



City of La Quinta

CITY / SA / HA / FA MEETING DATE: August 5, 2014

ITEM TITLE: ADOPT RESOLUTION TO APPROVE PURCHASE AND SALE AGREEMENT WITH WILLIAM AND SHARON RICHARDSON FOR PURCHASE OF CERTAIN VACANT PROPERTY LOCATED ON AVENIDA LA FONDA, EAST OF DESERT CLUB DRIVE

AGENDA CATEGORY:

BUSINESS SESSION:

CONSENT CALENDAR: 4

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Adopt a resolution approving a Purchase and Sale Agreement with Richard and Sharon Richardson for the purchase of a vacant parcel located on the south side of Avenida La Fonda, east of Desert Club Drive, and authorize the City Manager to execute all required documents.

EXECUTIVE SUMMARY:

- The subject property is a vacant 16,431 square foot lot.
- The property is immediately adjacent to and east of a City-owned vacant parcel of similar size (see Attachment 1).
- The agreement (Exhibit "A" of the attached resolution) represents a purchase price of \$12.50/square foot, totaling \$205,388.
- The two properties will be considered for a future public parking lot or another use of economic benefit to the Village.

FISCAL IMPACT:

The total cost for the property acquisition is \$205,388; \$130,670 will be funded from the Economic Development Investment Fund and \$74,718 from the Village parking in-lieu fund.

BACKGROUND/ANALYSIS:

Earlier this year, Mr. and Mrs. William Richardson contacted City staff regarding selling their vacant 16,431 square-foot lot to the City. This inquiry was a follow-up to previous property purchase conversations initiated by the City in early 2011,

which the Richardson's were not interested in selling at that time. Both parties have agreed to a purchase price of \$12.50/square foot for the lot, totaling \$205,388. This land value is consistent with two recent Village property transactions involving City-owned properties. The property is immediately adjacent to and east of a City-owned vacant parcel of similar size.

The City has been exploring off-street public parking in this general location to benefit existing and future Village businesses as well as providing overflow parking for events and functions held at the Civic Center Campus. Other development opportunities could also be explored at this location should there be a future demand for retail and/or office space.

ALTERNATIVES:

Council may direct staff to make changes to the terms of the purchase and sale agreement.

Report prepared by: Les Johnson, Community Development Director
Report approved for submission by: Frank J. Spevacek, City Manager

Attachment: 1. Vicinity Map

RESOLUTION NO. 2014 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA QUINTA APPROVING AN AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS BETWEEN THE CITY OF LA QUINTA AND WILLIAM & SHARON RICHARDSON FOR CERTAIN PROPERTY LOCATED IN THE LA QUINTA VILLAGE

WHEREAS, the City of La Quinta ("City") desires to support high quality, vibrant and economically healthy commercial activity in the La Quinta Village that includes a mix of office, retail, and restaurant uses; and

WHEREAS, supporting such development will generate additional commerce and provide, as well as promote, development in accordance with the goals, policies and programs of the La Quinta General Plan; and

WHEREAS, City staff has negotiated an Agreement for Purchase and Sale and Escrow Instructions ("Agreement") with William & Sharon Richardson ("Richardson") ("Exhibit A" attached), pursuant to which the City has agreed to purchase from Richardson certain real property located in the La Quinta Village south of Avenida La Fonda and east of Desert Club, further identified as APN 770-125-002, comprising of approximately 16,431 square feet, in the amount of \$12.50 per square foot, pursuant to the terms and conditions set forth in the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA QUINTA AS FOLLOWS:

SECTION 1. That the above recitals are true and correct and incorporated herein.

SECTION 2. That the City Council of the City of La Quinta hereby finds and determines that the purchase of said property is in the best interests of the citizens of the City of La Quinta.

SECTION 3. The Agreement, a copy of which is on file with the City Clerk, is hereby approved. The City Council authorizes and directs the City Manager and City Attorney to make any final modifications to the Agreement that are consistent with the substantive terms of the Agreement approved hereby, and to thereafter sign the Agreement on behalf of the City.

SECTION 4. The City Council authorizes and directs the City Manager to (i) sign such other and further documents, including but not limited to escrow instructions, and (ii) take such other and further actions, as may be necessary and proper to carry out the terms of the Agreement.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of La Quinta held this 5th day of August, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DON ADOLPH, Mayor
City of La Quinta, California

ATTEST:

SUSAN MAYSELS, City Clerk
City of La Quinta, California

(CITY SEAL)

APPROVED AS TO FORM:

WILLIAM H. IHRKE, City Attorney
City of La Quinta, California

EXHIBIT "A"

**AGREEMENT FOR PURCHASE AND SALE AND
ESCROW INSTRUCTIONS**

BY AND BETWEEN

**WILLIAM D. RICHARDSON AND SHARON
LYNN RICHARDSON, OR THEIR SUCCESSORS,
AS TRUSTEE OF THE RICHARDSON LIVING TRUST
U/A DATED 03-28-00**

("SELLER")

AND

CITY OF LA QUINTA

("BUYER")

