (ix) defined as a "hazardous waste" pursuant to § 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903), or (x) defined as a "hazardous substance" pursuant to § 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601).

3.4 Licensee shall not install or use any underground storage tanks on the Licensed Property.

- 4 **Effective date.** This License shall be effective on the date that the Director of the Agency (the "Director") signs it after the Licensee has signed it and the Agency Board has approved it.
- 5 **License is revocable and of limited duration.** The Agency may revoke this License at will by delivering a written revocation notice to Licensee at least 30 days before the termination date specified in the notice. If the Agency has not sooner revoked this License, this License shall automatically terminate without written notice on the earlier to occur of the following: (a) Licensee acquires fee title to the Licensed Property from the Agency, or (b) June 30, 2007
- 6 **Surrender of Property and Relocation** Licensee, on or before the effective date of any revocation or termination date, at its sole expense and at the written election of the Agency, shall remove any and all improvements to the Licensed Property, and shall surrender possession to the Agency in the condition delivered to Licensee. In consideration of the Agency's agreement to enter into this License, Licensee releases and waives any and all rights it may now have, or hereafter obtain, to any "relocation assistance benefits" pursuant to the Federal Uniform Relocation Assistance Act (42 U.S.C. § 4601 et seq.), the California Relocation Assistance law (Cal. Gov Code § 7260 et seq.), or any other statute that replaces or provides rights similar to such statutes, if the Agency requires Licensee to vacate and surrender the Licensed Property in such a way as to 'displace' Licensee from the Licensed Property. Licensee, further, shall execute any other documentation of the release and waiver provided hereby as the Agency may reasonably require.
- 7 **Title company assurances.** Licensee acknowledges that the contemplated work may create mechanics' liens or other title exceptions, affecting issuance of a title policy if Licensee purchases the Licensed Property. If the Licensee's actions on the Licensed Property create title exceptions that Licensee wants removed at any close of escrow in which the Agency conveys the Licensed Property to Licensee, Licensee shall provide the title company any assurances it may require to issue a title policy free from Licensee-created title exceptions, or

will accept title subject to all title exceptions arising from Licensee's improvements to and use of the Licensed Property

- 8 **Environmental Indemnity.** Licensee shall indemnify, hold harmless, and defend the Agency, its officers, agents, employees, and volunteers from any liability, loss, fines, penalties, forfeitures, claims, expenses, and costs, whether incurred by the Licensee, Agency, or any other third party, arising directly or indirectly from the release, presence or disposal of any hazardous substances or materials (as now or hereafter defined in any law, regulation, or rule) in, on, or about the Licensed Property during Licensee's use of the Licensed Property. This indemnity shall include, without limitation, any claims under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA), or any other federal, state or local law whether statutory or common law, ordinance, or regulation. Costs or losses covered will include, without limitation, consultants, engineering, investigator fees, clean up or disposal costs and attorneys' fees, and damages. Upon written notice from the Agency, the Licensee, at Licensee's sole cost and expense, shall immediately assume the defense of any claims, suit or action brought against the Agency by any public body, individual, partnership, corporation or other legal entity, relating to any matter covered by this paragraph.
- 9 **Insurance Requirements and General Indemnity.** Licensee agrees to the Indemnification and Insurance provisions attached hereto as Exhibit "B" attached hereto.
- 10 **Taxes.** Nothing in this Agreement shall be construed to exempt the Licensee from any tax levy or assessment which is or may hereafter be lawfully imposed. Notice is hereby given pursuant to Revenue and Tax Code Article 107 6 that this License may create a property interest subject to property taxation and may subject Licensee to the payment of property taxes levied on such interest.
- 11 **Waiver of claims and damages.** Licensee, as a material part of the consideration to Agency, waives all claims against Agency for damages to all personal property in, on, or about the Licensed Property, and for injuries to persons in or about the Licensed Property, from any cause arising at any time, except where caused solely by the acts or passive negligence or by the willful misconduct of the Agency or any of its officers, officials, employees, agents or volunteers. Licensee will defend and hold Agency exempt and harmless for and on account of any damage or injury to any person or personal property of any person, arising from (a) Licensee's use of the Licensed Property, or (b) Licensee's failure to keep the Licensed Property and surrounding areas clean and in good condition.
- 12 **Miscellaneous provisions.**

12.1 **Attorneys' Fees.** If either party brings any legal action or proceeding relating to this License, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, reasonable attorneys' fees, costs, and expenses that party incurred in the action or proceeding.

12.2 Entire Agreement. The exhibits referenced in and attached to this License are by the reference incorporated into and made a part of this License. This License constitutes the entire agreement between Agency and Licensee relating to the License and the use of the Licensed Property for temporary parking purposes. Any amendment to this License shall be of no force and effect unless it is in writing and signed by the Agency and Licensee.

12.3 Discretionary governmental actions. The Agency Board approval, and the Agency's execution, of this Agreement does not limit the City's discretion in the permit and approval process relating to any parking improvements, or to any subsequent use of the Licensed Property upon conveyance, if any, to Licensee. Discretionary governmental actions include, without limitation, the approval of this License, and any environmental review and analysis under California Environmental Quality Act (CEQA) The Agency shall not be liable, in law or equity, to Licensee for any failure of any governmental entity to grant approval on any matter subject to discretionary approval.

12.4 Compliance with Laws. Licensee shall comply with all applicable laws, regulations, and rules of any governmental agency having jurisdiction including, without limitation, applicable federal and state labor standards and environmental laws and regulations. Licensee is solely responsible for determining applicability of and compliance with all local, state, and federal laws including, without limitation, the California Labor Code, Public Contract Code, Public Resources Code, Health & Safety Code, Government Code, the City Charter, and Fresno Municipal Code. The Agency shall not be liable or responsible, in law or equity, to any person for Licensee's failure to comply with any such laws, whether the Agency knew or should have known of the need for Licensee to comply, or whether the Agency failed to notify Licensee of the need to comply, unless the Agency otherwise has an independent legal duty to notify Licensee of the need to comply

12.5 Assignment. This License is personal to the Licensee, and Licensee may not assign it without the prior written consent of the Agency, after approval by the Agency Board. Licensee's attempt to assign the License without Agency consent shall automatically terminate it. This License does not create or vest in Licensee any legal title or leasehold interest in the Licensed Property.

12.6 Successors and assigns. Subject to the prohibition on Licensee's assignment, this License shall bind successors and assigns of each party

12.7 Notices. Any notice to be given to either party under this License will be in writing and duly given if delivered as follows. (i) hand delivery, (ii) receipt if deposited with Federal Express or another reliable overnight courier service, (iii) receipt if transmitted by facsimile telecopy, or (iv) receipt if deposited in] the United States mail, postage prepaid, return receipt requested and] addressed to the appropriate party as set forth below. A party may change its notice address from time to time by a writing complying with this provision.

Licensee:
Community Hospitals of Central California
Attention: Robert Ward, General Counsel

Fresno, CA 93721

Facsimile No (559) 498-3774

Agency:
Redevelopment Agency of the City of Fresno
Attention: Executive Director
2344 Tulare, Suite 200
Fresno, CA 93721

Facsimile No. (559) 498-1870

12.8 Waiver The waiver by either party of a breach of this License will not constitute a continuing waiver or a waiver of any subsequent breach. No waiver will be effective unless made in writing and signed by all parties. Waiver of one provision will not be deemed a waiver of any other provision of this License.

12.9 Governing Law and Venue. This License will be construed and enforced according to the laws of the State of California. Venue for filing any action to enforce or interpret this License will be Fresno, California.

12.10 Captions. The paragraph captions in this License are for reference only. The captions will not be construed or held to explain, modify or add to the meaning of the provisions of this License.

12.11 Severability The provisions of this License are severable. The invalidity or unenforceability of one provision in will not affect the other provisions.

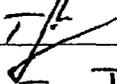
12.12 Interpretation This License is the result of the combined efforts of the parties. Any ambiguity will not be construed in favor or against any party, but by construing the terms according to their generally accepted meaning.

12.13 Counterparts. This License may be executed in counterparts, each of which when executed and delivered will be deemed an original, and all of which together will constitute one instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, on the dates and in the year set forth below

LICENSEE:

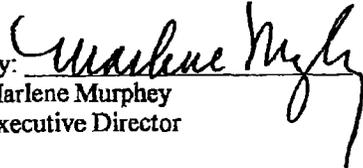
COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA,
a California nonprofit corporation

By: 
Name: Tim Joshi
Title: CEO

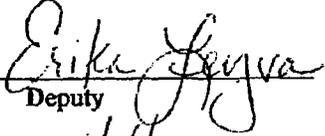
By: 
Name: Steven R. Walker
Title: CFO

AGENCY:

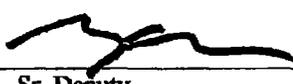
Agency,
a municipal corporation

By: 
Marlene Murphey
Executive Director

ATTEST
REBECCA KLISCH
City Clerk and Ex Officio Clerk

By: 
Deputy
Dated: 1/4/07

APPROVED AS TO FORM.
JAMES C. SANCHEZ
City Attorney and Ex Officio Attorney

By: 
Sr Deputy
Dated: 12-8-06

License Agreement 11-13-06 v1

Exhibit A: Property Descriptions
Exhibit B: Insurance and General Indemnity Provisions

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Lots 18 and 19 in Block B of Fishers Addition, according to the map thereof recorded in Book 1 Page 25 of Plats, Fresno County Records.

Assessor's Parcel No: 459-263-25

[sms 11-16-06]

1 Indemnification.

(a) To the maximum extent permitted by law, **LICENSEE** shall indemnify, defend, protect and hold harmless **AGENCY** and each of its officers, officials, employees, agents and volunteers (each, an "INDEMNITEE" and collectively, "INDEMNITEES"), from and against all claims (including, without limitation, claims for personal or bodily injury, sickness, disease or death to person or damage to property including the loss of use there from whether incurred by INDEMNITEE, LICENSEE or any other person), demands, obligations, damages (including, without limitation, direct, liquidated, consequential, incidental or economic), actions in law or equity (including, without limitation, in contract, tort or strict liability), causes of action, suits, losses, judgments, fines, penalties, forfeitures, assessments, liabilities, interest, costs and expenses (including, without limitation, reasonable attorneys' fees, disbursements and court costs, and all other professional, expert or consultants' fees and costs and LICENSEE'S and INDEMNITEE'S general and administrative expenses) of every kind and nature whatsoever (each, a "Claim" and collectively, "Claims") arising or alleged to have arisen from or in any manner relating (directly or indirectly) to any work performed or services provided (whether or not actively engaged in the work or services) under this License (including, without limitation, the negligence, acts, errors or omissions of LICENSEE, its principals, officers, agents, employees, persons under the supervision of LICENSEE, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them), except to the proportionate extent arising from the willful misconduct of any INDEMNITEE. LICENSEE understands, acknowledges and agrees that to the maximum extent permitted by law, the indemnification obligation hereunder extends to and includes any Claim(s) arising or alleged to have arisen, in whole or in part, from the negligence or strict liability of any INDEMNITEE.

(b) The duty to defend hereunder is wholly independent of and separate from the duty to indemnify and such duty to defend exists regardless of any ultimate liability of LICENSEE. Such defense obligation shall arise immediately upon presentation of a Claim by any party and written notice of such Claim being provided to LICENSEE. Payment to LICENSEE by any INDEMNITEE or the payment or advance of defense costs by any INDEMNITEE shall not be a condition precedent to enforcing such INDEMNITEE'S rights to indemnification hereunder. LICENSEE'S indemnification obligation hereunder shall survive the expiration or earlier termination of this License until such time as action against the INDEMNITEES for such matter indemnified hereunder is fully and finally barred by the applicable statute of limitations or statute of repose. AGENCY shall be reimbursed for all costs and attorney's fees incurred by AGENCY in enforcing this indemnification obligation. LICENSEE'S liability for indemnification hereunder is in addition to any liability LICENSEE may have to AGENCY for a breach by LICENSEE of any of the provisions of this License. Under no circumstances shall the insurance requirements and limits set forth in this License or in

any applicable insurance policies, or shall the limits on the amount or type of damages, compensation or benefits payable by or for **LICENSEE** or any subcontractors or suppliers under the workers' compensation, disability or other employer benefits laws be construed to limit **LICENSEE'S** indemnification obligation or any other liability hereunder.

(c) With respect to third party claims against **LICENSEE**, **LICENSEE** waives all rights to any type of express or implied indemnity against any **INDEMNITEE**.

(d) If **LICENSEE** should subcontract all or any portion of the work to be performed or services to be provided under this License or on the Licensed Property, **LICENSEE** shall require each subcontractor to indemnify, defend, protect and hold harmless the **INDEMNITEES** and provide the warranties and waivers in accordance with all provisions of this section.

(e) This section shall survive expiration or termination of this License.

2. Insurance.

(a) Throughout the life of this License, **LICENSEE** shall pay for and maintain in full force and effect all insurance as required in Pages 5 and 6 or as may be authorized, and any additional insurance as may be required, in writing by **AGENCY'S** Risk Manager or his/her designee at any time and in his/her sole discretion.

(b) If at any time during the life of the License or any extension, **LICENSEE** or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this License shall be discontinued immediately, and all payments due or that become due to **LICENSEE** shall be withheld until notice is received by **AGENCY** that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to **AGENCY**. Any failure to maintain the required insurance shall be sufficient cause for **AGENCY** to terminate this License. No action taken by **AGENCY** pursuant to this section shall in any way relieve **LICENSEE** of its responsibilities under this License. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by **AGENCY** that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

(c) The fact that insurance is obtained by **LICENSEE** shall not be deemed to release or diminish the liability of **LICENSEE**, including, without limitation, liability under the indemnity provisions of this License. The duty to indemnify **INDEMNITEES** shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by **LICENSEE**. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of **LICENSEE**, its principals, officers, agents, employees,

persons under the supervision of **LICENSEE**, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

(d) Upon request of **AGENCY**, **LICENSEE** shall immediately furnish **AGENCY** with a complete copy of any insurance policy required under this License, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this License.

(e) If **LICENSEE** should subcontract all or any portion of the services to be performed under this License, **LICENSEE** shall require each subcontractor to provide insurance protection in favor of **AGENCY** and each of its officers, officials, employees, agents and volunteers in accordance with the terms of this section, except that any required certificates and applicable endorsements shall be on file with **LICENSEE** and **AGENCY** prior to the commencement of any services by the subcontractor.

**Insurance Requirements
License Agreement between Agency and Licensee**

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the License).
2. The most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, which shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto)
3. Workers' Compensation insurance as required by the California Labor Code and Employer's Liability Insurance.

Minimum Limits of Insurance

LICENSEE shall maintain limits of liability of not less than:

1. General Liability:
 - \$1,000,000 per occurrence for bodily injury and property damage
 - \$1,000,000 per occurrence for personal and advertising injury
 - \$2,000,000 aggregate for products and completed operations
 - \$2,000,000 general aggregate
2. Automobile Liability
 - \$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability
 - \$1,000,000 each accident for bodily injury
 - \$1,000,000 disease each employee
 - \$1,000,000 disease policy limit

Umbrella or Excess Insurance

In the event LICENSEE purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Deductibles and Self-Insured Retentions

LICENSEE shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and LICENSEE shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the AGENCY'S Risk Manager or his/her designee. At the option of the AGENCY'S Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects AGENCY, its officers, officials, employees, agents and volunteers; or (ii) LICENSEE shall provide a financial guarantee, satisfactory to AGENCY'S Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall AGENCY be responsible for the payment of any deductibles or self-insured retentions.

Other Insurance Provisions

The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

1. AGENCY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds.
2. The coverage shall contain no special limitations on the scope of protection afforded to AGENCY, its officers, officials, employees, agents and volunteers.
3. LICENSEE'S insurance coverage shall be primary and no contribution shall be required of AGENCY

The Workers' Compensation insurance policy is to contain, or be endorsed to contain, the following provision.

LICENSEE and its insurer shall waive any right of subrogation against AGENCY, its officers, officials, employees, agents and volunteers.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice by certified mail, return receipt requested, has been given to AGENCY. Upon

issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, **LICENSEE** shall furnish **AGENCY** with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for **AGENCY**, **LICENSEE** shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

Other Requirements

LICENSEE'S owned or leased property or property in its care, custody and control, will be at the risk of **LICENSEE** only and **AGENCY** will not be liable for any damage thereto or theft thereof. Further, **LICENSEE** waives its right of recovery, and its insurers also waive their right of recovery, against **AGENCY** for loss of its owned or leased property or property in its care, custody and control. The phrase "owned or leased property or property in its care, custody and control" shall include, without limitation, documents, tools, equipment, fixtures, materials and parts.

