



TERMS AND CONDITIONS OF SALE **TO GOVERNMENT AGENCIES**

California Government Code Sections 54220-54232 require local agencies disposing of surplus land to "send a written offer to sell or lease the property" to other local agencies responsible for low and moderate-income housing, parks and open space, schools, transit development and enterprise zones prior to marketing the property.

Properties posted on the Real Estate Assets Department's **Government Agency Review of City-Owned Property for Use Determination** webpage are intended to comply with that Code are subject to the following terms and conditions of sale:

COST OF SALE

The prospective buyer will be responsible for all costs of the sale including, but not limited to, appraisal, escrow and any other processing fees or expenses. The City is to incur no expense in the transaction.

DUE DILIGENCE

The property will be sold "as is" with no warranties, usage or conditions (physical or otherwise), written, implied or expressed by the City of San Diego and its agents or employees. You are basing your purchase on the offered property solely on your findings and research, and that you have satisfied yourself as to the zoning, usage, physical condition inside and out, size and other information that might affect your decision to purchase this property. The information contained in the marketing materials is believed to be correct, however, the City of San Diego assumes no responsibility or liability for its completeness or accuracy. No structural pest clearance will be supplied by the City with improved properties.

LETTER OF INTENT

A formal letter of intent offering to purchase an individual site or multiple properties should be submitted in writing along with a five thousand dollar (\$5,000) earnest money deposit for each property. The subject sites should be clearly defined. The offer of intent to purchase will be contingent upon acceptability of the appraised value to the purchaser.

EARNEST MONEY DEPOSIT

The \$5,000 deposit shall be in the form of a corporate check, business check, cashier's check, certified check or money order made payable to "City Treasurer." The deposit will be used to cover the cost of an appraisal and any other sale processing expenses.

APPRAISAL

All properties will be sold at fair market value as determined by an independent fee appraiser qualified to value the subject property. Appraiser selection will be determined by the City. The appraised value will be conveyed to the prospective buyer for acceptance in the form of a *Purchase and Sale Agreement*. The buyer has the right to cancel their offer of intent to purchase at this time, if the value or purchase price is not acceptable to them. Remaining deposit money, after the cost of the appraisal and any other processing expenses, will be returned. If accepted, additional funds will be added to the remainder to form a down payment of ten percent (10%) of

the appraised value that will be deposited in an escrow account opened to complete the sale transaction.

PURCHASE AND SALE AGREEMENT

The *Purchase and Sale Agreement* will contractually memorize the deal and reiterate the terms and conditions contained here along with any site specific terms and conditions, and any other items needing to be addressed. This document will be submitted to the escrow company to guide them in drafting escrow instructions.

ESCROW

Escrow shall be opened immediately following full execution of the *Purchase and Sale Agreement* and is to be completed within forty five (45) days. Escrow extensions of fifteen (15) days may be allowed at the sole discretion of the Mayor, if there is determined to be reasonable cause, upon receipt of 0.75 (3/4 %) percent of the purchase price for each 15-day extension. This 0.75 (3/4 %) percent must be paid directly to the City in advance of the escrow extension and will not be applied to the purchase price. Escrows may not be extended for more than a total of forty five (45) days beyond the original 45-day term.

Buyer will pay all costs of the escrow including, but not limited to, title policy, recording fees, escrow fees, broker fees and any other fees associated with the escrow. Title to the property will be delivered to the buyer at close of escrow.

If the conditions of the escrow are not met by the buyer within the specified time period, the buyer shall forfeit all his rights to purchase and the City shall retain the ten percent (10%) down payment to offset damages it sustained. and all right, title and interest in the property shall remain vested in the City, free of any claim or equity of the Buyer. If the conditions of the escrow are not met by the City, or if the City is unable to convey good and merchantable title to the property, free and clear of all liens, restrictions, easements and to reservations and easements now of record or stipulated in the *Purchase and Sale Agreement* and approved by the buyer in writing, the down payment, minus any sale expenses, will be refunded to the buyer. The City will assume no further responsibility for the time or monetary investment in the transaction by the buyer.

Please submit a letter of intent and deposit to Jim Anthony, Supervising Property Agent, at the City's Real Estate Assets Department, Civic Center Plaza, 1200 Third Avenue, Suite 1700, San Diego, California, 92101. Telephone (619) 533-6509. E-mail address: janthony@sandiego.gov