MEMORANDUM OF UNDERSTANDING BETWEEN THE CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT AND THE CITY OF SAN PABLO FOR THE SAN PABLO FIRE STATION REPLACEMENT PROJECT

This Memorandum of Understanding (this "MOU"), dated as of the 19th day of June, 2017, is entered into between the City of San Pablo, a municipal corporation (the "City") and the Contra Costa County Fire Protection District, a fire protection district existing under the laws of the State of California ("District").

RECITALS

- A. The District has assigned a two-person emergency medical services squad (the "EMS Squad") to the District's existing Station 70 located at 13928 San Pablo Avenue in the City ("Existing Station 70"), and the City pays the District for the costs of personnel, equipment and fuel for the EMS Squad.
- B. Existing Station 70 does not have sufficient capacity to house the EMS Squad, and District desires to construct a new Station 70 in the City with sufficient capacity to house the EMS Squad and other District personnel and apparatus necessary to fully staff Station 70.
- C. The City desires to acquire 13928 San Pablo Avenue from the District for public uses. The City has proposed that the new Station 70 be constructed on City-owned property located at 1800 23rd Street in the City, also referred to herein as the 23rd Street Property.
- D. The City also owns property located at 1821 Powell Street, also referred to herein as the Powell Property, which is contiguous with the 23rd Street Property.
- E. The District desires to acquire the combined Powell Property and 23rd Street Property from the City and construct the new Station 70 on the property.
- F. The City desires to contribute forty percent (40%) of the District's cost of constructing the new Station 70 at the New Station 70 Property (as defined below), up to a maximum of \$4.5 million.
- G. The parties intend that the use and occupancy of Existing Station 70 by the District will not be disturbed in any way during the course of the Project, and that the transfer of title to Existing Station 70 will not occur until the Project (as defined below) is complete.
- H. The parties desire that if the District no longer provides fire or emergency medical services within the boundaries of the City, or decides to sell the New Station 70 Property and the improvements thereon, the City will have the right of first offer to purchase the New Station 70 Property and the improvements thereon as set forth in a right of first offer agreement.

AGREEMENT

- 1. <u>Purpose</u>. The purpose of this MOU is to set forth the parties' understanding of the steps that must be taken to accomplish the Project and delineate, to the extent known at this time, the roles and responsibilities of the parties involved in the Project.
- 2. <u>Approval of MOU</u>. This MOU is subject to approval by the governing bodies of the City and the District.
- 3. <u>Definitions</u>. As used in this MOU, the following terms have the following meanings:
 - a. "23rd Street Property" means Assessor Parcel Number 411-100-021, commonly known as 1800 23rd Street in the City of San Pablo, which is owned by the City.
 - b. "Project" means the design and construction of the new District Fire Station 70 at the New Station 70 Property.
 - c. "<u>Project Contractor</u>" means the construction contractor that is a party to the Project construction contract with the District.
 - d. "San Pablo Avenue Property" means Assessor Parcel Number 411-350-026, commonly known as 13928 San Pablo Avenue in the City of San Pablo, which is owned by the District. The legal description of the San Pablo Avenue Property is attached hereto as Exhibit A.
 - e. "Powell Property" means Assessor Parcel Number 411-100-028, commonly known as 1821 Powell Street in the City of San Pablo, which is owned by the City.
 - f. "New Station 70 Property" means the combination of the 23rd Street Property and the Powell Property to be assembled pursuant to Section 4(B)(1) below.
- 4. <u>Project Steps.</u> Set forth below is a summary of the steps that the parties believe must be taken to accomplish the Project. This list is not necessarily exclusive and, as the planning process proceeds, other steps may be identified. The parties will cooperate with each other in this planning process.
 - A. <u>Determination of Project Feasibility and Agreed Upon Project Cost</u>. The City and the District will take the actions specified below for the purpose of determining the feasibility of the Project, and if the Project is found to be feasible, to endeavor to negotiate an agreed upon cost for the Project (the "Agreed Upon Project Cost").
 - 1. <u>CEQA Compliance</u>. The District will act as lead agency under the California Environmental Quality Act ("<u>CEQA</u>") with respect to the assemblage and conveyance of the New Station 70 Property to District as described in Section 4(B) below, construction of the Project, and conveyance of the San Pablo Avenue Property to the City.
 - 2. <u>Environmental Review of 23rd Street Property, Powell Property and San Pablo Avenue</u>
 Property. The District will perform all necessary investigation and testing of the

conditions of the 23rd Street Property and Powell Property, including (at a minimum) a Phase I hazardous materials review. The extent of testing that is required will be determined by the District. The City will perform all necessary investigation and testing of the conditions of the San Pablo Avenue Property, including (at a minimum) a Phase I hazardous materials review. The extent of testing that is required will be determined by the City.

- 3. <u>Title Reviews</u>. The District will obtain a preliminary title report and then title policy for the 23rd Street Property and Powell Property. The City will obtain a preliminary title report and then title policy for the San Pablo Avenue Property.
 - a. The parties will share the preliminary title reports for the respective properties within 15 days of execution of this MOU.
 - b. Within 30 days after the execution of this MOU, each party shall indicate to the other party whether any exceptions on title are unacceptable.
 - c. As part of the Project feasibility determination described in this Section 4(A), each party shall indicate in writing its satisfaction with the condition of title for the particular property it is acquiring title to, or the manner in which the exception will be removed.
 - d. Each party shall bear its own costs of obtaining the preliminary title report and title policies.
- 4. <u>Project Specifications</u>. The District will provide the City with design and engineering plans, contract plans, and specifications for the Project for the City to review and comment. The City will have 45 days to provide its comments to the District.
- 5. <u>Project Budget</u>. Based upon the information contained in the environmental review and preliminary Project specifications, the District will prepare a budget for the Project and will submit the budget to the City for review.
- 6. Agreed Upon Project Cost. Following review of the Project budget, the City and the District will endeavor to negotiate an Agreed Upon Project Cost, which will include, but not be limited to, permit fees, CEQA review, design, site preparation and construction costs, but not staff costs for either the District or City. The Agreed Upon Project Cost is not anticipated to exceed \$11.3 million. If an Agreed Upon Project Cost cannot be reached, the parties may mutually terminate this MOU in writing.
- 7. Construction Contract Solicitation and Bids. Following the establishment of an Agreed Upon Project Cost, the District will advertise the Project contract or contracts, administer the bidding, and select a bidder for the Project contract or contracts or, if all bids exceed the Project budget by an amount that causes the Project to be infeasible, reject all bids.