Acceptability of Insurers

All policies of insurance required hereunder shall be placed with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide.

Verification of Coverage

LICENSEE shall furnish **AGENCY** with all certificate(s) and **applicable endorsements** effecting coverage required hereunder. All certificates and **applicable endorsements** are to be received and approved by the **AGENCY'S** Risk Manager or his/her designee prior to **AGENCY'S** execution of the License and before work commences. The words "endeavor to" and "but the failure to do so shall impose no obligation upon the insurer, its agents or representatives" shall be deleted or eliminated from the Cancellation wording in the lower right hand corner of the certificate.

**ORIGINAL
FILE COPY**

**AMENDMENT NO. 1 TO
1995 DEVELOPMENT AGREEMENT AND LAND SALE CONTRACT**

between

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO,
a public body, corporate and politic**

and

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA,
a California nonprofit public benefit corporation**

and

**CITY OF FRESNO,
a municipal corporation**

JEFFERSON AREA REDEVELOPMENT PLAN

Attachments:

- Exhibit A Agency Property - Legal Description**
- Exhibit B Hospital Covenant Property - Legal Description**
- Exhibit C Hospital Property - Legal Description**
- Exhibit D City Property - Legal Description**
- Exhibit E Release and Modification of Deed Covenants on Hospital
Covenant Property**
- Exhibit F Development Agreement and Land Sale Contract (July 18, 1995)**

**AMENDMENT NO. 1 TO
DEVELOPMENT AGREEMENT AND LAND SALE CONTRACT**

The CITY OF FRESNO, a municipal corporation ("City"), the REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, a public body, corporate and politic ("Agency"), and COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA, a California non-profit corporation ("Hospital") enter this Amendment No. 1 to the Development Agreement and Land Sale Contract ("Amendment") as of the Effective Date (defined in this Amendment).

RECITALS

The Parties enter this Amendment based on the following facts, understandings, and intentions:

- A. By authority granted under the Law, the Agency is responsible for carrying out the Jefferson Area Redevelopment Plan (the "Plan").
- B. The Plan is recorded in the official Records of Fresno County and affects real property development and use within that land area of the City of Fresno, California, described in the Plan (the "Project Area").
- C. July 18, 1995, the City, Agency, and Hospital entered the Contract for the phased development of a regional medical center. A copy of the Contract is attached as Exhibit F.
- D. As part of its Phase 1 Area land assembly obligations under the Contract, the Agency purchased, and the Agency owns, the Agency Property.
- E. As part of its Phase 1 Area land assembly obligations under the Contract, the Agency purchased the Hospital Covenant Property and, by the Covenant Deed, conveyed the property to FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER, a nonprofit public benefit corporation ("Fresno CMC"), the Hospital's designee under the Contract for acquisition of this and other property.
- F. As part of its proposed phased development, the Hospital and/or Fresno CMC purchased and owns the Hospital Property.
- G. The City owns the City Property.
- H. The Regents propose to acquire the Site from the City, Agency, Hospital, and Fresno CMC, and to develop the Facilities and related improvements thereon for operation by UCSF.

- I. The Contract obligates the Hospital to purchase the Agency Property, and to develop quality site improvements on the properties within 18 months after conveyance, and to complete permanent Medical Center facilities on the properties by July 17, 2010.
- J. June 20, 2000, the City Council ("Council") and the Agency Board ("Board"), considered the Hospital's proposal to assemble the Site for the Regents to develop the Facilities. The Council and Board directed staff to prepare the necessary documents, subject to the following: (i) City, Agency, and Hospital to concurrently convey their respective properties to the Regents, and (ii) the Hospital to purchase the Agency Property as provided in the Contract if the Regents do not begin constructing the Facilities on the Site before the Hospital opens its Trauma Center.
- K. After further negotiations, the Hospital requirements to purchase the Agency Property under the terms of the Contract, will instead arise if the Regents do not close the Agency, City, and Hospital Escrows and acquire the Site by December 31, 2003, as set forth in the Regents/Agency/City Agreement, and an agreement between the Hospital/Fresno CMC and the Regents.
- L. Escrow Holder has returned the joint escrow instructions and deeds to the City Attorney that the Agency, City, and Hospital deposited in June 2000, into Escrow Nos. 02131163-J, and 0125832, and these escrows have been terminated.
- M. To permit the Site assembly for the Facilities, the Hospital has asked the City and Agency, and the City and Agency are willing, to do the following, subject to the terms of this Amendment: (i) City and Agency to release the Agency Property and the Hospital Covenant Property from the Contract provisions, (ii) As to the Hospital Covenant Property only, Agency to release the reverter provision in, and to modify the deed covenants in, the Agency grant deed by which the Fresno CMC acquired the Hospital Covenant Property.
- N. The Housing and Community Development Commission reviewed a draft of this Amendment January 23, 2002, and recommended that the Agency Board and Council approve it. February 12, 2002, the Agency Board and Council approved this Amendment, substantially in the form hereof.
- O. The Agency has determined that this Amendment is in the best interests of, and will materially contribute to, Plan implementation. Further, the Agency has found that the Facilities: (a) will have a positive influence in the Project Area, and surrounding environs, (b) is in the vital and best interests of the Agency, the City of Fresno, and the health, safety, and welfare of City and Project Area residents, (c) complies with applicable federal, state, and local laws and requirements, (d) will help eliminate blight, and is consistent with the Implementation Plan for the Project Area.

AGREEMENT

1. **DEFINITIONS.** The following definitions will govern the construction and interpretation of capitalized terms in this Amendment. If this Amendment does not have a definition in this Section 1 or elsewhere in this Amendment for a capitalized term, the term shall be interpreted using the definition, if any, set forth in the Contract.
 - 1.1 **"Agency"** means the Redevelopment Agency of the City of Fresno, a public body, corporate and politic, organized and existing under the Law, and any assignee of or successor to its rights, powers and responsibilities. The Agency is an entity legally distinct from the City.
 - 1.2 **"Agency Escrow"** means the escrow that the Agency will open with Escrow Holder to convey the Agency Property to the Regents.
 - 1.3 **"Agency Property"** means the real property that the Agency owns, and that is identified legally described in Exhibit A.
 - 1.4 **"City"** means the City of Fresno, a municipal corporation, having its offices at 2600 Fresno Street, Fresno, California 93721-3605, operating through its Council and various departments. The City is an entity legally distinct from the Agency.
 - 1.5 **"City Escrow"** means the escrow that the City will open with Escrow Holder to convey the City Property to the Regents.
 - 1.6 **"City Manager"** means the Chief Administrative Officer of the City of Fresno.
 - 1.7 **"City Property"** means the real property that the City owns, that is identified and legally described in Exhibit D, and that the City will convey to the Regents.
 - 1.8 **"Closing" "Close" or "Close of Escrow"** means the concurrent closing of the Agency, City, and Hospital Escrows, and recording of the deeds, conveying the Site to the Regents, in the Official Records of Fresno County.
 - 1.9 **"Closing Date"** means the date that the Escrow Holder records the Agency, City, and Hospital deeds conveying the Site to the Regents.
 - 1.10 **"Contract"** means that "Development Agreement and Land Sale Contract" entered between the City, Agency, and Hospital, dated July 18, 1995.

- 1.11 **"Covenant Deed"** means that certain deed dated June 23, 2000, recorded June 23, 2000, as Document No. 2000-0075430, in the Official Records of the Fresno County Recorder, under which the Agency conveyed the Hospital Covenant Property and other property to Fresno CMC.
- 1.12 **"Day"** whether or not capitalized, means a calendar day, unless stated otherwise.
- 1.13 **"Default"** means a party's failure, following notice and opportunity to cure, to timely perform any action or covenant required by this Amendment.
- 1.14 **"Effective Date"** means the date that the last Party signs this Amendment after Council and Agency Board approval.
- 1.15 **"Escrow Holder"** means Stewart Title of California, Inc., 8045 N. Fresno St., Suite 230, Fresno, California 93720, Attention: Judie Brown, Escrow Officer.
- 1.16 **"Executive Director"** means the Executive Director of the Agency.
- 1.17 **"Facilities"** mean the medical educational and related improvements that the Regents will construct on the Site, as more particularly described in the Scope of Development, attached as an exhibit to the Regents/Agency/City Agreement.
- 1.18 **"Hospital Covenant Property"** means the real property included in the Hospital Property, that the Agency conveyed to the Fresno CMC under the Covenant Deed, subject to certain deed covenants and a reverter clause, and is legally described in Exhibit B.
- 1.19 **"Hospital Property"** means the Hospital Covenant Property and the real property that the Hospital/Fresno CMC purchased from third parties, that it owns and is legally described in Exhibit C.
- 1.20 **"Law"** means the Community Redevelopment Law of the State (California Health and Safety Code Sections 33000 *et seq.*).
- 1.21 **"Parties"** mean the Agency, City, and Hospital. **"Party"** means any of the Parties. For the purposes of the Hospital Property that it owns, Fresno CMC shall be considered a Party to this Amendment.
- 1.22 **"Plan"** means the Jefferson Area Redevelopment Plan adopted December 18, 1984, by Ordinance No. 84-182, as amended.

- 1.23 **"Project Area"** means the land area governed by the Plan.
- 1.24 **"Public Property"** means the Agency Property and the City Property.
- 1.25 **"Regents"** mean The Regents of the University of California, a California corporation that is recognized under Article IX, Section 9, of the California Constitution, and is a political subdivision of the State of California.
- 1.26 **"Regents/Agency/City Agreement"** means that "Agreement for Transfer and Development of Property" between the Regents, the Agency, and the City.
- 1.27 **"Regional Medical Center"** means the medical center campus and concept as provided in the Plan, and the related improvements and services that the Contract contemplates.
- 1.28 **"Release and Modification"** means the "Release and Modification of Deed Covenants on Hospital Covenant Property" substantially in the Form of Exhibit E, hereto, under which the Agency releases its reverter rights, and agrees with Fresno CMC to modify the Covenant Deed.
- 1.29 **"Site"** means the Public Property, and the Hospital Property.
- 1.30 **"UCSF"** means the University of California at San Francisco.
2. **Effect of Amendment.** This Amendment modifies the Contract. The terms and conditions in this Amendment shall take precedence over the Contract, prior escrow instructions, and other agreements, if any, between the Parties or any of them regarding the Public Property, the Hospital Property, and any improvements to be constructed thereon. To the extent the terms are inconsistent with the Contract this Amendment shall prevail. Except as modified by this Amendment, the Contract shall continue in effect. Except as modified by the Release and Modification, the Covenant Deed shall continue in effect.
3. **Conditions Precedent.** The following are conditions precedent to each Party's obligations under this Amendment:
- 3.1 **Hospital agreement with Regents.** The Hospital/Fresno CMC and the Regents shall have entered an agreement under which the Hospital/Fresno CMC agrees to convey the Hospital Property to the Regents, and the Regents agree to construct medical educational facilities described in the Regents/Agency/City Agreement.

- 3.2 **Concurrent Close of Escrows.** The Hospital, Agency, and City Escrows shall all close concurrently.
- 3.3 **Deed Covenants and Reverter.** As to the Hospital Covenant Property only, the Agency and Fresno CMC shall execute and record the Release and Modification, substantially in the form attached as Exhibit E, or other instrument that Escrow Holder may require, to release the Agency's reverter rights under the Covenant Deed, and to modify the Covenant Deed to be consistent with the Regents/Agency/City Agreement and the covenants in the Agency and City Grant Deeds thereunder to the Regents. The Release and Modification or other instrument shall be deposited into the Agency or Hospital Escrow with instructions to record it concurrently with and immediately before recording the grant deed by which Fresno CMC conveys the Hospital Covenant Property to the Regents.
4. **Release of Property from Contract.** Upon the satisfaction of the above conditions precedent, the Agency and City release the Agency Property and the Hospital Covenant Property from the Contract. After that, the Agency shall not be obligated to convey the Agency Property to the Hospital, and the Hospital shall not be obligated to purchase the Agency Property, or to develop the Agency Property and Hospital Covenant Property. If the conditions are not satisfied, and the Agency, City, and the Hospital Escrows do not close by the date set forth in the Regents/Agency/City Agreement, or any extension of it as the parties thereto may agree, then this Amendment shall be void. The Agency and Hospital Covenant Property shall remain subject to the terms of the Contract.
5. **Hospital Occupation of Public Property.** Hospital acknowledges that it occupies the Public Property, has paved the Public Property, and is using it for temporary vehicle parking by staff and visitors (not valet parking), pending its conveyance to the Hospital under the Regents/Agency/City Agreement or Contract.
- 5.1 **Rental value.** Instead of paying the Agency and City reasonable rental value for the use, the Hospital represents and warrants, and indemnifies the City and Agency as provided in this Section 5.
- 5.2 **Representations and warranties.** The Hospital represents and warrants as follows:
- 5.2.1 **Insurance.** Always during its occupancy it has maintained and will maintain commercial general liability, and the other insurance, reasonable under the circumstances. Reasonable insurance includes the following insurance policies with one or more insurance carriers that are either (i) admitted by the California Insurance Commissioner to do business in California and rated not less than "A- VII" in Best's

Insurance Rating Guide, or (ii) authorized by the City's Risk Manager.
The following policies of insurance are required:

5.2.2 **COMMERCIAL GENERAL LIABILITY** insurance that shall include contractual, products and completed operations coverages, bodily injury and property damage liability insurance with combined single limits of not less than \$1,000,000 per occurrence.

5.2.3 **WORKERS' COMPENSATION** insurance as required under the California Labor Code.

Until the concurrent Closings, the above policies shall be endorsed to provide an unrestricted 30-day written notice, in favor of the Agency and City, of policy cancellation, change or reduction of coverage, except the Workers' Compensation policy that shall provide a 10-day written notice of cancellation, change or reduction of coverage. **Not less than 15 days before any policy is due to expire, the Hospital shall provide a new insurance certificate evidencing policy renewal.** If the insurer, broker, or agent issues a notice of cancellation, change or reduction in coverage, the Hospital shall immediately give a certified copy of the new or renewal policy and an insurance certificate for such policy to the Agency and City Risk Manager.

The General Liability insurance policy shall be written on an occurrence form and shall name the Agency and the City, and their officers, officials, agents, employees and volunteers as additional insureds. The policies shall be endorsed so the Hospital's insurance shall be primary and no contribution shall be required of the Agency or City. **The Hospital shall furnish the Agency with the certificates and applicable endorsements for ALL required insurance before the Agency executes this Amendment.** The Hospital shall furnish the Agency and City copies of the policies upon the request of the City's Risk Manager.

5.3 **Indemnification.** The Hospital shall indemnify, hold harmless and defend the Agency and City and their respective officers, officials, employees, agents and volunteers from any loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by the Agency, the City, the Hospital, or any other person, and from any claims, demands, and actions in law or equity (including attorneys' fees and litigation expenses), arising or alleged to have arisen directly or indirectly out the Hospital's use and occupancy of the Public Property. **The foregoing includes, without limitation, any environmental condition in, on, or about the property that arises out of Hospital's use and**

occupancy of the Public Property. The Hospital's obligations under the preceding sentence shall apply no matter whether the Agency or City or any of their respective officers, officials, employees, agents or volunteers are actively or passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the active negligence or by the willful misconduct of the Agency or the City or any of their officers, officials, employees, agents or volunteers.

This section shall survive termination or expiration of this Amendment, and the escrow Closings.

5.4 **Regents Agreement.** Hospital shall negotiate with the Regents for any right to continue its occupancy of the Public Property after Closing.

5.5 **No relocation costs.** Neither the Agency nor the City shall be obligated to pay any relocation costs or benefits to the Hospital or any related party upon its vacation of the Public Property. Any costs that Hospital may incur for vacating and restoring the Public Property, and for replacement parking, shall be its sole responsibility.

6. **Hospital Purchase of Public Property.**

6.1 **Termination of 2000 Escrows and Joint Escrow Instructions.** Hospital, Fresno CMC, Agency, and City hereby rescind any escrow instructions to Escrow Holder relating to the Public Property. The Parties authorize Escrow Holder's termination of Escrow Numbers 0125832 (City) and 02131163-J (Agency), and the return of all documents to the City and Agency.