TABLE OF CONTENTS

	<u>Page</u>
1. PROPERTY	1
2. PURCHASE PRICE	1
2.1 Amount	1
2.2 Deposit	1
2.3 Balance of Purchase Price.....	2
3. ESCROW	2
3.1 Opening of Escrow	2
3.2 Escrow Instructions.....	2
4. TITLE MATTERS.....	2
5. RIGHT OF ENTRY	3
6. CLOSE OF ESCROW	3
6.1 Close of Escrow; Closing Date.....	3
6.2 Recordation; Release of Funds and Documents	4
7. DELIVERY OF DOCUMENTS REQUIRED FROM BUYER AND SELLER	4
7.1 Buyer’s Obligations	4
7.2 Seller’s Obligations.....	4
8. TITLE INSURANCE POLICY	5
8.1 Title Policy.....	5
8.2 Payment for Title Policy.....	5
9. REAL PROPERTY TAXES AND ASSESSMENTS	5
10. CONDITIONS PRECEDENT TO CLOSING	6
10.1 Conditions Precedent to Buyer’s Obligations.....	6
10.2 Conditions Precedent to Seller’s Obligations	6
10.3 Termination of Agreement and Escrow	7
11. NOTICE OF DEFAULT.....	7
12. REMEDIES ON DEFAULT.....	7
13. POSSESSION	8
14. ALLOCATION OF COSTS	8
14.1 Buyer’s Costs	8
14.3 Miscellaneous Costs.....	8

	<u>Page</u>
16. DAMAGE	8
17. HAZARDOUS MATERIALS	9
18. COVENANTS OF SELLER	9
19. MISCELLANEOUS	10
19.1 Assignment	10
19.2 Notices	10
19.3 Fair Meaning	10
19.4 Headings	10
19.5 Choice of Laws; Litigation Matters	10
19.6 Nonliability of Buyer and Seller Officials	11
19.7 Gender; Number	11
19.8 Survival	11
19.9 Time of Essence	11
19.10 Time Period Computations	11
19.11 Waiver or Modification	11
19.12 Broker's Fees	11
19.13 Duplicate Originals	11
19.14 Severability	11
19.15 Exhibits	12
19.16 Authority	12
19.17 Entire Agreement; Amendment	12

EXHIBITS

- Exhibit "A" Legal Description of Property
Exhibit "B" Form of Grant Deed
Exhibit "C" Form of Affidavit of Non-Foreign Entity

**AGREEMENT FOR PURCHASE AND SALE
AND ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (“Agreement”) is made and entered into as of _____ 2014 (“Effective Date”) by and between WILLIAM D. RICHARDSON AND SHARON LYNN RICHARDSON, OR THEIR SUCCESSORS, AS TRUSTEE OF THE RICHARDSON LIVING TRUST U/A DATED 03-28-00 (“Seller”), and the CITY OF LA QUINTA, a California municipal corporation and charter city (“Buyer”).

RECITALS

A. Seller is the owner of that certain unimproved real property located in the City of La Quinta, County of Riverside, State of California, more particularly described in the legal description attached hereto as Exhibit “A” (the “Property”).

B. Buyer has the authority to exercise the power of eminent domain to acquire real property in the City of La Quinta. In the event Seller had determined not to sell the Property to Buyer, Buyer’s staff would have recommended to the City Council of Buyer that Buyer, after providing notice to Seller and holding a hearing as required by applicable law, consider adopting a resolution of necessity and thereafter commencing proceedings to acquire the Property by the exercise of its power of eminent domain.

C. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, on the terms and conditions set forth herein.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing recitals and mutual covenants herein contained, the parties hereto agree as follows:

1. **PROPERTY.** Subject to all of the terms, conditions and provisions of this Agreement, and for the consideration herein set forth, Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller the Property.

2. **PURCHASE PRICE**

2.1 **Amount.** The purchase price which Seller agrees to accept and Buyer agrees to pay for the Property is the sum of TWO HUNDRED FIVE THOUSAND THREE HUNDRED EIGHTY-EIGHT DOLLARS (\$205,388) (“Purchase Price”).

2.2 **Deposit.** Buyer shall deposit the sum of ONE THOUSAND DOLLARS (\$1,000), calculated on the basis of three percent (3%) of the Purchase Price, with the “Escrow Holder” (as defined in Section 3.1 below) within ten (10) days after the Effective Date. The Deposit and all accrued interest thereon shall be credited towards the Purchase Price in the event the transaction

closes. If Buyer terminates the "Escrow" (as defined in Section 3.1 below) and this Agreement, the Deposit and all interest accrued thereon shall be returned to Buyer.

2.3 Balance of Purchase Price. The Buyer shall deposit the balance of the Purchase Price with the Escrow Holder, plus Buyer's closing costs and subject to adjustment for prorations and other charges, in good funds prior to the "Close of Escrow" (as defined in Section 6.1 below).

