

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Public Works AM

BOARD AGENDA # *C-2

Urgent Routine

AGENDA DATE March 20, 2012

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Grant in Fee, the County Owned Property at 2957 River Road to Francisco Mondragon Jr., et ux., the Adjoining Landowner

STAFF RECOMMENDATIONS:

Pursuant to the Street and Highway Codes 8334, 8335 and 8355:

1. Adopt the attached Resolution summarily vacating the public's right-of-way interest in said County Owned Property.
2. Find, based on the reasons stated in this report that said County Owned Property is not required for street or highway purposes.

(Continued on Page 2)

FISCAL IMPACT:

Funds from the sale of this property will be used to reimburse Public Works for costs incurred in the sale process. This includes the appraisal (\$2,500) and staff time involved in research and processing (\$4,404 through 2/10/12). Any remaining funds in excess of incurred costs shall be deposited in the Stanislaus County General Fund.

BOARD ACTION AS FOLLOWS:

No. 2012-116

On motion of Supervisor Withdraw, Seconded by Supervisor De Martini

and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Grant in Fee, the County Owned Property at 2957 River Road to Francisco Mondragon Jr., et ux., the Adjoining Landowner

STAFF RECOMMENDATIONS (Continued):

Pursuant to the Government Code 25526.5:

1. Adopt the attached Resolution conveying said County Owned Property.
2. Find based on the reasons stated in this report that the parcel described herein is not necessary for County or other public purposes.
3. Authorize the Director of Public Works to sign with notary, the Grant Deed as submitted as Exhibit "D", conveying the fee title portion to the adjoining landowner for the total purchase price of \$7,624 based upon the Appraisal and Valuation Analysis performed by Cogdill & Giomi, Inc. as described in Exhibit "C" attached hereto (\$7,500) together with the merger application fee (\$79) and the merger recording fee (\$45).
4. Approve the preparation of a Purchase and Sale Agreement which includes the condition that an application of merger shall be submitted within six months of the recordation of the grant deed.

DISCUSSION:

Francisco Mondragon Jr., et ux., the adjoining property owner, has requested to purchase the County Owned Property at 2957 River Road. In accordance with Section 8334(a) of the Streets and Highways Code, the legislative body of the local agency may summarily vacate an excess right-of-way of a street or highway not required for street or highway purposes. Also, in accordance with Section 8355(a) of the Streets and Highways Code, the legislative body may sell or exchange the property owned by them in the manner, and upon the terms and conditions, approved by the legislative body.

Said County Owned Property at 2957 River Road was acquired in fee for road purposes in 1985 as part of the realignment of River Road. This parcel is excess property and is not needed for any public use.

The median value of the property was determined to be \$7,500 based upon the conclusion that the parcel cannot be sold as buildable. This valuation assumes that the parcel will be sold to the adjoining landowner for the purpose of a lot merger.

If the property could be sold as a buildable lot, it would be valued at \$25,000. The County must either improve the property to its highest potential or determine the exact cost of this effort and subtract this cost from the estimated value. Currently the parcel is not served by a public sewer system and the parcel is highly constrained to support a septic system. The lack of sewer availability results in the conclusion that the parcel should be valued as surplus land.

Approval to Grant in Fee, the County Owned Property at 2957 River Road to Francisco Mondragon Jr., et ux., the Adjoining Landowner

In accordance with Section 25526.5 of the government code, whenever the Board of Supervisors determines that any real property or interest therein belonging to the County is no longer necessary for county or other public purposes, and its estimated value does not exceed twenty-five thousand dollars (\$25,000), the County may sell, exchange, quitclaim, or convey that real property or interest therein in the manner and upon the terms and conditions approved by the Board of Supervisors without complying with any other sections in the article.

This property is encumbered by existing public right-of-way. This encumbrance is the original alignment of River Road. This right-of-way is within the area annexed to the City of Ceres. The Purchase and Sale Agreement clearly states that this property is being sold "as-is". This Agreement includes language stating that the County will not be held responsible for the acquisition of any underlying interest encumbered by public right-of-way. [Section 6(ii)]

This parcel is located in a highly visible area of Mitchell Road and the purchaser will provide for the upkeep of this property. The County will also benefit from the acreage being added to the tax rolls. Finally, in accordance with Section 25526.5 of the government code, because the real property or interest therein belonging to the County is no longer necessary for county or other public purposes, and its estimated value does not exceed twenty-five thousand dollars (\$25,000), the County may sell this real property in the manner and upon the terms and conditions approved by the Board of Supervisors.