6.2 **Hospital purchase on failure of the Regents to timely Close.** If the City and Agency Escrows terminate without Closing, then within 30 days after termination, Hospital shall purchase the Agency and City Property, at the Contract price and on the Contract terms.

7. **GENERAL PROVISIONS**

7.1 **Notice, Demands and Communication.** The Parties shall give formal notices, demands, and communications under this Amendment as follows: (i) personal delivery, or (ii) delivery by a reputable document delivery service, such as Federal Express, that provides a receipt showing date and time of delivery, or (iii) by facsimile via a machine that issues a confirmation showing the date and time of transmission, and the office name and number to which the transmission was made, or (iv) by registered or certified mail, return receipt requested, postage prepaid, addressed to the relevant Party as follows:

AGENCY:

Redevelopment Agency of the City of Fresno
Attention: Executive Director
2344 Tulare Street, Suite 200
Fresno CA 93721

Facsimile No.: (559) 498-1870

CITY:

Attention City Manager
City of Fresno
2600 Fresno Street, Room 2064
Fresno, CA 93721-3601

Facsimile No.: (559) 488-1015

WITH COPIES TO:

City Attorney as Ex-Officio Attorney
for the Redevelopment Agency
2600 Fresno Street, Room 2031
Fresno CA 93721-3602

Facsimile No.: (559) 488-1084

HOSPITAL:

Community Medical Centers
Attention: Chief Legal Officer
P. O. Box 1232
Fresno, CA 93715-1232

Facsimile No.: (559) 498-3774

A Party may change its address by notice given according to this subsection.

- 7.2 **Conflict of interests.** No member, official, officer or employee of the Agency shall have any direct or indirect interest in this Amendment, or shall participate in any decision relating to this Amendment where the law prohibits such interest or participation. No officer, employee, or agent of City who exercises any function or responsibility concerning the planning and carrying out of the Facilities, or any other person who exercises any function or responsibility concerning any aspect of this Amendment or the Facilities, shall have any personal financial interest, direct or indirect, in this Amendment or the Facilities.

- 7.3 **Nonliability of officials, employees and agents.** No member, official, officer, employee or agent of the Agency or City shall be personally liable to the Hospital, or any successor in interest, for any Default or breach by the Agency or City.
- 7.4 **Executive Director's and City Manager's authority.** The Executive Director and City Manager may make minor modifications to this Amendment to effect the intent and purposes of this Amendment.
- 7.5 **Counterparts.** This Amendment may be executed in counterparts, and together each executed counterpart shall constitute one instrument.
- 7.6 **Further assurances.** Each Party will take any further acts and will sign and deliver any further instruments required to carry out the intent and purposes of this Amendment.
- 7.7 **Entire understanding of the Parties.** The Parties will execute FIVE duplicate originals of this Amendment. The exhibits referenced as attached are by such references incorporated into this Amendment. This Amendment, including the exhibits, and the Amendment is the entire understanding and agreement of the Parties regarding the Public Property and the Site assembly for the Regents' development of the Facilities. This Amendment supersedes all prior discussions, understandings, and written agreements. Should the terms of any exhibit hereto or the Contract conflict with the body of this Amendment, the body of this Amendment shall govern.
- 7.8 **Consent, reasonableness.** Unless this Amendment specifically authorizes a Party to withhold its approval, consent, or satisfaction in its sole discretion, any consent, or approval, or satisfaction to be requested or required of a Party, shall not be unreasonably withheld, conditioned, or delayed.
- 7.9 **Partial Invalidity.** If any part of this Amendment is held to be invalid, void, or unenforceable in any legal, equitable or arbitration proceeding, the remainder of the Amendment shall continue in effect, unless not giving effect to the invalid or unenforceable part would prevent effecting the redevelopment purposes of the Facilities and this Amendment.
- 7.10 **Ambiguity.** This Amendment is the result of the combined efforts of the Parties. If any provision of this Amendment is found ambiguous, the ambiguity shall not be resolved by construing this Amendment in favor of or against any Party, but by construing the terms according to their generally accepted meaning, considering the objective of the Amendment.

- 7.11 **Number and gender.** Masculine, feminine or neuter gender terms and singular or plural numbers will include others when the context so suggests.
- 7.12 **Headings.** All headings are for convenience only, are not a part of this Amendment, and are not to be used in construing this Amendment.
- 7.13 **Binding upon successors.** This Amendment shall bind and inure to the benefit of the successors in interest, personal representatives, and assigns of each Party, subject to the limitation on transfer and assignment contained in this Amendment.
- 7.14 **Time of essence.** Time is of the essence of each term, condition, and covenant contained in this Amendment.
- 7.15 **Survival of indemnification provisions.** Unless otherwise specifically stated herein, each indemnification provision set forth in this Amendment shall survive the termination of this Amendment shall survive the Closing, and shall not merge with the Grant Deed or Deeds or any other document evidencing any interest in real property.
- 7.16 **Amendments or modifications.** The Parties may not modify this Amendment except by written instrument duly approved as required by law and executed by authorized representatives of the Parties.
- 7.17 **Executive Director and City Manager approvals and actions.** Whenever this Amendment requires or permits an action or approval by the Agency, the Executive Director or Redevelopment Administrator is authorized to act for the Agency unless this Amendment, the law, or Agency bylaws, resolutions or procedures provide otherwise, or the context otherwise requires. Whenever this Amendment requires or permits an action or approval by the City, the City Manager or his or her designee is authorized to act for the City unless this Amendment, the law, or City, resolutions or procedures provide otherwise, or the context otherwise requires.

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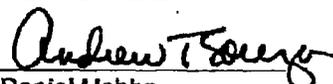
IN WITNESS WHEREOF, the parties have signed this Amendment on the dates and in the year set forth below.

REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO
DAN FITZPATRICK

By: 
Executive Director

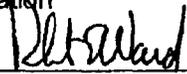
Dated: March 18, 2002

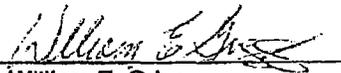
CITY OF FRESNO,
a municipal corporation
ANDREW T. SOUZA
ASSISTANT CITY MANAGER

By: 
for: Daniel Hobbs
City Manager

Dated: 3-26-02

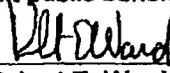
COMMUNITY HOSPITALS OF
CENTRAL CALIFORNIA, a
California nonprofit public benefit
corporation

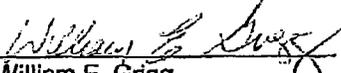
By: 
Robert E. Ward
Senior Vice President

By: 
William E. Grigg
Chief Financial Officer

Dated: FEBRUARY 21, 2002

FRESNO COMMUNITY HOSPITAL
AND MEDICAL CENTER, a California
nonprofit public benefit corporation

By: 
Robert E. Ward
Senior Vice President

By: 
William E. Grigg
Chief Financial Officer

Dated: February 21, 2002

The above persons to execute this Amendment before a Notary Public and attach the notary acknowledgments.

ATTEST:
REBECCA KLISCH
City Clerk and Ex Officio Clerk

By: *Elvira Sommeville*
Deputy

Dated: 3/26/02

APPROVED AS TO FORM:
HILDA CANTU MONTOY
City Attorney and Ex Officio Attorney

By: *Hilda Cantu Montoy*
Assistant/Deputy

Dated: March 14, 2002

18125sms18Amend No 1 to 1995 CMC agt V4.wpd

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF FRESNO)

On MARCH 26, 2002, before me, ARIDA TAYLOR, NOTARY PUBLIC, personally appeared, ANDREW T. SOUZA, ASSISTANT CITY MANAGER, personally known to me (or 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] signatures on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



(SEAL)

Arida Taylor
NOTARY PUBLIC SIGNATURE

OPTIONAL INFORMATION

TITLE OR TYPE OF DOCUMENT AMENDMENT NO.1 TO 1995 DEVELOPMENT AGREEMENT & LAND SALE

DATE OF DOCUMENT March 26, 2002 NUMBER OF PAGES _____

SIGNER(S) OTHER THAN NAMED ABOVE Daniel R. Fitzpatrick
Robert E. Ward
William E. Grigg

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Fresno } ss.

On Feb. 21 2002 before me, Maria J. Garcia Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared William E. Dugg
Name(s) of Signer(s)

- personally known to me
- 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.



WITNESS my hand and official seal.
Maria J. Garcia
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
 Title or Type of Document: 1995 Development Agreement Amend No 1 - 4 Hand Sale Contract

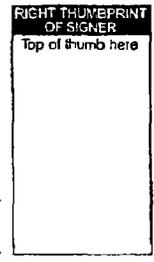
Document Date: 2/21/02 Number of Pages: 90

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of Fresno } ss.

On Feb. 21, 2002 before me, Maria J. Garcia, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared Robert E. Ward
Name(s) of Signer(s)

- personally known to me
 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.

WITNESS my hand and official seal.

Maria J. Garcia
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Amendment No. 1 1405 Development Agreement & Land Sale Contract

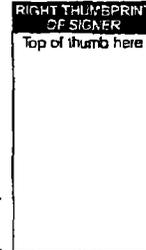
Document Date: 2/21/02 Number of Pages: 90

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

Signer Is Representing: _____



**AGENCY PROPERTY
LEGAL DESCRIPTION**

PARCEL "A"

All that portion of that certain real property situate in the City of Fresno, County of Fresno, State of California, being a portion of lots and alleys shown on that map entitled "Irvington Add't" recorded in Book 1 at Page 70 of Plats, Fresno County Records being more particularly described as follows:

Beginning at a point on the westerly line of Lot 29, distant South 00° 10' 46" West, 16.00 feet from the northwesterly corner of said lot, as said lot is shown on said map; thence

- a) parallel with, and 16.00 feet southerly of, the northerly line of said Lot 29, as said lot is shown on said map, South 89° 34' 53" East, 63.83 feet; thence
- b) along the Right-of-Way Easement line granted to the City of Fresno as described in that document recorded at Document No. 1999-0067975, Official Records Fresno County, South 89° 34' 53" East, 20.24 feet; thence
- c) continuing, South 43° 42' 39" East, 19.34 feet; thence
- d) continuing, South 01° 58' 32" West, 81.57 feet; thence
- e) continuing, along a tangent curve, concave easterly, having a radius of 28.00 feet, through a central angle of 18° 11' 39", an arc distance of 8.89 feet to a point of reverse curvature; thence
- f) continuing, along a tangent curve, concave westerly, having a radius of 12.00 feet, through a central angle of 18° 11' 39", an arc distance of 3.81 feet; thence
- g) continuing, South 01° 58' 32" West, 104.03 feet; thence
- h) continuing, along a tangent curve, concave westerly, having a radius of 541.00 feet, through a central angle of 12° 41' 18", an arc distance of 119.81 feet; thence
- i) continuing, South 18° 43' 28" West, 4.56 feet to the southerly line Lot 16 as said lot is shown on said map; thence

- j) leaving said easement line, along said southerly line of Lot 16, North 89° 32' 45" West, 74.89 feet to the southwesterly corner of said lot; thence
- k) continuing along the westerly prolongation of said southerly line, North 89° 32' 45" West, 10.00 feet to the centerline of the alley as shown on said map; thence
- l) along said centerline, North 00° 10' 46" East, 334.66 feet to a point 16.00 feet southerly of the northerly line of said Lot 29; thence
- m) parallel with, and 16.00 feet southerly of, the northerly line of said Lot 29 South 89° 34' 53" East, 10.00 feet to the Point of Beginning

Containing 34,152 square feet, being 0.784 acres.

PARCEL "C"

All that portion of that certain real property situate in the City of Fresno, County of Fresno, State of California, being a portion of lots and alleys shown on that map entitled "Irvington Add't" recorded in Book 1 at Page 70 of Plats, Fresno County Records, also including a portion of North Howard Street, being more particularly described as follows:

Beginning at the northeasterly corner of Lot 7; thence

- a) along the easterly line of said lot, South 00° 10' 46" West, 43.94 feet to a point on the Right-of-Way Easement line granted to the City of Fresno as described in that document recorded at Document No. 1999-0067974, Official Records Fresno County; thence
- b) continuing along said right-of-way along the arc of a non-tangent curve, concave westerly, having a radius of 539.00 feet, a radial bears South 58° 25' 16" East, through a central angle of 04° 42' 03", an arc distance of 44.22 feet; thence
- c) continuing, South 62° 48' 16" West, 20.34 feet to a point lying 50 feet northerly of the southerly line of Lot 6, as said lot is shown on said map; thence
- d) leaving said easement line, following a line parallel with, and 50 feet northerly of, the southerly lines of Lots 1 through 6, as said lots are shown on said map, North 89° 31' 37" West, 137.65 feet to a point in North Howard Street lying 6.75 feet westerly of the westerly line of said Lot 1, as said street and said lot are shown on said map; thence
- e) parallel with, and 6.75 feet westerly of, the easterly line of North Howard Street,

North $00^{\circ} 10' 46''$ East, 100.23 feet to a point on the westerly prolongation of the centerline the alley as shown on said map; thence

- f) along said prolongation and centerline, South $89^{\circ} 32' 25''$ East, 180.54 feet to the intersection with the northerly prolongation of the easterly line of said lot 7; thence
- g) along said prolongation, South $00^{\circ} 10' 46''$ West, 10.00 feet to the Point of Beginning.

Containing 17,322 square feet, being 0.398 acres.

**Hospital Covenant Property
Legal Description**

That certain real property in the City of Fresno, County of Fresno, California described as follows:

All that portion of lots 34, 35, 36, 37, 38, 39, 42, 43, 44, 45 and 46 of IRVINGTON ADDITION, according to the map thereof recorded in Book 1, Page 70 of Plats, Fresno County Records, which lies within the following described parcel of land:

All that portion of that certain real property situate in the City of Fresno, County of Fresno, State of California, being a portion of lots and alleys shown on that map entitled "Irvington Add't" recorded in Book 1 at Page 70 of Plats, Fresno County Records, also including a portion of North Howard Street, being more particularly described as follows:

Beginning at a point on the westerly line of Lot 34, distant South 00° 10' 46" West, 16.00 feet from the northwesterly corner of said lot, as said lot is shown on said map; thence

- I. parallel with, and 16.00 feet southerly of, the northerly line of said lot 34, South 89° 34' 53" East, 148.92 feet to the centerline of the alley as shown on said map; thence
- II. along said centerline, South 00° 10' 46" West, 419.79 feet to the intersection of the centerlines of the alleys as shown on said map; thence
- III. along said centerline, North 89° 32' 25" East, 155.67 feet to a point in North Howard Street lying 6.75 feet westerly of the easterly line of North Howard Street, as said street and said lot are shown on said map; thence
- IV. parallel with, and 6.75 feet westerly of, the easterly line of North Howard Street, to a point on the westerly prolongation of the southerly line of the northerly 16.00 feet of said Lot 34; thence

V. along said prolongation, South 89° 34' 53" East, 6.75 feet to the Point of Beginning.

The foregoing relates to the following APN numbers to the extent described above:

459-344-01T

459-344-17T

459-344-18T

459-344-20T

459-344-21T

**HOSPITAL PROPERTY
LEGAL DESCRIPTION**

PARCEL "D"

All that portion of that certain real property situate in the City of Fresno, County of Fresno, State of California, being a portion of lots and alleys shown on that map entitled "Irvington Add't" recorded in Book 1 at Page 70 of Plats, Fresno County Records, also including a portion of North Howard Street, being more particularly described as follows:

Beginning at a point on the westerly line of Lot 34, distant South 00° 10' 46" West, 16.00 feet from the northwesterly corner of said lot, as said lot is shown on said map; thence

- a) parallel with, and 16.00 feet southerly of, the northerly line of said lot 34, South 89° 34' 53" East, 148.92 feet to the centerline of the alley as shown on said map; thence
- b) along said centerline, South 00° 10' 46" West, 419.79 feet to the intersection of the centerlines of the alleys as shown on said map; thence
- c) along said centerline, North 89° 32' 25" East, 155.67 feet to a point in North Howard Street lying 6.75 feet westerly of the easterly line of North Howard Street, as said street and said lot are shown on said map; thence
- d) parallel with, and 6.75 feet westerly of, the easterly line of North Howard Street, to a point on the westerly prolongation of the southerly line of the northerly 16.00 feet of said Lot 34; thence
- e) along said prolongation, South 89° 34' 53" East, 6.75 feet to the Point of Beginning.

Containing 65,340 square feet, being 1.500 acres.

