

SALES AGREEMENT*

*** ANY SALES OF SURPLUS PROPERTY WILL REQUIRE THAT THE BUYER EXECUTE A SALES AGREEMENT SUBSTANTIALLY IN THE FORM OF THIS SALES AGREEMENT**

Revised 2005-02-18

SALES AGREEMENT

AGENCY NAME
PROJECT DESCRIPTION
STATE SURPLUS REAL PROPERTY NO. SSL _____

This Sales Agreement (Agreement) is made and entered into on this _____ day of _____, 200_, by and between the STATE OF CALIFORNIA, acting by and through the Department of General Services, with the approval of the State Public Works Board (STATE), and _____ (BUYER), collectively "PARTIES".

RECITAL

STATE owns that certain real property located _____ County, California, which pursuant to Section 11011 et seq. of the Government Code, has been determined to be available for disposal and legislatively authorized to be disposed of as state surplus real property. The state Legislation authorized the disposal of the subject real property on _____.

AGREEMENT

In consideration of the foregoing Recitals and for other good and valuable consideration, the PARTIES agree as follows:

1. PROPERTY

1.1 Property. STATE agrees to sell and convey to BUYER, and BUYER agrees to purchase from STATE, the real property (Property), hereinafter described, subject to the terms and conditions set forth in this Agreement. The real property that is the subject of this offer consists of:

located in the City of _____, County of _____, State of California, and commonly known by the street address of:

and legally described as

2. PURCHASE PRICE

2.1 Purchase Price. The total purchase price to be paid by **BUYER** to **STATE** for Property shall be _____ Dollars (\$_____).

2.2 Deposit. Within 45 days of **BUYER'S** execution of Sales Agreement and removal of contingencies **BUYER** shall increase the registration fee to a deposit equal to three percent (3%) of the purchase price _____ Dollars (\$_____) and place said increased deposit with escrow holder. **STATE** shall place **BUYER'S** registration fee into escrow with **BUYER'S** increased deposit, and the entire deposit shall apply to purchase price of Property.

3. CONDITIONS OF SALE

3.1 Acceptance. **STATE'S** acceptance will be by action of the State Public Works Board at a duly noticed public hearing after **BUYER** completes a period of Due Diligence as defined in Section 6. **STATE'S** acceptance process typically takes thirty (30) to sixty (60) calendar days, but in no event will acceptance occur prior to the end of the Due Diligence period, unless **BUYER** waives a portion of the due diligence period in accordance with Paragraph 6.4. **STATE** will notify **BUYER** of the date, time, and location of the State Public Works Board hearing at which the Board will consider the transaction for authorization and acceptance.

3.2 Acknowledgment. **BUYER** hereby acknowledges and agrees **STATE** must obtain authorization of the State Public Works Board and said authorization will constitute acceptance of this offer. **BUYER** further acknowledges that neither the preparation or presentation of this offer, nor the negotiations leading to this offer, create any obligation or commitment on the part of **STATE** to accept **BUYER'S** offer. Only when the State Public Works Board authorizes the transaction and **STATE** communicates such authorization and acceptance to **BUYER** in writing will **STATE** be obligated to accept **BUYER'S** offer. This Agreement has no force and effect and is not binding on the State of California until and unless it is authorized by the State Public Works Board at duly noticed public meeting.

3.3 Buyer's Costs. **BUYER** shall pay all recording fees, documentary transfer taxes, escrow fees, policies of title insurance, and any other costs connected with the closing of this transaction.

3.4 Title and Escrow Title to said Property shall pass immediately upon close of escrow. The issuance of any escrow instructions shall be the sole responsibility of the **STATE** and shall govern the escrow. **STATE** has opened an escrow account with _____ Title Company (Escrow Holder), (*address*) _____, _____, California; telephone number: _____. The escrow account established for this transaction is: _____.

3.5 Close of Escrow. Escrow shall close on (*date certain*) _____, or no later than fourteen (14) calendar days after State Public Works Board authorization as described in Section 3.1.

