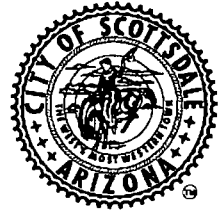


CITY COUNCIL REPORT



Meeting Date: May 5, 2015
General Plan Element: *Public Services and Facilities*
General Plan Goal: *Provide city service facilities to meet the needs of the community*

ACTION

Authorize Real Estate Sale Agreement to dispose of surplus property. Adopt Resolution 9853 authorizing Real Estate Sale Agreement No. 2014-121-COS, for the sale of a city office complex located at 7575 E. Main Street to Scottsdale Unified School District in the amount of \$2,022,000

Related Policies, References

Scottsdale Revised Code Section 2-221(b)(2) allows the city to sell property to a public agency by resolution of the City Council.

BACKGROUND

In 1997, the city purchased the 13,128 square foot office complex, located at 7575 E. Main Street, to serve as the offices for Human Resources department personnel. Through recent restructuring of city space, the Human Resources Department has been relocated to the North Corporation Yard facility, allowing for the disposal of the property. SUSD contacted the city to negotiate a purchase of the property. SUSD has indicated that their intent is to relocate the District's administrative office to this building from the current location on 44th Street in Phoenix.

ANALYSIS & ASSESSMENT

Recent Staff Action

Staff ordered an appraisal of the property as is required by Scottsdale Revised Code Section 2-221(b)(2). The Appraisal Report dated April 30, 2014 estimated the fair market value of the property to be \$2,120,000. SUSD negotiated and has agreed to purchase the property "as is" in the amount of \$2,022,000, which is within 5% of the appraiser's estimate.

RESOURCE IMPACTS

Should disposal of the property be approved by council, revenue from the sale will be deposited into the capital project general fund as a funding source for a future public purpose capital improvement project. The city will also regain the annual expenditures associated with the maintenance and utility costs of the property. The purchase agreement requires SUSD to pay all closing costs associated with the sale of the property.

Staffing, Workload Impact

The contract administrator responsible for enforcing all provisions of the Real Estate Sale Agreement will be Maria Muiser, Asset Management Coordinator, Capital Project Management Division.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Adopt Resolution 9853 authorizing Real Estate Sale Agreement No. 2014-121-COS between City and Scottsdale Unified School District and directing staff to deposit the proceeds into the capital project general fund for use as a funding source for a future public purpose capital improvement project.

Proposed Next Steps:

If the City Council approves the sale, staff will open escrow to finalize the transaction.

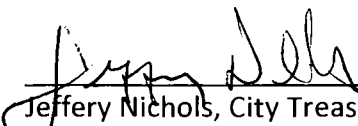
RESPONSIBLE DEPARTMENT(S)

Public Works Division, Capital Project Management

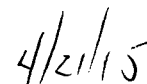
STAFF CONTACT(S)

Maria Muiser, Asset Management Coordinator, MMuiser@scottsdaleaz.gov

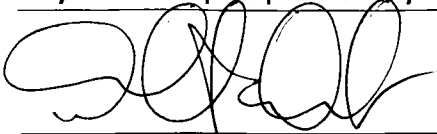
APPROVED BY



Jeffery Nichols, City Treasurer, City Treasurer's Office
(480) 312-2364 jenichols@scottsdaleaz.gov



Date



Daniel J. Worth, Director, Public Works

(480) 312-5555 dworth@scottsdaleaz.gov

4-21-15

Date

ATTACHMENTS

1. Resolution 9853
2. Location Map
3. Agreement 2014-121-COS

RESOLUTION NO. 9853

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE CONTRACT No. 2014-121-COS INVOLVING THE SALE OF CITY PROPERTY LOCATED AT 7575 E. MAIN STREET, SCOTTSDALE, ARIZONA.

