ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE CITY MANAGER OF THE CITY OF DENTON, TEXAS ("CITY") TO EXECUTE, FOR AND ON BEHALF OF THE CITY, AN EASEMENT PURCHASE AGREEMENT ("AGREEMENT"), AS ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A," FOR THE PURCHASE PRICE OF ONE HUNDRED SIXTY-THREE THOUSAND SIX HUNDRED TWENTY-FOUR DOLLARS AND NO CENTS (\$163,624.00), AND OTHER CONSIDERATION, AS PRESCRIBED IN THE AGREEMENT BY AND BETWEEN THE CITY AND VMY PROPERTIES, LLC PROVIDING FOR THE GRANTING TO THE CITY OF A WATER AND SANITARY SEWER EASEMENT, ENCUMBERING A 0.1279 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED IN THE WATER AND SANITARY SEWER EASEMENT, BEING ATTACHED TO AND MADE A PART OF THE AGREEMENT, SAID EASEMENT TRACT BEING IN THE STEPHEN HEMBRIE SURVEY, ABSTRACT NO. 643, GENERALLY LOCATED IN THE 3900 BLOCK OF TEASLEY LANE; AUTHORIZING THE EXPENDITURE OF FUNDS, PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE. (FM 2181 UTILITY RELOCATIONS PROJECT - PARCEL 37)

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or his designee, is hereby authorized to execute, for and on behalf of the City of Denton, the Easement Purchase Agreement (the "Agreement"), by and between the City of Denton, Texas and VMY Properties, LLC, in the form as attached hereto and made part of this ordinance as Exhibit "A".

<u>SECTION 2.</u> The City Manager, or his designee, is authorized to execute, for and on behalf of the City of Denton, any and all documents related to closing the transactions contemplated by the Agreement and to perform any actions made necessary or prescribed by the Agreement, including but not limited to the expenditure of funds contemplated thereby.

SECTION 3. If any section, article, paragraph, sentence, phrase, clause or word in this ordinance, or application thereof to any persons or circumstances, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance; the City Council declares that it would have ordained such remaining portion despite such invalidity, and such remaining portion shall remain in full force and effect.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the _____ day of _____, 2017.

CHRIS WATTS, MAYOR

ATTEST: JENNIFER WALTERS, CITY SECRETARY

BY:_____

APPROVED AS TO LEGAL FORM AARON LEAL, INTERIM CITY ATTORNEY

BY: _____

EXHIBIT "A" attachment to Ordinance

EASEMENT PURCHASE AGREEMENT

NOTICE

YOU, AS OWNER OF THE EASEMENT LANDS (AS DEFINED BELOW), HAVE THE RIGHT TO: (1) DISCUSS ANY OFFER OR AGREEMENT REGARDING THE CITY OF DENTON'S ACQUISITION OF THE EASEMENTS (AS DEFINED BELOW) WITH OTHERS; OR (2) KEEP THE OFFER OR AGREEMENT CONFIDENTIAL, UNLESS THE OFFER OR AGREEMENT IS SUBJECT TO CHAPTER 552, GOVERNMENT CODE.

between VMY Properties, LLC, a Texas limited liability company (the "Owner") and the City of

Denton, Texas ("City").

WITNESSETH:

WHEREAS, VMY Properties, LLC, is the Owner of a tract of land (the "Land") in the Stephen Hembrie Survey, Abstract Number 643, Denton County, Texas being affected by the public improvement Project called the F.M. 2181 Utility Relocations project ("Project"); and

WHEREAS, City is in need of an easement in, along, over, upon, under and across the Land described above related to the Project; and

WHEREAS, it is desirous of both parties to stipulate and agree to the terms and conditions associated with the purchase of the necessary easement for the Project;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1) At Closing, the Owner shall grant, execute, and deliver to the City (i) an easement in, along, over, upon, under and across the tract of land being described and depicted in Exhibit "A" (the "Water and Sanitary Sewer Easement Lands"), to that certain Water and Sanitary Sewer Easement attached hereto as Attachment 1 and made part hereof, for water and sanitary sewer purposes, as more particularly described therein (the "Water and Sanitary Sewer Easement"), referred to herein as the "Easement."

2) As consideration for the granting of the Easement, the City shall pay to Owner at Closing the sum of Seventy-Five Thousand and No/100 Dollars (\$75,000.⁰⁰) as compensation for the Easement. The monetary compensation prescribed in this Section 2 is herein referred to as the "Easement Compensation."