POLICY ISSUES:

This action is consistent with the Board's priorities of A Well-Planned Infrastructure System and A Safe Community by returning underutilized right-of-way to a more productive use. Street and Highway Codes 8334(a) and 8355(a) provide the Board the authority to summarily vacate and sell or exchange excess right-of-way not required for street or highway purposes.

STAFFING IMPACT:

There is no staffing impact associated with this item.

CONTACT PERSON:

Matt Machado, Public Works Director. Telephone: (209) 525-4130.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: March 20, 2012

2012-116A

On motion of Supervisor Withrow and approved by the following vote,
Ayes: Supervisors: Chiesa, Withrow, Monteith, DeMartini, and Chairman O'Brien
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

Seconded by Supervisor De Martini

THE FOLLOWING RESOLUTION WAS ADOPTED:

Item # *C-2

APPROVAL TO CONVEY IN FEE THE REAL PROPERTY
LOCATED AT 2957 RIVER ROAD

Whereas, that the Board of Supervisors, of the County of Stanislaus, State of California, hereby finds and determines as follows:

1. That the sale of the real property described herein below is made pursuant to Section 25526.5 of the Government code.
2. That the real property to be sold is located at 2957 River Road, and is more particularly described in Exhibit "A" attached hereto and shown on the precise map attached hereto as Exhibit "B".
3. That Francisco Mondragon Jr., the adjoining property owner offered to purchase said real property from the county of Stanislaus for a total price of \$7,624 based upon the Appraisal and Valuation Analysis performed by Cogdill & Giomi, Inc. (\$7,500) together with the Merger Application fee (\$79) and the Merger recording fee (\$45).
4. That the real property to be sold was acquired in fee for road purposes in 1985. The real property is not required for street or highway purposes. The County has provided alternate traffic flow routes creating this excess roadway. The County has summarily abandoned the public's interest in right-of-way over and across said property. The in-place public utilities within the vacation area will be provided with access easements.

Now, therefore, be it resolved pursuant to Section 25526.5 of the Government Code that from and after the date this resolution is recorded by the County, the real property herein described is hereby approved to be sold to the adjoining property owner stated above for \$7,624 and the Director of Public Works is hereby authorized and directed to execute a Grant Deed for said real property to the designated purchaser.

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
Stanislaus County Board of Supervisors,
State of California



File No.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: March 20, 2012

2012-116B

On motion of Supervisor Withrow Seconded by Supervisor De Martini
and approved by the following vote,
Ayes: Supervisors: Chiesa, Withrow, Monteith, DeMartini, and Chairman O'Brien
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

THE FOLLOWING RESOLUTION WAS ADOPTED:

Item # *C-2

**APPROVAL TO SUMMARILY VACATE THE PUBLIC INTEREST IN RIGHT-OF-WAY
LOCATED AT 2957 RIVER ROAD**

Whereas, that the Board of Supervisors, of the County of Stanislaus, State of California, hereby finds and determines as follows:

1. The vacation of the excess road right-of-way described herein below is made under Chapter 4, part 3, of Division 9 of the California Street and Highway Code (Sections 8330 through 8336).
2. The excess road right-of-way to be vacated is located at 2957 River Road, and is more particularly described in Exhibit "A" attached hereto and shown on the precise map attached hereto as Exhibit "B".
3. The excess street right-of-way to be vacated hereby is not required for street or highway purposes. The County has provided alternate traffic flow routes creating this excess roadway. The in-place public utilities within the vacation area will be provided with access easements.

Now, therefore, be it resolved pursuant to Chapter 4, part 3, of Division 9 of the California Street and Highway Code (Sections 8330 through 8336) that from and after the date this resolution is recorded by the County, the vacated excess road right-of-way herein described no longer constitutes a street or highway.

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
Stanislaus County Board of Supervisors,
State of California



File No.

EXHIBIT "A"

Parcel at 2957 River Road, City of Ceres

All that real property described as Exhibit "A" in the grant deed recorded on July 16, 1985 in Reel 057 of Official Records at Image 0358, and as instrument number 002871, Stanislaus County Records, situate in the east half of the east half of Section 2, Township 4 South, Range 9 East, Mount Diablo Meridian, Stanislaus County, State of California, more particularly described as follows:

