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#5

DEC 10 2015

MEMORANDUM Transportation & Development – Memo No. RE16-047

DATE: DECEMBER 10, 2015

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, ACTING CITY MANAGER *MR*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER
JENNIFER MORRISON, COMMUNITY & NEIGHBORHOOD SERVICES *for SAS*
DIRECTOR
R.J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR *RJZ*

FROM: ERICH KUNTZE, REAL ESTATE MANAGER *for SAS*

SUBJECT: RESOLUTION NO. 4914 APPROVING THE PURCHASE OF APPROXIMATELY 28,120 SQUARE FEET OF LAND LOCATED WITHIN THE SNEDIGAR SPORTSPLEX FOR THE APPRAISED VALUE OF \$125,970 PLUS ENVIRONMENTAL AND CLOSING COSTS IN THE APPROXIMATE AMOUNT OF \$8,500

RECOMMENDATION: Staff recommends City Council pass and adopt Resolution No. 4914 authorizing and approving the purchase of approximately 28,120 square feet of land located within the Snedigar Sportsplex for the appraised value of \$125,970 plus environmental and closing costs in the approximate amount of \$8,500; and authorizing the Real Estate Manager to execute the purchase agreement and any other necessary documents.

BACKGROUND/DISCUSSION: The owners, Bogle Farms I, LLC, Shannon Bogle Douds, Trustee and William H. Bogle, Trustee, have agreed to sell their property that is located within the Snedigar Sportsplex (the "Property") to the City for the appraised value of \$125,970. In the past, the Property was improved with a well site and a water tower. The well site was abandoned in 2007 and the water tower was removed from the Property in 2014. Following the removal of the water tower, staff approached the owners to discuss the possibility of purchasing this property and incorporating it into the larger Snedigar complex. Presently, the Property is minimally maintained and enclosed with chain link fencing.

The Snedigar Sportsplex is a 90-acre community park. Since its construction in 1991, this park has become known for its wide variety of leisure and recreation opportunities. From baseball to skateboarding, this park has become very popular and is well utilized by the citizens of Chandler.

Because the majority of the existing open space is primarily utilized for sports fields, currently there is no space available to add additional amenities adjacent to the soccer fields. While the Snedigar Sportsplex has 5 ramadas located throughout the park, unfortunately none of these ramadas are in close proximity to the soccer fields. As a part of the 2016-25 CIP, funding has been allocated to improve this site which will include irrigation, turf, ramadas and sidewalks.

FINANCIAL IMPLICATIONS:

Costs: \$134,470
Long Term Costs: general maintenance

Fund Source:

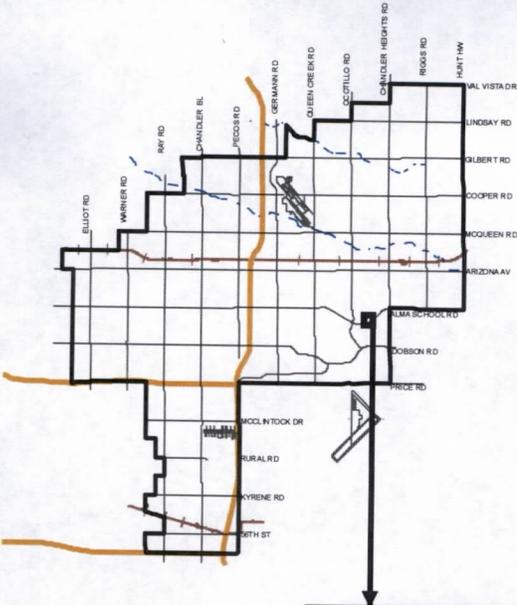
<u>Acct. No.:</u>	<u>Fund:</u>	<u>Program Name:</u>	<u>Amount:</u>
420.4580.0000.6111.6PR397	GO Bond	Land Acquisition	\$134,470

PROPOSED MOTION: Move City Council pass and adopt Resolution No. 4914 approving the purchase of approximately 28,120 square feet of land located within the Snedigar Sportsplex for the appraised value of \$125,970 plus environmental and closing costs in the approximate amount of \$8,500; and authorizing the Real Estate Manager to execute the purchase agreement and any other necessary documents.

Attachments: Location Map
Resolution No. 4914



**AUTHORIZING AND APPROVING THE PURCHASE
OF APPROXIMATELY 28,120 SQ FT OF LAND
LOCATED WITHIN THE SNEDIGAR SPORTSPLEX**



MEMO NO. RE16-047
RESOLUTION NO. 4914

 PROJECT LOCATION



RESOLUTION NO. 4914

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING AND APPROVING THE PURCHASE OF APPROXIMATELY 28,120 SQUARE FEET OF LAND LOCATED WITHIN THE SNEDIGAR SPORTSPLEX FOR THE APPRAISED VALUE OF \$125,970 PLUS ENVIRONMENTAL AND CLOSING COSTS IN THE APPROXIMATE AMOUNT OF \$8,500

WHEREAS, Bogle Farms I, LLC, Shannon Bogle Douds, Trustee and William H. Bogle, Trustee, (the "Owners") have agreed to sell their property consisting of approximately 28,120 square feet of land located within the Snedigar Sportsplex (the "Property") to the City of Chandler for the appraised value of \$125,970 plus closing and environmental costs of approximately \$8,500; and

WHEREAS, the City of Chandler desires to purchase the Property for the purposes of expanding the park facilities at Snedigar Sportplex.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

Section 1. That the City of Chandler is authorized to enter into a purchase agreement for the Property described in the attached Exhibit "A".

