

DWP File P-85341  
(Mohave Steam Generating Station)  
(Sale of Mohave Pump Station to RS Nine LLC)

RESOLUTION NO. 015 098

BE IT RESOLVED:

That RS Nine LLC, a Nevada Limited Liability Corporation, be granted, for and in consideration of the sum of \$11,000, all that certain real property, consisting of 0.54 acres, owned by Mohave Generating Station Project partners, to which the Department of Water and Power of the City of Los Angeles owns a ten percent interest therein, and said 0.54 acres within that portion of Government Lot Nine (9) in fractional Section 24, in Township 32 South, Range 66 East, M.D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the South line of said Government Lot Nine (9), which bears North 89°26'48" East, 799.58 feet, measured along said South line, from a found 4 inch by 4 inch post, tagged "R. L. S. 2050", set for the Southwest corner of said Government Lot Nine (9), said Southwest corner also being the Southeast corner of the land described as Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded on October 26, 1966, as Instrument No. 606206, in Book 754, of Official Records, in the Office of the County Recorder of said County; Thence North 16.39 feet; Thence East, 219.30 feet, more or less, to a point in the high water line on the West bank of the Colorado River; Thence Southwesterly along said high water line of the Colorado River, to the point of intersection thereof with said South line of Government Lot Nine (9); Thence South 89°26'48" West, 209.99 feet, more or less, measured along said South line, to the POINT OF BEGINNING.

And

That portion of Government Lot Ten (10) in fractional Section 24, in Township 32 South, Range 66 East, M.D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the North line of said Government Lot Ten (10), which bears North 89°26'48" East, 799.58 feet, measured along said North line, from a found 4 in by 4 inch post, tagged "R. L. S. 2050", set for the Northwest corner of said Government Lot Ten (10), said Northwestern corner also being the Southeast corner of the land described as Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded October 26, 1966, as Instrument No. 606206, in Book 754 of Official Records, in the Office of the County Recorder of said County; Thence South, 116.61 feet; Thence East, 132.25 feet,

more or less, to a point in the high water line on the West bank of the Colorado River; Thence Northeasterly, along said high water line of the Colorado River to the point of intersection thereof, with said North line of Government Lot Ten (10); Thence South 89°26'48" West, 209.99 feet, more or less, measured along said North line, to the POINT OF BEGINNING.

Parcel 2 with Non-exclusive easements for road, underground utilities, cut and fill purposes as described and established by that certain "Grant of Rights of Way and Easements" recorded September 4, 1969 in Book 975 as Document No. 783165, Official Records, subject to the Conditions and Restrictions set forth therein, and as partially relinquished as described in that certain "Partial Quitclaim Deed, (Easement)", recorded December 28, 2000, in Book 20001228 as Document No. 00308, of Official Records.

PARCEL3 with Non-exclusive easements for access road and utility purposes as described and established by that certain instrument entitled "Non-exclusive Access Road Easement", recorded December 26, 2000, in Book 2001226 as Document No. 01087 and 01088, of Official Records, subject to the conditions and restrictions set forth therein.

RESERVING TO the City of Los Angeles a ten percent (10%) interest in all water and water rights appurtenant, whether surface or subsurface, if any, in relation to the Property and also reserving to City a ten percent (10%) interest in all oil, gas, petroleum, or other mineral or hydrocarbon substances, if any, without the right to enter upon the surface of said land for such use; and

SUBJECT TO conditions, covenants, restrictions, reservations, rights, rights-of-way and easements now of record, if any.

BE IT FURTHER RESOLVED:

1. The President or Vice President of this Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or Acting Secretary of the Board are hereby authorized and directed to execute a purchase and sale agreement for and on behalf of LADWP and the Manager of Real Estate is authorized, empowered and directed to execute escrow instructions and related documents necessary to consummate this transaction.

2. An instrument in writing, approved as to form and legality by the City Attorney, conveying said real property is authorized, and the President or Vice President of this Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said instrument for and on behalf of the LADWP.

3. The City Council is requested to authorize and direct the execution of said instrument as provided in Section 675(d)(2) of the City Charter.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held DEC 02 2014.