3.6 Other Conditions. This Agreement is subject to the following conditions
(*Attach extra sheets if necessary.*):

1. _____
2. _____
3. _____
4. _____

3.7 Further Documents and Assurances. BUYER and STATE shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the escrow in condition for closing as and when required by this Agreement. BUYER and STATE agree to execute and deliver all further documents and instruments reasonably required by the escrow holder or Title Company. STATE shall deliver or cause to be delivered to escrow holder in time for delivery to BUYER at the closing an original ink signed Quitclaim Deed, duly executed and in recordable form, conveying fee title to the Property to BUYER.

4. SELLER'S REPRESENTATIONS, WARRANTIES, AND DISCLOSURES

In addition to any express agreements of STATE contained herein, the following constitute representations and warranties of STATE to BUYER, of this Agreement:

4.1 Reliability of Information. STATE obtained the information contained in this Agreement from sources deemed reliable; however, STATE makes no guarantees as to the accuracy of the information provided. STATE provides the information solely as an aid to interested parties and recommends interested parties conduct their own "off-site" investigations of the Property prior to submitting an offer. STATE will allow the successful offeror an opportunity to conduct "on-site" investigations of the Property during the due diligence period defined in Section 6.

4.2 Authority of State. STATE is a government entity, duly organized and validly existing under the laws of the State of California. STATE, with the authorization of the State Public Works Board, has full power and authority to own, sell, and convey the Property to BUYER and to enter into and perform its obligations pursuant to this Agreement.

4.3 Taxes. STATE is exempt from property taxes and assessments and none are or will be owing at close of escrow.

4.4 Disclosures. BUYER acknowledges that BUYER is purchasing the Property solely in reliance on BUYER'S own investigations, as listed in the Due Diligence section or otherwise herein or at any other time or in any other manner. No representations or warranties of any kind whatsoever, expressed or implied, have been made by STATE, STATE'S agents, or brokers, including in any investigations, studies or documents identified under Section 4.6 below. BUYER further acknowledges and warrants that as of the close of

escrow **BUYER** will be aware of all zoning regulations, other governmental requirements, site and physical conditions (including the presence of hazardous materials or other adverse environmental conditions), and other matters affecting the use and condition of the Property including any investigations, studies, and documents identified in section 4.6. **BUYER** agrees to purchase the Property in the condition that it is in at close of escrow, subject, however, to **BUYER'S** right to terminate should the Property be damaged or destroyed by causes other than causes attributable to **BUYER'S** entry on the Property and inspections ordered by **BUYER** prior to close of escrow. **BUYER** shall be responsible at **BUYER'S** sole expense for all remediation required to make Property usable for **BUYER'S** intended purpose.

4.5 As-Is Purchase. Except as provided in paragraph 4.4, **BUYER** specifically acknowledges and agrees that **STATE** will sell and **BUYER** will purchase the Property on an “as-is with all faults” basis, and that having been given the opportunity to inspect the Property and review information and documentation affecting the Property, **BUYER** is not relying on any representations or warranties of any kind whatsoever, express or implied, from **STATE** or its agents as to any matters concerning the Property, including without limitation: (i.) the quality, nature, adequacy, and physical condition of the Property including soils, geology, and any groundwater; (ii.) the existence, quality, nature, adequacy, and physical condition of utilities serving the Property; (iii.) the development potential of the Property and the Property’s use, merchantability, fitness, suitability, value, or adequacy of the Property for any particular purpose; (iv.) the zoning or other legal status of the Property or any other public or private restrictions on use of the Property; (v.) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions, and restrictions of any governmental or quasi-governmental entity or of any other person or entity; (vi.) the presence of hazardous materials on, under, or about the Property or the adjoining or neighboring property; (vii.) the condition of title to the Property; and (viii.) the economics of the operation of the Property.

4.6 Existing Investigations, Studies, and Documents. **BUYER** has knowledge of the following investigations, studies, and documents as provided by **STATE** in connection with his/her decision to purchase the Property. These reports and documents relating to the Property disclosed by **STATE** are true and correct originals or copies thereof. **STATE** makes no representations or warranties nor expresses or implies any opinion concerning their accuracy.

1. _____
2. _____
3. _____

4.7 Absence of Fraud and Misleading Statements. To the best of **STATE'S** knowledge, no statement of **STATE** in this Agreement or in any document, certificate, or schedule furnished or to be furnished to **BUYER** pursuant hereto or in connection with the transaction contemplated hereby contains any untrue statement of material fact.