WHEREAS, the City owns a 13,128 sq. ft. office complex located at 7575 East Main Street in Scottsdale, Arizona, that was used as the main office of the Human Resources Department; and,

WHEREAS, through a restructuring of City space, the Human Resources Department has been relocated to the North Corp Yard facility; and

WHEREAS, the Scottsdale Unified School District desires to purchase the property; and

WHEREAS, the Scottsdale Revised Code 2-221(b)(2) allows the City to sell property to a public agency by resolution of the Council; and

WHEREAS, the sale proceeds should be deposited into the Capital Project General Fund as a funding source for future public capital improvement projects.

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

Section 1. The Mayor, W. J. "Jim" Lane is authorized and directed to execute on behalf of the City of Scottsdale the Real Estate Sales Agreement Contract No. 2014-121-COS.

Section 2. That the City Manager or his designee shall insure that the proceeds from the sale be deposited into the Capital Project General Fund for use on future public capital improvement projects.

Section 3. That the Mayor, the city manager or their designees are authorized to approve and execute such other documents as are necessary to carry out the purpose of Contract No. 2014-121-COS.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this ____ day of _____, 2015.

ATTEST:

CITY OF SCOTTSDALE,
An Arizona municipal corporation

Carolyn Jagger, City Clerk

W. J. "Jim" Lane, Mayor

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY



Bruce Washburn, City Attorney
By: Joe Padilla, Assistant City Attorney



ATTACHMENT 2					
PROJECT TITLE					
LOCATION MAP					
DEPT.	MM	DRAWN	DATE	SCALE	SHT.
CPM		RAH	05/14	NTS	1 OF 1



REAL ESTATE SALE AGREEMENT

THIS REAL ESTATE SALE AGREEMENT (the "Agreement") is made this ____ day of _____, 2015, by and between Scottsdale Unified School District No. 48 of Maricopa County, Arizona, a political subdivision of the State of Arizona ("Buyer") and City of Scottsdale, an Arizona municipal corporation ("Seller").

RECITALS

A. Seller is the owner of a commercial office complex situated on approximately 0.974 Acres (42,440 square feet) of land (the "Property") located at 7575 East Main Street in Scottsdale, Arizona, more particularly described on **Exhibit "A"** attached hereto.

B. Buyer desires to purchase fee title to the Property.

C. Seller is willing to sell the Property to Buyer on the terms set out in this Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual promises and representations contained herein, Buyer and Seller agree as follows:

1. **Term of Agreement.** The term of this Agreement shall be as follows:

1.1 **Commencement.** The term of this Agreement shall commence on the date this Agreement is executed by both parties.

1.2 **Normal Expiration.** This Agreement shall continue in effect until all obligations and rights of the parties under this Agreement have been performed, terminated or have expired.

2. **Purchase Price.** The purchase price (the "Purchase Price") for the Property shall be Two Million Twenty Two Thousand Dollars (\$2,022,000.00).

3. **Closing Timing; Due Diligence; Title and Conditions.** The conveyance pursuant to this Agreement (the "Closing") shall occur at the following time and subject to the following conditions:

3.1 **Closing Date.** The date of the Closing shall be on or before ten (10) business days following the expiration of the Due Diligence Period (the "Closing Date").

3.2 **Condition of Property.** Except as may be expressly set forth in this Agreement or the Deed, the Property is being sold in an "as is" condition without any express or implied warranties of any kind, including without limitation any warranties or representations as to its

condition or fitness for any use. Seller does not warrant that the Property will remain in the same condition as at the date of this Agreement, except that Seller shall not take action to substantially change the condition of the Property (or Seller's title to the Property) before Closing except as may be necessary to preserve the public health, safety or welfare.

3.3 Buyer's Diligence Tests. At all reasonable times prior to the date that is sixty (60) days after the Opening of Escrow (the "Due Diligence Period"), Buyer, its agents, representatives and designees shall have the opportunity, at Buyer's sole cost and expense, to: (a) enter onto the Property to perform any inspections, investigations, studies and tests of the Property (including, without limitation, physical, engineering, soils, geotechnical, environmental, archaeological, habitat and economic feasibility studies and/or tests that Buyer elects to conduct); (b) review all documents and materials related to the Property; and (c) investigate such other matters pertaining to the Property as Buyer in its sole discretion may desire. Any entry by Buyer onto the Property shall be subject to, and conducted in accordance with, all applicable laws. To the extent permitted by law, Buyer shall indemnify, defend and hold Seller harmless for, from and against any and all claims, liabilities, costs and expenses (collectively "Claims") in connection with or arising out of any inspections conducted by or on behalf of Buyer pursuant to the terms hereof. In the event that this Agreement is terminated for any reason, Buyer shall repair any damage to the Property caused by its entry thereon and restore the same to the condition in which it existed prior to such entry. The provisions of this Section 3.3 shall survive the Closing or earlier termination of this Agreement.