Section 2. That the Real Estate Manager is hereby authorized to sign, on behalf of the City, the purchase agreement in the attached Exhibit "B" in a form approved by the City Attorney.

Section 3. That the Real Estate Manager is authorized to execute any other documents necessary to facilitate this transaction.

Section 4. That all other legal documents required for this transaction shall be in a form approved by the City Attorney.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4914 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ___ day of November, 2015, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

EXHIBIT "A"
Legal Description

A parcel of land located in the Northeast quarter of Section 20, Township 2 South, Range 5 East of the Gila and Salt River Base and Meridian in Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southeast corner of said Northeast quarter;
thence North 89 degrees 35 minutes 39 seconds West, along the South line of said Northeast quarter, 1,342.08 feet;
thence North 00 degrees 58 minutes 22 seconds East, 466.51 feet to the **POINT OF BEGINNING**;
thence South 88 degrees 14 minutes 48 seconds West, 153.93 feet;
thence North 00 degrees 37 minutes 34 seconds West, 183.01 feet;
thence South 89 degrees 25 minutes 37 seconds East, 158.86 feet;
thence South 00 degrees 58 minutes 22 seconds West, 176.73 feet to the **POINT OF BEGINNING**.

APN: 303-48-003K

PURCHASE AGREEMENT

SELLER: Bogle Farms I, L.L.C., an Arizona limited liability company, as to an undivided 28.72475% interest and Shannon Bogle Douds, Trustee of the Initial Revocable Trust under Declaration of Trust dated February 10, 1993 as to an undivided 35.637625% interest and William H. Bogle, Trustee of the Initial Revocable Trust under Declaration of Trust dated May 31, 1989 as to an undivided 35.637625% interest

BUYER: City of Chandler, an Arizona municipal corporation

Escrow Agent: Security Title Agency, Inc.
Jason Bryant, Senior Escrow Officer

Escrow No.: _____ **Date:** _____

1. Agreement and Escrow. This Purchase Agreement, together with Escrow Agent's printed form Escrow Instructions (collectively, the "Agreement"), constitutes a binding agreement by Seller to sell and Buyer to buy all the fee simple interest in the Property (defined below) upon the terms and conditions stated herein, and shall define the terms of the escrow created with Escrow Agent. Escrow Agent shall also serve as title insurer. If there is any conflict or inconsistency between the printed form Escrow Instructions and this Purchase Agreement, the latter shall prevail.

2. Subject Property. The "Property" to be conveyed by Seller to Buyer pursuant to this Agreement is the following:

2.1. Real Property. That certain real property located south and east of the southeast corner of Ocotillo Road and Alma School Road, which is legally described in attached Exhibit "A" (the "Real Property"), together with all rights, privileges, easements and appurtenances thereto, whether recorded or not recorded, including without limitation, all of Seller's right, title and interest in and to any development rights, air rights, rights in adjoining streets and alleyways, and water and water rights used in connection with the real property, and all minerals, oil, gas, and other hydrocarbon substances thereon or thereunder (except as otherwise reserved of record); and

2.2. Improvements. Those certain improvements and fixtures now or hereafter located on the Real Property (the "Improvements").

3. Purchase Price. The "Purchase Price" for the Property shall be **ONE HUNDRED TWENTY- FIVE THOUSAND NINE HUNDRED AND SEVENTY DOLLARS AND 00/100 (\$125,970.00)**, payable at the close of escrow by Buyer depositing with Escrow Agent said amount, plus closing costs, by wire transfer (the "Cash Due at Closing"). Buyer shall notify Escrow Agent at least two (2) days prior to Closing and Seller shall designate to Escrow Agent

the account or accounts to receive the wire transfer funds. The Property shall be conveyed free and clear at Close of Escrow upon the payment of the Cash Due at Closing.

4. Escrow. The sale contemplated by this Agreement shall be consummated through Escrow as follows:

4.1. Opening and Closing Dates. Escrow shall open on the business day on which Escrow Agent receives one (1) fully executed copy of this Agreement and written authorization to Open Escrow from Buyer and Seller. Upon receipt, Escrow Agent shall give written notice to the persons listed in Section 15 below of the date that escrow has opened and such notice shall constitute evidence of Escrow Agent's acceptance of the Agreement. "Close of Escrow" or "Closing" shall occur on or before 5:00 p.m., Arizona time, thirty (30) days after all Buyer's and Seller's contingencies stated in Section 5 of this Purchase Agreement have been met to the satisfaction of the Buyer, Seller and Escrow Agent, and after all other contingencies in the Agreement have been met to the satisfaction of the Buyer, Seller and Escrow Agent, or upon such other date as Buyer and Seller hereafter agree upon in writing. If the thirty (30) days falls on a Saturday, Sunday or legal holiday, Closing shall occur upon the next following business day. In no event shall Closing occur after June 30, 2016 (the "Outside Closing Date"). In the event Closing has not occurred on or before the Outside Closing Date, Seller may, at its option, either (a) terminate this Escrow and Agreement by written notice to Seller, in which event neither Buyer nor Seller shall have any further liability hereunder or (b) waive the Outside Closing Date and enter into an amendment to this Agreement modifying the Outside Closing Date to a date agreeable to Buyer and Seller.

