



# Board Agenda Item 25.1

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DATE: June 9, 2020

TO: Board of Supervisors

SUBMITTED BY: Daniel C. Cederborg, County Counsel

SUBJECT: Sixth Amendment of UMC Purchase and Sale Agreement No. 19-486

RECOMMENDED ACTION(S):

- 1. Approve request by CMG Construction Management, Inc. to extend close of escrow date in the Sale/Purchase Agreement No. 19-486, related to the UMC Campus located at the corner of South Cedar Avenue and East Kings Canyon Road; and if Approved,**
- 2. Delegate authority to the County Administrative Officer, or his designee, to execute a Sixth Amendment to the Sale/Purchase Agreement No. 19-486, in a form acceptable to County Counsel, for the limited purposes of extending the close of escrow date to July 31, 2020, as directed by the Board of Supervisors.**

CMG Construction Management, Inc. (CMG), the purchaser of the UMC Campus pursuant to the Sale/Purchase Agreement No. 19-486, approved by your Board on September 24, 2019, requested to extend the close of escrow deadline to July 31, 2020. If your Board approves the extension, it may delegate authority to the County Administrative Officer, or his designee, to execute a sixth amendment to the agreement, in a form acceptable to County Counsel, for the limited purposes of extending the close of escrow date, as directed by your Board.

ALTERNATIVE ACTION(S):

Your Board may direct a different action by County Counsel staff related to the request by CMG for an extension of contract deadlines.

FISCAL IMPACT:

There is no fiscal impact.

DISCUSSION:

On September 24, 2019, your Board approved Sale/Purchase Agreement No. 19-486, to sell the former University Medical Center campus (UMC) to CMG . The agreement included a 60-day due diligence period for CMG to complete its inspection of the property.

On November 5, 2019, after CMG notified the County that they would be unable to complete their due-diligence inspections on the property within the 60-day timeframe, your Board approved a First Amendment to the agreement, to extend the due diligence period by an additional 30 days, to a 90-day due diligence period.

On December 23, 2019, after CMG notified the County that they would need additional time to close escrow, your Board approved a Second Amendment to the agreement, to extend the due diligence period to January 22, 2020, and extend the close of escrow to February 21, 2020.

On February 25, 2020, after CMG notified the County that they would need additional time to close escrow, your Board approved a Third Amendment to the agreement, to extend the close of escrow to March 17, 2020.

On March 17, 2020, after CMG notified the County that they would need additional time to close escrow, your Board approved a Fourth Amendment to the agreement, to extend the close of escrow to April 29, 2020.

On April 28, 2020, after CMG notified the County that they would need additional time to close escrow, your Board approved a Fifth Amendment to the agreement, to extend the close of escrow to May 29, 2020.

CMG is now requesting additional time to complete certain tasks, and requests an additional extension of time for the close of escrow. If your Board approves this request, the close of escrow date will be extended to July 31, 2020. All other terms of the agreement will remain the same.

CAO ANALYST:

Sonia M. De La Rosa