3.4 Survey, Environmental and Other Reports. During the Due Diligence Period, Buyer shall obtain, at Buyer's sole expense, an ALTA survey (the "Survey") of the Property, and a Phase I environmental report (the "Environmental Report") of the Property, together with any and all other reports or studies that Buyer may elect to obtain, each in Buyer's sole discretion and at its sole cost.

3.5 Buyer's Termination Right. Buyer shall have the right at any time on or before the last day of the Due Diligence Period to terminate this Agreement by delivering a written notice of such termination to Seller and Escrow Agent if Buyer determines in its sole and absolute discretion that the Property is not acceptable to Buyer for any reason. In the event Buyer delivers a written notice of termination prior to the expiration of the Due Diligence Period, this Agreement and the Escrow shall automatically be deemed terminated. In the event this Agreement is terminated in accordance with this Section, this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations hereunder (other than pursuant to any provision of this Agreement which expressly survives the termination of this Agreement). If, on or before the expiration of the Due Diligence Period, Buyer fails to deliver the aforementioned written notice of termination, then (i) Buyer shall be deemed to have approved of the feasibility of acquiring the Property as desired by Buyer, Buyer's acceptance of the Purchase Price, Buyer's acceptance of the physical condition of the Property (including the acceptability of the Environmental Report), Buyer's having obtained the approval for the purchase of the Property under this Agreement from Buyer's Governing Board.

3.6 Title.

3.6.1 Title Report. Within five (5) days after Opening of Escrow, Escrow Agent shall cause its title department to issue and deliver to Buyer (a) a current commitment for an ALTA extended coverage owner's policy of title insurance for the Property (the "Title Report") and (b) legible copies of all documents referenced as exceptions therein.

3.6.2 Buyer's Review of Title. Buyer shall have until the expiration of the Due Diligence Period Report (the "Title Review Period") to notify Seller in writing of any objection which Buyer may have to any matters reported or shown in the Title Report or any amendments or updates thereof (a "Buyer's Objection Letter"); provided, however, that if any such amendments or updates are received by Buyer, Buyer shall have an additional five (5) business days following Buyer's receipt of such amendment or update and copies of all documents referenced therein to notify Seller of objections to items shown on any such amendment or update which were not disclosed on the previously delivered Title Report (and the Closing Date shall automatically be extended for such period, if necessary). Matters shown in the Survey or in Schedule B, Part 2 of the Title Report (or any amendments or updates thereof) and not timely objected to by Buyer as provided above shall be deemed to be approved as "Permitted Exceptions". Seller shall cooperate with Buyer to eliminate title exceptions objected to by Buyer, but, except as set forth in the last sentence of the first paragraph of this Section 3.6.2, Seller shall have no obligation to cure or correct any matter objected to by Buyer. On or before the fifth (5th) business day following Seller's receipt of Buyer's Objection Letter, Seller may elect, by delivering written notice of such election to Buyer and Escrow Agent ("Seller's Response") whether to cause Title Company to remove or insure over any matters objected to in Buyer's Objection Letter. If Seller fails to deliver Seller's Response within the time frame set forth above, it shall be deemed to be an election by Seller not to cause Title Company to so remove or insure over such objections. If Seller elects not to cause Title Company to so remove or insure, then Buyer must elect, by delivering written notice of such election to Seller and Escrow Agent on or before the earlier to occur of (a) the fifth (5th) business day following Buyer's receipt of Seller's Response or (b) if no Seller's Response is received by Buyer, the fifth (5th) Business Day following the date on which Seller shall have been deemed to have responded, as provided above, to: (i) terminate this Agreement and neither party shall thereafter have any rights or obligations to the other hereunder, other than pursuant to any provision hereof which expressly survives the termination of this Agreement; or (ii) proceed with this transaction, in which event such objected to exceptions or matters shall be deemed to be Permitted Exceptions. In the event that Buyer fails to make such election on a timely basis, then Buyer shall be deemed to have elected to terminate this Agreement in accordance with the preceding clause (i). Notwithstanding anything else stated herein, in all events, regardless of whether Buyer has given notice of objection as stated above, Seller shall be obligated to satisfy and otherwise remove all monetary and financial liens and encumbrances in existence at the time of execution of this Agreement or incurred by Seller on or before Closing hereunder (other than current taxes not yet due) and Seller shall, except as may be otherwise set forth in this Agreement, terminate all leases, possessory agreements, licenses and operating agreements which affect the Property and cause the parties-in-possession title exception shown on the Title Report (if any) to be deleted, and Buyer need not object to any such matters.