4.2. Closing Place. The Closing shall take place in the offices of Escrow Agent at 3636 N. Central Avenue, Third Floor, Phoenix, AZ 85012.

4.3. Documents to be Delivered for the Closing by Seller. As a condition precedent to Buyer's obligation to close under this Agreement, Seller shall deposit or have deposited into Escrow the following documents, instruments and other items at least one (1) business day prior to the Close of Escrow (or sooner, if required elsewhere in this Agreement):

(a) A Special Warranty Deed, in the form and substance of the attached Exhibit "B", conveying the Property to Buyer subject to all matters of record that have been approved in writing by Buyer;

(b) A Non-Foreign Certificate in substantially the form and substance of the attached Exhibit "C".

(c) Release documents in form and substance satisfactory to Buyer, executed by all appropriate parties, releasing any monetary liens, leases, and/or any encumbrances objected to and not waived by Buyer pursuant to Section 5.1 below, against the Property.

(d) Any document required by the Arizona Department of Water Resources and/or otherwise necessary for (i) the transfer by Seller to Buyer of all of Seller's

right, title and interest in and to any and all ground and/or surface water rights and well appurtenant to or owned or used in connection with the Property; (ii) the transfer or assignment of any claims in any water rights proceedings or adjudications, and (iii) the notation of such transfer on any ownership records maintained by the Arizona Department of Water Resources or other applicable public records.

(e) An affidavit or estoppel certificate from Seller in form acceptable to Buyer indicating that there are no leases affecting the Property, or otherwise itemizing all leases, identifying each lessee, date of lease, terms and any options to renew, and stating that none of the leases referred to therein contain options to purchase in substantially the form and substance of the attached Exhibit "D";

(f) If Property is being acquired subject to any lease, Seller shall provide a written assignment to Buyer of Seller's interest in said lease in a form acceptable to Buyer;

(g) All other documents or instruments necessary to satisfy requirements for the title insurance to be provided to Buyer in connection with this purchase transaction; and

(h) A "closing" or "pre-audit settlement" statement prepared by Escrow Agent, in form and substance satisfactory to Buyer and Seller.

All of such documents and instruments shall be duly executed and, where appropriate, acknowledged.

4.4. Documents to be Delivered for the Closing by Buyer. As a condition precedent to Seller's obligation to close under this Agreement Buyer shall deposit or have deposited into Escrow the following documents, instruments and other items at least one (1) business day prior to the Close of Escrow (or sooner, if required elsewhere in this Agreement):

(a) The Purchase Price, by wire transfer;

(b) A "closing" or "pre-audit settlement" statement prepared by Escrow Agent, in form and substance satisfactory to Seller; and

(c) All other documents or instruments necessary to satisfy requirements of Escrow Agent to close under this Agreement.

4.5. Closing Items. At Close of Escrow, the transaction provided for herein shall be consummated by Escrow Agent (a) delivering to Buyer or recording, as appropriate, the documents and instruments referred to in Sections 4.3 and 4.4 above, with copies of same to Seller, and (b) disbursing funds to Seller in accordance with the terms of this Agreement.

4.6. Title Policy. At Close of Escrow, Escrow Agent shall issue or cause to be issued in favor of Buyer an standard coverage owner's policy of title insurance insuring title to

the Property in an amount equal to the Purchase Price, subject only to (a) the usual exceptions, conditions and stipulations contained in the printed form of such a standard coverage policy, and (b) those title defects or exceptions which are listed in the Title Report (defined below), and which are deemed waived or approved by Buyer in accordance with Section 5.1(a) below (the "Title Policy").

5. Contingencies to Closing.

5.1 Buyer's Contingencies. Buyer's obligation to close under this Agreement is subject to satisfaction of the following conditions precedent (any or all of which may be waived by Buyer, in its sole discretion, but only in writing signed by Buyer's duly authorized agent):