- 8. Project Feasibility. If (a) the governing bodies of the City and the District determine that the Project is feasible based on the foregoing steps in this Section 4(A), and (b) the governing body of the District approves the Project under CEQA, the parties will proceed with the Project as provided in subsections (B) through (F) below. If either the City or the District determines that the Project is not feasible based on the foregoing steps, that party may terminate this MOU by providing a thirty (30) day written notice of termination to the other party.
- B. <u>Assemblage and Conveyance of New Station 70 Property</u>. If the Project is found to be feasible according to Section 4(A)(8) above, the parties intend that the City and the District will take the following steps to assemble and convey the New Station 70 Property to the District.
 - 1. New Station 70 Property Assemblage. The City will combine the Powell Property with the 23rd Street Property into one legal parcel, and provide the District with evidence satisfactory to the District to verify the legal assemblage of the New Station 70 Property, and that the New Station 70 Property is zoned for operation of a fire station. After the New Station 70 Property has been legally assembled, the City will provide the District with a legal description of the New Station 70 Property.
 - 2. <u>Conveyance of New Station 70 Property; Memorandum of Agreement; Right of First Offer.</u>
 - a. Upon the determination of Project feasibility as set forth in Section 4(A) above, but before Project construction commences, the City will convey title to the New Station 70 Property to the District in fee simple absolute according to the provisions of Section B(3) below, in consideration of the District conveying the San Pablo Avenue Property to the City upon completion of the Project.
 - b. Concurrent with the conveyance of the New Station 70 Property to the District, the parties shall cause a memorandum of this MOU to be recorded against the San Pablo Avenue Property with the County Clerk-Recorder, in the form attached hereto as Exhibit B ("Memorandum of Agreement"). The District shall continue to be responsible for the San Pablo Avenue Property until it conveys the San Pablo Avenue Property to the City pursuant to Section 4(F) below. Other than the Memorandum of Agreement, the District shall not place or allow any lien or encumbrance on the San Pablo Avenue Property after submitting the preliminary title report to City.
 - c. Concurrent with the conveyance of the New Station 70 Property to the District, the parties shall execute and cause a Right of First Offer Agreement to be recorded with the County Clerk-Recorder, in the form attached hereto as Exhibit F (the "Right of First Offer"), which provides that if the District no longer provides fire or emergency medical services within the boundaries of the City, or decides to sell the New Station 70 Property, then the City shall have the right of first offer to purchase the New Station 70 Property and the improvements thereon according to the terms set forth in the Right of First Offer.

- 3. New Station 70 Property Escrow. The conveyance of the New Station 70 Property to the District shall be made pursuant to the provisions set forth in this Section 3.
 - a. Upon approval of this MOU, the City and the District will establish an escrow (the "New Station 70 Property Escrow") for the conveyance of the New Station 70 Property by the City to the District, with Old Republic Title, 555 12th Street, Suite 2000, Oakland, CA 94607("<u>Title Company</u>"). The City hereby authorizes the District to prepare, for City review and approval, and then file escrow instructions with the Title Company in accordance with this MOU.
 - b. <u>Fees and Title Insurance</u>. The City shall pay all escrow and recording fees incurred in the conveyance of the New Station 70 Property. The District will pay the title insurance premium for the New Station 70 Property title policy.
 - c. <u>City Deposit into Escrow</u>. On or before the Close of Escrow the City will deliver into Escrow with the Title Company the following documents:
 - i. A grant deed, in the form of grant deed attached hereto as Exhibit C, in recordable form and properly executed on behalf of the City ("New Station 70 Property Grant Deed") conveying to the District the New Station 70 Property in fee simple absolute, free and clear of all liens, encumbrances, assessments, leases (recorded and/or unrecorded), and taxes, except for the re-conveyance obligation set forth in Section 4.B.4 below and the following exceptions as outlined in a preliminary title report for the New Station 70 Property, issued by the Title Company (the "New Station 70 Property Approved Exceptions").
 - ii. The City's affidavit of non-foreign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended (26 USCA § 1445);
 - iii. An executed Memorandum of Agreement to be recorded against the San Pablo Avenue Property with the County Clerk-Recorder, in the form attached hereto as Exhibit B; and
 - iv. An executed Right of First Offer to be recorded against the New Station 70 Property with the County Clerk-Recorder, in the form attached hereto as <u>Exhibit F.</u>
 - d. <u>Close of Escrow</u>. The New Station 70 Property Escrow shall close upon the conveyance of the New Station 70 Property to the District ("<u>Close of New Station 70 Property Escrow</u>"). On the closing date, the Title Company shall close the New Station 70 Property Escrow as follows:
 - i. Record the New Station 70 Property Grant Deed, marked for return to the District care of Karen Laws, Real Property Division Manager for the District (which shall be deemed delivery to the District) with a copy to the City Attorney;