4. Closing Procedures. The following procedures shall govern the Closing:

4.1 Title Insurer. All title insurance policies and reports shall be obtained from Chicago Title Insurance Company (the "Title Insurer")

4.2 Escrow Agent. Chicago Title ("Escrow Agent") shall administer transactions requiring escrow services under this Agreement. This Agreement shall constitute instructions to Escrow Agent for the transactions contemplated by this Agreement. By executing this Agreement or accepting any escrow hereunder, Escrow Agent agrees to perform the obligations imposed by this Agreement. Escrow Agent's liability under this Agreement is limited to performance of the duties and obligations imposed upon Escrow Agent. Escrow Agent shall in all cases be responsible for any liability or claim arising from its negligence, misconduct or other improper or unlawful act. If

Escrow Agent is not the title insurance underwriter, then Escrow Agent and Buyer shall cause Title Insurer to provide to the parties to the Closing an insured closing letter in form acceptable to Seller issued by Title Insurer's title insurance underwriter making Title Insurer's underwriter financially responsible for Escrow Agent's proper performance of its duties related to this Agreement. By accepting this escrow, Escrow Agent agrees to the terms of this Agreement as they relate to the duties of Escrow Agent. Escrow Agent is hereby authorized and instructed to file, if necessary, Internal Revenue Service Form 1099-B, Proceeds from Real Estate, Broker, and Barter Exchange Transactions, as required by Section 6045(e) of the Internal Revenue Code of 1986.

4.3 Opening Escrow. Within seven (7) days after the date that this Agreement is executed by all parties, Buyer shall cause Escrow Agent to establish an escrow on the terms set out in this Agreement and shall give Seller and Buyer notice that the escrow is open ("Opening of Escrow"). Such notice shall be accompanied by a complete copy of this entire agreement (including exhibits) with an original signature by Escrow Agent. This Agreement shall not be recorded.

4.4 Closing Location. The Closing shall occur in Escrow Agent's office.

4.5 Closing Conditions. Closing shall occur only upon satisfactory performance of all acts and delivery of all documents required to be performed or delivered at or prior to the Closing, or upon formal notice of waiver of any such performances by the party for whose benefit such performances exist. A party is not obligated to close if an event has occurred or circumstance exists that is (or with the passage of time or giving of notice, or both, would be) an event of default by the other party under this Agreement. Time is of the essence.

4.6 Commissions and Fees. Seller shall not be liable for any real estate commissions or brokerage or similar fees that may arise in connection with this Agreement or the transactions contemplated herein. To the extent any real estate commissions or brokerage or similar fees may at any time be payable in connection with this Agreement, any transaction contemplated herein, or the Property, such shall be Buyer's sole obligations. Buyer shall pay, indemnify, defend and hold Seller harmless therefrom.

4.7 Access to Property before Closing. Buyer shall have access to the Property before Closing as follows:

4.7.1 Buyer, its agents, employees, designees and nominees, shall have the right of access to and entry upon the Property from time to time, at reasonable times and upon reasonable notice to Seller, for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. Buyer shall be accompanied by Seller representatives.