(a) Status of Title. As soon as reasonably possible after the Opening of Escrow, Escrow Agent shall provide Buyer and Seller with a preliminary report of the title to the Property, disclosing all matters of record which relate to the title to the Property, and Escrow Agent's requirements for both closing the Escrow created by this Agreement and issuing the Title Policy. At such time as Buyer receives the preliminary title report (and any amended report adding additional title exceptions) (the "Title Report"), Escrow Agent shall also cause legible copies of all instruments referred to in the Title Report to be furnished to Buyer. Buyer shall have fifteen (15) days after receipt of the Title Report and the furnishing of all instruments described in the Title Report to make objection in writing to Seller and Escrow Agent as to any matter shown thereon. If Buyer fails to object within this period, the condition of title to the Property shall be deemed approved. If Buyer does object to any matter disclosed in the Title Report, Seller may elect to remove such objection before Close of Escrow. If Seller does not elect to remove such objection, or if any such matter cannot be removed after Seller's attempts to do so, Seller shall so notify Buyer and Escrow Agent, in writing, within ten (10) days after receipt of a written objection from Buyer, and Buyer shall elect in writing to Seller and Escrow Agent within ten (10) days after receipt of Seller's notice either: (i) to cancel the Escrow and this Agreement without any penalty, charge or cost to Buyer or Seller; or (ii) to close Escrow, waiving such objections and taking title subject to such matters. Failure to give notice to Seller of Buyer's election shall constitute an election to waive the objection.

(b) Additional Encumbrances. Except for matters which are to be released at or as part of the Close of Escrow, Seller shall not voluntarily and affirmatively place, or cause to be placed, any liens or encumbrances on the title to the Property from the date of this Agreement through Close of Escrow or thereafter. If Seller voluntarily and affirmatively places, or causes to be placed, a lien or encumbrance on the Property, contrary to the provisions of this Agreement, which can be removed by the payment of money, Escrow Agent is hereby expressly authorized, directed, and instructed to pay such moneys otherwise payable to Seller at Close of Escrow, and the net proceeds otherwise available to Seller at Close of Escrow shall be reduced accordingly. To the extent that moneys available to Seller at Close of Escrow are insufficient to cause any such lien or encumbrance to be removed, Seller shall, on or before the date set for Close of Escrow, cause additional money to be deposited with Escrow Agent to enable Escrow Agent to remove the lien or encumbrance.

(c) Investigation; Review Period. Buyer shall have until 5:00 p.m., Arizona time, one hundred fifty (150) days after Escrow opens (the "Review Period"), in which to examine the Property. During such time, Buyer may review, investigate, survey, conduct environmental and soil tests, and examine the Property at any time with any persons who it shall designate, including engineers and soil testing personnel. Seller shall permit access to the Property by Buyer and the persons so designated by it, and shall afford them the opportunity to investigate, inspect and perform any tests upon the Property that Buyer deems necessary or appropriate to determine whether the Property is suitable for Buyer's purposes, provided that Buyer shall not unreasonably interfere with Seller's use of the Property. In the event that Buyer, after conducting such inspections, investigations, and tests, discovers that the Property is not suitable for its purposes, it may elect at any time prior to the end of the Review Period to cancel this Agreement by written notice to Seller and Escrow Agent, who shall, without further instruction from either party or any other person, promptly return any documents deposited hereunder to the appropriate party, and this Agreement shall thereafter have no further force or effect. If Buyer does not elect to cancel under this Section within the Review Period, then Close of Escrow shall occur on the closing date specified in this Agreement, provided that all contingencies, including status of title requirements, are met.

(i) Indemnification. In conducting or having conducted any review, inspection, examination, investigation or test upon the Property, Buyer shall indemnify and hold Seller harmless against liability, loss, cost, damage or expense which may arise out of any personal injury or property damage resulting from such entry upon the Property, except to the extent that such personal injury or property damage is caused by or contributed to by the conduct of Seller or Seller's agents, servants, employees or independent contractors. This indemnification obligation shall constitute a covenant of Buyer that survives the Close of Escrow.

(d) Leases, Contracts, and Agreements. No later than fifteen (15) days after opening of escrow, Seller shall provide Buyer with legible copies of any leases, contracts or agreements affecting the Property. Buyer shall have until the end of the Review Period to cancel this Agreement due to objection to the terms of any such lease, contract or agreement.

(e) Reports and Studies. Seller shall deliver to Buyer within fifteen (15) days of the opening of escrow, copies of any surveys; environmental site assessments; soil, hydrological or engineering reports; or information pertaining to the Property that Seller has in its possession.

(f) Additional Information. The obligation to supply information, materials, reports and documents relative to the Property, or which may affect the Property shall continue until Close of Escrow. Seller shall advise Buyer immediately of any changes with respect to any matters or documents previously disclosed which affect the Property.

5.2. Seller's Contingencies. Seller's obligation to close under this Agreement is subject to satisfaction of the following conditions precedent (which may be waived by Seller, in its sole discretion, but only in writing signed by Seller's duly authorized agent).

(a) Buyer shall have performed each and every agreement to be performed by Buyer under this Agreement.

6. Seller's Representations and Warranties. Seller does represent, covenant and warrant to Buyer (the "Seller Representations") as follows:

6.1. Seller shall not encumber or permit or suffer the further encumbrance of the Property or any part thereof or interest therein, or assign, convey, lease or transfer any part thereof or interest therein. To the best of Seller's knowledge, there is no existing default under any encumbrance on the Property (or any event that, with the passage of time, giving of notice or both, would constitute a default), and Seller shall keep all such encumbrances current until the close of escrow.

