

**AMENDMENT TO AGREEMENT  
FOR TRANSFER OF TITLE TO REAL PROPERTY  
City of Lompoc and Lompoc Healthcare District**

Recitals

A. On May 18, 2006, Lompoc Healthcare District (hereinafter "LHD") and the City of Lompoc (hereinafter "City") signed an Agreement for the Transfer of Title to Real Property (hereinafter the "Property Transfer Agreement").

B. At the time the Property Transfer Agreement was signed, the parties contemplated that City would need to vacate and transfer title to the City Property and to temporarily use the B Occupancy Building for community center purposes, upon the B Occupancy Building being suitable and ready for occupancy, and prior to the completion of the new Lompoc Hospital and prior to the permanent occupation of a portion of, and acquisition of a cotenancy interest in, the LHD Property by the City for community center purposes.

C. The B Occupancy Building now is suitable and ready for occupancy. Construction circumstances and the plans of the City no longer require that City vacate the City Property at this time.

D. City has informed LHD that City has decided to develop a community center on Property not owned or controlled by LHD, and City has, accordingly, determined that the cotenancy occupancy of the LHD Property and the acquisition and use of the LHD Property by City are no longer desired by City, feasible, or required by public necessity.

E. The parties now wish to amend the Property Transfer Agreement to accommodate this changed circumstance.

F. LHD and City have determined that the transaction described herein will promote more efficient provision of public services and is in the interest of the residents of the City of Lompoc and the Lompoc Health Care District.

G. Paragraph 18 of the Property Transfer Agreement permits written modification by the parties.

**NOW, THEREFORE**, in consideration of the mutual promises made herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged by each of the parties hereto, LHD and City hereby agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated into this Amendment.

2. **Definitions.** All words and phrases in this Amendment have the same meaning as in the Property Transfer Agreement.

3. **Transfer of Property by LHD.** Paragraph 2 of the Property Transfer Agreement is amended in its entirety to read as follows:

“2. **Transfer of Property by LHD.** There shall be no transfer of any interest in the LHD Property to City. The rights and interests of City in the LHD Property established or described in the Property Transfer Agreement, including, but not limited to, any right to acquire any cotenancy interest in or title to the LHD Property or any option or right to purchase, lease or occupy the LHD Property, are hereby terminated and shall have no effect.”

4. **Transfer of Property by and Payment to City.** Paragraph 3 of the Property Transfer Agreement is amended in its entirety to read as follows:

“3. **Transfer of Property by and Payment to City.**

(i) On August 1, 2009, City shall transfer to LHD all of City’s rights, title, and interest in the City Property, which transfer shall be effective as of August 1, 2009. After the transfer described in the preceding sentence, LHD shall hold title in fee simple to the City Property.

(ii) City shall completely vacate the City Property on or before July 31, 2009.

(iii) LHD shall pay to City the sum of two million dollars (\$2,000,000) on August 1, 2009, as consideration for the transfer to LHD of title to the City Property and the timely vacation of the City Property by City. No payment by LHD or performance by LHD described in the Property Transfer Agreement, other than the payment of the sum of two million dollars, shall be made or at any time performed. City accepts the payment described in this paragraph as adequate consideration for the transfer to LHD of title to the City Property. On August 1, 2009, City shall execute and deliver to LHD a grant deed, in recordable form and properly executed by a person duly authorized to so act on behalf of City, conveying the City Property in fee simple, the form and substance of which shall be satisfactory to all parties to that transfer. City may, prior to August 1, 2009, remove from the City Property any or all fixtures. LHD accepts the City Property without regard to the physical condition of the improvements thereon on August 1, 2009. City shall not cause any liens or other encumbrances to be placed upon the City Property. City shall not enter into any agreements with any third party regarding the City Property.

(iv) Except as described in Paragraph 3(iii) of this Agreement, no further payment by LHD to City or performance by LHD shall be required under the Property Transfer Agreement.

(v) Except as described in this Agreement no further payment to LHD or performance by City shall be required under the Property Transfer Agreement.”

5. **Removal of Joint Tenancy Terms.** Paragraph 4 of the Property Transfer Agreement is deleted in its entirety.

6. **Removal of Closing Dates.** Paragraph 5 of the Property Transfer Agreement is deleted in its entirety.