4.7.2 Buyer shall not interfere with or disrupt any operations or activities upon the Property.

4.7.3 Buyer shall restore to its prior condition any property Buyer enters and shall perform any environmental remediation or other work caused by such entry.

4.7.4 To the extent legally permissible, Buyer shall indemnify, defend, pay and hold Seller and its agents, employees and contractors harmless from any and all injuries, damages or other liabilities of any description arising out of any entry, work or other activity of Buyer, its agents, employees, designees, nominees and other persons claiming through Buyer, except if caused solely by the gross negligence or intentional wrongful acts of Seller.

4.8 Form of Funds. All funds required by this Agreement shall be paid in cash, or by certified check or non-reversible wire transfer.

4.9 Deliveries. Recording or other official filing of a document as directed by this Agreement shall constitute delivery of the document to the grantee thereunder and acceptance by the grantee.

5. Closing Deliveries and Conditions. The Closing shall be accomplished as follows:

5.1 Closing Documents. On or prior to the Closing Date, Seller and Buyer shall sign, acknowledge, and deposit (or cause to be signed, acknowledged and deposited by all applicable persons) with Escrow Agent the following items (collectively the "Closing Documents"):

5.1.1 Closing Deposits by Seller. Seller shall deposit the following (collectively, the "Seller Deposits"):

5.1.1.1 A deed (the "Deed") executed and acknowledged by Seller in the form attached hereto as **Exhibit "B"** covering the Property.

5.1.1.2 Such other documents and instruments, signed and properly acknowledged by Seller, if appropriate, as may reasonably be required by Buyer or Escrow Agent or otherwise in order to effectuate the provisions of this Agreement and the Closing of the transaction contemplated herein

5.1.2 Closing Deposits by Buyer. Buyer shall deposit:

5.1.2.1 The amount of the Purchase Price.

5.1.2.2 Any and all Closing Costs.

5.1.2.3 Such other funds and documents as Seller or Escrow Agent may reasonably request in order to accomplish the Closing as required by this Agreement.

5.2 Deliveries at Closing. The following shall occur at the Closing in the order listed:

5.2.1 Escrow Agent shall record the Deed in the office of the Maricopa County Recorder.

5.2.2 Escrow Agent shall deliver to Seller the entire Purchase Price.

5.2.3 Escrow Agent shall pay all other Closing Costs to the applicable persons and shall record, file and deliver all other Closing Documents required to complete the Closing as contemplated by this Agreement.

5.2.4 Escrow Agent shall deliver to Title Insurer the title insurance premium for the title insurance policy required by this Agreement for the Closing.

5.2.5 Escrow Agent shall retain for itself Escrow Agent's escrow fee for the Closing.

5.3 Title Insurance. At the Closing, Seller shall cause Title Insurer to issue to Buyer at Seller's expense a standard owner's title insurance policy (the "Title Policy") as follows:

5.3.1 The Title Policy shall be in the amount of the Purchase Price.

5.3.2 The Title Policy shall conform to the Title Report except that Buyer at its own expense may require that the Title Insurer issue ALTA extended coverage and Buyer shall be responsible for the additional cost of such extended coverage.

5.3.3 Seller has no obligation to satisfy any requirements of the Commitment or otherwise facilitate the Title Policy or remedy any title issues except that Seller shall make the Seller Deposits.

5.4 Closing Costs. Each party shall pay its own costs and expense arising in connection with the Closing (including, without limitation, its own attorneys', consultants' and advisors' fees, charges and disbursements), except the following costs (the "**Closing Costs**"), which shall be allocated between the parties as follows:

5.4.1 Escrow Agent's escrow fees and costs shall be paid one-half by Seller and one-half by Buyer;

5.4.2 The cost of the owner's title policy attributable to standard coverage shall be paid by Seller;

5.4.3 The cost of the owner's title policy attributable to extended coverage shall be paid by Buyer;

5.4.4 The cost of any endorsements to the owner's title policy shall be paid by Buyer (provided, however, that Seller will pay the cost of any endorsements required to cure title matters objected to by Buyer which Seller agreed to cure pursuant to Section 3.6.2); and

5.4.5 All recording fees and other closing fees and costs shall be charged to and paid by Seller and Buyer in accordance with Escrow Agent's customary practices.