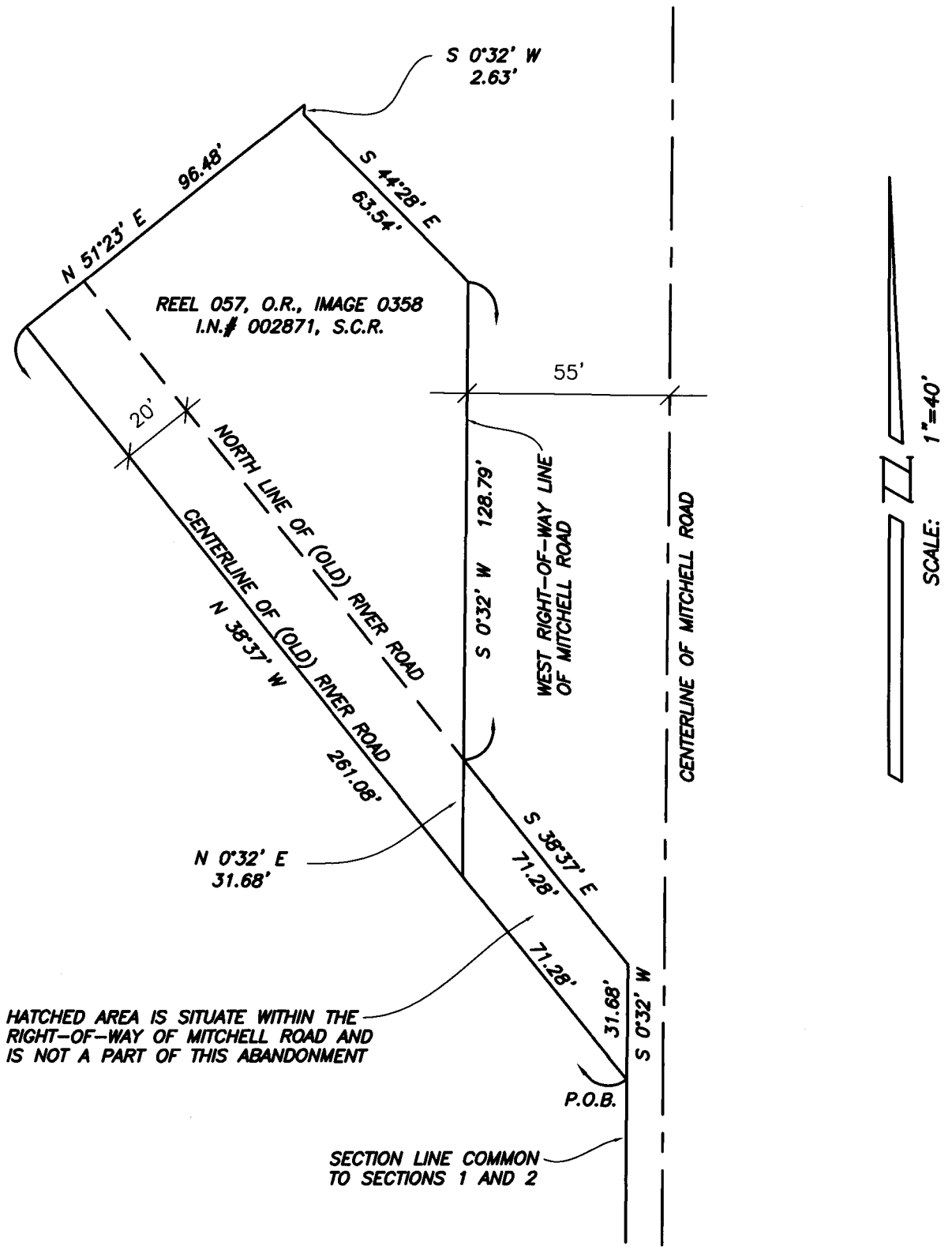
Commencing at the section corner common to Sections 1, 2, 11 and 12, Township 4 South, Range 9 East, M. D. B. & M.; thence North 0° 32' East, 1944.67 feet along section line common to Sections 1 and 2, said Township and Range, to its intersection with the centerline of old River Road, to the point of beginning of this description; thence North 38° 37' West, 261.08 feet along the centerline of Old River Road to the westerly boundary line of the property herein described; thence North 51° 23' East, 20 feet to a ¾" iron pipe set on the northerly right of way line of said Old River Road; thence continuing North 51° 23' East, 52.15 feet to a cross cut in concrete ramp; thence continuing North 51° 23' East 24.33 feet to the westerly right of way line of the East Modesto Road (formerly Mitchell Road), a total distance of 96.48 feet from the centerline of Old River Road; thence South 0° 32' West, 2.63 feet; thence South 44° 28' East, 63.54 feet; thence South 0° 32' West, 128.79 feet to an intersection with the northerly right of way of Old River Road; thence South 38° 37' East, 71.28 feet to the section line common to Sections 1 and 2, Township 4 South, Range 9 East, M. D. B. & M.; thence South 0° 32' West along said section line, 31.68 feet to point of beginning.