PARCEL "E"

All that portion of that certain real property situate in the City of Fresno, County of Fresno, State of California, being a portion of North Howard Street, as shown on that map entitled "Irvington Add't" recorded in Book 1 at Page 70 of Plats, Fresno County Records, being more particularly described as follows:

Beginning at a point distant North 89° 34' 53" West, 6.75 feet from the westerly line of

Lot 34, said point being on the westerly prolongation of the southerly line of the northerly 16.00 feet of said lot; thence

- a) parallel with, and 6.75 feet westerly of, the easterly line of North Howard Street, South $00^{\circ} 10' 46''$ West, 519.91 feet to a point on the westerly prolongation of the northerly line of the southerly 50.00 feet of Lots 1 thru 6; thence
- b) along said prolongation, North $89^{\circ} 31' 37''$ West, 18.00 feet; thence
- c) parallel with, the easterly line of North Howard Street, North $00^{\circ} 10' 46''$ East, 519.89 feet to a point on the westerly prolongation of the southerly line of the northerly 16.00 feet of said Lot 34; thence
- d) along said prolongation, South $89^{\circ} 34' 53''$ East, 18.00 feet;

Containing 9,358 square feet, being 0.215 acres.

**CITY PROPERTY
LEGAL DESCRIPTION**

PARCEL "B"

All that portion of that certain real property situate in the City of Fresno, County of Fresno, State of California, being a portion of lots and alleys shown on that map entitled "Irvington Add't" recorded in Book 1 at Page 70 of Plats, Fresno County Records being more particularly described as follows:

BEGINNING at the northwesterly corner of Lot 15 of said Irvington Addition; thence

- a) S 89°32'45" E, along the northerly line of said Lot 15, a distance of 74.89 feet to the southwesterly corner of a public street easement granted to the City of Fresno as described in that Deed of Easement recorded May 4, 1999 as Document No. 1999-0067975, Official Records of Fresno County; thence
- b) S 18°43'28" W, leaving said northerly line, a distance of 53.93 feet to a point on the arc of a non-tangent curve concave to the west and having a radius of 539.00 feet, a radial to said point bears S 68°49'13" East; thence
- c) southwesterly, along the arc of said non-tangent curve, through a central angle of 10°23'57", an arc distance of 97.83 feet to a point on the east line of Lot 7 of said Irvington Addition, said point being the northerly corner of a public street easement granted to the City of Fresno as described in that Deed of Easement recorded May 4, 1999 as Document No. 1999-0067974, Official Records of Fresno County; thence
- d) N 0°27'35" E, along said easterly line and the northerly prolongation thereof, a distance of 53.94 feet to a point of intersection with the centerline of the vacated alley adjacent to the north line of said Lot 7; thence
- e) N 89°32'25" W, along said centerline, a distance of 24.87 feet to a point of intersection with the centerline of the vacated alley adjacent to the west line of Lots 13, 14, and 15 of said Irvington Addition; thence
- f) N 0°10'46" E, along last said centerline, a distance of 85.13 feet to the westerly prolongation of the northerly line of said Lot 15; thence
- g) S 89°32'45" E, along said westerly prolongation, a distance of 10.00 feet to the POINT OF BEGINNING.

Contains an area of 6,775 square feet, more or less.

**RELEASE AND MODIFICATION
OF DEED COVENANTS ON
HOSPITAL COVENANT PROPERTY**

Exhibit E

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Redevelopment Agency
attn: Executive Director
2344 Tulare, Suite 200
Fresno, ca 93721

Space above this line reserved for recorder

PUBLIC AGENCY RECORDING - NO FEES DUE
Government Code §6103

PARTIAL RELEASE OF REVERTER AND
PARTIAL MODIFICATION OF DEED COVENANTS

Reference is made to that certain Grant Deed (the "Deed"), executed by the Redevelopment Agency of the City of Fresno ("Grantor") and Fresno Community Hospital and Medical Center, a California non-profit public benefit corporation ("Grantee"), dated June 23, 2000, recorded June 23, 2000, in the Office of the Fresno County Recorder, State of California, as Document 2000-0075430.

- 1 **Affected Property.** This Partial Release of Reverter and Partial Modification of Deed Covenants ("Release and Modification") affects only the real property included in the Deed that is legally described in Exhibit A, attached (the "Affected Property"). Exhibit A is incorporated herein.
- 2 **Condition Precedent to the Effectiveness of this Release and Modification.** This Release and Modification is intended to burden and benefit a subsequent grantee, The Regents of the University of California, a California corporation (the "Regents") recognized under Article IX, Section 9, of the California Constitution, and a political subdivision of the State of California. Therefore, it is a condition precedent to the effectiveness of this Release and Modification that concurrently and immediately following the recording hereof, that Grantee shall record a Grant Deed conveying the Affected Property to the Regents.
- 3 **Release of Reverter.** As to the Affected Property only, Grantor hereby releases and quitclaims any right title and interest it holds therein under the reversionary right (power of termination) set forth in Section 3, beginning on Page 10 of the Deed.

4 **Modification of Covenants.** As to the Affected Property only, Grantor and Grantee modify and restate the covenants set forth in the Deed, to read as follows:

4.1 **Covenants.** Grantee covenants, as follows, for itself, its successors and assigns, and all persons claiming under or through it, to do the following:

4.1.1 **Construction.** Construct the facilities and improvements, defined and described as the "Project" in the Agreement for Transfer and Development of Property between Grantor, the City of Fresno ("City") and the Regents (the "Agreement"), referred to in the Memorandum of Agreement recorded concurrently herewith, within the times set forth in the Agreement. The obligation therein to begin construction within a given time applies to any successor public body, only to the extent that funds to construct the Project are authorized and available.

4.1.2 **Use.** Use the Affected Property as follows: (a) for medical education facilities and reasonably related activities including, without limitation, medical research, (b) in conformity with all applicable law, rules, and regulations, and (c) the Plan.

4.1.3 **Maintenance.** Maintain the Affected Property, all structures, improvements, and landscaping on the Affected Property in good condition and order, consistent with other redeveloped properties within the Regional Medical Center area of the Plan.

4.1.4 **Sale and Transfer Limitation.** Not sell or other transfer the Affected Property without first obtaining the Grantor's and City's consent. This limitation does not apply to certain transfers by the Regents, as set forth in the Agreement. This limitation does not apply to a lease from the Regents to the State of California for financing purposes.

4.1.5 **Nondiscrimination.** (a) Refrain from restricting the rental, sale, or lease of the Affected Property on the basis of race, color, religion, sex, marital status, ancestry, or national origin of any person; (b) Not to discriminate against or segregate any person or group of persons because of race, color, creed, religion, sex, marital status, age, physical or mental disability, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Affected Property; and (c) Not to establish or permit discrimination or segregation practices in the selection, location, number, use, or occupancy of any tenants, lessees, subtenants, sublessees or vendees.

- 4.2 **Covenants Running with the Land.** The covenants in Section 4.1 of this Release and Modification, without regard to technical classification or designation, legal or otherwise, except as specifically provided, are covenants running with the land.
- 4.3 **Duration of Covenants.**
- 4.3.1 The construction covenant in subsection 4.1.1 shall terminate and the Affected Property, Grantee, and its successors and assigns thereto shall be forever released therefrom when a Release of Construction Covenants and Transfer Limitations ("Release"), substantially in the form attached as an exhibit to the Agreement, is recorded in the Official Records of Fresno County.
- 4.3.2 The covenants in subsections 4.1.2 and 4.1.3 shall terminate and the Affected Property, Grantee, and its successors and assigns shall be forever released therefrom on the earlier to occur of (a) December 28, 2024, when the Plan, as it exists at the recording hereof, expires, or (b) any earlier termination of the Plan.
- 4.3.3 The covenant in subsection 4.1.4 shall terminate and the Affected Property, Grantee, and its successors and assigns thereto shall be forever released therefrom when the Release is recorded in the Official Records of Fresno County.
- 4.3.4 The covenant in subsection 4.1.5 shall run in perpetuity.
- 4.4 **Enforcement of Covenants.** The above covenants are for the benefit of the land within the Plan, the Grantor, and the City, and are enforceable by the Grantor and the City, and their respective successors and assigns. The covenants are enforceable against the Grantee, its successors and assigns.
- 4.5 **Modification of Covenants.** Only the Grantee and its successors and assigns, which hold fee title to the Affected Property, and the Grantor and its successors and assigns, may modify or terminate any covenant in this Grant Deed. Grantee's successors and assigns do not include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under deed of trust, or any other person holding less than a fee interest in the Affected Property.

IN WITNESS WHEREOF, the Grantor and Grantee have executed this Release and Modification on the dates and in the year set forth below.

GRANTOR:

**REDEVELOPMENT AGENCY OF
THE CITY OF FRESNO**, a public
body corporate and politic

DANIEL R. FITZPATRICK
Executive Director

Dated: _____

GRANTEE:

**FRESNO COMMUNITY HOSPITAL
AND MEDICAL CENTER**, a California
nonprofit public benefit corporation

By: _____
ROBERT E. WARD
Senior Vice President

By: _____
WILLIAM E. GRIGG
Chief Financial Officer

**THE ABOVE PERSONS MUST SIGN BEFORE A NOTARY PUBLIC AND ATTACH THE
NOTARY ACKNOWLEDGMENT.**

ATTEST:
REBECCA E. KLISCH
Ex Officio Clerk

By: _____

Dated: _____

APPROVED AS TO FORM:
HILDA CANTÚ MONTOY
Ex Officio Attorney

By: _____

Dated: _____

19115sms18 V4 February 13, 2002

Exhibit A:
Legal description of Affected Property

AFFECTED REAL PROPERTY

That certain real property in the City of Fresno, County of Fresno, California described as follows:

All that portion of lots 34, 35, 36, 37, 38, 39, 42, 43, 44, 45 and 46 of IRVINGTON ADDITION, according to the map thereof recorded in Book 1, Page 70 of Plats, Fresno County Records, which lies within the following described parcel of land:

All that portion of that certain real property situate in the City of Fresno, County of Fresno, State of California, being a portion of lots and alleys shown on that map entitled "Irvington Add'n" recorded in Book 1 at Page 70 of Plats, Fresno County Records, also including a portion of North Howard Street, being more particularly described as follows:

Beginning at a point on the westerly line of Lot 34, distant South $00^{\circ} 10' 46''$ West, 16.00 feet from the northwesterly corner of said lot, as said lot is shown on said map; thence

(a) parallel with, and 16.00 feet southerly of, the northerly line of said lot 34, South $89^{\circ} 34' 53''$ East, 148.92 feet to the centerline of the alley as shown on said map; thence

(b) along said centerline, South $00^{\circ} 10' 46''$ West, 419.79 feet to the intersection of the centerlines of the alleys as shown on said map; thence

(c) along said centerline, North $89^{\circ} 32' 25''$ East, 155.67 feet to a point in North Howard Street lying 6.75 feet westerly of the easterly line of North Howard Street, as said street and said lot are shown on said map; thence

(d) parallel with, and 6.75 feet westerly of, the easterly line of North Howard Street, to a point on the westerly prolongation of the southerly line of the northerly 16.00 feet of said Lot 34; thence

(e) along said prolongation, South $89^{\circ} 34' 53''$ East, 6.75 feet to the Point of Beginning.

EXHIBIT A

EXHIBIT E

**DEVELOPMENT AGREEMENT AND
LAND SALE CONTRACT
JULY 18, 1995**

Exhibit F

DEVELOPMENT AGREEMENT
AND LAND SALE CONTRACT

THIS AGREEMENT is made on or as of the 18th day of July, 1995, by and between the REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, a public body, corporate and politic, hereinafter referred to as the "Agency," the CITY OF FRESNO, a municipal corporation, hereinafter referred to as the "City," and COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA, a California non-profit corporation, or its nominee, hereinafter referred to as the "Developer."

RECITALS:

A. Developer is interested in expanding its operation to be part of a regional medical center.

B. To this end, Developer has been exploring alternatives for the development of a regional medical center, which alternatives may include participation by the City, the Agency, Fresno County, the University of California, and/or other participants.

C. In furtherance of the objectives of the Community Redevelopment law of the State of California and the objectives addressed in the negotiations, the Agency and Developer desire to carry out an urban renewal project (hereinafter referred to as the "Project") in the area (hereafter referred to as the "Regional Medical Center Project Area" or "Project Area") of the City as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference and as listed in the "Project Description" as more particularly described as Exhibit "B" attached hereto and incorporated herein by this reference.

APPROVED FOR THE DEVELOPMENT AGENCY

Feb. 2 19 95

JACQUELINE L. RYLE, CITY CLERK

BY Elvira Sommeville

DEPUTY

EXHIBIT F

D. As of the date of this Agreement, there has been prepared and approved by the Agency (1) the Mariposa Project Urban Renewal Plan adopted by the City Council of the City on January 14, 1969, by Ordinance No. 69-11 and recorded among the land records in the Office of the Recorder of the County of Fresno, State of California in Book 5652 of the Official Records, at Page 222, and amended by Ordinance No. 72-26 recorded April 26, 1972, in Book 6016, Page 155 of the Official Records, and amended by Ordinance No. 75-124 recorded September 29, 1976, in Book 666, Page 577 of the Official Records, and amended by Ordinance No. 79-112 recorded August 13, 1979, in Book 7348, Page 306 of the Official Records, and amended by Ordinance No. 82-78 recorded December 27, 1982, in Book 8026, Page 733 of the Official Records, and amended by Ordinance No. 88-23 recorded August 12, 1988, in Document No. 88087291 of the Official Records, and amended by Ordinance No. 88-116 recorded September 29, 1988, in Document No. 88107945 of the Official Records, and amended by Ordinance No. 92-55 recorded August 5, 1992, in Document No. 92109258 of the Official Records, and (2) the Jefferson Area Community Redevelopment Plan adopted by the City Council of the City on December 18, 1984, by Ordinance No. 84-182 and recorded among the land records in the Office of the Recorder of the County of Fresno, State of California in Document No. 85026663 recorded on March 20, 1985. The Regional Medical Center Project Area lies within the Mariposa Project Urban Renewal Plan and the Jefferson Area Community Redevelopment Plan (hereinafter collectively referred to as the "Redevelopment Plans").

E. In order to enable the Agency to achieve the objectives of the development project and particularly to make the land in the Regional Medical Center Project Area

available for redevelopment by private enterprise in accordance with the uses specified in the development project, both the Federal Government and the City have undertaken to provide and have provided substantial aid and assistance to the Agency in the Mariposa Urban Renewal Project Plan.

F. Upon the condition that the Agency has available tax increment funds or other funds for the acquisition of certain parcels of property within the Regional Medical Center Project Area, the Agency offers to sell and the Developer is willing to purchase those certain parcels of property located in the Regional Medical Center Project Area and more particularly described in Exhibit "C" (hereinafter referred to as the "Property") attached hereto and made a part hereof by this reference, and to redevelop the Property for and in accordance with the uses specified in the development project and in accordance with this Agreement.

G. The Agency believes that the retention of the existing Fresno Community Hospital facilities downtown, the redevelopment of the Property pursuant to this Agreement, and the fulfillment generally of the terms of this Agreement, are in the vital and best interests of the City and the County and the health, safety, morale, and welfare of its residents, and in accord with the public purposes and provisions of the applicable Federal, State and local laws and requirements under which the Project has been undertaken and is being assisted.

H. In furtherance of arriving at this Agreement, the Agency and Developer have expended considerable time, effort and money to implement the development project, including, but not limited to, sums of money for economic feasibility studies, design and architectural plans, survey and project planning.

I. The parties intend that eighty percent (80%) of the net tax increment received by the Agency from the Jefferson Area Community Redevelopment Plan and Mariposa Project Urban Renewal Plan after the date of this Agreement shall be expended on the Project and twenty percent (20%) of said net tax increment shall be expended for the residential improvement program for low and moderate income housing within the Jefferson Area Community Redevelopment Plan area, subject to the annual debt service requirements of obligations entered into prior to the date of this Agreement.

J. The parties intend that the Project, including the public infrastructure improvements, and the residential improvement program be designed to create a secure and efficient campus environment for the Regional Medical Center.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

SEC. 1. DEFINITIONS.

Unless the particular provision or context otherwise requires, the definitions contained in this section shall govern the construction, meaning, and applications used in this Agreement.