5.5 Additional Closing Condition. Notwithstanding any of foregoing contained herein, Buyer's obligation to close this transaction is conditioned on Buyer having the right and the availability to use monies from the unrestricted capital outlay account to complete the purchase.

6. Transaction Information. The parties shall provide to each other the following information and assurances concerning the Property and this Agreement, all of which shall survive this Agreement and all conveyances pursuant to this Agreement:

6.1 Seller's Warranties and Representations. Seller warrants and represents to Buyer as follows (the "Seller Warranties"):

6.1.1 Conflicts. Seller's execution, delivery and performance of this Agreement is not prohibited by and does not conflict with any other agreements, instruments, or judgments to which Seller is a party or is otherwise subject.

6.1.2 Brokers. Seller has not engaged any broker, agent, or finder in connection with this Agreement or the transactions contemplated herein.

6.1.3 Sole Owner. Seller is the sole owner of fee simple title to the Property. Seller shall not take any action to affect title to the Property while this Agreement is in effect,

and, the sole and exclusive possession of the Property shall be delivered by Seller to Buyer on or before the Closing Date, and there shall be no leases or other rights to occupancy in effect at Closing.

6.1.4 Seller's Authority; Validity of Agreements. Seller has full right, power and authority to sell the Property to Buyer as provided in this Agreement and to carry out its obligations hereunder. The individual executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms hereof and thereof. This Agreement is, and all other instruments, documents and agreements to be executed and delivered by Seller in connection with this Agreement shall be, duly authorized, executed and delivered by Seller and shall be valid, binding and enforceable obligations of Seller and do not, and as of the Closing Date will not, violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

6.1.5 Hazardous Materials and Contaminants. Hazardous Materials and Contaminants. Seller has disclosed to Buyer the existence of asbestos on the property and has provided Buyer with a 1996 Asbestos report that was prepared as a result of remodeling work done by Seller to the interior of the building located on property. Seller also conducted two air sample tests in 2011 and 2012 to measure the presence of mold, both reports have been disclosed to Buyer. Buyer has also participated in two preliminary reviews of the property and buildings.

6.1.6 Survival. All of the representations, warranties and agreements of Seller set forth in this Agreement shall be true upon the execution date, shall be deemed to be repeated at and as of the Closing Date (except as otherwise set forth in writing to Buyer) and shall survive the delivery of the Deed and Closing for a period twelve (12) months.

6.2 Buyer's Warranties and Representations. Buyer warrants and represents to Seller as follows (the "Buyer Warranties"):

6.2.1 No Payments. Buyer has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than normal costs of professional services (such as the services of architects, engineers and attorneys).

6.2.2 Resources. Buyer has the financial resources to purchase the Property and otherwise perform under this Agreement.

6.2.3 Survival. All of the representations, warranties and agreements of Buyer set forth in this Agreement shall be true upon the execution date, shall be deemed to be repeated at and as of the Closing Date (except as otherwise set forth in writing to Seller) and shall survive the Closing for a period twelve (12) months

6.3 Continuing Warranties. Buyer's proceeding with the Closing amounts to an additional certification to Seller that the Buyer Warranties are true at the time of the Closing. Buyer shall promptly notify Seller in writing of any change or discovered inaccuracy in any of the Buyer Warranties, including any change in Buyer's knowledge that would render inaccurate a Buyer Warranty that is limited to Buyer's knowledge.

6.4 Buyer's Due Diligence. Except as may be expressly set forth in this Agreement or the Deed, all title or interests conveyed by Seller to Buyer shall be conveyed in an "as is" condition,

with no warranty, express or implied. Without limitation, Seller makes no warranties as to the condition of title, the condition of improvements, the condition of the soil, or geology, or the presence of known or unknown contaminants or other faults or defects of any description.