Excepting therefrom:

All that portion of said real property situate within the right-of-way of 55 foot half-width Mitchell Road, more particularly described as follows:

Beginning at said intersection of the section line common to Sections 1 and 2 with the centerline of old River Road; thence North 38° 37' West, 71.28 feet along said centerline of Old River Road to the intersection with the southerly projection of the west right-of-way line of said Mitchell Road; thence North 0° 32' East, 31.68 feet along said southerly projection to the north right-of-way line of Old River Road; thence South 38° 37' East, 71.28 feet along said north right-of-way line of Old River Road to said section line common to Sections 1 and 2, Township 4 South, Range 9 East, M. D. B. & M.; thence South 0° 32' West along said section line, 31.68 feet to the point of beginning.

EXHIBIT "B"



PROPOSED ABANDONMENT

EAST ½ SECTION 2 T.4 S. R.9 E.
2957 RIVER ROAD, CITY OF CERES

EXHIBIT "C"

Excerpts of: Appraisal and Valuation Analysis performed by Cogdill and Giomi, Inc.
(Complete report is on file in the County Surveyors Office, Department of Public Works)

APPRAISAL FOR
**DEPARTMENT OF PUBLIC WORKS
STANISLAUS COUNTY**

AS OF
JANUARY 17, 2012

APPRAISAL OF
**2957 RIVER ROAD
MODESTO, CALIFORNIA
APN: 039-009-006**

BY

COGDILL & GIOMI, INC.
Modesto, California



January 19, 2012

Mr. Chad Johnson, LS
Assistant Engineer/Surveyor
Department of Public Works
Stanislaus County
1716 Morgan Road
Modesto, CA 95358

Re: 2957 River Road Modesto, California
Assessor's Parcel Number: 039-009-006

Dear Mr. Johnson:

In accordance with your recent request and written authorization dated December 16, 2011, I have proceeded with the necessary inspection of the vacant parcel identified as 2957 River Road Modesto, Stanislaus County, California. This property is further identified as Assessor's parcel number 039-009-006. This parcel is located at the intersection of Mitchell Road and River Road, just south of the Tuolumne River and the Modesto Airport. The parcel includes a gross area estimated at 11,325± square feet, yet much of this parcel is of uneven topography, with an irregular shaped plateau area estimated to include roughly 7,434 square feet of "usable space." The parcel is zoned A-2-3 by the County of Stanislaus and void of any structural improvements at this time. This property has been encroached upon and does include some fencing, animal pens, shelters, etc...

The purpose for my inspection, investigations, and analyses was to provide Stanislaus County, as my exclusive client, with an opinion of the "as is" market value of this parcel under two valuation scenarios. First, I considered the subject as a "buildable" parcel suitable for residential construction with all necessary offsites, utilities, and services readily available. In all likelihood this is not the case as my investigations have revealed that the property most likely lacks water and sewer service with other issues regarding access and overall utility also a concern.

Secondly, you have asked for a "value in use" opinion, as if the parcel were to be sold to an adjoining property owner and incorporated into an existing homesite use. This scenario assumes that the parcel can be absorbed and utilized along with the existing ranchette to the west, yet not developed as a stand alone property.

Mr. Chad Johnson, LS
Assistant Engineer/Surveyor
Department of Public Works
January 19, 2012
Page Two

The function of this appraisal report is to serve the specific client in determining reasonable values for the possible marketing and/or sale of the subject property. The opinions of market value along with other pertinent data have been included in the Executive Summary section of this report.

On the following pages you will find my Summary Appraisal Report written in compliance with the Current Uniform Standards of Professional Appraisal Practice (USPAP). This report is intended to serve the specific client for the purposes previously mentioned, and is not intended for use by any other parties, or for any other purpose whatsoever.

Thank you again for this opportunity to be of service.

Respectfully,

COGDILL & GIOMI, INC.

James A.

Cogdill, SRA.

James A. Cogdill, SRA

CEO

State of California No. AG003850

Expiration Date: December 30, 2012

Digitally signed by James A.
Cogdill, SRA.
DN: cn=James A. Cogdill,
SRA., c=US
Date: 2012.01.19 14:48:12
-08'00'

EXECUTIVE SUMMARY

Property Identification: 2957 River Road
Modesto, Stanislaus County, California

Property Location: The northwest corner of River Road
and Mitchell Road south of the
Tuolumne River.

Assessor's Parcel Number: 039-009-006

Census Tract Number: 0027.01

Flood Hazard Data: As per FEMA map/panel no. 06099C
0555E, dated 09/26/20098. The
subject is in flood zone "AE"

Zoning: A-2-3, County of Stanislaus

Property Description: The gross site area is estimated at
roughly 11,325 square feet and
includes a parcel with uneven
topography and an irregular shape
located at the intersection of two busy
roadways. Much of the parcel is
elevated above road grade and includes
a plateau area that is generally level
and again of irregular shape, including
and estimated 7,434+ square feet. The
parcel includes some fencing of mixed
materials, in fair condition. Other
nominal improvements include some
animal pens, bushes, trees, etc...