4.8 General Representation. No representation, warranty or statement of **STATE** in this Agreement or in any document, certificate or schedule furnished or to be

furnished to **BUYER** pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

STATE's representations and warranties made in this Agreement shall be continuing and shall be true and correct as of the date of the close of escrow with the same force and effect as if remade by **STATE** in a separate certificate at that time. The truth and accuracy of **STATE's** representations and warranties made herein shall constitute a condition for the benefit of **BUYER** to the close of escrow (as elsewhere provided herein) and shall not merge into the close of escrow or the recordation of the quitclaim deed in the Official Records, and shall survive the close of escrow.

5. BUYER'S REPRESENTATIONS AND WARRANTIES

In addition to any express agreements of **BUYER** contained herein, the following constitute representations and warranties of **BUYER** to **STATE**, of this Agreement:

5.1 Representations Regarding BUYER'S Authority.

(a) **BUYER** has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.

(b) The individuals executing this Agreement and the instruments referenced herein on behalf of **BUYER** have the legal power, right, and actual authority to bind **BUYER** to the terms and conditions hereof and thereof.

(c) This Agreement is, and all other instruments, documents and agreements required to be executed and delivered by **BUYER** in connection with this Agreement are and shall be, duly authorized, executed and delivered by **BUYER** and shall be valid, legally binding obligations of and enforceable against **BUYER** in accordance with their terms.

(d) *Include if corporation, trust, partnership, etc.* All requisite action (corporate, trust, partnership or otherwise) has been taken by **BUYER** in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated hereby. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, authority other party is required.

(e) *Include if corporation, trust, partnership, etc.* Neither the execution and delivery of this Agreement and documents referenced herein, nor the incurrance of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement,

lease or other agreements or instruments to which **BUYER** is a party or affecting the Property.

5.2 General Representation. No representation, warranty or statement of **BUYER** in this Agreement or in any document, certificate or schedule furnished or to be furnished to **STATE** pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

BUYER'S representations and warranties made in this Agreement shall be continuing and shall be true and correct as of the date of the close of escrow with the same force and effect as if remade by **BUYER** in a separate certificate at that time. The truth and accuracy of **BUYER'S** representations and warranties made herein shall constitute a condition for the benefit of **STATE** to the close of escrow (as elsewhere provided herein) and shall not merge into the close of escrow or the recordation of the quitclaim in the Official Records, and shall survive the close of escrow.

6. DUE DILIGENCE

6.1 Buyer's Investigation of Property Condition. Real property often contains defects and conditions which are not readily apparent and which may affect the value or desirability of the Property. Therefore, it is the affirmative duty of **BUYER** to exercise reasonable care to discover those facts which are unknown to **BUYER** or within the diligent attention and observation of **BUYER**. **BUYER** agrees to provide to **STATE**, at no cost, upon request of **STATE**, complete copies of all inspection reports obtained by **BUYER** concerning the Property.

6.2 Buyer's Acceptance of Property Condition. **BUYER'S** acceptance of the condition of the Property is a contingency of this Agreement; accordingly, **BUYER** shall have the right to conduct inspections, investigations, tests, surveys, and other studies at **BUYER'S** expense. **BUYER** is strongly advised to exercise these rights and select professionals with appropriate qualifications to conduct inspections of the entire Property. If **BUYER** does not exercise these rights, **BUYER** is acting against the advice of **STATE**.

6.3 Scope of Buyer's Investigations. **BUYER** agrees and warrants, or by the failure to do so shall have waived any rights to do so hereunder, that at close of escrow **BUYER** shall have investigated the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, including but not limited to the following:

6.3.1 Condition of systems and components. Foundation, plumbing, siding, electrical, heating, mechanical, roof, air conditioning, built-in appliances, security, and any other structural or nonstructural systems and components, and the energy efficiency of the Property.

6.3.2 Size and age of improvements. Room count, room dimensions, square footage in improvement, lot size, and age of the improvements.

6.3.3 Lines and boundaries. Property lines and boundaries.

6.3.4 Waste disposal. Type, size, adequacy, and condition of sewer and/or septic systems and components.

6.3.5 Governmental requirements and limitations. Availability of required governmental permits, inspections, certificates, or other determinations affecting the Property, including historical significance. Any limitations, restrictions, zoning, building size requirements, or other requirements effecting the current or future use or development of the Property.