6.2. Except as may be reflected in the Title Report, to Seller's knowledge, there are no claims, actions, suits, or other proceedings pending or threatened by any governmental department or agency or any corporation, partnership, entity, or person whomsoever, nor any voluntary actions or proceedings contemplated by Seller, which in any manner or to any extent may detrimentally affect Buyer's right, title, or interest in and to the Property or the value of the Property or Seller's ability to perform Seller's obligations under this Agreement.

6.3. No work has been performed or is in progress at the Property and no materials have been furnished to the Property for which payment will not be made in a timely manner.

6.4. Seller has full power, authority and legal capacity to execute, deliver, and perform this Agreement and all related documents or instruments. Except as otherwise expressly provided herein, no consent, approval or authorization of any other person or entity is required in connection with Seller's execution or performance of this Agreement.

6.5. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will constitute a default or an event which, with notice or the passage of time or both, would constitute a default under, or violation or breach of, any agreement to which Seller is a party or by which Seller may be bound.

6.6. There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other laws for relief of debtors contemplated or filed by Seller or pending against Seller or affecting or involving the Property to the actual knowledge of the Seller.

7. Buyer's Representations and Warranties. Buyer does represent, warrant and covenant to Seller as follows:

7.1. Buyer has full power, authority and legal capacity to execute, deliver, and perform this Agreement and all related documents or instruments subject to Section 19 herein.

Except as otherwise expressly provided herein, no consent, approval or authorization of any other person or entity is required in connection with Buyer's execution or performance of this Agreement.

7.2. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will constitute a default or an event which, with notice or the passage of time or both, would constitute a default under, or violation or breach of, any agreement to which Buyer is a party or by which Buyer may be bound.

8. Costs and Prorations; Distribution of Net Proceeds.

8.1. Seller shall pay the cost of a standard coverage ALTA owner's policy and Buyer shall pay the additional premium for the extended coverage ALTA owner's policy and the Endorsements. All escrow fees shall be split equally between Buyer and Seller. Any other costs or expenses shall be paid by the party to whom they are specifically allocated hereunder.

8.2. All real property taxes, rents and assessments shall be prorated through Escrow as of the Close of Escrow, based upon the most current available information.

8.3. Upon Close of Escrow and payment of all costs, expenses, fees, taxes, rents, assessments, real estate commissions and other applicable charges of Seller, the net proceeds to Seller shall be distributed to Seller.

9. Title Insurance Option. Buyer, at its option and cost, may obtain extended coverage title insurance and endorsements.

10. Non-Foreign Status. If Seller fails to deliver the Non-Foreign Certificate described herein, or in the event Buyer has a reasonable basis for believing that the information contained in any such Non-Foreign Certificate delivered by Seller is false or inaccurate, Buyer shall be entitled to withhold, or to direct Escrow Agent to withhold upon the Close of Escrow, from the sums to be delivered to Seller under Section 3, an amount equal to ten percent (10%) of the Purchase Price, which sum may be paid to the Internal Revenue Service or United States Treasury if Buyer, in Buyer's sole discretion, deems it necessary to make such a delivery of such funds. Notwithstanding the foregoing, any sums withheld upon the Close of Escrow under this Section shall be considered, for all purposes, as having been paid and applied against the Purchase Price hereunder.

11. Risk of Loss. Until the Close of Escrow, Seller shall bear all risk of loss with regard to the Property.

12. Condemnation. If condemnation or eminent domain proceedings or an agreement with a governmental agency in lieu of such proceedings should affect all or part of the Property prior to the Close of Escrow, Buyer may, at its option, either (a) terminate this Escrow and Agreement by written notice to Seller, in which event neither Buyer nor Seller shall have any further liability hereunder, or (b) elect to consummate this transaction, in which event Seller shall assign to Buyer all of its right, title and interest in and to any award made or to be made in

connection with such condemnation or eminent domain proceedings and shall permit Buyer to conduct all negotiations and enter into all agreements with respect thereto provided such agreements are reasonably approved by Seller. Buyer's rights hereunder shall be cumulative, and Buyer shall have the foregoing rights in the case of each such condemnation or eminent domain proceeding.

13. Remedies.

13.1. In the event of default by Buyer, Seller may, (i) cancel this Agreement fifteen (15) days after Seller gives written notice to Buyer and Escrow Agent that Buyer is in default, if within such period such default has not been cured by Buyer; or (ii) proceed with whatever steps Seller may deem necessary in order to enforce the rights and remedies available to Seller under this Agreement, including, without limitation, the right of specific performance of this Agreement or recover from Buyer any actual out-of-pocket expenses incurred as a result of such Buyer default not to exceed Three Thousand and no/100 Dollars.

13.2. In the event of default by Seller, Buyer may: (i) cancel this Agreement fifteen (15) days after Buyer gives written notice to Seller and Escrow Agent that Seller is in default, if within such period such default has not been cured by Seller; or (ii) proceed with whatever steps Buyer may deem necessary in order to enforce the rights and remedies available to Buyer under this Agreement, including, without limitation, the right of specific performance of this Agreement or recover from Seller any actual out-of-pocket expenses incurred as a result of such Seller default not to exceed Three Thousand and no/100 Dollars.