Highest and Best Use: Assuming that the property is served by
all necessary utilities and public



services, it is possible that a highest and best use as a residential homesite could be determined. Under existing market conditions however, it is most likely that the highest and best use is to hold until market conditions warrant actual property development.

If necessary utilities and services are not available or can feasibly be extended to the subject property, the highest and best use is deemed to be assemblage of the subject with the adjoining property and expanding the existing homesite use.

Date of Value: January 17, 2012

Date of Report: January 19, 2012

Interest Appraised: Fee Simple

Valuation Scenarios: Scenario 1: "As Is" market value
Assuming the subject has all services and utilities available for residential development.

Scenario 2: Assuming that there are insufficient utilities and services to allow a "stand alone" residential development.

Opinions of Market Value: Scenario 1: \$25,000

Scenario 2: \$6,250 to \$8,750

Allocation of Personal Property Value: None



Specific Client:

Stanislaus County

Intended Use of Appraisal:

To provide opinions of market value under valuation scenarios that will allow the potential marketing and/or sale of the subject property

Exposure/Marketing Time:

Scenario 1: 6 to 12 Months

Scenario 2: N/A



PROPERTY DESCRIPTION

Identifying the subject as parcel number 039-009-006, the Assessor's office indicates that this parcel includes roughly 11,325 square feet of gross site area. This is an irregular shaped parcel with 165.25' of frontage along the River Road right of way and 128.79' and 63.64' of "jogged" frontage along the west side of Mitchell Road.

Much of the subject property is undulating or severally sloping, yet there is a plateau portion estimated at roughly 7,434 square feet that provides a generally level, albeit very irregular shaped area, elevated above both the River Road and Mitchell Road frontages. The parcel is adjacent to an existing homesite to the northwest, identified as APN 039-009-005. This 1.69 acre parcel also includes a generally level river bluff homesite area to a sloping downgrade, which eventually abuts the southern bank of the Tuolumne River several yards to the north.

Because of the proximity to the adjoining ranchette, the subject property makes a logical extension of this parcel. At some point encroachment has occurred and the subject parcel has been developed with makeshift structures including animal pens, shelters, etc... In addition, some rough irrigation lines have been extended apparently once providing water to landscape items such as trees, shrubs, etc... At this time the entire parcel and the adjoining right of way (still owned by the City of Ceres) have been overgrown with weeds.

In summary, the best description of the subject at this time is that it includes roughly 11,325 square feet of gross site area with an estimated 7,434 square feet "useable" space. This is an irregular shaped parcel that is likely lacking public services and direct vehicle access from nearby River Road.

On the following pages I have included a copy of the Assessor's parcel map identifying the subject site, and photographs of the property and surrounding area as they existed on the date of my last inspection.



VALUATION OF SURPLUS LAND

The next scenario requires the conclusion that the subject is not buildable, and really only has use or value as an extension of the adjoining homesite. As a result, this becomes an analysis of surplus land. Although it technically exists as a separate, marketable property, this scenario requires a consideration of value for the subject only as it contributes to the adjoining property. This scenario poses another challenge, one that is not easily met. Finding direct market data for such properties is almost impossible.

One method to value is a comparison of sales data of "like" properties in which a size difference can be isolated and then measured. This "lot premium" analysis is often seen in the valuation of more homogenous subdivision properties. Unfortunately, market conditions have severely limited even this type of data, and in some cases sales and listing activity proved contradictory. Looking to other appraisal files and historical analyses helped me to measure a range of influences for contributory value, for surplus areas, unable to stand alone.

It is important to note that surplus land is different from excess land, primarily in that surplus land can not by definition be sold or used separately, whereas excess land has the ability to serve another use, or be sold to another owner. Again, under this scenario the surplus land conclusion is deemed most appropriate.

My analysis has found that surplus land (based upon a lot premium type analysis) will typically reflect around 25% to 35% of the "stand alone" value. In other words, if a parcel on its own has a value of \$25,000 then a probable surplus land contribution can be estimated between \$6,250 and \$8,750. Lacking any more definitive data, \$6,250 to \$8,750 is a reasonable conclusion for the subject under this scenario.

Another way to look at this subject scenario is to consider the value increase afforded the neighboring parcel assuming the hypothetical assemblage occurs. While I did not attempt to value the neighboring parcel, it would appear logical to assume a nominal increase in value if the total site area increased from the existing 1.69 acres to 1.95 acres. Once again, this assumes such that such an increase would not allow any more dwelling units to be constructed on site, and would simply act as additional site area for auxiliary use.