- ii. Record the Memorandum of Agreement and return to the City Attorney for the City of San Pablo with a copy to the District care of Karen Laws, Real Property Division Manager for the District;
- iii. Record the Right of First Offer and return to the City Attorney for the City of San Pablo with a copy to the District care of Karen Laws, Real Property Division Manager for the District
- iv. Issue a CLTA title insurance policy for the New Station 70 Property in the amount of \$100,000, subject only to the New Station 70 Property Approved Exceptions;
- v. Prorate taxes, assessments, rent and other charges as provided by this MOU; and
- vi. Prepare and deliver to the City and to the District one signed copy of the Title Company's closing statement showing all receipts and disbursements of the New Station 70 Property Escrow.
- e. <u>Failure to Perform Escrow Instructions</u>. If the Title Company is unable to simultaneously perform all of the instructions set forth above, the Title Company shall notify the District and the City and retain all documents pending receipt of further instructions from the District.
- f. <u>Possession of New Station 70 Property</u>. Possession of the New Station 70 Property shall be delivered to the District at the Close of New Station 70 Property Escrow.
- g. Condition of the New Station 70 Property. Neither the City, nor its agents or employees have made any warranty, guarantee, or representation concerning any matter or thing affecting or relating to the New Station 70 Property, nor does it assume any responsibility for the conformance to codes or permit regulations of the city or county within which the New Station 70 Property is located. The District shall take title to the New Station 70 Property in its "AS-IS" condition. The City has not made, and does not make, any representation as to the physical condition of the New Station 70 Property.
- h. Property Taxes. All ad valorem real property taxes and any penalties and costs thereon, and all installments of any bond or assessment that constitutes a lien on the New Station 70 Property shall be cleared and paid by the City as of the date title shall vest in the District by the recordation of the grant deed pursuant to California Revenue and Taxation Code sections 4986, 5082, and 5086, if unpaid as of the date title vests.
- i. <u>Transaction Costs</u>. All escrow fees, recording fees, documentary transfer taxes or other real estate transaction taxes or fees, by whatever name known, and personal property sales taxes where applicable, will be paid solely by the City, except that each party shall bear its own title policy costs.

C. Project Development and Construction.

- 1. <u>Permit Applications</u>. The District will prepare final design and engineering plans, contract plans and specifications and an engineer's cost estimate for the Project based upon the approved preliminary Project specifications and submit applications to the City for all necessary permits and approvals. Following CEQA review, the City will consider the applications for all permits, approvals, and entitlements necessary for construction of the Project. If these applications are not approved, then this MOU will be terminated with no further obligations to either party.
- 2. Project Construction. The District will advertise the Project contract or contracts, administer the bidding, award the Project contract or contracts, perform contract administration, inspection and materials testing for the Project, and take all other necessary steps to construct the Project on the New Station 70 Property according to the approved final plans and specifications. The parties understand that this is a project of the District and not a City project. The City has the right to visit the Project site during construction, but will not unreasonably interfere with the construction beyond any inspection obligations set forth in the permits, approvals or entitlements discussed above or under the City's Municipal Code; e.g., storm water.

D. Project Completion.

- 1. Adoption of Resolution of Acceptance and Notice of Completion. The construction documents will provide that the District will accept the Project as complete upon total completion, rather than substantial completion, of the construction of the Project. After the District has determined that the work performed has been completed in accordance with the approved plans and specifications and to the District's satisfaction, the District will provide the City with written notice of its acceptance of the Project, and will place acceptance of the Project as complete on a District board agenda. If approved, the District will promptly record a notice of completion. The Project will be considered complete when a notice of completion has been recorded.
- 2. <u>Determination of Final Project Costs</u>. Upon acceptance of the Project by the District, the District will determine the total cost for the Project, including but not limited to, fees paid to consultants, design costs, site preparation and construction, and provide the City with the total Project cost.

E. Payment of Project Costs.

1. <u>District Costs</u>. Subject to the City Contribution specified in subsection (2) of this section, the District will pay all costs connected with the development and construction of the Project, including all bidding-phase and construction-phase architectural services and all applicable fees. Nothing in this section obligates the City to pay any Project costs other than those specified in this MOU.

2. <u>City Contribution</u>. The City will pay the escrow fees and will pay the District 40% of the cost of the Project, not to exceed \$4.5 million (the "<u>City Contribution</u>"). The City will transfer the City Contribution to the District as follows: (i) \$2 million of the City Contribution after the City has conveyed the New Station 70 Property to the District and the Memorandum of Agreement and Right of First Offer have been recorded, in each case, pursuant to Section 4(B)(2) above, and the District has awarded the Project construction contract or contracts; (ii) \$1,250,000 of the City Contribution after fifty percent (50%) of the Project has been completed; and (iii) the remainder of the City Contribution concurrent with the District's conveyance of the San Pablo Avenue Property to the City as set forth in Section F below. The District will invoice the City when each City Contribution transfer is due. Subject to all the terms of this MOU, the District will use the City Contribution to pay for the costs of the Project.

F. Conveyance of San Pablo Avenue Property; Notice of Termination of MOU

- 1. Upon completion of the Project to the District's satisfaction, as described in Section D above: (a) the District will convey the San Pablo Avenue Property to the City in fee simple absolute according to the provisions of Section F(2) below; (b) the City shall provide the District with the remainder of the City Contribution according to the provisions of Section E(2) above and Section F(2) below; (c) the parties shall request their respective governing bodies approve a mutual written termination of this MOU; and (d) the parties shall cause a Notice of Termination of Agreement to be recorded with the County Clerk-Recorder, in the form attached hereto as Exhibit D.
- 2. <u>San Pablo Avenue Property Escrow</u>. The conveyance of the San Pablo Avenue Property to the City shall be made pursuant to the provisions set forth in this Section 2.
 - a. Upon approval of this MOU, and pursuant to Section 4(F) above, the City and the District will establish an escrow (the "San Pablo Avenue Property Escrow") for the conveyance of the San Pablo Avenue Property by the District to the City, with the Title Company. The City hereby authorizes the District to prepare, for City approval, and then file escrow instructions with the Title Company in accordance with this MOU.
 - b. <u>Fees and Title Insurance</u>. The City shall pay all escrow and recording fees incurred in the conveyance of the San Pablo Avenue Property. The City will pay the title insurance premium for the San Pablo Avenue Property title policy.
 - c. <u>Deposit into Escrow</u>. On or before the Close of Escrow the following will be delivered into Escrow with the Title Company:
 - i. The District will deposit a grant deed, in the form of grant deed attached hereto as Exhibit E, in recordable form and properly executed on behalf of the District ("San Pablo Avenue Property Grant Deed") conveying to the City the San Pablo Avenue Property in fee simple absolute, free and clear of all liens, encumbrances, assessments, leases (recorded and/or unrecorded), and taxes,