3. ESCROW.

3.1 Opening of Escrow. Closing of the sale of the Property shall take place through an escrow ("Escrow") to be established within three (3) business days after the execution of this Agreement by the parties hereto, with Four Seasons Escrow ("Escrow Holder") at its office located at 51350 Desert Club Drive, La Quinta 92253. The opening of the Escrow (the "Opening of Escrow") shall be deemed to be the date that a fully executed copy of this Agreement is delivered to the Escrow Holder. Escrow Holder is instructed to notify Buyer and Seller in writing of the date of the Opening of Escrow.

3.2 Escrow Instructions. This Agreement, once deposited in Escrow, shall constitute the joint escrow instructions of Buyer and Seller to Escrow Holder. Additionally, if Escrow Holder so requires, Buyer and Seller agree to execute the standard preprinted form of escrow instructions that Escrow Holder customarily requires in real property escrows administered by it. In the event of any conflict or inconsistency between Escrow Holder's standard instructions and the provisions of this Agreement, the provisions of this Agreement shall supersede and be controlling.

4. TITLE MATTERS. Buyer shall obtain a preliminary title report prepared by First American Title Company ("Title Company") describing the state of title of the Property together with copies of all underlying documents (the "Preliminary Title Report"). Buyer may, at its sole cost and expense, obtain a current survey of the Property (a "Survey"). Notwithstanding anything herein to the contrary, Seller shall be obligated to remove all monetary encumbrances against the Property excluding non-delinquent real property taxes (except as otherwise provided in Section 9 below). Buyer shall notify Seller in writing of any objections Buyer may have to title exceptions contained in the Preliminary Title Report or matters shown on the Survey (if Buyer has obtained) no later than the date which is twenty-one (21) days after the later of (i) its receipt of the Preliminary Title Report or (ii) its receipt of the Survey ("Buyer's Objection Notice"). Buyer's approval or disapproval of the matters set forth in the Preliminary Title Report (and the Survey, if applicable) may be granted or withheld in Buyer's sole and absolute discretion. Buyer's failure to provide Seller with a Buyer's Objection Notice within said period shall constitute Buyer's approval of all exceptions to title shown on the Preliminary Title Report and all matters shown on the Survey (if Buyer has obtained). Seller shall have a period of five (5) days after receipt of Buyer's Objection Notice in which to deliver written notice to Buyer ("Seller's Notice") of Seller's election to either (i) agree to remove the objectionable items on the Preliminary Title Report or Survey prior to the Close of Escrow, or (ii) decline to remove any such title exceptions or Survey matters and terminate Escrow and the obligations of Buyer and Seller to purchase and sell the Property under this Agreement, in which event the provisions of Section 10.3 below shall apply. Seller's failure to provide Buyer with Seller's Notice within said

period shall constitute Seller's election to remove the objectionable items on the Preliminary Title Report. If Seller notifies Buyer of its election to terminate rather than remove the objectionable items on the Preliminary Title Report or Survey, Buyer shall have the right, by written notice delivered to Seller within five (5) days after Buyer's receipt of Seller's Notice, to agree to accept the Property subject to the objectionable items, in which event Seller's election to terminate shall be of no effect, and Buyer shall take title at the Close of Escrow subject to such objectionable items without any adjustment to or credit against the Purchase Price. All exceptions to title shown on the Preliminary Title Report, other than those which Seller may agree to remove pursuant to this Section 4, shall be deemed to have been approved by Buyer unless Seller is notified otherwise in writing.

Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, including any survey exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement. The process set forth above for Buyer's review and Seller's response shall apply to any review and response with respect to any amendment or supplement to the Preliminary Title Report, and the Closing shall be extended for such period as is necessary to allow for that review and response process to be completed.

5. RIGHT OF ENTRY. Beginning on the Effective Date up to and including the Closing Date, Seller grants Buyer, its agents, contractors, employees, and representatives, the right to enter into and upon the Property at reasonable times for the purposes related to Buyer's inspection and proposed acquisition of the Property. Buyer shall not disturb the physical condition of the Property, or do any intrusive testing of the Property without the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed. Any costs, expenses, or charges incurred or related to Buyer's activities under this right of entry shall be at the sole cost and expense of Buyer and at no cost and expense to Seller. Buyer shall, at its own cost and expense entirely, repair any damage to the Property resulting from any such entry and shall restore the Property to its condition prior to such entry. Buyer agrees to indemnify, defend and hold Seller and the Property harmless from any and all claims, liabilities, liens, actions, judgments, costs, expense, or charges (including without limitation attorneys' fees and costs) arising from or connected or related in any way to the right of entry granted under this Agreement.