EXHIBIT "D"

Grant Deed

**NO FEE
RECORDING REQUESTED BY:
BOARD OF SUPERVISORS**

**RETURN TO:
STANISLAUS COUNTY
DEPARTMENT OF PUBLIC WORKS**

GRANT DEED

**The undersigned grantor(s) declare(s)
Documentary transfer tax is \$ _____**

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale,
- Unincorporated area

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

THE COUNTY OF STANISLAUS, a political corporation and/or governmental agency does

hereby GRANT(S) to;

Francisco Mondragon Jr. and Isabel Maria Mondragon, as joint tenants,

all of it's right, title, and interest in the real property situated in an unincorporated area of Stanislaus County, California, described as follows:

**SEE ATTACHED EXHIBITS "A" AND "B" ATTACHED HERETO AND INCORPORATED
HEREN BY THIS REFERENCE**

Executed on _____, at Modesto, California

(Sign) _____

(Print) _____

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (The "Agreement") is made and entered into this 20th day of March, 2012, by and between the COUNTY OF STANISLAUS, a political corporation (hereafter "Seller") and Francisco Mondragon Jr. and Isabel Maria Mondragon, as joint tenants, (hereafter "Purchaser").

RECITALS

- A. Seller is the owner of real property located in the County of Stanislaus, commonly known as 2957 River Road and known as Assessor's Parcel Number 039-009-006, and more particularly described in Exhibit "A" and depicted in Exhibit "B" attached hereto (hereafter the "Property").
- B. As of the date of this Agreement, the Property is vacant, having no buildings or structures thereon.
- C. Seller declares the Property as surplus property and Seller desires to sell the Property on terms and conditions in this Agreement.
- D. Purchaser desires to purchase the Property on terms and conditions in this Agreement.
- E. Purchaser Agrees to the terms of sale including the condition that an Application of Merger shall be submitted within 6 months of the recordation of the Grant Deed.
- F. Seller agrees to assist purchaser and facilitate the preparation of the Application of Merger.

SECTION 1. RECITALS:

The foregoing recitals are part of this Agreement.

SECTION 2. PURCHASE AND SALE:

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller agrees to sell and Purchaser agrees to purchase the Property under the terms and conditions of this Agreement.

SECTION 3. PURCHASE PRICE:

The full purchase price of \$7,624.00 for the Property is based upon the Appraisal and Valuation Analysis performed by Cogdill & Giomi, Inc. as described in Exhibit C attached hereto and being a part of this agreement (\$7,500.00) together with the Merger Application fee (\$79.00) and the Merger recording fee (\$45.00).

SECTION 4. PAYMENT:

Purchaser shall pay the entire Purchase Price to Seller through Stanislaus County's Department of Public Works.

SECTION 5. CONVEYANCE OF TITLE:

Seller agrees to convey and grant to Purchaser, and Purchaser agrees to accept, subject to the conditions set forth herein, title to the property by Grant Deed.

SECTION 6. SELLER'S REPRESENTATIONS:

Seller represents to Purchaser that:

- (i) Seller owns the Property free and clear of all liens, leases, claims, encumbrances and encroachments not disclosed by the public record. Except as disclosed herein, Seller has no knowledge of any unrecorded or undisclosed legal or equitable interest in the Property owned or claimed by anyone other than Seller.
- (ii) Seller offers no warranty or assurance for any underlying interests that may exist within the adjoining right-of-way. Acquisition of said underlying interests, if any exist, shall be the responsibility of the Purchaser.
- (iii) No litigation, and no governmental, administrative, or regulatory act or proceeding is pending or, to the best of Seller's knowledge, proposed, threatened, or anticipated with respect to the Seller, or with respect to any other matter affecting the Property or its condition.
- (iv) To the best of Seller's knowledge, Seller has received no written notice of any hazardous materials located on, under or about the Property.
- (v) To the best of Seller's knowledge, Seller has received no written notice of any currently outstanding violations of any federal, state, county or municipal law, ordinance, order, regulation, or requirement involving or affecting the Property.
- (vi) Prior to Closing, Seller shall, at its sole cost and expense, and subject to Purchaser's reasonable satisfaction, maintain the Property in good repair and in the same condition as of the date of this Agreement, reasonable wear and tear excepted.

SECTION 7. RELEASE:

From and after Closing, Purchaser hereby waives, releases, remises, acquits, and forever discharges Seller, its officers, employees, and agents, and their respective heirs, successors and assigns, of and from any and all suits, actions, causes of action, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorney's fees, and expenses of whatever kind and nature, in law or in equity, known or unknown, which Purchaser ever had, now has, hereafter can, shall or may acquire or possess, arising out of or in any way connected with, (1) Seller's use, maintenance, ownership and operation of the Property prior to Closing, or (2) the condition, status, suitability, quality, nature, contamination or environmental state of the Property.