- except the following exceptions as outlined in a preliminary title for the San Pablo Avenue Property, issued by the Title Company (the "San Pablo Avenue Property Approved Exceptions").
- ii. The District's affidavit of non-foreign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended (26 USCA § 1445);
- iii. The District will deposit the executed Notice of Termination of Agreement; and
- iv. The City will deposit the remainder of the City Contribution according to the provisions of Section E(2) above.
- d. <u>Close of Escrow</u>. The San Pablo Avenue Property Escrow shall close upon the conveyance of the San Pablo Avenue Property to the City ("Close of San Pablo Avenue Property Escrow"). On the closing date, the Title Company shall close the San Pablo Avenue Property Escrow as follows:
 - i. Record the San Pablo Avenue Property Grant Deed, marked for return to the City care of Charles Ching, Assistant to the City Manager Economic Development for the City (which shall be deemed delivery to the City);
 - ii. Transfer by wire for the District's account the remainder of the City Contribution;
 - iii. Record the executed Notice of Termination of Agreement;
 - iv. Issue a CLTA title insurance policy in the amount of \$461,863, subject only to the San Pablo Avenue Property Approved Exceptions;
 - v. Prorate taxes, assessments, rent and other charges as provided by this MOU; and
 - vi. Prepare and deliver to the City and to the District one signed copy of the Title Company's closing statement showing all receipts and disbursements of the San Pablo Avenue Property Escrow.
- e. <u>Failure to Perform Escrow Instructions</u>. If the Title Company is unable to simultaneously perform all of the instructions set forth above, the Title Company shall notify the District and the City and retain all documents pending receipt of further instructions from the District.
- f. <u>Possession of San Pablo Avenue Property</u>. Possession of the San Pablo Avenue Property shall be delivered to the City at the Close of San Pablo Avenue Property Escrow.

- g. Condition of the Property. Neither the District, nor its agents or employees have made any warranty, guarantee, or representation concerning any matter or thing affecting or relating to the San Pablo Avenue Property, nor does it assume any responsibility for the conformance to codes or permit regulations of the city or county within which the San Pablo Avenue Property is located. The City shall take title to the San Pablo Avenue Property in its "AS-IS" condition, with the exception that all personal property or other non-fixture items in the San Pablo Avenue Property shall be removed by the District at the District's cost. The District has not made, and does not make, any representation as to the physical condition of the San Pablo Avenue Property.
- h. <u>Property Taxes</u>. All ad valorem real property taxes and any penalties and costs thereon, and all installments of any bond or assessment that constitutes a lien on the San Pablo Avenue Property shall be cleared and paid by the District as of the date title shall vest in the City by the recordation of the grant deed pursuant to California Revenue and Taxation Code sections 4986, 5082, and 5086, if unpaid as of the date title vests.
- i. <u>Transaction Costs</u>. All escrow fees, recording fees, documentary transfer taxes or other real estate transaction taxes or fees, by whatever name known, including broker's commission, if any, and personal property sales taxes where applicable, will be paid solely by the City, except that each party shall bear its own title policy costs.
- 5. <u>Indemnity, Insurance, Warranty and Bonds</u>. The contract documents for the Project will include provisions requiring the Project Contractor to provide indemnity, insurance, warranties and bonds in the amounts and manner set forth below and Project design and engineering consultants to provide general indemnity as set forth below.

A. Indemnity.

- 1. The Project Contractor will be required to defend, indemnify and hold harmless the District and the City, and their governing bodies, officers, agents and employees, from and against any and all liability, claims, actions, cause of action or demands whatsoever against any of them, including related attorneys' fees, arising out of or connected with any injury or death of any person or damage to property or other liability of any nature arising out of or in any way connected with the Project.
- 2. The Project design and engineering consultants will be required to defend, indemnify and hold harmless the District and the City, and their governing bodies, officers, agents and employees, from and against any and all liability, claims, actions, cause of action or demands whatsoever against any of them, including related attorneys' fees, arising out of consultant's negligence.

B. Insurance.

- 1. Construction Contractor Insurance. The District shall require the Project contractor to obtain and maintain: (a) commercial general liability insurance, including broad form property damage, blanket contractual liability, and completed operations, with a minimum combined single-limit coverage of \$2,000,000.00 with a general aggregate of at least \$4,000,000, and coverage for owned and non-owned automobiles, with a minimum combined single-limit coverage of \$1,00,000.00 for all damages due to bodily injury. sickness or disease, or death to any person, and damage to property, including the loss of use thereof, arising out of each accident or occurrence, naming as additional insured by separate endorsement the District and City, and their elective and appointive boards, commissions, officers, agents, and employees; (b) workers' compensation insurance for all its employees employed at the site of the Project pursuant to state law, including, without limitation, California Labor Code section 3700, and in case any work is sublet, the Contract shall require the subcontractor similarly to provide workers' compensation insurance for the latter's employees, unless such employees are covered by the protection afforded by the Contractor; and (c) construction contract builder's risk/course of construction insurance to protect its interest in all labor, material and general and administrative expenses incurred, allocated to or expended during the term of the Project construction contract. The Project contractor shall furnish evidence of the foregoing coverage.
- 2. Design Professional Insurance. The District shall require Project design and engineering consultants to obtain and maintain: (a) workers' compensation insurance pursuant to state law, including, without limitation, California Labor Code section 3700; (b) professional liability insurance with a minimum coverage limit of \$1,000,000 for claims made in the aggregate annually and a maximum self-insured retention or self-insured retained limit of liability of \$25,000, for all damages or losses because of errors, omissions or malpractice arising out of the provision of professional services by such consultant and such consultant's subconsultants; and (c) liability insurance with a minimum coverage limit of \$2,000,000 for claims made in the aggregate annually for all personal injury and property damage, to include liability assumed under the subconsultant's agreement with the District, the use of any licensed motor vehicle by consultant or subconsultants, and naming the District and City, and their governing body, officers and employees as additional insureds by separate endorsement.
- C. Warranties. In addition to all warranties existing at law, the Project Contractor will be required to provide an express warranty for the benefit of the District, in form and for a time period satisfactory to the District, containing, at a minimum, the Project Contractor's guarantee that the work has been performed in accordance with the plans and specifications, and the Project Contractor's agreement to repair or replace all work that fails to conform to the plans and specifications or proves to be defective in workmanship or materials during the stated time period.
- D. <u>Bonds</u>. The Project Contractor will be required to present two good and sufficient surety bonds, for payment and performance, each in an amount equal to 100 percent of the contract

price, issued by a surety admitted in the State of California in a form satisfactory to the District, naming the District as obligee on the bonds.