Barbara E. Nesler  
Secretary

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

NOV 13 2014  
BY John BeNUM  
JOHN BEANUM  
DEPUTY CITY ATTORNEY





Los Angeles  
Department of  
Water & Power

RESOLUTION NO. \_\_\_\_\_

BOARD LETTER APPROVAL

Handwritten signature of Randy S. Howard in black ink.

**RANDY S. HOWARD**  
Senior Assistant General Manager  
Power System

Handwritten signature of Marcie L. Edwards in black ink.

**MARCIE L. EDWARDS**  
General Manager

**DATE:** November 21, 2014

**SUBJECT:** Purchase and Sale Agreement No. P-85341 for the 0.54-Acre Mohave Pump Station Property of the Former and Decommissioned Mohave Steam Generating Station Project to RS Nine LLC

**SUMMARY**

The Los Angeles Department of Water and Power (LADWP), in partnership with Southern California Edison Company (SCE), Nevada Power Company (dba "NV Energy"), and the Salt River Project Agricultural Improvement and Power District, are owners of the Mohave Steam Generating Station (MSGs) Project. The partnership proposes to sell the 0.54-acre Mohave Pump Station property to RS Nine LLC. LADWP owns a 10-percent interest in the project. The RS Nine LLC will pay the partnership \$11,000.00 to purchase the property.

The transaction was agreed upon several years ago by all participants including LADWP. This is a minor real estate matter that requires closure by December 2014. Besides LADWP, all participants have signed off and approved this transaction.

LADWP will gain \$1,100.00 at the close of this transaction.

City Council approval is required by Charter Section No. 675(d)(2).

**RECOMMENDATION**

It is recommended that your Honorable Board adopt the attached Resolution that directs the execution of a Purchase and Sale Agreement No. P-85341 (Agreement) affecting the Mohave Pump Station property of MSGs Project, all upon the terms and conditions contained therein.

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of the Agreement as required in Charter Section No. 675(d)(2).

## **ATTACHMENT**

- Resolution
- Purchase and Sale Agreement No. P-85341
- Incumbency Certificate

## PURCHASE AND SALE AGREEMENT

By and Between

SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation, the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, a department organized and existing under the Charter of the City of Los Angeles, NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY, and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an agricultural improvement district organized and existing under the laws of the State of Arizona,

Collectively as "Sellers",

and

RS NINE LLC,

A Nevada limited liability company,

as "Buyer"

\_\_\_\_\_, 2014



the Parties further acknowledge, confirm and agree that (i) Buyer has no obligations or duties to Sellers arising out of the Earlier PSA and (ii) Sellers have no obligations or duties to Buyer arising out of the Earlier PSA.

**2. Purchase and Sale of Property.** Subject to the prior satisfaction of the Conditions to Closing set forth in Section 5 hereof, Sellers shall sell to Buyer, and Buyer shall acquire from Sellers, the Property. The Parties agree that the value of the Property is Eleven Thousand and No/100 Dollars (\$11,000.00) (the "**Property Purchase Price**").

(a) Composition of "Sellers". The Parties acknowledge and agree that one (1) or more Sellers may sell, convey or otherwise transfer (collectively, "**Transfer**") its/their interest(s) in the Property to another Seller prior to the Closing. In such instance, (i) Sellers shall promptly notify Buyer and Escrow Agent of the Transfer of the interest(s), (ii) Sellers, as constituted/defined immediately following the Transfer, shall be obligated to satisfy the remaining obligations and duties of Sellers under this Agreement, (iii) the transferring Sellers shall be relieved of, and released from, all further obligations and duties under this Agreement and (iv) Buyer and Escrow Agent shall look solely to the remaining Sellers to satisfy any and all remaining obligations and duties of Sellers under this Agreement.

**3. Opening of Escrow; Closing.** The escrow (the "**Escrow**") for the consummation of this transaction shall be established by the deposit of an original, fully-signed copy of this Agreement with Escrow Agent (see Section 12.1, below) (the "**Opening**"). This transaction and the Escrow shall close (the "**Closing**") within thirty (30) days of the satisfaction of the Conditions to Closing set forth in Section 5, but in any event not later than January 31, 2015 (the "**Outside Date**"). The "**Closing**" shall mean the time and day the Grant Deed is filed for recording with the Clark County Recorder and the Property Purchase Price is paid to Sellers (as constituted/defined at the Closing). The "**Closing Date**" shall mean the day on which the Closing occurs.