7. **Warranties by LHD.** Paragraph 6 of the Property Transfer Agreement is amended in its entirety to read as follows:

“6. **Warranties by LHD.** LHD hereby warrants and represents that to the best of its knowledge:

(i) there is no statute, regulation, law, ordinance, or order restricting LHD’s ability to enter into this Agreement and that all necessary approvals for the payment to City described in this Agreement have been properly and duly obtained; and

(ii) LHD has had no dealings with any broker, finder, or other person who might claim any commission, fee, or other compensation for any services related to any part of the transaction described in this Agreement.

If LHD learns of anything that would make these warranties untrue prior to August 1, 2009, LHD shall notify City in writing. Upon written notice to LHD within seven (7) days after receipt of LHD’s notice, City shall be entitled to terminate this Agreement if either City or LHD concludes that the transaction described in this Agreement will be materially affected. Upon such notice any escrow shall be cancelled and neither party shall have any rights or responsibilities to the other, except as otherwise provided in this Agreement.”

8. **Warranties by City.** Paragraph 7 of the Property Transfer Agreement is amended in its entirety to read as follows:

“7. **Warranties by City.** City hereby warrants and represents that to the best of its knowledge:

(i) no legal actions are pending or threatened against the City Property;

(ii) all information, records, and studies maintained by City for the City Property concerning hazardous, toxic, or governmentally regulated materials that are or have been stored or released on the City Property have been disclosed to LHD;

(iii) no leases or other agreements granting to any third person an interest in the City Property are or will be in effect;

(iv) the execution, delivery, and performance of this Agreement will not conflict with, or result in the breach or other violation of any other contract, agreement, or instrument to which City is a party, or which affects the City Property;

(v) no agreements or understandings relating to or affecting the City Property exist, except for this Agreement;

(vi) City is the owner in fee simple of the City Property and warrants that all liens or other encumbrances on the City Property shall be satisfied and removed as of August 1, 2009;

(vii) there is no statute, regulation, law, ordinance, or order restricting City's ability to convey the City Property to LHD or to enter into this Agreement, and that all necessary approvals for such transfer and this Agreement have been properly and duly obtained; and

(viii) City has had no dealings with any broker, finder, or other person who might claim any commission, fee, or other compensation for any services related to any part of the transaction described in this Agreement.

If City learns of anything that would make these warranties untrue prior to August 1, 2009, City shall notify LHD in writing. Upon written notice to City within seven (7) days after receipt of City's notice, LHD shall be entitled to terminate this Agreement if LHD concludes that the City Property will be materially affected. Upon such notice any escrow shall be cancelled and neither party shall have any rights or responsibilities to the other, except as otherwise provided in this Agreement."

9. **Maintenance of Properties Prior to August 1, 2009.** Paragraph 8(ii) of the Property Transfer Agreement is amended in its entirety to read as follows:

"8... (ii) **Maintenance of Properties Prior to August 1, 2009.** City shall maintain the City Property in the condition that property is in at the time notice of completion of the initial inspection of the City Property is given by LHD until August 1, 2009; provided, however, that City need not maintain the structure located on the City Property. Maintenance, if any, of the structure located on the City Property will be performed by City and at the City's expense. The parties understand that LHD intends to demolish the structure located on the City Property immediately following its transfer to LHD on August 1, 2009. City shall not cause any waste to be deposited on the City Property."

10. **Risk of Loss.** Paragraph 10 of the Property Transfer Agreement is amended in its entirety to read as follows:

“10. **Risk of Loss.** City shall bear all risk of loss for the City Property up to the date title to the City Property is transferred to LHD; provided, however, that LHD shall not require that the structure be replaced should it be destroyed or damaged prior to the date title to the City Property is transferred to LHD.”

11. **Full Force and Effect.** Except as expressly modified by the provisions of this Amendment, the terms and conditions of the Property Transfer Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF,** LHD and City have executed this Amendment on the dates set forth below, at Lompoc, California.

LOMPOC HEALTHCARE DISTRICT (“LHD”)

By: \_\_\_\_\_  
James Raggio, Administrator and CEO

Date: \_\_\_\_\_

CITY OF LOMPOC (“CITY”)

By: \_\_\_\_\_  
Gary P. Keefe, City Administrator

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Matthew W. Granger, City Attorney