- 6. Accountability. The District will be strictly accountable for all funds and will report all payments for the Project to the City when requested by the City, but no more often than once a month. Upon the provision of reasonable notice to the District, the City may inspect or audit all records of the Project.
- 7. MOU Term. The term of this MOU is for four years beginning on the date first set forth herein, unless earlier terminated as provided herein. However, the MOU cannot be terminated until either: a) the District reconveys the New Fire Station 70 Property to the City; b) the District conveys the San Pablo Avenue Property and records the Right of First Offer on the New Fire Station Property; or c) the MOU is amended by mutual agreement. In addition to the other termination provisions set forth this MOU, the parties' governing bodies may enter into a mutual written termination of this MOU.
- 8. <u>Notices</u>. All notices (including requests, demands, approvals and other communications) under this MOU must be in writing. The place for delivery of all notices given under this MOU will be as follows:

DISTRICT: Contra Costa County Fire Protection District

2010 Geary Road

Pleasant Hill, CA 94523

Attn: Fire Chief

Telephone: (925) 941-3300

CITY: City of San Pablo

13831 San Pablo Avenue San Pablo, CA 94806 Attn: City Manager

Telephone: (510) 215-3016

- 9. <u>Counterparts</u>. The parties hereto recognize and agree that separate counterpart signature pages may be used but that all such pages constitute one and the same MOU.
- 10. Construction. The section headings and captions of this MOU are, and the arrangement of this instrument is, for the sole convenience of the parties to this MOU. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this MOU. This MOU will not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. The parties to this MOU and their counsel have read and reviewed this MOU and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply to the interpretation of this MOU. The Recitals are, and will be enforceable as, a part of this MOU.
- 11. <u>Further Assurances and Documentation</u>. Whenever requested to do so by the other party, each party will execute, acknowledge and deliver all further conveyances, assignments, confirmations,

satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents and all further instruments and documents as may be necessary, expedient, or proper in order to complete all conveyances, transfers, sales, and assignments under this MOU, and do all other acts and to execute, acknowledge, and deliver all documents as requested in order to carry out the intent and purpose of this MOU.

- 12. <u>Waiver</u>. A waiver or breach of any covenant or provision in this MOU will not be deemed a waiver of any other covenant or provision in this MOU, and no waiver will be valid unless in writing and executed by the waiving party.
- 13. No Third Party Beneficiaries; No Brokers. Nothing in this MOU is intended, nor will it be construed, to create rights inuring to the benefit of third parties. Each of the parties also represent that no brokers have been used for this transaction and that no one is entitled to a brokerage commission or fee. Should a third-party contend that a brokerage commission or fee is due, the party that communicated or allegedly communicated with the third-party shall be responsible for paying or contesting the commission or fee.
- 14. <u>Severability</u>. If any term or provision of this MOU is, to any extent, held invalid or unenforceable, the remainder of this MOU will not be affected, but only if the mutual conveyance of the properties and the right of first offer for the New Station 70 Property can be effectuated.
- 15. Governing Law; Venue. This MOU will be governed by and construed in accordance with California law. The venue for any legal action pertaining to this MOU will be Contra Costa County, California.
- 16. <u>Assignment</u>. Neither party may assign its rights or obligations under this MOU without the prior written consent of the other party.
- 17. <u>Survival</u>. All of the terms, provisions, representations, warranties, and covenants of the parties under this MOU shall survive and remain fully enforceable after the conveyances of the properties hereunder, and after any expiration, or termination of this MOU, and shall not merge in a deed or other documents following the delivery and recordation of such a deed or other documents.
- 18. <u>Amendments</u>. This MOU may be amended only by written agreement signed by both of the parties.

[Signatures appear on following page.]

The parties hereto have executed this MOU as of the date first set forth above.

CONTRA COSTA COUNTY FIRE PROTECT

By: \\

Name: Jeff Carman Title: Fire Chief

Approved as to form:

Sharon L. Anderson, County Counsel

Bv:

Name: Eric Gelston Deputy County Counsel CITY OF SAN PABLO

Name: Matt Rodriguez Title: City Manager

Approved as to form:

City Attorney

Lynn Tracy Nerland

Title: City Attorney

Attest:

By: Ted J Denney, City Clerk

Exhibit A Legal Description of San Pablo Avenue Property

The land referred to is situated in the County of Contra Costa, City of San Pablo, State of California, and is described as follows:

PARCEL ONE:

Portion of Lot 173 as delineated upon that certain Map entitled "Map of the San Pablo Rancho', accompanying and forming a part of the Final Report of the Referees in Partition' filed in the 1st day of March, 1894, in the Office of the County Recorder of the County of Contra Costa, State of California, more particularly described as follows:

Beginning at a stake marked 12, on the Northerly line of Road No. 2, or Alvarado Street, from which a granite post, set for the Southwest corner of Lot No. 170, on the Northerly line of said Street, bears South 48° East, distant 4 chains and 60 links, (303.60 feet); thence according to the true meridian, as follows: along the Northerly line of Alvarado Street, South 48° East, 1 chains and 70 links, (112.20 feet), to station under a house; thence leaving said Street, North 42° East 2 chains and 41 links (159.06 feet). to stake marked 20; thence North 48° West, 1 chain and 70 links (112.20 feet) to stake marked 19; and thence South 42° West 2 chains and 41 links (159.06 feet) to point of beginning.