3) In addition to the Easement Compensation, and being a component part of the Project, the parties agree to the following: (i) prior to mobilization upon Owner's property by the Project utility contractor, the City, at City's sole cost and expense, shall effectuate the rearrangement of Owner's sanitary sewer service line, using comparable materials in a workmanlike manner, to a location one foot (1') east of and parallel to eastern boundary line of the Easement, in strict accordance with all applicable regulatory requirements (the "Sewer Service Work"). The Owner hereby grants the City and City's plumbing contractor a Right-of-Entry upon Owner's property tract to perform the contemplated Sewer Service Work. Upon completion of the Sewer Service Work, the surface of area disturbed by such work shall be restored to like conditions, fine graded and free from any construction materials, waste and debris; and (ii) at Closing, the City shall pay Owner the

additional sum of Eighty-Eight Thousand Six Hundred Twenty-Four and No/100 Dollars (\$88,624.⁰⁰) as compensation for the removal of ("Removal of Sign(s) Work") and associated "cost-to-cure" damages to the two (2) business signs (both 30' tall pole signs) that presently exist within the contemplated Easement tract (the "Sign Compensation"). The Owner shall remove from the Easement Lands the two (2) business signs, in accordance with the Denton Building Code requirements of the City of Denton, Texas, on or before ninety (90) days after the Closing (the "Sign(s) Removal Period"). It is agreed that the Owner is not required to remove any subsurface concrete sign support foundations with the Easement Lands. To secure the obligations of Owner related to the timely removal of the two (2) existing business signs (the "Removal of Sign(s) Work") from the Easement tract, the City shall retain Ten Thousand and No/100 Dollars (\$10,000.⁰⁰), (the "Retained Amount"), at closing from the amount due Owner hereunder. Upon the (i) the timely completion of the Removal of Sign(s) Work; and (ii) written notice to City that the contemplated the Removal of Sign(s) work has been completed, the Retained Amount shall be promptly disbursed to the Owner. In the event that the Owner defaults in its obligations to remove the two (2) business signs from the Easement Lands within the Sign(s) Removal Period, City shall be entitled to retain the Retained Amount and thereafter the two (2) business signs within the Easement Lands shall be deemed abandoned by Owner and the City and or City's contractor shall remove all sign improvements found within the Easement Lands without liability of any kind to City and without any further payment of consideration to Owner or any other party ("Sign(s) Abandonment"). If the Sign(s) Abandonment event occurs, then Owner hereby grants the City and or City's contractor a Right-of-Entry upon Owner's property tract to remove those portions of the two (2) existing signs situated to the east of the Easement Lands, but with no obligation by City to remove any concrete sign foundations therein and also without liability of any kind to City and without any further payment of consideration to Owner or any other party for the removal and disposal of the two (2) business signs in their entirety. The Easement Compensation payment (\$75,000.⁰⁰) and the Sign Compensation payment (\$88,624.⁰⁰) combined represent the total monetary compensation due Owner of One Hundred Sixty-Three Thousand Six Hundred Twenty-Four and No/100 Dollars (\$163,624.⁰⁰), (the "Total Monetary Compensation").

4. Owner stipulates that the Easement Compensation payment, the Sewer Service Work, and the Sign Compensation payment constitutes and includes all compensation due Owner by City related to the Project, including without limitation, any damage to or diminution in the value of the remainder of Owner's property caused by, incident to, or related to the Project, damage to and/or costs of repair, replacement and/or relocation of any improvements, turf, landscape, vegetation, or any other structure or facility of any kind located within the Easement Lands related to activities conducted pursuant to the Easement, and interference with Owner's activities on the Easement Lands or other property interests of Owner caused by or related to activities within the scope of the rights granted by the Easement, whether accruing now or hereafter, and Owner hereby releases for itself, its successors and assigns, City, it's officers, employees, elected officials, agents and contractors from and against any and all claims they may have now or in the future, related to the herein described matters, events and/or damages, other than a breach of this Agreement.

5. The Closing (herein so called) shall occur in and through the office of Reunion Title, 2745 Wind River Lane, Denton, Texas, 76210 ("Title Company"), with said Title Company acting as escrow agent, on the date which is 30 days after the Effective Date, unless the Owner and the City mutually agree, in writing, to an earlier or later date ("Closing Date"). In the event the Closing Date, as described above, occurs on a Saturday, Sunday or Denton County holiday, the Closing Date shall be the next resulting business day. The Owner shall convey the Easements free and clear of all debts, liens and encumbrances (the "Encumbrances"). The Owner shall assist and support satisfaction of all closing requirements in relation to solicitation of release or subordination of liens and encumbrances and other curative efforts affecting the Easements, if necessary in the discretion of the City. In the event that all Encumbrances are not cured to the satisfaction of City prior to Closing, such shall not be a default hereunder, although Owner may otherwise be in default under Section 10, below. However, if the Encumbrances are not cured as provided herein, City has the option of either (i) waiving the defects related to the remaining Encumbrances by notice in writing to Owner on or prior to the Closing Date, upon which the remaining Encumbrances shall become Permitted Exceptions (herein so called), and proceed to close the transaction contemplated by this Agreement; or (ii) terminating this Agreement by notice in writing to Owner, in which latter event Owner and City shall have no further obligations under this Agreement.