6. CLOSE OF ESCROW.

6.1 Close of Escrow; Closing Date. Provided that all of the conditions of this Agreement precedent to the "Close of Escrow" (as hereinafter defined) as set forth in Section 10 below have been satisfied (or waived by the appropriate party) prior to or on the Closing Date, the Closing of this transaction for the sale and purchase of the Property shall take place on August 15, 2014 ("Outside Closing Date"). Notwithstanding the foregoing, if Buyer and Seller agree to advance the Closing, and so long as all of "Buyer's Conditions to Closing" and all of "Seller's Conditions to Closing" (as those terms are defined in Section 10) have been satisfied (or waived by the appropriate party), Seller and Buyer may elect to authorize the Closing before the Outside Closing Date. The terms "Close of Escrow", "Closing Date" and the "Closing" are used herein to mean the time Seller's grant deed conveying fee title to the Property to Buyer is recorded in the Official Records of the Office of the County Recorder of Riverside ("Official

Records”). If Escrow is not in a condition to close by the Outside Closing Date, either party not then in default hereunder may, upon five (5) days advance written notice to the other party and Escrow Holder, elect to terminate this Agreement and the Escrow. No such termination shall release either party then in default from liability for such default. If neither party so elects to terminate this Agreement and the Escrow, Escrow Holder shall close the Escrow as soon as possible.

6.2 Recordation; Release of Funds and Documents.

6.2.1 Escrow Holder is directed, on the Closing Date, to record in the Official Records, the following documents in the order listed: (i) the grant deed (in the form attached hereto as Exhibit “B”) transferring title to the Property to Buyer (“Grant Deed”); and (ii) such other and further documents as may be directed jointly by Buyer and Seller.

6.2.2 Upon the Closing, Escrow Holder shall deliver (i) the Purchase Price to Seller, less any amount to Closing costs, including property taxes and/or assessments allocable to Seller pursuant to Section 9 below, and (ii) conformed copies of all recorded documents to both Buyer and Seller.

6.2.3 Escrow Holder is authorized to request from Seller a fully executed copy of the Grant Deed at any time prior to the Close of Escrow, for submission to Buyer for the sole purpose of Buyer’s acceptance of same, in order to place such Grant Deed in a form ready for recording at the Close of Escrow. If Buyer receives such an executed Grant Deed prior to Close of Escrow, Buyer is authorized only to affix its acceptance thereon, or perform such other acts as are required to place the Grant Deed in a recordable form, but may not record the Grant Deed at any time prior to the Close of Escrow.

7. DELIVERY OF DOCUMENTS REQUIRED FROM BUYER AND SELLER.

7.1 Buyer’s Obligations. Buyer agrees that on or before 5:00 p.m. of the last business day immediately preceding the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following:

(a) the balance of the Purchase Price; and

(b) any and all additional funds, instruments or other documents required from Buyer (executed and acknowledged where appropriate) as may be reasonably necessary in order for the Escrow Holder to comply with the terms of this Agreement and consummate the transaction.

7.2 Seller’s Obligations. Seller agrees that on or before 5:00 p.m. of the last business day immediately preceding the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder each of the following:

(a) the executed and acknowledged Grant Deed, subject only to the Permitted Exceptions (defined hereafter), and any prior submission to Buyer for acceptance, as provided in Paragraph 6.2.3 above;

(b) a Certificate of Non-Foreign Status (the "Non-Foreign Affidavit") executed and acknowledged by Seller in the form attached hereto as Exhibit "C"; and

(c) all other funds, items, and instruments required from Seller (executed and acknowledged where appropriate) as may be reasonably necessary in order for the Escrow Holder to comply with the provisions of this Agreement and consummate the transaction.

8. TITLE INSURANCE POLICY.

8.1 Title Policy. At the Closing Date, the Title Company, as insurer, shall issue a CLTA owner's standard coverage policy of title insurance ("Title Policy"), in favor of Buyer, as insured, for the Property, with liability in the amount of the Purchase Price, subject only to the following (the "Permitted Exceptions"):

(a) non-delinquent real property taxes, subject to Seller's obligations to pay certain taxes pursuant to Section 9 below;

(b) covenants, conditions, restrictions and reservations of record that do not interfere with the Buyer's proposed use of the Property, as determined in the sole and absolute discretion of Buyer;

(c) easements or rights-of-way over the Property for public or quasi-public utility or public street purposes;

(d) title exceptions approved or deemed approved by Buyer pursuant to Section 4 above;

(e) any other exceptions approved by Buyer; and

(f) the standard printed conditions and exceptions contained in the CLTA standard owner's policy of title insurance regularly issued by the Title Company.

8.2 Payment for Title Policy. Seller shall be responsible for the charges for the Title Policy with coverage up to the amount of the Purchase Price. Buyer shall pay any additional amount charged by Title Company for any additional coverage or endorsements it requests. In connection therewith, Buyer may, at its election, request an ALTA extended policy of title insurance and Buyer shall pay for the incremental cost of the extended coverage above and beyond the standard coverage. Buyer shall pay for the Surveys, if obtained.

9. REAL PROPERTY TAXES AND ASSESSMENTS. Upon Buyer's acquisition of fee title to the Property, the Property will be exempt from the payment of property taxes due to Buyer's status as a public agency. Seller shall be responsible for paying (through Escrow at Closing) all real and personal property taxes and assessments which are of record as of the Closing Date and/or have accrued against the Property prior to (and including) the Closing Date (notwithstanding whether such taxes and/or assessments are due and payable as of the Closing Date). Buyer hereby acknowledges and agrees that Buyer is obligated to completely payoff, at Closing, any amounts outstanding under the City of La Quinta Assessment District 2000-1 with respect to the Property. Seller shall be responsible for paying for all real or personal property

taxes or assessments assessed against the Property after the Closing for any period prior to the Closing.