PARCEL TWO:

Portion of Lot 174, as shown on the Map of San Pablo Rancho, filed March 1, 1894, in the Office of the County Recorder of Contra Costa County, described as follows:

Beginning at the Northeast line of said Lot 174 at the Southeast line of the Parcel of land described as Parcel Two in the Deed from Alfred M. Bettencourt, et ux, to San Pablo Sanitary District, recorded September 16, 1959 in Book 3454 of Official Records, Page 14; thence from said point of beginning along the exterior lines of said Lot 174 as follows: South 48° East 51.27 feet; South 42° West, 166.98 feet and North 48° West 51.27 feet to said Southeast line of Sanitary District Parcel (3454 OR 14); thence North 42° East along said Southeast line 166.98 feet to the point of beginning.

Excepting from the above described Parcels One and Two: Portion of Lots 173 and 174, Map of San Pablo Rancho, filed March 1, 1894, Contra Costa County Records, described as follows:

Beginning on the Northeast line of San Pablo Avenue, formerly Alvarado Street, at the most Southerly corner of Lot 173, as designated on said Map; thence from said point of beginning North 48° West along said Northeast line, 163.47 feet to the Northwest line of the parcel of land described in the Deed to Contra Costa County, recorded April 2, 1965, Book 4837, Official Records, Page 172, thence North 42° East, along said Northwest line, 4.80 feet; thence South 46° 19' 06" East, 163.54 feet to the point of beginning.

APN: 411-350-026

Exhibit B Form of Memorandum of Agreement

Recording Requested by:	
When Recorded Return to:	
City of San Pablo City Attorney 13831 San Pablo Avenue, Building 2 San Pablo, CA 94806	
Assessor's Parcel No.	
MEMORANDUM	OF AGREEMENT
	d, 2017, and is between the Contra Costa istrict existing under of the laws of the State of California corporation (" <u>City</u> ").
Replacement Project, dated June 19, 2017 (the "Ag District certain real property, which consists of app San Pablo Avenue, San Pablo, California. No et	andum of Understanding for the San Pablo Fire Station reement"), under which the City is entitled to receive from the roximately [] acres and is commonly known as 13928 incumbrances or liens shall be recorded on this Property all property is more particularly described on Exhibit A
The term of the Agreement expires on Jun	e 19, 2021.
record notice of the existence of the Agreement.	ot constitute the Agreement and is intended to provide In the event that there is any inconsistency between this the terms of the Agreement prevail over the terms of this
	CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT, a fire protection district under the laws of the State of California
Dated:	By: Jeff Carman, Fire Chief
	CITY OF SAN PABLO
Datada	
Dated:	By: Matt Rodriguez, City Manager



Exhibit A

Legal Description of San Pablo Avenue Property

The land referred to is situated in the County of Contra Costa, City of San Pablo, State of California, and is described as follows:

PARCEL ONE:

Portion of Lot 173 as delineated upon that certain Map entitled "Map of the San Pablo Rancho', accompanying and forming a part of the Final Report of the Referees in Partition' filed in the 1st day of March, 1894, in the Office of the County Recorder of the County of Contra Costa, State of California, more particularly described as follows:

Beginning at a stake marked 12, on the Northerly line of Road No. 2, or Alvarado Street, from which a granite post, set for the Southwest corner of Lot No. 170, on the Northerly line of said Street, bears South 48° East, distant 4 chains and 60 links, (303.60 feet); thence according to the true meridian, as follows: along the Northerly line of Alvarado Street, South 48° East, 1 chains and 70 links, (112.20 feet), to station under a house; thence leaving said Street, North 42° East 2 chains and 41 links (159.06 feet). to stake marked 20; thence North 48° West, 1 chain and 70 links (112.20 feet) to stake marked 19; and thence South 42° West 2 chains and 41 links (159.06 feet) to point of beginning.

PARCEL TWO:

Portion of Lot 174, as shown on the Map of San Pablo Rancho, filed March 1, 1894, in the Office of the County Recorder of Contra Costa County, described as follows:

Beginning at the Northeast line of said Lot 174 at the Southeast line of the Parcel of land described as Parcel Two in the Deed from Alfred M. Bettencourt, et ux, to San Pablo Sanitary District, recorded September 16, 1959 in Book 3454 of Official Records, Page 14; thence from said point of beginning along the exterior lines of said Lot 174 as follows: South 48° East 51.27 feet; South 42° West, 166.98 feet and North 48° West 51.27 feet to said Southeast line of Sanitary District Parcel (3454 OR 14); thence North 42° East along said Southeast line 166.98 feet to the point of beginning.

Excepting from the above described Parcels One and Two: Portion of Lots 173 and 174, Map of San Pablo Rancho, filed March 1, 1894, Contra Costa County Records, described as follows:

Beginning on the Northeast line of San Pablo Avenue, formerly Alvarado Street, at the most Southerly corner of Lot 173, as designated on said Map; thence from said point of beginning North 48° West along said Northeast line, 163.47 feet to the Northwest line of the parcel of land described in the Deed to Contra Costa County, recorded April 2, 1965, Book 4837, Official Records, Page 172, thence North 42° East, along said Northwest line, 4.80 feet; thence South 46° 19' 06" East, 163.54 feet to the point of beginning.

APN: 411-350-026

Recorded at the request of: Contra Costa County Return to: Contra Costa County Public Works Department Real Estate Division 255 Glacier Drive Martinez, CA 94553 Attn: Karen Laws

EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

Assessor's Parcel No. Title Co. Order No.