(a) "Available funds" means net funds available for City or Agency use in accordance with all applicable laws, policies and procedures of the Agency or City, whichever is applicable. At a minimum, the term "available funds" shall include eighty percent (80%) of the net tax increment received by the Agency from the Jefferson Area Community Redevelopment Plan and the Mariposa Project Urban Renewal Plan (excluding any amounts obligated to the Civic Center Square

Project or other existing debt service requirements or obligations entered into prior to this Agreement) after the date of this Agreement for site acquisition, relocation, clearance and public improvements; and twenty percent (20%) of the net tax increment received by the Agency from the Jefferson Area Community Redevelopment Plan after the date of this Agreement for the residential improvement program. The Agency and City commit funds to complete the public improvements, acquisition and any other Phase I obligation under this Agreement. Said cost estimates are as set forth in Exhibit "J," attached hereto and incorporated herein, in an amount currently estimated at \$8,933,525.00. Should the total Phase I public improvement costs exceed \$2.5 million, the parties shall in good faith renegotiate the Developer and Agency/City contributions.

(b) "City" means the City of Fresno, a municipal corporation, which is a separate and distinct legal entity from the Agency.

(c) "Developer" shall also mean redeveloper within the meaning of the Community Redevelopment Law of the State of California.

(d) "Development" shall also mean redevelopment within the meaning of the Community Redevelopment Law of the State of California.

(e) "Improvement District" means an improvement or acquisition district created pursuant to either the Improvement Act of 1911 or the Municipal Improvement Act of 1913 and the Municipal Code of the City.

(f) "Phase I Area" means that portion of the Project entailing the construction of improvements on that portion of the Regional Medical Center

Project Area designated for acquisition by amendments to the Jefferson Area Community Redevelopment Plan and Mariposa Project Urban Renewal Plan prior to the effective date of this Agreement and more particularly described in Exhibits "A" and "B" as the Phase I Area.

(g) "Phase II Area" means that portion of the Project entailing the construction of improvements on that portion of the Regional Medical Center Project Area which is designated for acquisition by an amendment to the Jefferson Area Community Redevelopment Plan prior to the effective date of this Agreement and more particularly described in Exhibits "A" and "B" as the Phase II Area.

(h) "Phase III Area" means that portion of the Project entailing the construction of improvements on that portion of the Regional Medical Center Project Area which is designated for acquisition by an amendment to the Jefferson Area Community Redevelopment Plan subsequent to the effective date of this Agreement and more particularly described in Exhibits "A" and "B" as the Phase III Area.

(i) "Phase IV Area" means that portion of the Project entailing the construction of improvements on that portion of the Regional Medical Center Project Area which is designated for acquisition by an amendment to the Jefferson Area Community Redevelopment Plan subsequent to the effective date of this Agreement and more particularly described in Exhibits "A" and "B" as the Phase IV Area.

(j) "Project" means the Central California Regional Medical Center and its four phases described in attached Exhibits "A" and "B."

(k) "Owner Participant" shall mean Fresno Community Hospital and Medical Center, a California non-profit corporation and related entity of Developer or third parties, with respect to any property they own within the Regional Medical Center Project Area which has been designated as owner participant properties under the Urban Renewal Plan as amended, within the meaning of the Community Redevelopment Law of the State of California. Properties owned by the Owner Participant which may be utilized in this Project are those listed in Exhibit "D" attached hereto and incorporated herein by this reference.

SEC. 2. SALE. PURCHASE PRICE.

(a) Subject to all terms, covenants, and conditions of this Agreement, the Agency shall use its best efforts to acquire the parcels of property described in Exhibit "C" designated for acquisition by the Jefferson Area Community Redevelopment Plan and Mariposa Project Urban Renewal Plan prior to the effective date of this Agreement as the Phase I Area (the "Phase I Property"), the Phase II Area (the "Phase II Property"), the Phase III Area (the "Phase III Property") and the Phase IV Area (the "Phase IV Property") at the times set forth in Section 4 below.

(b) Subject to all terms, covenants, and conditions of this Agreement, the Agency will sell the Phase I Property, the Phase II Property, the Phase III Property and the Phase IV Property to the Developer for, and the Developer will purchase said properties from the Agency and pay therefor, the amount of the purchase price as hereinafter set forth. Except as provided in Section 2(e) below, the

purchase price for the Phase I Property, the Phase II Property, the Phase III Property and the Phase IV Property shall be paid in cash or by certified check simultaneously with the delivery of the Deed conveying said properties or any portion thereof to the Developer. Developer acknowledges that Agency has not made any representations that it presently owns any of said property, but on the contrary Agency has advised Developer that such properties are held in private ownership and that Agency has no interest in the property. The City has commenced appraisals toward the acquisition of certain properties within the Project Area for the Fresno Street widening and landscaping project.

(c) The purchase price for the Phase I Property, Phase II Property, Phase III Property and Phase IV Property shall be Four and No/100 Dollars (\$4.00) per square foot if Developer purchases said properties or any portion thereof within five (5) years of the effective date of the amendment to the Jefferson Area Community Redevelopment Plan designating the acquisition of the Phase I Property, the Phase II Property, the Phase III Property and the Phase IV Property (the "Initial Purchase Price"). The Agency shall provide the Developer with written notice of the effective date of said Plan within thirty (30) days after the effective date. Thereafter the purchase price per square foot shall be the (\$4.00) four dollars per square foot price adjusted upward or downward for the second five (5) years from the effective date of said amendment to the Jefferson Area Community Redevelopment Plan according to the following computation:

The base for computing the adjustment is the index figure for the month said amendment is effective (the index date), as shown in the Consumer Price Index (CPI) for Labor-

San Francisco-Oakland Average based on the period 1957-1959 = 100 as published by the U.S. Department of Labor's Bureau of Labor Statistics.

The index for the adjustment date shall be computed as a percentage of the base figure. For example, assuming the base figure on the index date is 110 and the index figure on the adjustment date is 121, the percentage to be applied is $121/110 = 1.10$ - 110 percent. That percentage shall be applied to the Initial Purchase Price for the period beginning on the adjustment date (five years after the index date) and continuing until ten (10) years from the effective date of said amendment.

The index for the adjustment date shall be the one reported in the U.S. Department of Labor's most comprehensive official index then in use and most nearly answering the foregoing description of the index to be used. If it is calculated from a base different from the base period 1957-1959 = 100 used for the base figure above, the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Bureau.

If the described index shall no longer be published, another generally recognized as authoritative shall be substituted by agreement of the parties. If they are unable to agree within 60 days after demand by either party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor.

Prior to the close of escrow, the Agency and the Developer shall determine the square footage of the Phase I Property, the Phase II Property, the Phase III Property and the Phase IV Property by survey. The cost of the survey shall be borne by the Agency. The purchase price shall exclude the square footage of any public rights-of-way or vacated or abandoned rights-of-way to be conveyed to Developer at no cost to Developer. The property in each phase shall be conveyed in a clear and buildable condition, except when designated otherwise by

Developer. All necessary rezoning and special permits (as defined by the Fresno Municipal Code) and other development fees except for plan check and building permit fees for the development as contemplated herein shall be paid by the Agency. The Developer shall pay all plan check and building permit fees.

(d) Notwithstanding the provisions of subparagraph (c) of this section, if an entity other than the Developer, Fresno Community Hospital and Medical Center, University of California, California State University, Valley Children's Hospital, Central California Regional Medical Center or other non-profit medical services provider or educational institution is assigned Phase II Property, Phase III Property or Phase IV Property, or any portion of said property for development and use for a purpose other than as set forth in Exhibit "B" or related uses consistent with this Agreement, then the purchase price shall be determined by negotiations between the parties.

(e) The purchase price shall include all impositions for public infrastructure improvements as noted in Section 9, within the Phase I Property, Phase II Property, Phase III Property or Phase IV Property (which improvements shall be installed or paid by the City or Agency), all rezoning and special permit fees relating to the Phase I Property (which fees shall be paid for by the Agency), and the sewer, water and flood control fees which shall be paid by the City or Agency.

(f) In the event that acquisition of all or any portion of the Phase I Property, Phase II Property, Phase III Property or Phase IV Property requires the use of eminent domain procedures, the Developer shall advance to the Agency the

purchase price for such property to be so acquired at such time as a deposit is required by the court in which the eminent domain proceeding is taking place. If, for any reason, the eminent domain procedures do not result in the purchase of said properties or any portion thereof, the payments advanced to the Agency by Developer shall be returned to Developer by Agency promptly upon the failure, abandonment or termination of the eminent domain proceedings.

SEC. 3. CONVEYANCE OF PROPERTY.

(a) **Form of Deed.** The Agency shall convey to the Developer title to each parcel of property for Phase I Area, Phase II Area, Phase III Area and Phase IV Area by Grant Deed (hereinafter referred to as the "Deed" or "Deeds") in the form set forth in Exhibit "E" attached hereto and made a part hereof by this reference or such other form as the parties may mutually agree in writing. Such conveyance and title shall be subject to the appropriate Redevelopment Plan and to all other conditions, covenants and restrictions set forth or referred to in this Agreement.

(b) **Time and Place for Delivery of Deed.** The Agency shall deliver the Deed or Deeds and possession of the Property described in Exhibit "C" on the dates established in Section 4 below or on such other date(s) as the parties hereto may mutually agree in writing. Conveyance shall be made at the principal office of the Agency or the office of the title company selected to handle the escrow by mutual consent of the Agency and Developer and the Developer shall accept such conveyance and pay to the Agency at such time and place the purchase price therefor as set forth in Section 2 above.

(c) Apportionment of Current Taxes and Assessments. The parties acknowledge that the Developer is a non-profit corporation not obligated to pay real property taxes. If the Developer or its assignee or nominee becomes subject to such taxes, taxes and assessments shall be prorated as of the close of escrow.

(d) Recordation of Deed. The Developer shall promptly file the Deed or Deeds for recordation among the land records of the place in which the Property is situated. The Developer shall pay all costs (including the cost of any transfer tax) for recording any of the Deeds.

(e) Evidence of Title and Escrow Fees. Evidence of title is to be in the form of a standard ALTA owner's policy or policies of title insurance issued by or through a title company mutually acceptable to the Agency and Developer, the fee for such policy or policies of title insurance shall be paid by the Agency and the Developer. The Agency shall pay an amount equal to the cost of a CLTA policy and the Developer shall pay the balance of the fee. The escrow fees shall be borne equally by the Agency and Developer.

SEC. 4. TIME FOR CERTAIN ACTIONS.

(a) City and Agency Discretionary Approvals. The City and Agency shall immediately upon execution of this Agreement commence necessary procedures to begin the public hearing process for those legislative and administrative acts to implement this project. Nothing herein requires that the City or Agency approve any required amendment, eminent domain or other discretionary approval. Said review process shall include any required environmental review under the California Environmental Quality Act.

(b) The Agency may also consider an increase in the size of the Jefferson Area Community Redevelopment Plan.

(c) The Agency may also consider an increase in the size of the Mariposa Project Urban Renewal Plan.

(d) City Land Use and Circulation Amendments. City shall consider, through its normal development processes, any land use, zoning, planning or other types of amendments to implement this Project. Said reviews shall be subject to all necessary public hearing requirements and shall follow all required environmental steps under the California Environmental Quality Act.

(e) Project and Plan Merger and Use of County Resources. The parties agree that the potential funding needs for this Project may exceed the funding capacities of the Jefferson Area Community Redevelopment Plan and Mariposa Project Urban Renewal Plan. Based upon this potential eventuality, the Parties agree to consider other funding sources including, but not limited to, Plan mergers with other Project Areas, cooperative arrangements with the County and other legislative solutions.

(f) Conditional Use Permit and Acquisition of Properties. The City and Developer shall submit a joint application(s) for a Conditional Use Permit(s) ("CUP") consistent with the Conceptual Land Use Plan attached hereto as Exhibit "B." The Agency and City acknowledge receipt and approval of the Conceptual Land Use Plan, which will be subject to evaluation, modification and approval through the CUP process. Within thirty (30) days of approval of the CUP and following a request by the Developer, the Agency shall commence acquisition of

the Phase I area parcels described in such request and shall complete acquisition and deliver such parcels, as can be acquired for fair market value through negotiation, to the Developer as soon as reasonably practicable under the circumstances in accordance with Exhibit "F" attached hereto and incorporated herein by this reference. Within ninety (90) days following a request(s) by the Developer, the Agency shall commence acquisition of all or portions of the Phase II Property, Phase III Property and/or Phase IV Property described in such request and shall complete acquisition and deliver such parcels, as can be acquired for fair market value through negotiation, to the Developer as soon as reasonably practicable under the circumstances in accordance with Exhibit "F" attached hereto and incorporated herein by this reference. The numbering of Phase II, Phase III or Phase IV shall not be construed to require acquisition or development in a particular sequence. As to any Phase I-IV parcels requiring acquisition through eminent domain, the Agency shall use its best efforts to acquire the parcels. "Best efforts" shall mean all reasonable and legal means including, at the Agency's discretion, condemnation in accord with all applicable laws, noticing and hearing requirements. Notwithstanding, any other provision of this Agreement, the City or Agency shall not be obligated to acquire any Phase II-IV property for which available funds of the Agency are insufficient.

(g) Construction Schedule. The Developer shall construct quality site developments, which may include but are not limited to fencing, cleanup, landscaping, fountains and interim or permanent parking facilities on the Property consisting of the vacated streets, within a reasonable time, and, in no event later

than 18 months from the date the Developer obtains title to said streets.

Developer shall construct similar improvements on privately owned parcels acquired by the Agency and conveyed to the Developer within 18 months of demolition of the improvements and conveyance of all Phase I property. Until such time as all such parcels are conveyed to the Developer, any parcels shall be maintained by the Developer free of debris. Said construction schedule shall be extended by a reasonable allowance on account of delays caused by the occurrence of strikes, natural disasters, project approval and other causes beyond the control of the Developer. All such parcels shall eventually be incorporated into the Central California Regional Medical Center in substantial conformance with the CUP and Conceptual Land Use Plan. The parties acknowledge and agree that the Developer requires substantial flexibility for the time to construct permanent improvements due to design criteria dependent upon the inclusion of other health care providers in the Project and their facility needs. The Developer shall construct the permanent improvements for Phase I within a reasonable time given all the facts and circumstances of this unique Project. Notwithstanding any other provision of this Agreement, Developer shall finance, construct and complete, or cause to be completed, all permanent Phase I improvements within fifteen (15) years of execution of this Agreement.

(h) Fresno Street Widening and Landscaping. The City has commenced a project to widen and landscape Fresno Street within the Regional Medical Center Project Area, including the acquisition of land. The City will use its best efforts to

complete said project within the timeline specified in Exhibit "G," attached hereto and incorporated herein by this reference.

(i) Time Limits. The time limits listed herein are based upon the best estimates of the parties. Said time limits may be extended by either party based upon additional public hearings, environmental review, natural disasters, work stoppages or other similar delays.

SEC. 5. ACQUISITION BY THE DEVELOPER.

If, after the execution of this Agreement, the Developer acquires parcels within the Phase I Area, Phase II Area, Phase III Area or Phase IV Area directly from third parties, the Developer shall receive a credit against any future purchase price for property acquired from the Agency in an amount equal to the fair market value of such property minus the applicable Purchase Price. Fair market value shall be determined by the parties or by an appraisal performed by an appraiser mutually acceptable to the parties if the parties cannot agree.

SEC. 6. DEVELOPER ADVANCES.

In the event the Agency has insufficient available funds to complete the acquisition of any particular phase or portion thereof as directed by the Developer, the Developer may, at Developer's sole option, loan such deficiency to the Agency and the Agency shall use such funds to complete the acquisition, to the extent allowable by law. Notwithstanding the above, as to Phase I, the Developer shall advance to the Agency for purposes of acquisition, the Phase I purchase price, estimated to be \$1.9 million (such amount to be determined through survey). Funds advanced to the Agency by Developer shall be deposited into an interest bearing escrow account as directed by Developer. All

interest shall remain the property of the Developer and shall be paid to Developer upon demand. Any funds withdrawn by the Agency for acquisition shall accrue interest from the date withdrawn until escrow is closed on the property for which the funds were required and the purchase price credited against the outstanding balance. In no event shall the Agency withdraw an amount for acquisition of any particular property in excess of the Developer's purchase price for said property. The interest and principal on such loans remaining after application of the Developer's purchase price shall be repaid solely from net tax increments generated within the project area which are available after the repayment of all project area debt incurred prior to the date of the Advance. Such loans shall accrue interest at the Bank of America reference rate minus one and one-half (1.5) percentage points at the time of the advance. The Developer shall provide the Agency with evidence of the availability of funds equal to the Purchase Price before the Agency commences acquisition of such properties, which may include a letter of credit, an escrow account funded by the Developer in the name of the Agency, a direct transfer of funds from the Developer to the Agency or other reasonable means.