14. No Sales Commissions. Each party represents and warrants to the other that no real estate sales or brokerage commissions or like commissions are or will be due from the other party in connection with this transaction. Further, each party agrees to indemnify and hold harmless the other party for, from and against any and all liability, loss, cost, damage or expense, including but not limited to court costs and reasonable attorneys' fees, resulting from any assertion of a right to a brokerage commission as a consequence of any act or omission of such indemnifying party.

15. Notices. All notices, consents, approvals and waivers required or permitted hereunder shall be given in writing and shall be effective upon personal delivery or direct facsimile transmission, or two (2) business days after being deposited in the U.S. Mail, registered or certified, return receipt requested, postage prepaid, or one (1) business day after being deposited with any commercial air courier or express service. **Any communication made by e-mail or similar method shall not constitute notice pursuant to this Agreement.** All such notices shall be addressed as follows or to such other address or addresses as the parties or Escrow Agent may from time to time specify in writing delivered as provided in this Section:

If to Escrow Agent:

Security Title Agency, Inc.
3636 N. Central Avenue, 3rd Floor
Phoenix, AZ 85012
Attn: Jason Bryant, Senior Escrow Officer
Phone: (602) 230-6247

Fax No.: (602) 230-6256
jbryant@securitytitle.com

If to Seller:

Ms. Shannon Bogle Douds
7591 N. Hummingbird Lane
Paradise Valley, AZ 85253
Phone: (602) 376-5061
Fax No.: (480) 607-2215
m.douds@propsinc.com

With a copy to:

Marc Blonstein
Berens, Kozub, Kloberdanz & Blonstein, PLC
7047 E. Greenway Parkway, Suite 140
Scottsdale, AZ 85254
Phone: (480) 624-2777
Fax No.: (480) 607-2215
mblonstein@bkl-az.com

Eileen M. Berens
Berens, Kozub, Kloberdanz & Blonstein, PLC
7047 E. Greenway Parkway, Suite 140
Scottsdale, AZ 85254
Phone: (480) 624-2777
Fax No.: (480) 607-2215
eberens@bkl-az.com

If to Buyer:

City of Chandler
Real Estate Department
P.O. Box 4008, Mail Stop 407
Chandler, Arizona 85244-4008
Attn.: Erich Kuntze, Real Estate Manager
Phone: (480) 782-3397
Fax No.: (480) 782-3365
erich.kuntze@chandleraz.gov

With a copy to:

Chandler City Attorney's Office
P.O. Box 4008, Mail Stop 602
Chandler, Arizona 85244-4008
Attn.: Glenn A. Brockman
Phone: (480) 782-4643
Fax No.: (480) 782-4652
Glenn.brockman@chanderaz.gov

16. Further Assurances. Promptly upon the request of the other or upon the request of Escrow Agent, each party shall do such further acts and shall execute, have acknowledged and deliver to the other party or to Escrow Agent, as appropriate, any and all further documents or instruments reasonably requested in order to carry out the intent and purpose of this Agreement.

17. Other Important Provisions.

17.1. Modification and Waiver. Except as expressly provided herein to the contrary, no supplement, modification or amendment of any term of this Agreement shall be deemed binding or effective unless in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision, nor shall any waiver be a continuing waiver. Except as otherwise expressly provided herein, no waiver shall be binding unless executed in writing by the party making the waiver.

17.2. Exhibits. The Exhibits referred to herein and attached hereto (the "Exhibits") are incorporated herein by reference.

17.3. Litigation Expenses and Attorneys' Fees. In the event of litigation involving this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its costs and expenses incurred in such action from the other party, including without limitation the cost of reasonable attorneys' fees as determined by the judge of the court.

17.4. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Agreement shall be deemed invalid or prohibited thereunder, such provision shall be deemed severed from this Agreement, and this Agreement shall otherwise remain in full force and effect.

17.5. Entire Agreement. This Agreement, including the Exhibits attached hereto, constitutes the entire agreement among the parties. All terms and conditions contained in any other writings previously executed by the parties and all prior and contemporaneous arrangements and understandings between the parties are superseded hereby. No agreements, statements or promises about the subject matter hereof shall be binding or valid unless they are contained herein.

17.6. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the parties to this Agreement and their respective heirs, executors, administrators, personal representatives, successors and assigns.

17.7. Counterparts. This Agreement may be executed by the signing in counterparts. The execution of this instrument by each of the parties signing a counterpart hereof shall constitute a valid execution, and this instrument and all of its counterparts so executed shall be deemed for all purposes to be a single instrument.

17.8. Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Arizona.