GRANT DEED

For Value Received, receipt of which is hereby acknowledged, CITY OF SAN PABLO ("Grantor")

GRANT(S) to

CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT, a fire protection district existing under the laws of the State of California ("Grantee"),

the following described real property in the City of San Pablo, County of Contra Costa, State of California,

FOR DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

CDANITOD

Date		GRANTOR	
		Insert Name	
		Title:	
Date		GRANTEE	
		Insert Name	
		Title:	

ATTACH APPROPRIATE ACKNOWLEDGMENT

Exhibit D Form of Notice of Termination of Agreement

Recording Requested by:	1
When Recorded Return to and Mail Tax Statements to:	_
Contra Costa County Public Works Department	
Real Property Division 255 Glacier Drive	
Martinez, CA 94553	
Attn: Karen Laws	
Assessor's Parcel No. [
NOTICE OF TER	RMINATION OF AGREEMENT
This Notice of Termination of Ag Costa County Fire Protection District, a California (" <u>District</u> ") and the City of San	greement is dated, 20, and is between the Contra fire protection district existing under of the laws of the State of Pablo, a municipal corporation ("City").
Replacement Project, dated June 19, 2017 from District certain real property, which	a Memorandum of Understanding for the San Pablo Fire Station (the " <u>Agreement</u> "), under which the City was entitled to receive consists of approximately [] acres and is commonly known as fornia. The real property is more particularly described as follows:
[Insert legal description of the red	al property or attach it as an exhibit.]
The District and the City have tern	ninated the Agreement.
This Memorandum of Agreement of notice of the termination of the Agreement	does not constitute the Agreement and is intended to provide record t.
	CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT, a fire protection district under the laws of the State of California
Dated:	By: Jeff Carman, Fire Chief
	CITY OF SAN PABLO
Dated:	Ву:
	Matt Rodriguez, City Manager



Exhibit A

Legal Description of San Pablo Avenue Property

The land referred to is situated in the County of Contra Costa, City of San Pablo, State of California, and is described as follows:

PARCEL ONE:

Portion of Lot 173 as delineated upon that certain Map entitled "Map of the San Pablo Rancho', accompanying and forming a part of the Final Report of the Referees in Partition' filed in the 1st day of March, 1894, in the Office of the County Recorder of the County of Contra Costa, State of California, more particularly described as follows:

Beginning at a stake marked 12, on the Northerly line of Road No. 2, or Alvarado Street, from which a granite post, set for the Southwest corner of Lot No. 170, on the Northerly line of said Street, bears South 48° East, distant 4 chains and 60 links, (303.60 feet); thence according to the true meridian, as follows: along the Northerly line of Alvarado Street, South 48° East, 1 chains and 70 links, (112.20 feet), to station under a house; thence leaving said Street, North 42° East 2 chains and 41 links (159.06 feet). to stake marked 20; thence North 48° West, 1 chain and 70 links (112.20 feet) to stake marked 19; and thence South 42° West 2 chains and 41 links (159.06 feet) to point of beginning.

PARCEL TWO:

Portion of Lot 174, as shown on the Map of San Pablo Rancho, filed March 1, 1894, in the Office of the County Recorder of Contra Costa County, described as follows:

Beginning at the Northeast line of said Lot 174 at the Southeast line of the Parcel of land described as Parcel Two in the Deed from Alfred M. Bettencourt, et ux, to San Pablo Sanitary District, recorded September 16, 1959 in Book 3454 of Official Records, Page 14; thence from said point of beginning along the exterior lines of said Lot 174 as follows: South 48° East 51.27 feet; South 42° West, 166.98 feet and North 48° West 51.27 feet to said Southeast line of Sanitary District Parcel (3454 OR 14); thence North 42° East along said Southeast line 166.98 feet to the point of beginning.

Excepting from the above described Parcels One and Two:

Portion of Lots 173 and 174, Map of San Pablo Rancho, filed March 1, 1894, Contra Costa County Records, described as follows:

Beginning on the Northeast line of San Pablo Avenue, formerly Alvarado Street, at the most Southerly corner of Lot 173, as designated on said Map; thence from said point of beginning North 48° West along said Northeast line, 163.47 feet to the Northwest line of the parcel of land described in the Deed to Contra Costa County, recorded April 2, 1965, Book 4837, Official Records, Page 172, thence North 42° East, along said Northwest line, 4.80 feet; thence South 46° 19' 06" East, 163.54 feet to the point of beginning.

APN: 411-350-026

Exhibit E Form of Grant Deed

Recorded at the request of: City of San Pablo Return to: City of San Pablo City Attorney 13831 San Pablo Avenue, Building 1 San Pablo, CA 94806 **EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND** DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE **SECTION 11922.** Assessor's Parcel No. Title Co. Order No. **GRANT DEED** For Value Received, receipt of which is hereby acknowledged, CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT ("Grantor") GRANT(S) to CITY OF SAN PABLO, a municipal corporation "(Grantee"), the following described real property in the City of San Pablo, County of Contra Costa, State of California, FOR DESCRIPTION SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF. **GRANTOR** Date _____ Insert Name Title:

Title: _____

ATTACH APPROPRIATE ACKNOWLEDGMENT

Exhibit F Form of Right of First Offer

Recording Requ	uested by:			
When Recorded	d Return to:			
City of San Pab City Attorney 13831 San Pabl San Pablo, CA	o Avenue, Building 2			
Assessor's Parce	el No. []			
RIGHT OF FIRST OFFER AGREEMENT BETWEEN THE CITY OF SAN PABLO AND CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT				
between the Co	ght of First Offer Agreement (" <u>Agreement</u> ") is made as of (the " <u>Effective Date</u> "), ntra Costa County Fire Protection District, a fire protection district existing under the laws California (the " <u>District</u> ") and the City of San Pablo, a municipal corporation (the " <u>City</u> ").			
	RECITALS			
(The District owns an approximately [] acre parcel at 1800 23rd Street, San Pablo, California (APN []; the "Property"). The Property is improved with a fire station. The legal description of the property is attached and incorporated herein as Exhibit A.			
	The District acquired the Property from the City by Grant Deed under the terms of a Memorandum of Understanding, dated June 19, 2017, between the District and the City.			
	Under the terms of the Memorandum of Understanding, the City paid the District approximately 40% of the cost of constructing the fire station on the Property.			
I	The District and the City desire to provide the City the first opportunity to purchase the Property if the District no longer provides fire or emergency medical services within the boundaries of the City, or the District determines that the Property should be sold.			
r	The District desires to grant to the City and the City desires to obtain from the District, a right of first offer to purchase the Property, together with all other appurtenant rights, on the terms and conditions contained herein.			

For good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

AGREEMENT

Section 1. Right of First Offer.