SEC. 7. ASSIGNMENT.

Developer (or any of the assignees designated below) upon twenty (20) days prior written notice shall have the right to assign its rights and obligations in whole or in part to any of the following without prior Agency approval:

- (a) Fresno Community Hospital and Medical Center;
- (b) University of California;
- (c) California State University;
- (d) Valley Children's Hospital; and

(e) Central California Regional Medical Center.

Assignments to other medical service providers and educational institutions are subject to the consent of the Agency, which consent shall not be unreasonably withheld. The Agency's approval of said assignments shall be based upon the assignee's financial ability to perform its obligations under this Agreement and to provide the medical services contemplated by the Project.

Neither the Developer nor Fresno Community Hospital and Medical Center if it becomes the nominee or assignee of the Developer shall be required to complete the Phase II, Phase III or Phase IV portion of the Project. Such entity's sole obligation shall be to use its best efforts to assign the rights and obligations for Phases II, III and IV to an approved entity.

SEC. 8. RESIDENTIAL IMPROVEMENT PROGRAM.

The Agency and Developer agree that success of the Regional Medical Center is conditioned in part on the improvement of the residential neighborhood adjacent to the Regional Medical Center. The Agency agrees to establish or cause the City to establish a residential improvement program within the existing Jefferson Area Community Redevelopment Plan area to include residential rehabilitation, enforcement of building codes, acquisition of unsafe and unfit housing, and replacement and infill housing in accordance with the timeline set forth in Exhibit "H," attached hereto and incorporated herein by this reference.

The Agency or City may extend the residential improvement program to any area added to the Jefferson Area Community Redevelopment Plan provided the funding for the

added area is from sources other than the 20% of tax increment set aside for low and moderate income housing generated by the Jefferson Area Community Redevelopment Plan and Mariposa Project Urban Renewal Plan.

SEC. 9. PUBLIC IMPROVEMENTS.

It is mutually understood by the parties that the City may form any necessary improvement districts to construct required public improvements, provided the Agency enters into an Agreement with Developer whereby the Agency shall pay any assessments related thereto when due, except that nothing precludes the right of Developer to protest the assessment through normal protest procedures. The Agency or City will construct or cause to be constructed any public streets, sewer lines and water lines, pedestrian malls and other public improvements necessary to serve Phase I of the Project in those areas specified in Exhibit "B," attached hereto and made a part hereof by this reference and/or take the necessary steps to vacate, abandon and close such streets, alleys and rights-of-way as set forth in Exhibit "B," subject to any legal requirements, including, without limitation, compliance with the California Environmental Quality Act. Nothing shall impair the ability of the City, or its subsidiary special assessment districts, from denying any approval for which a public hearing is required. Notwithstanding, any other provision of this Agreement, the Agency or City obligation to construct infrastructure or pay any fees for Phases II through IV shall be subject to available Agency funds within the Mariposa Project Urban Renewal Plan and Jefferson Area Community Redevelopment Plan. This Agency or City obligation to construct infrastructure shall apply only to public properties used for public purposes such as streets, sidewalks, sewers, water lines, etc. Any connections of this public infrastructure to the property of Developer shall be paid for by

Developer.

SEC. 10. CONDITIONS.

(a) Environmental Audit. Prior to the acquisition of any parcel within Phase I Area, Phase II Area, Phase III Area or Phase IV Area, the Agency shall have a qualified person or company acceptable to the Developer conduct a level 1 environmental audit of all parcels within that phase of the Project. In the event such audit discloses the possibility of contamination by hazardous or toxic substances, the Agency shall conduct a level 2 environmental audit. The cost of all environmental audits shall be borne by the Agency or the City. The Agency shall provide the Developer with a copy of all environmental audit reports. In the event a level 2 environmental audit confirms the presence of contamination by hazardous or toxic substances, the parties shall meet and confer within thirty (30) days of the date the Agency receives the level 2 environmental audit report to determine whether to proceed with the acquisition of the contaminated parcel and who will bear the cost of remediation. If the parties fail to agree, the parcel shall be severed from the Project. Developer shall have the option to terminate this Agreement without liability to the Agency or the City if the severed parcel materially impacts the feasibility of the Project.

(b) Termination of Agreement for Failing to Grant a Discretionary Approval. Neither the Agency or the City shall be liable for any monetary damages to Developer, its successors or assigns for any termination or modification of this Agreement due to the failure of the City or Agency to grant an approval on a matter subject to a discretionary approval. However, any such failure shall be

grounds for the Developer to terminate this Agreement.

SEC. 11. PERIOD OF DURATION OF COVENANT ON USE.

The covenant pertaining to the uses of the Property located within the Mariposa Project Urban Renewal Plan, set forth in Section 401(a) of Part II (Form HUD-6209B, 9-69) recorded in the office of the County Recorder in Book 5773, Page 411 of Official Records shall remain in effect from the date of the Deed or Deeds until the period specified or referred to in the Mariposa Project Urban Renewal Plan, on which date such covenant shall terminate.

SEC. 12. NOTICES AND DEMANDS.

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) In the case of the Developer, if addressed or delivered personally to the Developer at Fresno and "R" Streets, Fresno, California 93715; and

(b) In the case of the City or Agency, if addressed to or delivered personally to the City or Agency at 2600 Fresno Street, Fresno, California 93721, or at such other address with respect to either such party as the party may, from time to time, designate in writing and forward to the other as provided in this Section.

SEC. 13. SPECIAL PROVISIONS.

(a) Certain Covenants To Run With The Land. The Developer covenants for itself, its heirs, executors, administrators, successors and assigns, and all persons claiming under or through them, that said Developer, and such heirs,

executors, administrators, successors and assigns, and all persons claiming under or through them, shall:

(1) Local, State and Federal Laws. The Developer shall construct, operate and use the Project and all related improvements in accordance with all applicable local, state and federal laws, codes, ordinances and regulations, including without limitation all applicable state and federal labor standards.

(2) Not effect or execute any agreement, lease, conveyance, or other instrument whereby the Project or any part thereof is restricted upon the basis of race, religion, color, ancestry or national origin in the sale, lease or occupancy thereof; and,

(3) Not discriminate against or segregate any person, or group of persons, on account of race, color, religion, national origin, or ancestry in the sale, lease, sublease, rental, transfer, use, occupancy, tenure, or enjoyment of the Project herein referred, or any improvements erected or to be erected thereon, nor shall the Developer itself, or any person claiming under or through it, establish any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Project herein referred; and,

(4) Provide in all leases, subleases or conveyances affecting the Project, that no person shall, on the ground of race, color, religion, national origin, or ancestry be excluded from participation in, be denied the benefits

of, or be subjected to discrimination under any program or activity of this Agreement; and,

(5) Comply with all Federal, State, and local laws, in effect from time to time, prohibiting discrimination or segregation by reason of race, religion, color, creed, national origin or ancestry in the sale, lease or occupancy of the Project.

It is intended and agreed that the agreements and covenants provided in this subsection (a) shall be covenants running with the land and that they shall inure to the benefit of and be enforceable by the Agency, its successors and assigns, and the owner of any other land in the Project Area which is subject to the land use requirements and restrictions of the Plan, as amended. It is further intended and agreed that the covenants contained in paragraphs (1) through (5) inclusive, of paragraph (a) hereinabove of the Agreement, shall remain in effect without limitations as to time.

(b) Anti-Discrimination Covenants. The Developer herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the Developer itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants,

sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land. The foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

(c) Deeds. The Deed(s) conveying the Property, or any portion thereof, shall contain the covenants contemplated in subsection (a) of this Section and the form of grant deed attached hereto as Exhibit "E."

(d) Leases. Any lease of the Property, or any portion thereof, shall contain the covenants in subsection (a) of this Section.

(e) Anti-Speculation. The Developer shall comply with California redevelopment law, applicable federal law and any other laws or existing policies of the Agency prohibiting the Developer from profiting from land speculation in connection with properties acquired by it for redevelopment purposes. The parties acknowledge and agree that the Central California Regional Medical Center concept contemplates possible participation by the University of California Medical Center and other health care providers. Nothing contained herein shall preclude the Developer from entering into a ground lease or transferring parcels to other non-profit or for profit entities in substantial conformance with the Conceptual Land Use Plan, CUP and the Central California Regional Medical Center concept. The restrictions of this Subsection (e) shall terminate after recordation of the Certificate(s) of Completion applicable to such parcels. Developer shall receive the Certificate(s) of Completion in accordance with subsection (h) of this section. The City and Agency shall be given sixty (60) days prior written notice of any transfer,

assignment or conveyance of the Property or any portion thereof.

(f) Inspection of Books, Records and Documents. The Agency shall have the right to inspect the books, records and other documents of the Developer pertaining to the Project as may be reasonably necessary to determine the Developer's compliance with this Agreement, including the anti-speculation provisions and the Developer's duty to construct certain improvements specified in this Agreement. Such inspection shall be made during normal business hours upon at least five days' prior written notice. It is expressly understood and agreed that the Developer has no duty to disclose information regarding its strategic plan or other information which would place it in a competitive disadvantage with other health care providers if disclosed.

(g) Financing Plan. The Agency acknowledges review of the Developer's financing plan for the Project.

(h) Certificate(s) of Completion. Promptly after completion of the Project or any phase or portion thereof, the Agency shall furnish a Certificate of Completion to the Developer. The Agency shall not unreasonably withhold such Certificate(s) of Completion from the Developer. The Certificate(s) of Completion shall be, and shall so state, conclusive determination of satisfactory completion of construction of the Project or any phase or portion thereof. After a Certificate of Completion is recorded for the Project or any phase or portion thereof, neither the Agency nor any other person shall have any rights, remedies or control under this Agreement, except for the covenants that run with the land. The Certificate(s) of

Completion shall be in the form set forth in Exhibit "I" attached hereto and made a part hereof by this reference or such other form as the parties may mutually agree in writing.

(i) Insurance. The Developer shall maintain the following insurance policies in full force and effect at all times while the Developer or its employees, contractors or agents have access to the Property and until the certificate of Completion for the Project is recorded:

(1) Comprehensive general liability in an amount not less than \$1,000,000.00.

(2) Workers' Compensation in the statutory amount.

The policy of comprehensive liability insurance shall specify that the coverage provided is primary and shall specify that the City and Agency, and their respective officers and employees are additional insureds. Such policy shall also provide that it shall not be cancelled or materially changed without thirty (30) days' prior written notice to the Agency. The Developer shall submit to the Agency certificates evidencing the above insurance policies on or before the date the Agency conveys title. As to the Worker's Compensation self-insurance, Developer shall indemnify and defend City from any liability or claims arising from Worker's Compensation issues. The certificates shall be in a form acceptable to the Risk Manager of the City.

(j) Transfer. The Developer shall not, except as expressly permitted by this Agreement, assign or attempt to assign this Agreement or any right herein, or encumber, mortgage, or otherwise, lien property conveyed to it by the City or

Agency nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Project, or suffer an involuntary assignment or conveyance of this Agreement, the Project or any portion of either, without thirty (30) day prior written notification of the Agency. This restriction shall not prevent the granting of easements or permits to facilitate the development of the Project, nor shall it prohibit granting any security interest for financing the development of the Project.

(k) Legal Actions.

Should the Developer not comply with the construction schedule set forth in subsection 4(g), it shall be in default under this Agreement. Should said default continue for a period beyond sixty (60) days following a written notice issued by the Agency, Developer shall immediately pay the Agency its direct out-of-pocket costs to the date of the default notice to acquire and convey any of the Phase I through Phase IV Properties already conveyed or in the process of being conveyed excluding any property for which a certificate of completion has been issued. Such costs shall include the Agency's purchase price for the property or the fair market value of the property on the date of default, whichever is greater, plus escrow fees, appraisal costs, title insurance premiums and other similar costs associated with Agency acquisition and conveyance of real property. Such costs shall not include any internal staff costs. The Developer shall have the right to offset against such costs the purchase price it paid for such property, any credit for property it acquires from third parties pursuant to Section 5, herein, and the principal and interest of any advance it made for any properties pursuant to Section 6, herein

which remains outstanding. In addition to the remedy stated above or any other rights or remedies, any party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. Such legal action may be instituted in the Superior Court of Fresno County, in an appropriate municipal court in Fresno County, or in the Fresno Division of the Federal District Court for the Eastern District of California.

(l) Rights and Remedies are Cumulative. Except as may be expressly stated otherwise in this Agreement, the rights and remedies of the parties are cumulative; the exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default.

SEC. 14. PROPERTY OWNED BY OWNER PARTICIPANTS.

Properties owned by the Owner Participant in the Regional Medical Center Project Area are described in Exhibit "D," attached hereto and made a part hereof by this reference. Subject to the conditions that the Agency has available funds to acquire any or all of said properties through its budgetary process, the Agency shall negotiate the sale of any or all of said properties owned by third parties to the Developer prior to any public offering of the same.

SEC. 15. PARTIES NOT PARTNERS.

Nothing in this Agreement is intended to create a partnership or joint venture between or among any of the parties hereto.

SEC. 16. GOVERNING LAW.

This Agreement shall be interpreted, and the rights and duties of the parties hereto (both procedural and substantive) shall be determined according to California law, except where applicable federal law or regulations apply. In the event that legislation is adopted which substantially impairs the ability of the parties to meet their obligations under this Agreement, the parties shall undertake good faith efforts to renegotiate this Agreement. If, after such renegotiation efforts are not successful, any party may terminate this Agreement.

SEC. 17. MERGER.

This Agreement integrates all of the terms, conditions, agreements and understandings between the Agency and the Developer concerning all matters described in the Agreement. This Agreement supersedes all negotiations and previous agreements between the parties with respect to all or any part of the above matters. However, none of the terms, covenants, agreements or conditions in this Agreement shall be deemed to be merged with the Deeds.

SEC. 18. NON-WAIVER OF LEGISLATIVE AND OTHER POWERS.

Notwithstanding any other provision of this Agreement, City and Agency retain the sole discretion to exercise their legislative, regulatory or other similar power, including but not limited to, the exercise of police powers in approving, denying, modifying, permitting or taking other action regarding the subject matter of this Agreement.

SEC. 19. AMENDMENT.

This Agreement may be amended or modified only in a writing signed by all parties.

SEC. 20. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed an original and together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agency and the City have caused this Agreement to be duly executed in their name and behalf by their Ex-Officio Director and City Manager, respectively, and the City seal to be hereunto duly affixed and attested by their Clerk, and the Developer has caused this Agreement to be duly executed in its name and behalf, on or as of the day first above written.