17.9. Headings and Construction. The descriptive headings of the sections of this Agreement are inserted only for convenience and shall not define, limit, extend, control or affect the meaning or construction of any provision herein. Where the context requires herein, the singular shall be construed as the plural, and neuter pronouns shall be construed as masculine and feminine pronouns, and vice versa. This Agreement shall be construed according to its fair meaning and any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

17.10. Survival. Except as expressly set forth herein, all representations, warranties and covenants set forth herein shall survive the Close of the Escrow.

17.11. Time of Essence. Time is of the essence of this Agreement, and Buyer and Seller hereby agree to perform each and every obligation hereunder in a prompt and timely manner.

17.12. Possession. Upon the Close of Escrow, possession of the Property will be transferred to Buyer.

18. "As-Is". Buyer acknowledges that Buyer is purchasing the property "AS IS" and "WHERE IS." Except for the Seller Representations, Buyer acknowledges that Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property furnished by any real estate broker, agent, employee or other person, unless the same are specifically set forth or referred to herein. Buyer acknowledges that the Purchase Price reflects the "AS IS, WHERE IS" nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the Property. Buyer, with its counsel, has fully reviewed the disclaimers and waivers set forth in this Agreement and understands their significance and agrees that the disclaimers and other agreements set forth herein are an integral part of this Agreement, and that Seller would not have agreed to sell the Property to Buyer for the Purchase Price without the disclaimers and other provisions set forth in this Agreement. Except with respect to the Seller Representations and except for fraud by Seller, as of the Closing, Buyer, on its own behalf and on behalf of its related entities, predecessors in interest and successors in interest, hereby absolutely, unconditionally, and irrevocably releases, remits, acquits, and forever discharges, Seller, Seller's affiliates, and related entities for and from any and all actual or alleged claims of any and every character, now existing or hereafter arising, known or unknown, matured or not matured, accrued or not accrued, foreseen or unforeseen, direct or indirect, at law or in equity, of whatsoever kind or nature, for or because of any matter or thing done, omitted, or suffered to be done by Seller, its related entities or its predecessors or successors in interest in any way directly or indirectly arising out of or in any way connected to the Property, including, without limitation, any claim under federal, state, local or common law, including the comprehensive environmental response compensation and liability act, which Buyer may have against Seller arising out of the past or present (as of the date hereof) presence of hazardous waste on the Property or arising out of or relating to the physical condition of the Property, or any adjacent property. The terms and conditions of this section will survive the Closing and will not merge with the provisions of any closing documents. As and after the

Closing, except with respect to the Seller Representations Buyer hereby agrees to indemnify, defend and hold harmless the Seller for, from, and against any and all actual or alleged claims arising from and after the Closing and related to Buyer's development of, or construction activities on, the Property.

19. Council Approval. This Agreement and opening of escrow is subject to the prior approval and authorization of the Chandler City Council.

(signatures on following pages)

IN WITNESS WHEREOF, Seller has executed this Agreement.

SELLER:

Shannon Bogle Douds, Trustee of the Initial Revocable Trust under Declaration of Trust dated February 10, 1993 as to an Undivided 35.637625% interest

By: _____

Shannon Bogle Douds trustee
Shannon Bogle Douds, Trustee

IN WITNESS WHEREOF, Seller has executed this Agreement.

SELLER:

William H. Bogle, Trustee of the Initial Revocable Trust under Declaration of Trust
Dated May 31, 1989 as to an undivided 35.637625%

By: W H Bogle Trustee
William H. Bogle, Trustee

Its: _____

*See Attached
Acknowledgement or Jurat*

EXHIBIT "A"
Legal Description

A parcel of land located in the Northeast quarter of Section 20, Township 2 South, Range 5 East of the Gila and Salt River Base and Meridian in Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southeast corner of said Northeast quarter;
thence North 89 degrees 35 minutes 39 seconds West, along the South line of said Northeast quarter, 1,342.08 feet;
thence North 00 degrees 58 minutes 22 seconds East, 466.51 feet to the **POINT OF BEGINNING**;
thence South 88 degrees 14 minutes 48 seconds West, 153.93 feet;
thence North 00 degrees 37 minutes 34 seconds West, 183.01 feet;
thence South 89 degrees 25 minutes 37 seconds East, 158.86 feet;
thence South 00 degrees 58 minutes 22 seconds West, 176.73 feet to the **POINT OF BEGINNING**.

APN: 303-48-003K

EXHIBIT "B"

When recorded, mail to:
City of Chandler
City Clerk
P.O. Box 4008, Mail Stop 606
Chandler, AZ 85244-4008

APN: 303-48-003k
Section 20 , Township 2 South, Range 5 East
ek 2015

This document is exempt from Affidavit and Fee requirements pursuant to A.R.S. Sec. §11-1134 (A)(3).

SPECIAL WARRANTY DEED

For and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged,

Bogle Farms I, L.L.C., an Arizona limited liability company, as to an undivided 28.72475% interest and Shannon Bogle Douds, Trustee of the Initial Revocable Trust under Declaration of Trust dated February 10, 1993 as to an undivided 35.637625% interest and William H. Bogle, Trustee of the Initial Revocable Trust under Declaration of Trust dated May 31, 1989 as to an undivided 35.637625% interest (collectively "Grantor"), does hereby grant and convey unto the CITY OF CHANDLER, an Arizona municipal corporation ("Grantee"), that certain real property situated in Maricopa County, Arizona, and more particularly described in Exhibit "A", attached hereto and made a part hereof by this reference (the "Property").