10. CONDITIONS PRECEDENT TO CLOSING.

10.1 Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement to purchase the Property and close the Escrow shall be subject to the satisfaction or signed written waiver by Buyer of each and all of the following conditions precedent (collectively, "Buyer's Conditions to Closing"):

(a) on the Closing Date, the Title Company shall be irrevocably committed to issue the Title Policy pursuant to Section 8.1 above insuring fee title to the Property as being vested in Buyer, subject only to the Permitted Exceptions;

(b) Escrow Holder holds all instruments and funds required for the Closing and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement;

(c) except as otherwise permitted by this Agreement, all representations and warranties by the Seller in this Agreement shall be true on and as of the Closing Date as though made at that time and all covenants of Seller pursuant to this Agreement shall have been fulfilled by the Closing Date; and

(d) Seller is not in material default of any term or condition of this Agreement.

In the event that any of Buyer's Conditions to Closing are not satisfied, deemed satisfied, or waived in a writing signed by Buyer prior to the expiration of the applicable period for satisfaction or waiver, Buyer may terminate this Agreement and the Deposit with all interest accrued thereon shall be returned to Buyer.

10.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement shall be subject to the satisfaction or signed written waiver by Seller of each and all of the following conditions precedent ("Seller's Conditions to Closing"):

(a) Escrow Holder holds the Purchase Price and all other instruments and funds required for the Closing and will deliver to Seller the instruments and funds, including but not limited to the Purchase Price (less any offsets against Seller specifically provided for hereunder) accruing to Seller pursuant to this Agreement;

(b) except as otherwise permitted by this Agreement, all representations and warranties by the Buyer in this Agreement shall be true on and as of the Closing Date as though made at that time and all covenants of Buyer pursuant to this Agreement shall have been fulfilled by the Closing Date; and

(c) Buyer is not in material default of any term or condition of this Agreement.

In the event that any of Seller's Conditions to Closing are not satisfied, deemed satisfied, or waived in a writing signed by Seller prior to the expiration of the applicable period for satisfaction or waiver, Seller may terminate this Agreement and the Deposit with all interest accrued thereon shall be returned to Buyer, except in the event of a Buyer default, in which case the provisions of Section 12 shall apply.

10.3 Termination of Agreement and Escrow. In the event Seller or Buyer elects to terminate the Escrow and this Agreement with respect to a failed title objection (as provided in Section 4 above), the failure of a Seller's or Buyer's Condition to Closing (as provided in Sections 10.1 and 10.2 above), or in connection with a "Casualty" (as defined in Section 16 below), which relates to the Property, the Deposit, with all interest accrued thereon shall be returned to Buyer, except in the event of a Buyer default, in which case the provisions of Section 12 shall apply.

11. NOTICE OF DEFAULT. Upon a default by either Seller or Buyer under this Agreement, the non-defaulting party shall notify the defaulting party and Escrow Holder in writing of such default. If the non-defaulting party gives such notice, the notice shall set forth with specificity the alleged default and the defaulting party shall have ten (10) days to cure the default. If the defaulting party does not cure the default within ten (10) days of the receipt of such notice, the non-defaulting party may elect to terminate this Agreement and pursue the remedies provided in Section 12 below.

12. REMEDIES ON DEFAULT.

(a) BUYER'S DEFAULTS; SELLER'S REMEDIES. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTION HEREIN CONTEMPLATED DO NOT OCCUR AS HEREIN PROVIDED BY REASON OF ANY BREACH OR DEFAULT BY BUYER, BUYER AND SELLER AGREE THAT IT WOULD BE DIFFICULT AND IMPRACTICAL TO DETERMINE THE DAMAGES TO SELLER. ACCORDINGLY, BUYER AND SELLER HAVE AGREED TO FIX AS LIQUIDATED DAMAGES THE DEPOSIT, WHICH AMOUNT SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES, SHALL CONSTITUTE SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH DEFAULT BY BUYER HEREUNDER, AND SELLER WAIVES ANY AND ALL RIGHT TO SPECIFIC PERFORMANCE. BUYER AND SELLER SPECIFICALLY ACKNOWLEDGE THEIR AGREEMENT TO THE FOREGOING LIQUIDATED DAMAGES PROVISION BY INITIALING THIS SECTION IN THE APPROPRIATE SPACES PROVIDED.

SELLER'S INITIALS: SR WDR BUYER'S INITIALS: _____

(b) SELLER'S DEFAULTS; BUYER'S REMEDIES. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTION HEREIN CONTEMPLATED DO NOT OCCUR BY REASON OF ANY BREACH OR DEFAULT BY SELLER, BUYER SHALL BE ENTITLED TO: (I) TERMINATE THIS AGREEMENT, IN WHICH EVENT ESCROW HOLDER SHALL IMMEDIATELY RETURN TO BUYER THE DEPOSIT AND ANY INTEREST ACCRUED THEREON,

AND BUYER SHALL HAVE THE RIGHT TO PURSUE SELLER FOR DAMAGES OR (II) THE RIGHT TO PURSUE SPECIFIC PERFORMANCE OF THIS AGREEMENT.