"Developer"

COMMUNITY HOSPITALS OF
CENTRAL CALIFORNIA, a California
non-profit corporation

By Bruce M. Perry

"Agency"

REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO

By Michael A. Bermer

"City"

CITY OF FRESNO

By Michael A. Bermer

ATTEST:

JACQUELINE L. RYLE
ex officio Clerk for the Redevelopment
Agency of the City of Fresno and
Clerk of the City of Fresno

By Rebecca E. Kloock, Asst.
Clerk, ex officio

APPROVED AS TO FORM:

Attorney for the Redevelopment Agency
of the City of Fresno and City of Fresno

By 
JS/DJS/mh.200905

**CENTRAL CALIFORNIA
REGIONAL MEDICAL NETWORK**

- Development Agreement Exhibits -

2/6/95

EXHIBIT F

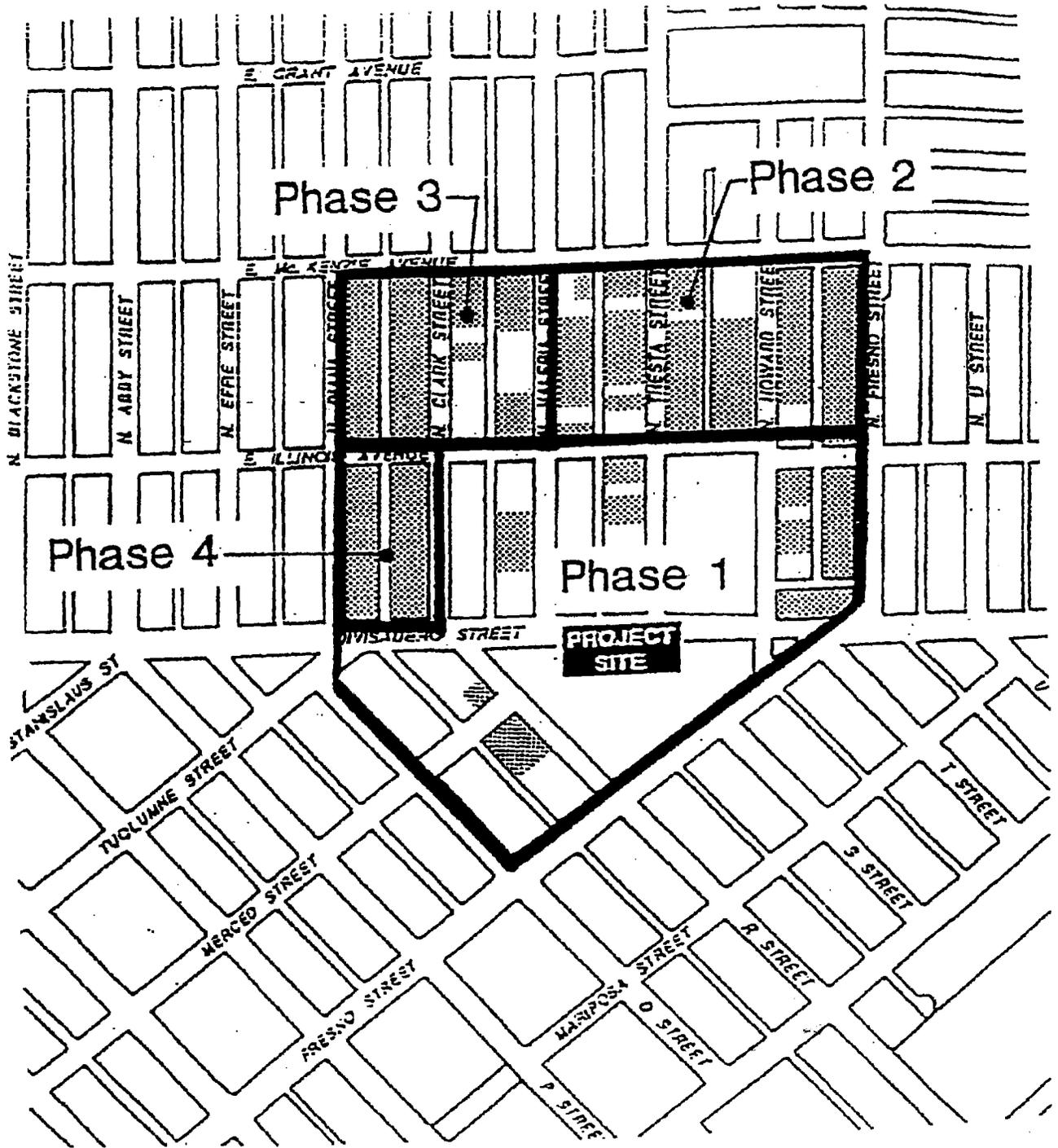


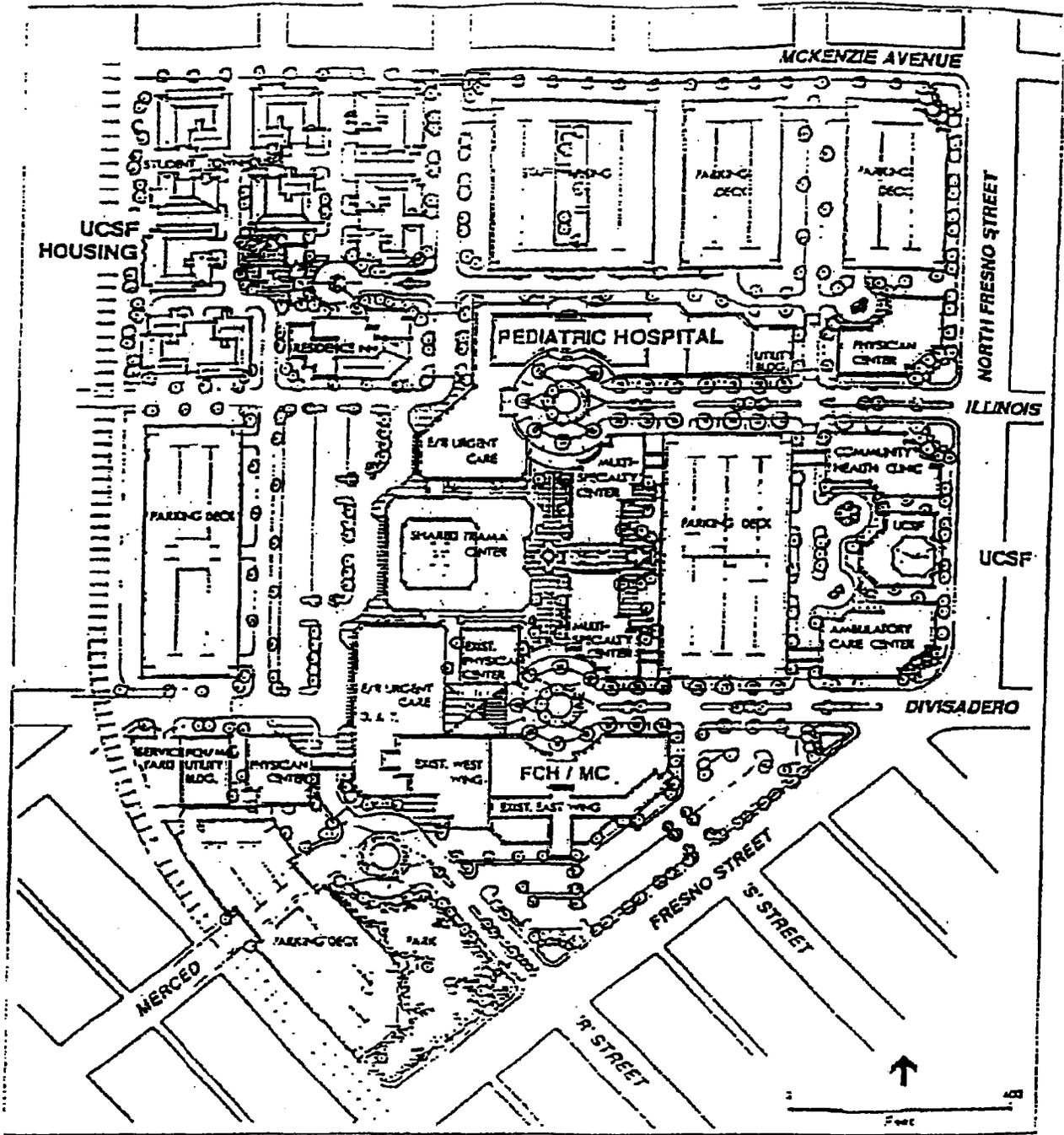
EXHIBIT A: PROJECT AREA

EXHIBIT F

EXHIBIT B: DESCRIPTION OF PROJECT

The FCH&MC campus would provide the existing core facility around which the proposed CCRMN would be developed in four stages, ultimately creating a new 58-acre campus. The proposed campus would be bound by Fresno Street to the east, McKenzie Avenue to the north, Diana Street to the west, and Q street to the southwest. Property within the project area not currently under FCH&MC ownership would be subject to site acquisition by the Redevelopment Agency. The new Regional Medical Center would total an estimated 1,885,000 square feet, including possible mid-rise structures, with 5,000 parking spaces in surface lots and parking structures.

The project also includes amendments to the Mariposa and Jefferson Redevelopment Plans, and rezoning of 135 parcels to the C-P, Administrative and Professional Office District. Portions of Divisadero, Illinois, Clark, Valeria, Thesta, Howard, Merced and R" Streets would be vacated as a part of the project. A development agreement and land sale contract with the City of Fresno would be executed. The City also anticipates committing to the improvement of residential areas adjacent to the site, and to the formation of public improvement districts where necessary. Moreover, the upgraded physical environment at the Central California Regional Medical Network site will serve as the northern anchor of a larger downtown revitalization effort currently underway.



SOURCE: A.T.C. Associates, Inc.

Central California Regional Medical Center 190012

EXHIBIT B: SITE BUILD-OUT

EXHIBIT F

EXHIBIT C: PROPERTY TO BE ACQUIRED

PHASE I

A.P.N. ("R" Street)

466-052-01
466-052-02
466-052-03
466-051-03

A.P.N. (Valeria Street)

459-341-08
459-341-09
459-341-10
459-341-11

A.P.N. (Thesta Street)

459-342-02
459-342-03
459-342-05
459-342-06

A.P.N. (Howard Street)

459-344-01
459-344-20
459-344-21
459-344-18
459-344-17
459-344-14

(Fresno Street Widening Property)

459-344-05	459-344-06	459-344-07
459-344-08	459-344-04	459-344-23
459-344-13		

EXHIBIT C: PROPERTY TO BE ACQUIRED

PHASE II

<u>A.P.N.</u>	<u>A.P.N.</u>	<u>A.P.N.</u>
459-262-18	459-262-20	459-262-21
459-262-22	459-262-11	459-262-12
459-262-13	459-262-15	459-263-15
459-263-16	459-263-17	459-263-18
459-263-19	459-263-20	459-263-08
459-263-09	459-263-10	459-263-11
459-263-12	459-263-13	459-263-14
459-264-17	459-264-18	459-264-19
459-264-20	459-264-21	459-262-25
459-262-03	459-262-04	459-262-05
459-262-06	459-262-08	459-262-28
459-262-30	459-262-24	459-262-23
459-262-02	459-263-21	459-263-22
459-263-24	459-263-25	459-263-01
459-263-05	459-263-06	459-263-07
459-264-22	459-264-23	459-264-24
459-264-25	459-264-26	459-264-27
459-264-01		

(Fresno Street Widening Property)

459-264-30	459-264-31	459-264-05
459-264-10	459-264-11	459-264-12
459-264-13	459-264-14	459-264-32
459-264-08	459-264-09	

EXHIBIT C: PROPERTY TO BE ACQUIRED

PHASE III

A.P.N.

459-254-02
459-254-05
459-254-08
459-254-11
459-261-17
459-261-21
459-261-02
459-261-11

A.P.N.

459-254-03
459-254-06
459-254-09
459-254-12
459-261-19
459-261-22
459-261-23
459-254-01

A.P.N.

459-254-04
459-254-07
459-254-10
459-261-16
459-261-20
459-261-01
459-261-24

PHASE IV

A.P.N.

459-334-03
459-334-04
459-334-23
459-334-24

EXHIBIT D - OWNER PARTICIPANT PROPERTY

APN

459-261-06
459-261-18
459-341-26
459-262-14
459-262-19
459-263-02
459-263-23
459-342-07
459-342-22
459-344-15
466-034-07
466-051-04
466-052-11
459-264-16

APN

459-261-07
459-261-25
459-262-01
459-262-16
459-262-26
459-263-03
459-264-15
459-342-08
459-342-23
459-344-16
466-051-01
466-051-08

466-052-10 (*fee only, subject to lease*)

APN

459-261-08
459-341-24
459-262-07
459-262-17
459-262-27
459-263-04
459-342-04
459-342-09
459-343-01
459-344-19
466-051-02
466-051-09

RECORDING REQUESTED BY:

The Redevelopment Agency of
the City of Fresno

AND WHEN RECORDED MAIL TO:

City Clerk
2326 Fresno Street
Fresno, California 93721

MAIL TAX STATEMENTS TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AFFIX DOCUMENTARY STAMP TAXES \$_____ IN THIS SPACE

GRANT DEED

The REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, a body corporate and
politic of the State of California, herein called "Grantor," acting to carry out a
redevelopment plan under the California Community Redevelopment Law, grants to

herein called "Grantees," all that read property situated in the County of Fresno State of
California described as follows:

(SEE ATTACHED SCHEDULE 'E')

EXHIBIT F

EXHIBIT E

hereinafter referred to as the "Property," subject, however, to easements and rights of way of record, the Urban Renewal Plan for the Mariposa Project, Project No. Calif. A-4-3, adopted by the City Council of the City on January 14, 1969, recorded on January 17, 1969, in Book 5652, Page 222, and amended by Ordinance No. 72-26, recorded April 26, 1972, in Book 6016, Page 155 in the same official records; and amended by Ordinance No. 75-124 recorded September 29, 1976, in Book 6666, Page 577 in the same official records; and amended by Ordinance No. 79-112 recorded August 13, 1979, in Book 7348, Page 303 in the same official records; and amended by Ordinance No. 82-78 recorded December 27, 1982, in Book 8026, Page 733, in the same official records; and amended by Ordinance No. 88-23 recorded August 12, 1988 as Document No. 88087291 in the same official records; and amended by Ordinance No. 88-116 recorded September 29, 1988 as Document No. 88107945 in the Office of the County Recorder of Fresno County, California, hereinafter called the "Plan," the Contract for Sale of Land for Private Redevelopment as subsequently modified, hereinafter referred to as the "Agreement," and certain conditions, covenants, and restrictions as follows:

1. Grantee covenants and agrees for itself, and its successors and assigns to or of the Property that the Grantee, and such successors and assigns, shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Improvements thereon provided to be constructed in the Agreement, hereinafter referred to as the "Improvements," and that such construction shall, in any event, be begun within the time required by the Agreement and be completed within the time required by the Agreement. It is further intended and agreed

that such agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Grant Deed itself, be, to the fullest extent permitted by law and equity, binding for the benefit of the community and the Grantor; said agreements and covenant shall be enforceable to the extent provided herein by the Grantor and the City of Fresno against the Grantee and its successors and assigns to or of the Property or any interest therein and said agreements and covenants may be waived or amended by the Grantor on behalf of the community, the City of Fresno, and the Grantor.

Promptly after completion of the Improvements on the Property in accordance with the provisions of the Agreement, Grantor will furnish Grantee with an appropriate instrument so certifying. Such certifications by the Grantor shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in this Grant Deed with respect to the obligation as to the Property of Grantee, and its successors and assigns, to construct the Improvements and the dates for the beginning and completion thereof.

Grantor will also, upon proper completion of the Improvements, provided the Grantee is not in default with respect to any of its obligations under the Agreement, certify to the Grantee that such Improvements have been made in accordance with the provisions of the Agreement. Such certification shall mean and provide: (1) that any party purchasing

or leasing the Property pursuant to the authorization herein contained shall not (because of such purchase or lease) incur any obligation with respect to the construction of the Improvements relating to the Property or to any part or parcel of any other property; and (2) that neither the Grantor nor any other party shall thereafter have or be entitled to exercise with respect to the Property any rights or remedies or controls that it may otherwise have or be entitled to exercise with respect to the Property as a result of a default in or breach of any provisions of the Agreement or this Grant Deed by Grantee or any successor in interest or assign with respect to any other property.

2. (a) The Grantee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, that Grantee itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, that Grantee itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it:

(i) Shall devote the Property to, and only to and in accordance with the uses specified in the Plan, as amended and as hereafter amended and extended from time to time;

(ii) Not discriminate upon the basis of race, color, religion, sex, marital status, national origin, or ancestry in the sale, lease, or rental or in the use or occupancy of the Property or any Improvements erected or to be erected thereon, or any part thereof;

(iii) Not effect or execute any agreement, lease, conveyance, or other instrument whereby the Property or any part thereof is restricted upon the basis of

race, color, religion, sex, marital status, national origin or ancestry in the sale, lease or occupancy thereof;

(iv) Not discriminate against, or segregate, any person, or group of persons, on account of race, color, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the Grantee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

(v) Comply with all State and local laws in effect from time to time, prohibiting discrimination or segregation by reason of race, color, religion, sex or national origin in the sale, lease, or occupancy of the Property.

The foregoing covenants shall run with the land.

(b) It is intended and agreed that the agreements and covenants provided in this section shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as specifically provided in this Grant Deed, be to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor, its successors and assigns, the City of Fresno, any successor in interest to the Grantee of the Property or any part thereof, and the owner of any other land (or of any interest in such land) in the Project Area which is subject to the land use requirements and restrictions of the Plan, and the United States (in the case of the covenant provided

in subdivision (ii) of Section 2(a) hereof) against the Grantee, its successors and assigns to or of the Property or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof. It is further intended and agreed that the agreement and covenant provided in clause (a)(i) shall remain in effect until April 16, 2001, and during the term of any extension or successor Plan thereof, (at which time such agreement and covenant shall terminate) and those provided in clauses (a) (ii) and (iii) shall remain in effect without limitations as to time: Provided, that such agreements and covenants shall be binding on Grantee itself, each successor in interest or assign, and each party in possession or occupancy, respectively, only for such period as it shall have title to or an interest in or possession or occupancy of the Property or part thereof.