TO HAVE AND TO HOLD the Property, together with all improvements thereon and all rights, privileges, easements, tenements, hereditaments and appurtenances pertaining thereto.

SUBJECT TO all taxes and other assessments, reservations, patents, easements, covenants, conditions, restrictions, reservations, rights, rights-of-way, obligations and liabilities that may appear of record, roadways, and matters which would be disclosed by a survey or inspection of the Property.

Grantor binds itself and its successors, heirs, legatees and personal representatives to warrant and defend title to the Property as against the acts of Grantor and none other, subject to the matters set forth above. Furthermore, Grantor hereby nonexclusively assigns, transfers and conveys to Grantee any and all rights, remedies and warranties of title with respect to the Property acquired by Grantor from Grantor's predecessors-in-title.

Pursuant to A.R.S. §33-404(B) the Grantor Shannon Bogle Douds hereby discloses that she holds title as trustee under that certain trust as referenced above (the "**Douds Trust**"); and Grantor

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed on the date set forth above.

DATED this ____ day of _____, 2015.

GRANTOR:

Bogle Farms I, L.L.C., an Arizona limited liability company, as to an undivided 28.72475% interest

By: _____
Its: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this, the ____ day of _____, 2015, before me, the undersigned Notary Public, personally appeared _____, the _____ of Bogle Farms I, L.L.C., an Arizona limited liability company, as to an undivided 28.72475% interest, who executed the foregoing Special Warranty Deed for the purposes therein contained.

Notary Public

My Commission Expires:

**Shannon Bogle Douds, Trustee of the Initial
Revocable Trust under Declaration of Trust
dated February 10, 1993 as to an undivided
35.637625% interest**

By: _____
Its: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this, the ____ day of _____, 2015, before me, the undersigned Notary Public, personally appeared _____, the _____ of Shannon Bogle Douds, Trustee of the Initial Revocable Trust under Declaration of Trust dated February 10, 1993, who executed the foregoing Special Warranty Deed for the purposes therein contained.

Notary Public

My Commission Expires:

EXHIBIT "A"
Legal Description

A parcel of land located in the Northeast quarter of Section 20, Township 2 South, Range 5 East of the Gila and Salt River Base and Meridian in Maricopa County, Arizona, more particularly described as follows:

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thence South 88 degrees 14 minutes 48 seconds West, 153.93 feet;
thence North 00 degrees 37 minutes 34 seconds West, 183.01 feet;
thence South 89 degrees 25 minutes 37 seconds East, 158.86 feet;
thence South 00 degrees 58 minutes 22 seconds West, 176.73 feet to the **POINT OF BEGINNING**.

APN: 303-48-003K

EXHIBIT "C"

NON-FOREIGN CERTIFICATE

Section 1445 of the Internal Revenue Code 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 tax is not required upon the disposition of a U.S. real property interest by _____, a(n) _____ ("Seller"), the undersigned hereby certifies the following to the City of Chandler, an Arizona municipal corporation.

- 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);
2. Seller's U.S. Employer Identification Number is _____; and
3. Seller's office address is _____.

Seller understands that this certificate may be disclosed to the Internal Revenue Service by the transferee, and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties 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.

Dated this _____ day of _____, 2015.

By: _____
Its: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by _____, who acknowledged that he/she is the _____ of _____, a(n) _____, and acknowledged that he/she as such and being authorized to do so, executed the foregoing document for the purposes therein contained.

Notary Public

My commission expires

EXHIBIT "D"

ESTOPPEL CERTIFICATE

This is to certify that:

1. The undersigned is/are the owner(s) of the property described in Exhibit "A" attached hereto.
2. The undersigned is/are in possession of the property described in attached Exhibit "A" and there are no oral or written lease agreements or rental agreements of any type presently in effect for the property except as indicated below:

<u>Lessee</u>	<u>Lease Date</u>	<u>Lease Term</u>	<u>Renewal Option</u>
---------------	-------------------	-------------------	-----------------------

None of the above-referenced leases or any rental agreements contain options to purchase.

3. The undersigned has/have executed this estoppel certificate for the benefit of the CITY OF CHANDLER and with the understanding that CITY OF CHANDLER is relying upon this estoppel certificate in connection with its acquisition of the described property.

DATED this ____ day of _____, 2015.

By: _____

Its: _____

State of Arizona)
)ss
 County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by _____, who acknowledged that he/she is the _____ of _____, a(n) _____, and acknowledged that he/she as such and being authorized to do so, executed the foregoing document for the purposes therein contained.

Notary Public

My commission expires

EXHIBIT "A"
Legal Description

A parcel of land located in the Northeast quarter of Section 20, Township 2 South, Range 5 East of the Gila and Salt River Base and Meridian in Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southeast corner of said Northeast quarter;
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