SELLER'S INITIALS: SP WOR BUYER'S INITIALS: _____

13. POSSESSION. Possession of the Property, free from all tenancies, parties in possession and occupants, shall be delivered by Seller to Buyer on the Closing Date, subject only to the Permitted Exceptions.

14. ALLOCATION OF COSTS.

14.1 Buyer's Costs. Buyer shall pay: (i) one-half (1/2) of any escrow fees or similar charges of Escrow Holder, (ii) the full premium cost for any endorsements to the Title Policy, (iii) the premium for any ALTA coverage over and above the cost of the CLTA Owner's Title Policy, (iv) the costs of any Survey, inspection or report requested by Buyer, and (v) the cost of recording the Grant Deed and any other recording charges.

14.2 Seller's Costs. Seller shall pay: (i) the premium cost of the Title Policy (CLTA Owner's only), (ii) the documentary transfer tax and City transfer tax (if any) due on the transfer of the Property, and (iii) one-half (1/2) of any escrow fees or similar charges of Escrow Holder.

14.3 Miscellaneous Costs. Except to the extent otherwise specifically provided herein, all other expenses incurred by Seller and Buyer with respect to the negotiation, documentation and closing of this transaction, including, without limitation, attorneys' fees, shall be borne and paid by the party incurring same.

15. CONDEMNATION. In the event that, prior to the Close of Escrow, any governmental entity (other than the City of La Quinta) shall commence any proceedings of or leading to eminent domain or similar type proceedings to take all or any portion of the Property, Buyer or Seller shall promptly meet and confer in good faith to evaluate the effect of such action on the purposes of this Agreement.

16. DAMAGE. If the Property is damaged or destroyed by any casualty (a "Casualty") after the Effective Date, but prior to the Closing, and the costs to repair or restore same shall exceed Fifteen Thousand Dollars (\$15,000.00) (as reasonably determined by Seller and Buyer), then Buyer shall have the option to terminate this Agreement by delivery of a Termination Notice to Seller prior to the Closing. In such case, the provisions of Section 10.3 above shall apply. In the alternative, if a Casualty shall occur prior to the Closing, and if Buyer does not so exercise its right to terminate, then Buyer shall proceed with the Closing and upon consummation of the transaction herein provided, Seller shall assign to Buyer all claims of Seller under or pursuant to any applicable casualty insurance coverage and all proceeds from any such casualty insurance received by Seller on account of any such Casualty, the damage from which shall not have been repaired by Seller prior to the Closing, and provide Buyer with a credit against the Purchase Price in an amount equal to the deductible under such casualty insurance coverage. Seller agrees to execute any documents reasonably necessary to effectuate the provisions of this Section 16.

17. HAZARDOUS MATERIALS. To the best of Seller's knowledge (without any obligation of Seller to further investigate), the Property has not at any time been used for the purposes of storing, manufacturing, releasing or dumping Hazardous Materials. For purposes of this Agreement, the term "Hazardous Materials" shall mean (1) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including, but not limited to, substances deemed as "hazardous wastes," "hazardous materials," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 9601, et seq.; the Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300 et seq.; the Clean Air Act ("CAA"), 42 U.S.C. § 7401 et seq.; the Hazardous Waste Control Law, California Health and Safety Code § 25025 et seq., the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code, Division 20, Chapter 6.8, the Hazardous Materials Release Response Plans and Inventory Act, California Health and Safety Code, Division 20, Chapter 6.95, The Underground Storage of Hazardous Substances Act, California Health and Safety Code, Division 20, Chapter 6.7, the Porter-Cologne Act, California Water Code § 13050 et seq. and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinances now or hereafter in effect relating to environmental matters (collectively the "Environmental Laws"); and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation, ordinance or common law doctrine, including any Environmental Law, now or hereafter in effect, including, but not limited to, (A) petroleum, (B) refined petroleum products, (C) waste oil, (D) waste aviation or motor vehicle fuel, (E) asbestos, (F) lead in water, paint or elsewhere, (G) radon, (H) polychlorinated biphenyls (PCB's) and (I) ureaformaldehyde.

18. COVENANTS OF SELLER. Seller agrees that during the period between the Effective Date of this Agreement and the Closing Date:

(a) Seller shall maintain the Property in not less than the state of repair as that existing on the Effective Date (excepting ordinary wear and tear);

(b) Seller shall not convey, grant, lease, assign, mortgage, hypothecate, encumber, or otherwise transfer (on or off record) the Property or any interest therein;

(c) Prior to Closing, Seller shall maintain Seller's existing insurance on the Property; and

(d) Prior to the Closing, Seller shall not alter the physical condition of the Property or introduce or release, or permit the introduction or release, of any Hazardous Materials in, from, under, or on the Property.