7. Miscellaneous. The following additional provisions apply:

7.1 Assignment. This Agreement is not assignable.

7.2 Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be deemed given and effective when delivered personally by or by telefax, or on the second mail delivery day after such notice is deposited in the United States mail, postage prepaid, by certified or registered mail, return receipt requested, or when delivered by Express Mail, Federal Express or a like service, addressed to the party as follows:

As to Seller: Maria Muiser
Asset Management Coordinator
CITY OF SCOTTSDALE
7447 E. Indian School Rd., Ste 205
Scottsdale, AZ 85251
Fax No. 480-312-7853

Copy to: City Attorney's Office
CITY OF SCOTTSDALE
3939 North Drinkwater Blvd.
Scottsdale, AZ 85251
Fax No. 480-312-2548

As to Buyer: Scottsdale Unified School District
Attention: Superintendent Dr. David J. Peterson
3811 North 44th Street
Phoenix, AZ 85018

Copy to: Michelle G. Marshall
General Counsel
SUSD
3811 North 44th Street
Phoenix, AZ 85018

Escrow Agent: Rose Norton
Chicago Title
6710 N Scottsdale Rd., Suite 100
Scottsdale, AZ 85251
Fax No. 602-677-1000

or at such address as either party hereto may designate by giving written notice thereof to the other party hereto in the aforesaid manner.

7.3 Entire Agreement. This Agreement constitutes the entire Agreement and understanding between the parties hereto with regard to the subject matters hereof and supersedes all other previous oral or written agreements or understandings with respect thereto.

7.4 Captions. The captions used in connection with the sections of this Agreement are for convenience of reference only and shall not be deemed to construe or limit the meaning or language of this Agreement.

7.5 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect.

7.6 Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies whatever upon any person other than parties hereto and their respective successors, assigns, and transferees permitted hereby.

7.7 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Arizona.

7.8 Exhibits. The exhibits attached hereto which are described herein are hereby incorporated by reference and made a part of this Agreement.

7.9 Counterparts. This Agreement may be executed and delivered in counterparts, each of which shall be deemed to be a duplicate original thereof.

7.10 Attorneys' Fees. If either party shall bring suit to enforce the terms and provisions hereof or to recover damages for breach, the prevailing party shall be entitled to recover from the other party all costs, expenses and attorneys' fees incurred in connection with the exercise by the prevailing party of its rights and remedies hereunder. The amount of the attorneys' fees is to be fixed by the court without a jury. For the purposes of this paragraph the term "prevailing party" shall mean in the case of the claimant, one who is successful in obtaining substantially all of the relief sought, and in the case of the defendant or respondent, one who is successful in denying substantially all of the relief sought by the claimant.

7.11 Time of Essence. Time is of the essence of this Agreement. Seller and Buyer shall strictly comply with the requirement to perform its obligations and close this transaction on the precise date set forth herein. This Agreement provides no grace or cure periods. The time for performance of any obligation or other action under this Agreement shall be deemed to expire at 5:00 P.M. (MST) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or other action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

7.12 Miscellaneous. This Agreement shall be interpreted according to its plain meaning and not strictly for or against either party. Seller shall have the unconditional right from time to time to waive by written instrument in whole or in part any performance required of Buyer and/or any other provision of this Agreement benefiting Seller.

7.13 Conflict of Interest. Pursuant to A.R.S. §38-511, either Party to this Agreement may, within three (3) years after the execution of this Agreement, cancel it without further penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement is at any time while the Agreement is in effect, an employee or agent of any other Party to the Agreement in any capacity or a consultant to any other Party, of the contract with respect to the subject matter of the Agreement. A cancellation made

pursuant to this provision shall be effective when either Party receives written notice of the cancellation unless the notice specifies a later time.