- (a) <u>Termination of Fire Protection Services</u>. If the District no longer provides fire or emergency medical services in the City of San Pablo, or the District determines that the Property should be sold, the District will offer the Property to the City as set forth herein.
- (b) <u>First Offer</u>. The District shall deliver a notice (the "<u>First Offer Notice</u>") to the City stating the purchase price and the terms and conditions under which the District proposes to sell the Property to the City (the "<u>First Offer</u>"). The City's purchase price for the Property shall be an amount equal to forty percent (40%) of the fair market value of the Property determined by an independent Member of the Appraisal Institute (MAI) appraiser selected by the District. The terms of sale will require the City to purchase the Property with cash and take the Property in its AS-IS condition. The District will include with the First Offer Notice any appraisal it has done that supports the purchase price.
- (c) Acceptance; Rejection; Second Appraisal Request. The City will have 90 days from the date the First Offer Notice is sent (the "Acceptance Period") to accept or reject the First Offer, or propose that a second appraisal of the Property be conducted by an MAI appraiser. In any case, the City will notify the District in writing no later than 5:00 p.m. on the last day of the Acceptance Period. If the City does not accept the First Offer as set forth herein, the First Offer shall be deemed to be rejected. If the City does not notify the District during the Acceptance Period that it desires a second appraisal, the First Offer shall be deemed rejected and the City's right of first offer hereunder terminated.
- (d) Second Appraisal. If the City notifies the District within the Acceptance Period that the City wants a second appraisal, the City shall have 60 days from the expiration of the Acceptance Period (for a total of 150 days) to have the second MAI appraisal completed and delivered to the District. The City's purchase price of the Property shall be the amount equal to forty percent (40%) of the average of the two appraisals (the "Average Price"). If the City decides not provide written acceptance to the District of the Average Price for the Property within 60 days after the date it delivers the second appraisal to the District, the First Offer and the Average Price shall be deemed to be rejected and the City's right of first offer hereunder terminated.
- (e) <u>Sale Consummation</u>. If the City accepts the First Offer during the Acceptance Period, or decides to purchase the Property for the Average Price as specified in subsection (d) above, the parties will meet and negotiate in an effort to consummate the purchase and sale of the Property within 90 days following the City's acceptance of the First Offer or the Average Price, as applicable, or within a mutually agreed-upon reasonable time thereafter.

- (f) Sale to Third Party. If the City's right of first offer is terminated due to a deemed rejection of the First Offer or the Average Price, or the sale of the Property is not consummated as set forth in subsection (e) above, the District will be free to enter into an agreement concerning the sale of the Property with any third party at any time thereafter.
- **Section 2.** Term. The City's right of First Offer will begin on the Effective Date and continue in effect for ninety (90) years, in accordance with Probate Code section 21205(b), unless sooner terminated in accordance with the terms of this Agreement (the "Term").
- **Section 3. Termination.** This Agreement will automatically terminate on the first of the following events to occur:
 - (a) The Term of this Agreement expires in accordance with Section 2;
 - (b) The City's right of first offer is terminated due to a deemed rejection of the First Offer or the Average Price, or the City does not purchase the Property following the procedures in Section 1; or
 - (c) The City purchases the Property.

Upon termination of this Agreement, at the request of the District, the City shall deliver to the District an executed quitclaim deed.

- **Section 4.** Assignment. Neither party may assign its rights under this Agreement.
- Section 5. Notices. All notices (including requests, demands, approvals or other communications) under this Agreement shall be in writing.
 - (a) Notice shall be sufficiently given for all purposes as follows:
 - (1) When delivered by first class mail, postage prepaid, notice shall be deemed delivered three (3) business days after deposit in the United States Mail.
 - When mailed by certified mail with return receipt requested, notice is effective on receipt if delivery is confirmed by a return receipt.
 - (3) When delivered by overnight delivery by a nationally recognized overnight courier, notice shall be deemed delivered one (1) business day after deposit with that courier.
 - (4) When personally delivered to the recipient, notice shall be deemed delivered on the date personally delivered.

(b) The place for delivery of all notices given under this Agreement shall be as follows:

<u>District</u>: Contra Costa County Fire Protection District

2010 Geary Road Pleasant Hill, CA 94523

Attn: Fire Chief

City: City of San Pablo

13831 San Pablo Avenue San Pablo, CA 94806 Attn: City Manager

or to such other addresses as the District and the City may respectively designate by written notice to the other.

Section 6. Construction. The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Agreement, The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. The parties to this Agreement and their counsel have read and reviewed this Agreement and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement. The Recitals, are and shall be enforceable as, a part of this Agreement.

- **Section 7. Governing Law.** This Agreement shall be governed and construed in accordance with California Law. The venue for any legal action pertaining to this Agreement shall be Contra Costa County, California.
- Section 8. Severability. If any term of provision of this Agreement is, to any extent held invalid or unenforceable, the remained of this Agreement will not be affected.
- Section 9. Entire Agreement. This Agreement contains the entire agreement between the District and the City with respect to the subject matter hereof. There are no representations or promises made to any party hereto concerning the subject matter of this Agreement except as set forth herein. It is expressly understood by each of the parties that this Agreement may not be altered, amended, modified or otherwise changed in any respect whatsoever, except by a writing executed by the District and the City.

[Signatures appear on following page.]

CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT, a fire protection District under the laws of the State of California

By:
Jeff Carman, Fire Chief
Dated:
CITY OF SAN PABLO
By:
Matt Rodriguez, City Manager

[Attach Notary Forms]

Exhibit A - Legal Description

[Insert legal description of 1800 23rd Street, San Pablo]



CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

MEMORANDUM

TO: Charles Ching, Assistant to the City Manager, City of San Pablo

FROM: Lewis Broschard, Deputy Fire Chief

SUBJECT: Fire Station 70 MOU

DATE: June 6, 2017

Enclosed are two executed copies of the Fire Station 70 MOU. Please return one fully executed document with original signatures to me and retain one for your records.

It is my understanding that other documents will need to be executed (as referenced in the MOU) as the project progresses and are included in the packet as exhibits.

Unfortunately, I will be out of town, but Chief Carman is planning on attending the June 19th City Council meeting. Thanks for all your support throughout this project! We're looking forward to submitting planning and design review documents to you in the near future.

Please call me if you have any questions.