**4. Approval of Transaction by Sellers' Governing Bodies.** Sellers' collective and individual obligations under this Agreement are expressly subject to, and conditioned upon, the review and approval of the transactions contemplated herein by the governing body of each Seller. Buyer expressly acknowledges and agrees that unless and until such time as the governing body of each Seller issues its written consent to the transactions contemplated herein, Sellers cannot convey the Property to Buyer or otherwise consummate the provisions of this Agreement. Each Seller shall use commercially reasonable efforts to obtain the written consent of its respective governing body ("**Seller Approval**") not later than December 31, 2014 ("**Seller Approval Deadline**"). Notwithstanding the foregoing, Sellers, and each of them, shall not be liable for breach of contract (or otherwise) for failure to convey the Property to Buyer as a result of Sellers' inability to obtain and deliver one or more Seller Approvals. Moreover, in the event that Sellers are unable to convey the Property to Buyer due to Sellers' inability to obtain and deliver one or more Seller Approvals, Buyer (i) expressly waives any and all rights, claims or causes of action relative to, or stemming from, Sellers' failure to convey the Property to Buyer (including, but not limited to, the right to

executed Seller Approvals to Escrow Agent on or before the Seller Approval Deadline, Sellers shall deliver the following to Escrow Agent no later than 12:00 o'clock noon, one (1) business day before the anticipated Closing:

(a) Grant, Bargain and Sale Deed, substantially in the form of Exhibit B attached hereto (the "**Grant Deed**"), duly executed and acknowledged by each Seller party (as constituted/defined at the time of execution) and in recordable form;

(b) A non-foreign transferor declaration (the "**Non-Foreign Transferor Declaration**"), substantially in the form of Exhibit C attached hereto, duly executed by Sellers (*i.e.*, one form for each Seller party [as constituted/defined at the time of execution]); and

(c) Any additional documents that Escrow Agent may reasonably require from Sellers for the proper consummation of the transaction contemplated by this Agreement.

**7. Buyer's Obligations.** No later than 12:00 o'clock noon one (1) business day before the anticipated Closing, Buyer shall deliver to Escrow Agent the following:

(a) The Property Purchase Price, less the Deposit that is applied to the Property Purchase Price, plus or minus applicable prorations, fees and adjustments to be paid by Buyer in accordance with Section 12 hereof, in immediate, same-day federal funds; and

(b) Any additional documents that Escrow Agent may reasonably require from City for the proper consummation of the transaction contemplated by this Agreement.

## **8. Representations and Warranties.**

**8.1** Buyer represents and warrants to Sellers as follows:

(a) There are no actions, suits, material claims, legal proceedings, or any other proceedings pending or threatened against Buyer that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement;

(b) Neither the execution of this Agreement nor the performance of the obligations herein will conflict with or breach any of the provisions of any agreement to which Buyer is a party or any agreement that, to Buyer's knowledge, is binding upon Buyer;

(c) Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action (by Buyer or otherwise) is requisite to the valid and binding execution, delivery and performance of this Agreement by Buyer; and



not be unreasonably withheld or delayed.

**10. Due Diligence.** Commencing upon the Opening and continuing thereafter until the earlier of the Closing or the expiration/termination of this Agreement, Buyer, its agents, and employees shall have a limited license (the "**License**") to enter upon the Property for the purpose of making inspections at Buyer's sole risk, cost and expense. Before any such entry, Buyer shall provide Sellers with a certificate of insurance naming Sellers as additional insureds and with an insurer and insurance limits and coverage reasonably satisfactory to Sellers. All of such entries upon the Property shall be at reasonable times during normal business hours and after at least forty-eight (48) hours prior notice to Sellers or Sellers' agent. Sellers or Sellers' agent shall have the right to accompany Buyer during any inspection activities performed by Buyer on the Property. At Sellers' request, Buyer shall provide Sellers (at no cost to Sellers) with a copy of the results of any tests and inspections made by Buyer, excluding only market and economic feasibility studies. If any inspection or test disturbs the Property, Buyer will restore the Property to the same condition as existed before the inspection or test (unless otherwise specified or waived by Seller). Buyer shall defend, indemnify and hold the Seller Indemnitees (and each of them) harmless from and against any and all losses, costs, damages, claims, or liabilities, including but not limited to, mechanic's and materialmen's liens and Seller Indemnitees' attorneys' fees, arising out of or in connection with Buyer's, its agents', contractors', employees', or invitees' entry upon or inspection of the Property. Notwithstanding any provision herein to the contrary, Buyer shall not perform any invasive testing/investigation on or about the Property without Sellers' prior written consent. The provisions of this Section 10 shall survive the Closing or the earlier termination of this Agreement.