BUYER: SCOTTSDALE UNIFIED SCHOOL DISTRICT
NO. 48 OF MARICOPA COUNTY, ARIZONA,
a political subdivision of the State of Arizona

By: _____
Dr. David J. Peterson

Its: _____
Superintendent

SELLER: CITY OF SCOTTSDALE, an Arizona
municipal corporation

By: _____
W. J. "Jim" Lane, Mayor

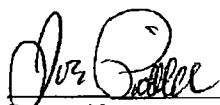
ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM

Maria L. Muir, Asset Management Coordinator

OFFICE OF THE CITY ATTORNEY



Bruce Washburn, City Attorney

By: Joseph Padilla, Senior Assistant City Attorney

ESCROW ACCEPTED AND AGREED TO BY:

Escrow Agent _____

By _____

Its _____

EXHIBIT A

Lots 3, 4, 5, 6 and 7, Block 1, REDDELL MANOR, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 49 of Maps, page 27.

WHEN RECORDED RETURN TO:

Scottsdale Unified School District
Attention: Superintendent Dr. David J. Peterson
3811 North 44th Street
Phoenix, AZ 85018

Exempt from Affidavit of Value
under ARS § 11-1134(A)(3)

SPECIAL WARRANTY DEED

(Contract No. 2014-121-COS)
(Res. No. 9853)
(HR Bldg)

For the consideration of Ten Dollars (\$10.00) and other valuable consideration, City of Scottsdale, an Arizona municipal corporation (the "Grantor"), does hereby convey to Scottsdale Unified School District No. 48 of Maricopa County, Arizona, a political subdivision of the State of Arizona, (the "Grantee"), the following real property (the "Property") situated in Maricopa County, Arizona, described on **Exhibit "A"** attached hereto.

Subject to all matters of record and matters that could be discovered by an inspection or survey of the Property.

Grantor warrants the title against all acts of Grantor, and none other, subject to taxes, assessments, reservations, covenants, conditions, restrictions, rights of way, easements, and all similar matters of record.

DATED this ____ day of _____, 20____.

GRANTOR: CITY OF SCOTTSDALE, an Arizona
municipal corporation

By: _____
W. J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM
OFFICE OF THE CITY ATTORNEY

By: _____
Bruce Washburn, City Attorney
By: Joe Padilla, Senior Assistant City Attorney

EXHIBIT "B"
Contract No. 2014-121-COS
Page 1 of 3

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by W. J. "Jim" Lane, Mayor of the City of Scottsdale, an Arizona municipal corporation.

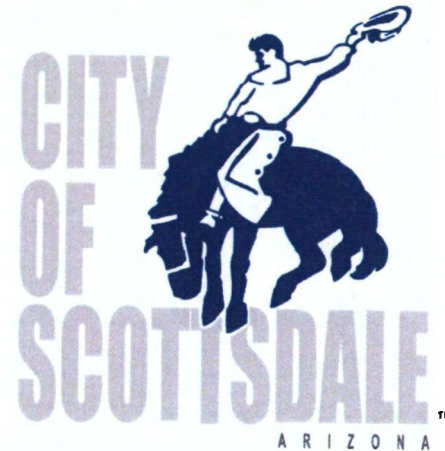
Notary Public

My Commission Expires:

EXHIBIT A

Lots 3, 4, 5, 6 and 7, Block 1, REDDELL MANOR, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 49 of Maps, page 27.

Excess Property Sale- Former HR Building



**City Council
May 5, 2015**

Parcel Location



Key Points

- 42,440 sf parcel
- Three buildings totaling 13,128 sf, approx. 40 years old
- Sale to other public agency (SUSD) under section 2-221 of City Code
- Price:
 - City appraised value of \$2,120,000 (\$50/sf)
 - Negotiated sales price of \$2,022,000; within 5% of appraisal
- Contract includes 60-day due diligence period

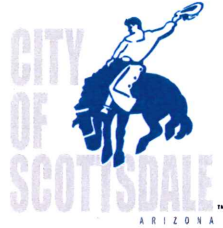


Questions?



Item 4

Excess Property Sale- Former HR Building



City Council
May 5, 2015

Parcel Location



Key Points

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- ❑ Three buildings totaling 13,128 sf, approx. 40 years old
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- ❑ Price:
 - ❑ City appraised value of \$2,120,000 (\$50/sf)
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3



Questions?

4