19. MISCELLANEOUS.

19.1 Assignment. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns. Neither party to this Agreement may assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent and approval of the other party, which consent and approval shall not be unreasonably withheld. No provision of this Agreement is intended nor shall in any way be construed to benefit any party not a signatory hereto or to create a third party beneficiary relationship.

19.2 Notices. All notices under this Agreement shall be effective upon personal delivery, upon delivery by reputable overnight courier service that provides a receipt with the date and time of delivery, or two (2) business days after deposit in the United States mail, registered, certified, postage fully prepaid and addressed to the respective parties as set forth below or as to such other address as the parties may from time to time designate in writing:

To Seller: William D. Richardson and Sharon Lynn Richardson
81369 Avenida Sombra
Indio, CA 92203-7554

To Buyer: City of La Quinta
78-495 Calle Tampico
La Quinta, CA 92253
Attn: City Manager

Copy to: Rutan & Tucker, LLP
611 Anton Boulevard, Suite 1400
Costa Mesa, California 92628-1950
Attn: M. Katherine Jenson, Esq.

19.3 Fair Meaning. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto.

19.4 Headings. The headings at the beginning of each numbered Section of this Agreement are solely for the convenience of the parties hereto and are not a part of this Agreement.

19.5 Choice of Laws; Litigation Matters. This Agreement shall be governed by the internal laws of the State of California and any question arising hereunder shall be construed or determined according to such law. The Superior Court of the State of California in and for the County of Riverside, or such other appropriate court in such county, shall have exclusive jurisdiction of any litigation between the parties concerning this Agreement. Service of process on Buyer shall be made in accordance with California law. Service of process on Seller shall be made in any manner permitted by California law and shall be effective whether served inside or outside California.

19.6 Nonliability of Buyer and Seller Officials. No officer, official, member, employee, agent, or representative of Buyer or Seller shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

19.7 Gender; Number. As used in this Agreement, masculine, feminine, and neuter gender and the singular or plural number shall be deemed to include the others wherever and whenever the context so dictates.

19.8 Survival. This Agreement and all covenants to be performed after the Closing, and, except as otherwise set forth herein, all representations and warranties contained herein, shall survive the Closing Date and shall remain a binding contract between the parties hereto.

19.9 Time of Essence. Time is of the essence of this Agreement and of each and every term and provision hereof, it being understood that the parties hereto have specifically negotiated the dates for the completion of each obligation herein.

19.10 Time Period Computations. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and California state or national holidays unless the reference is to business days, in which event such weekends and holidays shall be excluded in the computation of time and provide that if the last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or California state or national holiday, such act or notice shall be deemed to have been timely performed or given on the next succeeding day which is not a Saturday, Sunday or California state or national holiday.

19.11 Waiver or Modification. A waiver of a provision hereof, or modification of any provision herein contained, shall be effective only if said waiver or modification is in writing, and signed by both Buyer and Seller. No waiver of any breach or default by any party hereto shall be considered to be a waiver of any breach or default unless expressly provided herein or in the waiver.

19.12 Broker's Fees. Seller and Buyer represent and warrant to the other that neither Buyer nor Seller has employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with the conveyance of the Property arising out of agreements by the indemnifying party to pay any commission or finder's fee.

19.13 Duplicate Originals. This Agreement may be executed in any number of duplicate originals or counterparts, all of which shall be of equal legal force and effect.

19.14 Severability. If any term, covenant or condition of this Agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant, or condition to persons, entities, or circumstances other than those as to which it is held invalid or

unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19.15 Exhibits. The following exhibits are attached hereto and incorporated herein by this reference:

Exhibit "A" Legal Description of Property

Exhibit "B" Grant Deed

Exhibit "C" Non-Foreign Affidavit

19.16 Authority. The person(s) executing this Agreement on behalf of each of the parties hereto represent and warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such party is bound.

19.17 Entire Agreement; Amendment. Except as set forth above, this Agreement and the exhibits incorporated herein contain the entire agreement of Buyer and Seller with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Agreement may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized officers or representatives of each of the parties hereto.

[END -- SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Buyer and Seller each hereby represents that it has read this Agreement, understands it, and hereby executes this Agreement to be effective as of the day and year first written above.

SELLER:

WILLIAM D. RICHARDSON AND SHARON LYNN RICHARDSON, OR THEIR SUCCESSORS, AS TRUSTEE OF THE RICHARDSON LIVING TRUST U/A DATED 03-28-00

By: William D. Richardson
William D. Richardson, Trustee

By: Sharon Lynn Richardson
Sharon Lynn Richardson, Trustee

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

BUYER:

CITY OF LA QUINTA, a California municipal corporation and charter city

By: _____
Frank J. Spevacek, City Manager

[end of signatures]

Four Seasons Escrow, Inc. agrees to act as Escrow Holder in accordance with the terms of this Agreement that are applicable to it.

FOUR SEASONS ESCROW, INC.