**11. "AS IS" Acceptance of the Property at Closing.** As of the Closing, Buyer will have:

(a) examined and inspected the Property and will know and be satisfied with the physical condition, quality, quantity and state of repair of the Property in all respects and by proceeding to Closing, Buyer shall be deemed to have determined that the same is satisfactory to Buyer;

(b) reviewed all instruments, records and documents which Buyer deems appropriate or advisable to review in connection with this transaction, including, but not by way of limitation, any and all plans, specifications, surveys, environmental assessments and reports, and Buyer, by proceeding to Closing, shall be deemed to have determined that the same and the information and data contained therein and evidenced thereby are satisfactory to Buyer;

(c) reviewed all applicable laws, ordinances, rules and governmental regulations (including those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property, and Buyer, by proceeding to Closing, shall be deemed to have determined that the same are satisfactory to Buyer; and

(a) THE CONTENT OR ACCURACY OF ANY REPORT, STUDY, OPINION OR CONCLUSION OF ANY SOILS, TOXIC, ENVIRONMENTAL OR OTHER ENGINEER OR OTHER PERSON OR ENTITY WHO HAS EXAMINED THE PROPERTY OR ANY ASPECT THEREOF; OR

(b) THE CONTENT OR ACCURACY OF ANY OF THE ITEMS DELIVERED TO BUYER PURSUANT TO BUYER'S REVIEW OF THE CONDITION OF THE PROPERTY.

BUYER IS A SOPHISTICATED REAL ESTATE INVESTOR AND IS, OR WILL BE AS OF THE CLOSING, FAMILIAR WITH THE PROPERTY AND ITS SUITABILITY FOR BUYER'S INTENDED USE. THE PROVISIONS OF THIS SECTION 11 SHALL SURVIVE INDEFINITELY ANY CLOSING OR TERMINATION OF THIS AGREEMENT AND SHALL NOT BE MERGED INTO THE DOCUMENTS EXECUTED AT CLOSING.

\_\_\_\_\_  
BUYER'S INITIALS

## 12. Escrow.

12.1 Deposit of Agreement into Escrow. Within five (5) days after the execution of this Agreement by Buyer and Sellers, the Parties shall open escrow with Chicago Title of Nevada Inc. Escrow Officer: Jennifer Reinink, 9075 W. Diablo Drive, #100, Las Vegas, NV 89148, Phone: (702) 836-8000 ("**Escrow Agent**").

12.2 Deposit. Buyer shall deposit Eleven Thousand and No/100 Dollars (\$11,000.00) with Escrow Agent within three (3) days of the Opening as a deposit toward the Property Purchase Price (the "**Deposit**"). The Deposit shall be refundable in full to Buyer if any of the conditions set forth in Section 5 of this Agreement cannot be satisfied or completed.

12.3 Escrow Fees. Buyer and Sellers shall each pay one-half (1/2) of the following (the "**Escrow Fees**"):

- (a) The Escrow Agent's fee;
- (b) The cost of any documentary transfer taxes, if any, on the Grant Deed;
- (c) Fees for recording and filing all documents required by this Agreement in connection with the transfer of the Property, including the Grant Deed; and
- (d) Appraisal Fee of Timothy Morris, MAI as approved by both Sellers and Buyer.

12.4 Title Policy Fees. Sellers shall pay the costs associated with the standard CLTA Owner's Title Policy (see Section 13.3, below). Buyer shall pay the