(c) In amplification, and not in restriction, of the provisions of the preceding subsection, it is intended and agreed that Grantor shall be deemed a beneficiary of the agreements and covenants provided in section (a) of this section and the United States shall be deemed a beneficiary of the covenant provided in subdivision (ii) of section 2(a) hereof both for and in their or in its own right and also for the purposes of protecting the interests of the community and the other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of Grantor and the United States for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether Grantor or the United States has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such

agreements and covenants relate. Grantor shall have the right, in the event of any breach of any such agreement or covenant, (and the United States shall have the right in the event of any breach of the covenant provided in subdivision (ii) of section 2(a) hereof) to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

3. (a) In the event that prior to completion of the Improvements as certified by Grantor:

(i) Grantee (or successor in interest) shall default in or violate its obligations with respect to the construction of the Improvements (including the nature and the dates for the beginning and completion thereof), or shall abandon or substantially suspend construction work, and any such default or violation, abandonment, or suspension shall not be cured, ended, or remedied within three (3) months (six (6) months, if the default is with respect to the date for completion of the Improvements) after written demand by the Grantor so to do, or

(ii) Grantee (or successor in interest) shall fail to pay assessments on the Property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by the Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien or any other unauthorized encumbrance or lien to attach, and such assessments shall not have been paid, or the encumbrance or lien removed or discharged, or provision satisfactory to Grantor made for such payment,

removal, or discharge, within thirty (30) days after written demand by Grantor so do to,
or

then Grantor shall have the right to re-enter and take possession of the Property and to terminate (and revert in the Grantor) the estate conveyed by this Grant Deed to the Grantee, it being the intent that the conveyance of the Property to the Grantee is made upon a condition subsequent to the effect that in the event of any default, failure, violation, or other action or inaction by the Grantee specified in clauses (i), (ii), and (iii) of this subsection (a), failure on the part of the Grantee to remedy, end, or abrogate such default, failure, violation, or other action or inaction, within the period and in the manner stated in said clauses, Grantor at its option may declare a termination in favor of the Grantor of the title, and of all the rights and interest, in the property conveyed by this Grant Deed to the Grantee and that such title, and all rights and interest of the Grantee, and any assigns or successors in interest, in the Property, shall revert to the Grantor. Provided, that such condition subsequent and any reversioning of title as a result thereof in Grantor shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way (i) the lien of any mortgage authorized by the Agreement and executed for the sole purpose of obtaining funds to construct the Improvements, and (ii) any rights or interest provided in the Agreement for the protection of the holders of such mortgages.

(b) Grantor shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this section (3), including also the right to execute and record or file with the County Recorder of the County of Fresno a written declaration of the termination of all rights and title of Grantee, and its successors

in interest and assigns, in the Property, and the re-vesting of title thereto in the Grantor, Subject, however, to a lien of any mortgage which may be on the Property in accordance with the terms of the Agreement: Provided, that any delay by the Grantor in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this section shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that Grantor should not be constrained so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this section (3) because of concepts of waiver, laches, or otherwise) to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved, nor shall any waiver in fact made by Grantor with respect to any specific default by Grantee under this section (3) be considered or treated as a waiver of the rights of Grantor with respect to any other default by Grantee under this section or with respect to the particular default except to the extent specifically waived.

WITNESS the hands of the officers of the Grantor and Grantee, attested by the official and corporate seals thereof this _____ day of _____, 1995.

**REDEVELOPMENT AGENCY OF THE CITY
OF FRESNO**

Ex-Officio Executive Director

ATTEST:

By: _____
**Jacqueline L. Ryle
Ex-Officio Clerk**

GRANTEE:

APPROVED AS TO FORM:

**HILDA CANTU MONTOY, Ex-Officio,
Attorney for the Redevelopment
Agency of the City of Fresno**

By: _____
Assistant/Deputy

JCS:rsf:pr[348rs/AGT.1]-06/95

EXHIBIT F

1. Within 30 days of receiving a written notice from the Developer, the Redevelopment Agency will initiate the process to acquire, through negotiation, property necessary to accommodate the expansion of Phase I of the Fresno Community Hospital and Regional Medical Center project, pursuant to this agreement. In the event acquisition by negotiation is unsuccessful, Agency will, no later than six (6) months from the Developer's Notice to Acquire, hold its hearing on the Resolution of Necessity for eminent domain acquisition.
2. The Redevelopment Agency will endeavor to complete the following activities within 18 months of receipt of written notice from the Developer:
 - a) Transmit a letter of interest in acquiring identified property to the owner
 - b) Secure preliminary title reports from a reputable title insurance company
 - c) Prepare a relocation plan and replacement housing plan, as appropriate, and receive approval of the relocation plan
 - d) Retain qualified professional real estate appraisers to determine the fair market value of each property and any fractional interests that may exist
 - e) Advise property owners in writing of the fair market value of each property and make every effort to acquire each property through a voluntary agreement
 - f) Relocate occupants of properties acquired by assisting them in securing replacement space and by providing reimbursement for actual and reasonable moving and relocation costs
 - g) Remove structures from acquired and vacated properties
3. Within 90 days of receiving written notice from the Developer, the Redevelopment Agency will commence actions contained in Item 2 for Phases II, III and IV, provided funds are available and appropriated for property acquisition and related costs.

438747:15

EXHIBIT F

11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

FRESNO STREET PROJECT (DIVISADERO-MCKENZIE)																						
	1994 DEC	1994 JAN	1994 FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1995 JAN	1995 FEB	MAR	APR	MAY	JUNE	JULY		
OFFICIAL PLAN/PERMITS																						
• OFFICIAL PLAN/PERMITS																						
• Study Plan 11M																						
• City Council Approval																						
• RELOCATION																						
• Prepare Relocation Plan																						
• State Review																						
• Local Approval																						
• Relocation Orders/Permits																						
• LAND ASSEMBLY																						
• Related Consultant																						
• Appraisal																						
• Acquisition (if needed)																						
• Construction																						
• Survey to Hospital																						
• ENVIRONMENTAL CLEARANCE																						
• SEUPO Approval																						
• NEPA																						
• Level VI																						
• Grading/Retention Plan																						
• Finalization																						
• CONSTRUCTION																						
• Preliminary Design																						
• Site Plans and Specs																						
• Utility Plans and Specs																						
• Demolition																						
• DM Street Construction																						
• Construction																						

**RESIDENTIAL IMPROVEMENT PROGRAM
SUMMARY AND TIMELINE
EXHIBIT H**

Within the Jefferson Redevelopment Plan Area, the City and/or Redevelopment Agency will provide the following programs or activities relating to the expansion and/or improvement of the Regional Medical Center:

<u>Program</u>	<u>Timeline</u>
1. <u>Residential Rehabilitation Program.</u> Rehabilitation of owner-occupied and renter occupied residential units remaining in the Jefferson Project Area	March 1995 continuing through term of agreement
2. <u>Code Enforcement Program.</u> Enforcement of Uniform Building and Housing Codes, Zoning Code, Public Nuisance abatement including Weed Abatement in the Jefferson Project Area	March 1995 continuing through term of agreement
3. <u>Acquisition of Substandard Properties.</u> Acquisition and/or demolition of substandard properties in Jefferson Project Area. Possible replacement of housing with relocated and/or new housing construction	March 1995 continuing through term of agreement
4. <u>Replacement and Infill Housing.</u> As appropriate, new construction of replacement single family residential owner-occupied housing and appropriate in-fill single family owner-occupied housing on vacant land sites in Jefferson Project Area	March 1995 continuing through term of agreement

Completion and ongoing participation in residential improvement program projects shall be contingent on the receipt of annual allocation of HOME funds through the U.S. Department of Housing and Urban Development (HUD).

me30207m.ch

EXHIBIT F

CERTIFICATE OF RELEASE

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
a California Non-Profit Corporation

MEDICAL CENTER EXPANSION

**PORTIONS OF THE JEFFERSON AND
MARIPOSA REDEVELOPMENT AREAS**

EXHIBIT I

EXHIBIT F

**WAIVER OF COVENANT, QUITCLAIM
AND CERTIFICATE OF RELEASE**

WHEREAS, by Grant Deed dated _____ and recorded on _____ in the Office of the Recorder of the County of Fresno, State of California, as Instrument No. _____ of Official Records, the REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, a public body, corporate and politic, hereinafter referred to as the "Agency" and "Grantor", did convey to COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA, a California non-profit corporation and hereinafter referred to as the "Grantee", certain real property (property) situated in the City of Fresno, County of Fresno, State of California, described as follows:

(See attached SCHEDULE "A" - LEGAL DESCRIPTION)

hereinafter referred to as the "Property", and

WHEREAS, the aforementioned Deed contains a covenant on the part of the Grantee reading as follows:

3. (a) In the event that prior to completion of the improvements as certified by Grantor:

(i) Grantee (or successor in interest) shall default in or violate its obligations with respect to the construction of improvements (including the nature and the dates for the beginning and completion thereof), or shall abandon or substantially suspend construction work, and any such default or violation, abandonment, or suspension shall not be cured, ended, or remedied within three (3) months (six (6) months, if the default is with respect to the date for completion of the improvements) after written demand by the Grantor so to do; or

(ii) There is, in violation of the Agreement, any transfer of the property or any part thereof, or any change in the ownership or distribution of the stock of the Grantee, or with respect to the identify of the parties in control of the Grantee or the degree thereof, and such violation shall not be cured within thirty (30) days after written demand by the Grantor to Grantee; then Grantor shall have the right to re-enter and take possession of the Property and to terminate (and revert in the Grantor) the estate conveyed by this Grant Deed to the Grantee, it being the intent that the conveyance of the Property to the Grantee is made upon a

EXHIBIT F

condition subsequent to the effect that in the event of any default, failure, violation or other action of inaction, by the Grantee specified in clauses (i), (ii) and (iii) of this subsection (a) failure on the part of the Grantee to remedy, end, or abrogate such default, failure, violation or other action nor inaction, within the period and in the manner stated in said clauses. Grantor at its option may declare a termination in favor of the Grantor of the title, and of all the rights and interest, in the Property conveyed by this Grant Deed to the Grantee and that such title, and all rights and interest of the Grantee, and any assigns or successors in interest, in the Property, shall revert to the Grantor: Provided, that such condition subsequent and any reversioning of title as a result thereof in Grantor shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way (i) the lien of any mortgage or other instruments authorized by the Agreement and executed for the sole purpose of obtaining funds to construct the Improvements, and (ii) any rights or interest provided in the Agreement for the protection of the holders of such mortgages or other instruments.

(b) Grantor shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Section 3, including also the right to execute and record or file with the County Recorder of the County of Fresno a written declaration of the termination of all rights and titles of Grantee, and its successors in interest and assigns, in the Property, and the reversioning of title thereto in the Grantor: Provided: that any delay by the Grantor in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this section shall not operate as a waiver of such rights under this section shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provisions that Grantor should not be constrained so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this section because of concepts of waiver, laches, or otherwise) to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved, nor shall any waiver in fact made by Grantor with respect to any specified default by Grantee under this section be considered or treated as a waiver of the rights of Grantor with respect to any other defaults by Grantee under this section or with respect to the particular default except to the extent specifically waived": and

WHEREAS, the Grantee has performed the undertakings as contained in the aforementioned covenant

NOW, THEREFORE, the Agency does hereby waive any and all rights arising out of the

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aforementioned covenant and does hereby release and quitclaim unto the record owner of said real property in severalty and upon the same tenure as the interest of said owner appear under the aforementioned covenant in the Property situated in the City of Fresno, County of Fresno.

The Agency hereby certifies that the Grantee has completed the construction of improvements on the said real property in full compliance with the requirements set forth in that certain Development Agreement and Land Sale Contract between the Agency and Grantee dated _____ and recorded on _____ as Instrument No. _____ of official records of Fresno County.

This certification does not constitute evidence of compliance with or satisfaction of, any indebtedness or obligation of the Grantee or its successors or assigns to any beneficiary or holder of a mortgage or other debt instrument or any insurer of a mortgage or other debt instrument securing money loaned to finance the improvements or any part thereof, any equipment or fixtures therein. By accepting this Certificate of Release, Grantee, its successors and assigns reaffirm said obligations to the City of Fresno, Redevelopment Agency of the City of Fresno and bond holders. Neither the Agency nor any other party shall hereafter have to be entitled to exercise with respect to the Property as a result of a default in or breach of any provisions in the Agreement or Grant Deed by the Grantee or any successor in interest or assign, unless such default or breach be by the purchaser of lessee, or any successor in interest to or assign of such individual part or parcel with respect to the covenants contained and referred to in the Mariposa Project Urban Renewal Plan adopted by the City Council of the City on January 14, 1969, by Ordinance No. 69-11 and recorded among the land records in the Office of the Recorder of the County of Fresno, State of California in Book 5652 of the Official Records, at Page 222, and amended by Ordinance No. 72-26 recorded April 26, 1972, in Book 6016, Page 155 of the Official Records, and amended by Ordinance No. 75-124 recorded September 29, 1976, in Book 666, Page 577 of the Official Records, and amended by Ordinance No. 79-112 recorded August 13, 1979, in Book 7348, Page 306 of the Official Records, and amended by Ordinance No. 82-78 recorded December 27, 1982, in Book 8026, Page 733 of the Official Records, and amended by Ordinance No. 88-23 recorded August 12, 1988, in Document No. 88087291 of the Official Records, and amended by Ordinance No. 88-116 recorded September 29, 1988, in Document No. 88107945 of the Official Records, and amended by Ordinance No. 92-55, recorded August 3, 1992, in Document No. 92109258 of the Official Records, and by Ordinance No. _____ recorded _____.

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_____ in Document No. _____ of the Official Records and (2) the Jefferson Area Community Redevelopment Plan adopted by the City Council of the City on December 18, 1984, by Ordinance No. 84-182 and recorded among the land records in the Office of the Recorder of the County of Fresno, State of California in Document No. 82026663 recorded on March 20, 1985, and Ordinance No. _____, recorded _____, in Document No. _____ of the Official Records.

Dated this _____ day of _____, 1995.

APPROVED AS TO FORM:

HILDA CANTU-MONTOY
Attorney, Ex-officio

By _____

REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO

By _____

Michael A. Bierman
Ex-officio Executive Director

APPROVED AS TO DESCRIPTION:

RAYMOND G. SALAZAR
Director of Public Works

By _____

ATTEST:

JACQUELINE L. RYLE
Clerk, Ex-officio

By _____

DLB/pcl/carmel.

2/17/95

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STATE OF CALIFORNIA)
) ss.
COUNTY OF FRESNO)

On this _____ day of _____, in the year _____, before me _____
_____, personally appeared _____, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person who
executed this instrument as _____
of _____, and acknowledged to me that the _____
_____ executed it.

JACQUELINE L. RYLE, CMC
City Clerk

By _____

DL 3/20/02rev.
2/17/95

SCHEDULE "A"

LEGAL DESCRIPTION

EXHIBIT F

EXHIBIT "J"

City of Fresno Redevelopment Agency Central California Regional Medical Center Project Revenue Sources and Public Improvement Costs

Source of funds:	<u>Phase 1</u>
Loan-RMC Acquisition Proceeds (Note 1)	\$763,000
Tax Increment Net (Note 2)	311,600
Loan-City-Gas Tax (Note 3)	821,000
Loan-City-Prop. 111 (Note 3)	482,000
Loan-City-CDBG Funds (Note 3)	450,000
Loan-HUD Section 108 Loan Proceeds	<u>4,921,000</u>
Total Sources	<u>7,748,600</u>
Uses of funds:	
Acquisition & Relocation	\$5,457,500
*Street Construction	1,962,600
*Water Main Construction	230,500
*Sewer Main Abandonment	75,000
City Planning Costs	<u>23,000</u>
Total Uses	<u>\$7,748,600</u>

Note 1 RMC Acquisition Proceeds for Property Acquisition @ \$4.00 sq. ft.

Note 2 Net Tax increment projections per Sutro Report.

Note 3 Funds are available and currently appropriated in the FY 95 Budget.

*Does not include Phase 1 City development fees currently estimated at \$1,184,925.

exhibit.j

EXHIBIT F