By: _____
Name: _____
Its: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

The real property and improvements thereon situated in the State of California, County of Riverside, City of La Quinta, are described as follows:

Lot 81 of Desert Club Tract Unit No. 4, as per map recorded in Book 21, Page 60 of maps, records of Riverside County, California

EXHIBIT "B"
FORM OF GRANT DEED

[SEE ATTACHED]

RECORDING REQUESTED BY AND:
WHEN RECORDED MAIL TO:

City of La Quinta
78-495 Calle Tampico
La Quinta, CA 92253
Attn: City Manager

Space above this line for Recorder's Use
Exempt from Recordation Fee per Gov. Code § 27383

MAIL TAX STATEMENTS TO:

City of La Quinta
78-495 Calle Tampico
La Quinta, CA 92253
Attn: City Manager

DOCUMENTARY TRANSFER TAX \$0.00 [PUBLIC
ENTITY TRANSFEREE]
...Computed on the consideration or value of property
conveyed; OR
...Computed on the consideration or value less liens or
encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax – Firm Name

Order No. _____

Escrow No. _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, WILLIAM D. RICHARDSON AND SHARON LYNN RICHARDSON, OR THEIR SUCCESSORS, AS TRUSTEE OF THE RICHARDSON LIVING TRUST U/A DATED 03-28-00, hereby grants, conveys, and transfers to the CITY OF LA QUINTA a California municipal corporation and charter city, the real property in the County of Riverside, State of California, described on Attachment No. 1 attached hereto and incorporated herein by reference (the "Property").

[continued on following page]

The Property conveyed hereby is subject to (i) non-delinquent general and special real property taxes; and (ii) matters of record.

“SELLER”

WILLIAM D. RICHARDSON AND
SHARON LYNN RICHARDSON, OR THEIR
SUCCESSORS, AS TRUSTEE OF THE
RICHARDSON LIVING TRUST U/A
DATED 03-28-00

Date: _____

By: _____
William D. Richardson, Trustee

Date: _____

By: _____
Sharon Lynn Richardson, Trustee

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance is to certify that the interest in real property conveyed by the grant deed dated _____, from WILLIAM D. RICHARDSON AND SHARON LYNN RICHARDSON, OR THEIR SUCCESSORS, AS TRUSTEE OF THE RICHARDSON LIVING TRUST U/A DATED 03-28-00 ("Grantor"), to the CITY OF LA QUINTA, a California municipal corporation and charter city ("Grantee"), is hereby accepted by order of the CITY OF LA QUINTA pursuant to authority conferred on by Resolution No. 2002-86, adopted by the Grantee's City Council on June 18, 2002, and Grantee hereby consents to recordation thereof by its duly authorized officer.

Date: _____

"GRANTEE"

CITY OF LA QUINTA

By: _____
Frank J. Spevacek, City Manager

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LA QUINTA)

On _____, _____, before me, _____, Notary Public, personally appeared FRANK J. SPEVACEK, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Notary Public

[SEAL]

ATTACHMENT NO. 1 TO GRANT DEED

LEGAL DESCRIPTION OF REAL PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LA QUINTA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 81 of Desert Club Tract Unit No. 4, as per map recorded in Book 21, Page 60 of maps, records of Riverside County, California

EXHIBIT "C"

AFFIDAVIT OF NON-FOREIGN ENTITY

TO: CITY OF LA QUINTA ("**Buyer**")

The Internal Revenue Code of 1954 ("**Code**") (26 U.S.C. Sections 1445, 7701) provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon transfer of that certain U.S. real property interest described in Exhibit "A" to the Agreement for Purchase and Sale and Escrow Instructions dated _____, 2014, and incorporated herein by reference ("**Property**"), that the undersigned ("**Seller**") hereby certifies the following:

1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. The U.S. taxpayer identification number for Seller is _____; and
3. The address for mailing purposes of Seller is: _____;
and
4. Seller understands that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief, it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Seller.

SELLER:

WILLIAM D. RICHARDSON AND
SHARON LYNN RICHARDSON, OR THEIR
SUCCESSORS, AS TRUSTEE OF THE
RICHARDSON LIVING TRUST U/A
DATED 03-28-00

Dated: _____, 20__

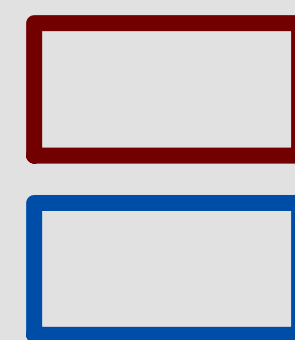
By: _____
William D. Richardson, Trustee

Dated: _____, 20__

By: _____
Sharon Lynn Richardson, Trustee

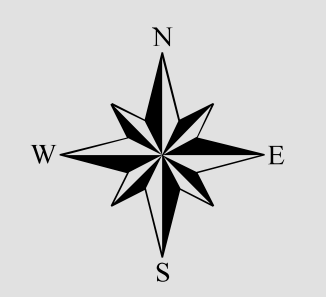
Village Property

ATTACHMENT 1



Owner: Richardson

Owner: City of La Quinta



May 14, 2014



City of La Quinta
 Planning Division
 Community Development Department