6.3.6 Rent and occupancy controls. Any restrictions that may limit the amount of rent that can legally be charged and the maximum number of persons who can lawfully occupy the Property.

6.3.7 Water and utilities; well systems and components. Availability, adequacy, and condition of public or private systems.

6.3.8 Environmental hazards. The presence of asbestos, formaldehyde, radon, methane, other gases, lead based paint, other lead contamination, fuel or chemical storage tanks, waste disposal sites, electromagnetic fields, and other substances, materials, products, or conditions.

6.3.9 Geologic conditions. Geologic/seismic conditions, soil stability/suitability, and drainage.

6.3.10 Neighborhood, area, subdivision requirements. Neighborhood or area conditions including schools; proximity and adequacy of law enforcement; proximity to commercial, industrial, or agricultural activities; crime statistics; fire protection; other governmental services; existing and proposed transportation; construction and development which may affect noise, view or traffic; airport noise; and noise or odor from any source, wild or domestic.

6.3.11 Matters of record. Covenants, conditions, and restrictions; deed restrictions; easements; and other title encumbrances of record.

6.3.12 Other matters. Any and all other matters such as availability of suitable public infrastructure, assessment, other special service districts, and soil or other conditions on the Property, not herein listed, which are or may be pertinent to **BUYER'S** purpose for acquiring the Property.

6.3.13 Additional Investigations and Studies. **BUYER** intends to conduct the following investigations and/or studies of the Property (*Attach extra sheets if necessary. Indicate "N/A" in this section if no additional investigations requested.*):

- 1. _____
- 2. _____

6.4 Buyer's Inspection Period. The Due Diligence inspection period shall begin on the day **BUYER** executes this agreement. The Due Diligence period shall continue for a period of no more than forty-five calendar (45) days. **BUYER** must specify all proposed investigations and/or studies in Paragraph 6.3.13 of this Agreement. **BUYER** may waive all or a portion of the Due Diligence period by informing **STATE** of such waiver in writing.

6.5 Buyer's Inspection Notification Requirement. Prior to entry on the Property, **BUYER** must obtain a *Right of Entry* from **STATE**. **BUYER** shall provide to **STATE** in writing the identity of the contractor(s) or entity(ies) conducting the inspections and the nature and scope of the inspections for inclusion of the *Right of Entry*. **STATE PROHIBITS ENTRY ONTO THE PROPERTY WITHOUT AN EXECUTED RIGHT OF ENTRY**. Subject to the terms of the *Right of Entry*, the **BUYER**, its representatives, authorized agents, or contractors may enter on the Property to make such inspections of the Property provided that **BUYER** keeps the Property free of liens and repairs all damage to the Property resulting from such inspection(s).

6.6 Buyer's Removal of Contingencies. Within forty-five calendar (45) days of **BUYER'S** execution of agreement, **BUYER** must remove any and all of **BUYER'S** contingencies to the purchase of the Property in writing and submit such written notification to **STATE**.

6.7 State Public Works Board Notification. Within forty-five calendar (45) days of **BUYER'S** execution of agreement, and removal of **BUYER'S** contingencies, **STATE** shall recommend the offer for authorization and acceptance to the State Public Works Board. **STATE** will notify **BUYER** of such in writing by certified mail, return receipt.

6.8 Withdrawal of Offer. If **BUYER** wishes to withdraw the offer, **BUYER** shall deliver to **STATE** a written withdrawal notice no later than the last day of **BUYER'S** Due Diligence review period stating that **BUYER'S** inspections of the Property have disclosed a defect or defects in the Property and describing such defect or defects with reasonable particularity. If **STATE** can not or will not remedy said defect or defects, **BUYER** shall be released from any obligation to proceed with the purchase, and **STATE** shall instruct escrow holder to release **BUYER'S** Deposit under section 2.2 to **BUYER**.