It is the intention of this Section that any and all responsibilities and obligations of Seller, and any and all rights or claims of Purchaser, its successors and assigns and affiliated entities, arising by virtue of the physical or environmental condition of the Property as well as the effect of zoning and any land use and environmental laws, regulations and ordinances affecting the Property and its use are by this release provision declared null and void and of no present or future effect to such parties. Purchaser agrees to waive the benefits of section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

SECTION 8. INDEMNITY:

Purchaser shall, to the maximum extent permitted by law save, defend, indemnify and hold harmless Seller, its officials, employees and agents and their respective heirs, successors and assigns (collectively the "Indemnified Parties") from and against any and all suits, actions, legal or administrative proceedings, claims, demands, actual damages, fines, penalties, punitive damages, losses, costs, liabilities, interest, attorney's fees, including but not limited to any such fees and expenses incurred in enforcing this indemnity provision, resulting from, arising out of or in any way connected with injury to or the death of any persons (including, without limitation any Indemnified Party) or physical damage to property of any kind wherever located and by whomever owned (including, without limitation any Indemnified Party) arising out of or in any way connected with Seller's ownership or use of the Property.

SECTION 9. "AS IS":

Purchaser acknowledges and agrees that the Property is to be sold and conveyed to, and accepted by Purchaser, in an "as is" condition with all faults. Purchaser has investigated and has knowledge of operative or proposed governmental laws and regulations, including but not limited to, zoning, environmental and land use laws and regulations, to which the Property is or

may be subject and accepts the Property solely upon the basis of its review and determination of the applicability and effect of such laws and regulations. Purchaser acknowledges that they are entering into this Agreement on the basis of Purchaser's own investigation and knowledge as to (1) the prior uses of the Property, (2) the physical and environmental conditions of the Property, including soils and other subsurface conditions, (3) the utilities, zoning, maps, permits, engineering data and laws, regulations and ordinances affecting the suitability of the Property for intended uses. Purchaser expressly assumes the risk that adverse physical and environmental conditions may not have been revealed by Purchaser's own investigation. Purchaser further acknowledges that Seller, its agents and employees have made no representations or warranty of any kind in connection with any matter relating to the condition, fitness, suitability, readiness or zoning of the Property upon which Purchaser has relied directly or indirectly for any purpose. Purchaser hereby waives, releases, remises, acquits and forever discharges Seller, Seller's employees, agents and officials of and from any claims, actions, causes of action, demands, rights, damages, costs, expenses or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Purchaser now has or which may arise in the future on the account of or in any way growing out of or connected with the physical condition of the Property or any law or regulation applicable thereto.

SECTION 10. SURVIVAL OF PROVISIONS:

Purchaser acknowledges, understands and agrees that the provisions of Sections 7 (Release), Section 8 (Indemnity) and Section 9 ("As-Is") herein shall survive the completion of this Agreement or any termination of this Agreement.

SECTION 11. CONDITIONS TO PURCHASER'S PERFORMANCE:

Purchaser's obligation to perform under this Agreement is subject to the following condition:

(a) Seller's representations and warranties in this Agreement being correct as of the date of this Agreement and at completion of this Agreement.

SECTION 12. CONDITIONS TO SELLER'S PERFORMANCE:

Seller's obligation to perform under this Agreement is subject to the following conditions:

(a) Purchaser's representations and warranties in this Agreement being correct as of the date of this Agreement.

(b) Purchaser's performance of all of the obligations which it is required to perform pursuant to this Agreement.

(c) Purchaser(s) is/are current owner(s) of property adjacent to property described in Exhibits "A" and "B".

SECTION 13. SELLER'S COVENANTS:

Commencing with the full execution of this Agreement by both parties and until Close of Escrow:

(a) Seller shall not permit any liens, encumbrances, or easements to be placed on the property, other than the Approved Exceptions, nor shall Seller enter into any agreement regarding the sale, rental, management, repair, improvement, or any other matter affecting the Property that would be binding on Purchaser or the Property after the Close of escrow without the prior written consent of Purchaser.

(b) Seller shall not permit any act of waste or act that would tend to diminish the value of the property for any reason, except that caused by ordinary wear and tear.

SECTION 14. PURCHASER'S REPRESENTATIONS AND WARRANTIES:

Purchaser represents and warrants as follows:

(a) Purchaser has full power and authority to enter into and perform this Agreement. The execution, delivery and performance of this Agreement by Purchaser have been duly authorized by all necessary actions on the part of Purchaser, and all required consents or approvals of Purchaser have been duly obtained. This Agreement is a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms.

