

California City  
City Council  
Staff Report  
Public Works, Dan Allen  
August 30, 2006

Status:  Routine       Closed Session

**Meeting Date:** September 5, 2006

**Item:** Approve Purchase Agreement for 6000 sq/ft property from Bill Smith.

**BACKGROUND:**

On June 20 2006 the city council approved the purchase (closed session) of a 6000 sq/ft property split on Great Circle for the newly constructed well 16. Attached is the agreement and attachment "A" that outlines the purchase price and description of the property to be purchased.

**RECOMMENDATION:** Council authorizes staff to continue with the purchase agreement and begin escrow on this property.

**ENVIRONMENTAL:** N/A

**FISCAL IMPACT:** \$36,000.00 dollars to come from fund 61-612-7040; L/I is for the well development.

NB3

# PURCHASE AND SALES AGREEMENT

As of \_\_\_\_\_, 2006, the CITY OF CALIFORNIA CITY ("City") and WILLIAM R. SMITH and DONNA L. SMITH, husband and wife (collectively, "Smith"), agree as follows.

## 1. Purpose.

Smith owns unimproved real property situated in California City, California. City desires to purchase the property. This agreement sets forth the terms and conditions of the sale.

## 2. Description of Property.

Smith agrees to sell, and City agrees to purchase, the unimproved real property more particularly described in Exhibit "A", attached hereto and incorporated herein (the "subject property").

## 3. Consideration.

The purchase price for the subject property is Thirty-six Thousand and no/100 Dollars (\$36,000) due and payable at close of escrow.

## 4. Conveyance.

(a) Smith shall convey to City fee simple title to the subject property, free and clear of all title defects, liens, encumbrances, deeds of trust, and mortgages, except as expressly provided herein.

(b) City shall accept delivery of the subject property and record the transfer of fee simple title which shall be vested in the City, free and clear of all liens, encumbrances, assessments, easements, leases (recorded or unrecorded), and taxes, except that taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code if unpaid at the close of escrow.

(c) All taxes, fees, premiums and interest on loans will be prorated as of the date of closing.

(d) City shall pay escrow and recording fees, and documentary transfer tax incurred in this transaction. If title insurance is desired by City, it shall obtain the same and pay the premium charged therefor.

(e) City will pay closing costs, including recording fees, credit reports, document preparation fees, loan insurance premium, title insurance policy, attorneys' fees, if any, courier fees, overnight fees, appraisal fees, survey, transfer tax, satisfaction and recording fees, and any other costs and fees associated with the funding or closing of this agreement.

**5. Disclosures and Warranties.**

- (a) There is an unpaid mortgage or deeds of trust encumbering the subject property.
- (b) There are no oral or written leases concerning the subject property.

**6. Other.**

(a) City investigated and appraised the subject property and understands and acknowledges City is purchasing the subject property in its "as-is" condition as of the closing date.

(b) This agreement shall be governed by and construed according to the laws of the State of California.

(c) City and Smith have not been represented by a real estate professional with respect to this transaction. If any broker or other real estate professional makes a claim for a commission or finder's fee based upon a contract, dealings, or communications, then the party through whom the broker or other real estate professional makes this claim shall indemnify the other party, defend the indemnified party with counsel of the indemnified party's choice, and hold harmless the indemnified party from all expenses, loss, damage and claims, including, but not limited to, attorneys' fees and costs, if necessary, arising out of the broker's or other real estate professional's claim.

(d) Any notice that either party may or is required to give the other shall be in writing, and shall be either personally delivered or sent by regular U.S. mail, to the following addresses:

To Smith: William R. Smith & Donna L. Smith  
7501 Xavier Street  
California City, CA 93505

To City: City of California City  
Attn: City Manager  
21000 Hacienda Blvd.  
California City, CA 93505

(e) Time is of the essence to this agreement and failure to comply with this provision shall be a material breach of this agreement.

(f) The full terms of this agreement are those set forth in writing herein, including all attached Exhibits. No other obligations on behalf of either City or Smith, other than those set forth in this agreement, shall be recognized. This agreement may be amended only by a written agreement signed by both parties.

(g) If a lawsuit is brought by either party to this agreement, the parties agree that venue shall be in the courts for the County of Kern.

(h) Each party has reviewed this agreement and any question of doubtful interpretation shall not be resolved by any rule or interpretation providing for

interpretation against the drafting party. This agreement shall be construed as if both parties drafted it. The captions and headings contained herein are for convenience only and shall not affect the meaning or interpretation of this agreement.

(i) In any proceeding or action arising from or related to this agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses.

**WITNESS THE EXECUTION HEREOF**, on the day and year first written above.

**City of California City**

**William R. Smith**

By \_\_\_\_\_  
William W. Way, City Manager

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**Donna L. Smith**

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