7. LIQUIDATED DAMAGES. After removal of contingencies by **BUYER**, if **BUYER** fails to complete the purchase of the Property in accordance with the terms hereof, **STATE** will retain the entire deposit as liquidated damages, and **BUYER** shall forfeit all rights hereunder. It is agreed that damages in the event of failure to complete the purchase would be difficult to ascertain and that such sum represents a reasonable attempt to ascertain what such damages would be. Upon forfeiture of said sum to **STATE**, **BUYER** shall be released from any further liability to **STATE**.

8. INDEMNIFICATION. **BUYER** shall defend, indemnify, and hold the **STATE** harmless from and against any and all claims, liabilities, obligations, losses, damages, costs, and expenses, including, but not limited to, attorney's fees, court costs, and litigation expenses that **STATE** may incur or sustain by reason of or in connection with any misrepresentation made by the **BUYER** pursuant to this Agreement.

9. MINERAL RESERVATIONS For property being conveyed consisting of fifteen (15) acres or less, the **STATE** shall except and reserve all mineral deposits, as defined in Section 6407 of the Public Resources Code (PRC), below a depth of 500 feet, without surface rights of entry. For property being conveyed of more than fifteen (15) acres in size, the **STATE** shall except and reserve all mineral deposits, as defined in Section 6407 of the PRC, together with the right to prospect for, mine, and remove the deposits. The right to prospect for, mine, and remove the deposits shall be limited to those areas of the property conveyed that the Director of General Services determines to be reasonably necessary for the removal of the deposits.

10. PRIOR AGREEMENTS. This Agreement, in effect as of the Date of Agreement, supersedes any and all prior agreements between **STATE** and **BUYER** regarding the Property.

11. NOTICES. Any notice, tender, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered, mailed or sent by wire or other telegraphic communication in the manner provided in this Agreement, to the following persons:

If to STATE:	Name
	Address

If to BUYER:	Name
	Address

12. CALCULATION OF TIME. Under this Agreement, when the day upon which performance would otherwise be required or permitted is a Saturday, Sunday or holiday, then the time for performance shall be extended to the next day which is not a Saturday, Sunday or holiday. The term "holiday" shall mean all and only those State holidays specified in Sections 6700 and 7701 of the California Government Code.

13. TIME OF ESSENCE. Time is of the essence of this Agreement and each and every provision hereof.

14. ENTIRE AGREEMENT. This Agreement shall constitute the entire understanding and agreement of the **PARTIES** hereto regarding the purchase and sale of the Property and all prior agreements, understandings, representations or negotiations are hereby superseded, terminated and canceled in their entirety, and are of no further force or effect.

15. AMENDMENTS. This Agreement may not be modified or amended except in writing the **PARTIES**.

16. APPLICABLE LAW. The **PARTIES** hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The **PARTIES** hereto expressly agree that this Agreement shall in all respects be governed by the laws of the State of California.

17. SEVERABILITY. Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present statute, law, ordinance or regulation as to which the **PARTIES** have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.

18. **SEPARATE COUNTERPARTS.** This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

19. **EXHIBITS.** The following Exhibits are attached to this Agreement and incorporated by reference herein.

- Exhibit A. Property Description
- Exhibit B: Deed
- Exhibit C: *include any other appropriate exhibits*

20. **SURVIVAL.** All terms and conditions in this Agreement, which represent continuing obligations and duties of the **PARTIES**, that have not been satisfied prior to close of escrow shall survive close of escrow and transfer of title to **BUYER** and shall continue to be binding on the respective obligated party in accordance with their terms. All representations and warranties and statements made by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the close of escrow, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the close of escrow, or, to the extent the context requires, beyond any termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

BUYER

(Corporate status, if relevant)

By: _____
NAME
Title
Mailing Address
City, State, Zip
(Area Code) Telephone Number

By: _____
NAME
Title
Mailing Address
City, State, Zip
(Area Code) Telephone Number

Date: _____

Vesting *(exactly as desired on Deed)*:

Acceptance:

BY STATE

STATE accepts and agrees to sell the Property on the above terms and conditions subject to the approval and acceptance of the State Public Works Board.

STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

BY: _____
Name of person with appropriate delegation
Title
707 Third Street, 5th Floor
West Sacramento, CA 95605
(Area Code) Telephone Number

Date: _____

If appropriate:

Authorized;

STATE OF CALIFORNIA
State Public Works Board

BY: _____
Robert Clark
Assistant Administrative Secretary

Date: _____