(b) The documents executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Purchaser.

(c) Purchaser acknowledges and agrees that it has not relied upon any representations by Seller with respect to (1) the condition of the Property or (2) the suitability of the Property, including physical condition, access, zoning, environmental matters, permits, utilities, code compliance, or any other matter affecting the Property or any use intended of the property by Purchaser. Purchaser acknowledges, understands and agrees it is Purchaser's obligation and responsibility to satisfy itself concerning these issues. Purchaser further acknowledges that the execution of this Agreement in no way limits the discretion of Seller in the permit and approval process in connection with development, rehabilitation and use of the Property by Purchaser.

SECTION 15. ENTIRE AGREEMENT:

This Agreement and the documents referenced herein contain the entire agreement between the parties to this Agreement and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

SECTION 16. AMENDMENTS:

This Agreement, including any exhibits hereto, shall not be amended or changed except in writing, signed by the parties. Any amendment or addendum to this Agreement shall expressly refer to this Agreement.

SECTION 17. NO ASSIGNMENT:

Purchaser shall not have the right to assign this Agreement or any of its rights or interests under this Agreement to any party without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Any unauthorized assignment shall be void.

SECTION 18. WAIVER(S):

No breach of any provision of this Agreement can be waived unless in writing. Waiver of any one breach of a provision hereof shall not be deemed a waiver of any other breach of the same or any other provision or covenant in this Agreement, including the time for performance of any such provision. An extension of time for performance of any obligation or act shall not be deemed an extension of time for performance of any other obligation or act.

The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

SECTION 19. BROKERS:

Purchaser and Seller each represents to the other that no realtor or broker has been retained, consulted or involved in connection with or negotiating this transaction. Each party agrees to defend, indemnify, and hold harmless the other party from any claims, expenses, costs, or liabilities arising in connection with a breach of that party's representations in this section.

SECTION 20. SUCCESSORS:

Subject to the terms of Section 17, Prohibiting Purchaser's Assignment, this Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns.

SECTION 21. DISCRETION RETAINED BY SELLER:

Seller's execution of this Agreement in no way limits the discretion of Seller in the exercise of its municipal functions, including but limited to its police powers and its authority in land use regulation, entitlements, and the permit and approval process in connection with the development, use and rehabilitation of the Property.

SECTION 22. APPROVAL:

Purchaser acknowledges, understands and agrees that this Agreement is subject to the approval by the County Board of Supervisors and this Agreement shall have no force or effect unless and until such approval by the County's Board of Supervisors is obtained.

SECTION 23. GOVERNING LAW:

This Agreement shall be interpreted under and be governed by the laws of the State of California.

SECTION 24. NOTICES:

All notices permitted or required to be given under this Agreement or which either Seller or Purchaser desires to serve upon the other shall be in writing and shall be deemed duly given and effective (a) on actual delivery if delivery is by personal delivery, or (b) five (5) days after delivery in the United States Mail if delivery is by postage prepaid, to respective addresses as set forth below or to any other address as may be designated by a party:

SELLER:

By Personal Delivery
County of Stanislaus
Attn: Chad Johnson, Asst. Engineer/Surveyor
Department of Public Works
1716 Morgan Road
Modesto, CA 95358

By Mail
Department of Public Works
Attn: Chad Johnson, Asst. Engineer/Surveyor
1716 Morgan Road
Modesto, CA 95358

PURCHASER:

By Personal Delivery
Francisco Mondragon
2941 River Road
Modesto, CA 95351

By Mail
Francisco Mondragon
2941 River Road
Modesto, CA 95351

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the County of Stanislaus, a political corporation, has authorized the execution of this Agreement by its Board of Supervisors and attestation by its Clerk of the Board, by Resolution No. 2012 - 116. Adopted by the County of Stanislaus on the 20th Day of March, 2012, and Purchaser has caused this Agreement to be duly executed.

COUNTY OF STANISLAUS

FRANCISCO MONDRAGON JR.

By: William O'Brien
William O'Brien
Chairman of the Board of Supervisors

By: Francisco Mondragon Jr.

“Seller”

ATTEST:
Christine Ferraro Tallman
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

ISABEL MARIA MONDRAGON

By: Isabel Maria Mondragon

By: Elizabeth King
Deputy Clerk

“Purchasers”

APPROVED AS TO CONTENT:

By: Matthew Machado
Matthew Machado, Director
Public Works Department

APPROVED AS TO FORM:

John P. Doering
County Counsel

By: Thomas E. Boze
Thomas E. Boze
Deputy County Counsel