6. The stipulated Total Monetary Compensation amount, excluding the Retained Amount under Section 3 above, shall be paid by the City at Closing to the Owner through the Title Company. All

other typical customary and standard closing costs associated with this transaction shall be paid specifically by the City, except for Owner's attorney's fees, if any, which shall be paid by Owner.

7. The date on which this Agreement is executed by the City shall be the "Effective Date" of this Agreement.

8.A. In the event Owner shall default in the performance of any covenant or term provided herein, and such default shall be continuing after ten (10) days written notice of such default and opportunity to cure, City may exercise any right or remedy available to it by law, contract, equity or otherwise, including without limitation, the remedy of specific performance or termination of this Agreement.

B. In the event City shall default in the performance of any covenant or term provided herein, and such default shall be continuing after ten (10) days written notice of default and opportunity to cure, Owner may, as its sole and exclusive remedy, either (i) terminate this Agreement prior to Closing by written notice of such election to City; or (ii) enforce specific performance of this Agreement.

9. THE LAWS OF THE STATE OF TEXAS SHALL CONTROL AND APPLY TO THIS AGREEMENT FOR ALL PURPOSES. THIS AGREEMENT IS PERFORMABLE IN DENTON COUNTY, TEXAS. VENUE FOR ANY ACTION ARISING HEREUNDER SHALL LIE SOLELY IN THE COURTS OF COMPETENT JURISDICTION OF DENTON COUNTY, TEXAS.

10. From and after the date of execution of this Agreement by Owner to the date of Closing, Owner shall not (i) convey or lease any interest in the Easement Lands; (ii) enter into any Agreement that will be binding upon the Water and Sanitary Sewer Easement Lands or upon the Owner with respect to the Water and Sanitary Sewer Easement Lands after the date of Closing.

11. Any notices prescribed or allowed hereunder to Owner and/or City, unless prescribed otherwise in this Agreement, shall be in writing and, except as otherwise provided herein, shall be delivered by telephonic facsimile, hand delivery or by United States Mail, as described herein, and shall be deemed delivered and received upon the earlier to occur of (a) the date provided if hand delivered or delivered by telephonic facsimile; and (b) on the date of deposit of, in a regularly maintained receptacle for the United States Mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

OWNER:

CITY:

VMY Properties, LLC

VMY Properties, LLC 2401 Clear Field Drive Plano, Texas 75025 City of Denton

Paul Williamson Real Estate Division 901-A Texas Street Denton, Texas 76209 Telecopy: (940) 349-8951

Copies to:

For Owner:

For City:

Jeffrey Fink Apple & Fink, LLC 735 Plaza Boulevard, Suite 200 Coppell, Texas 75019 Telecopy: (972) 315-1955 Trey Lansford, Deputy City Attorney City Attorney's Office 215 E. McKinney Denton, Texas 76201 Telecopy: (940) 382-7923

12. This Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter of this Agreement. Time is of the essence with respect to this Agreement.

13. The representations, warranties, agreements and covenants contained herein shall survive the Closing and shall not merge with the Easement.

14. In the event prior to the Closing Date, condemnation or eminent domain proceedings are threatened or initiated by any entity or party other than the City that might result in the taking of any portion of the Property, City may, at its election, terminate this Agreement at any time prior to Closing.

15. If the Closing Date or day of performance of any act required or permitted hereunder falls on a Saturday, Sunday or legal holiday, then the Closing Date or day of performance, as the case may be, shall be the next following regular business day.

CITY OF DENTON, TEXAS

By: _____

Todd Hileman, City Manager

Date: _____, 2017

ATTEST: JENNIFER WALTERS, CITY SECRETARY

BY:_____

Date: _____, 2017

APPROVED AS TO LEGAL FORM: AARON LEAL, INTERIM CITY ATTORNEY

< MBY: Date: May 15 _____, 2017

OWNER: VMY PROPERTIES, LLC 1 By: Ô í An r v Printed hame: NPT Title: 10 Date: ___, 2017 9

RECEIPT OF AGREEMENT BY TITLE COMPANY

By its execution below, Title Company acknowledges receipt of one (1) executed copy of this Agreement. Title Company agrees to comply with, and be bound by, the terms and provisions of this Agreement to perform its duties pursuant to the provisions of this Agreement and comply with Section 6045(e) of the Internal Revenue Code of 1986, as amended from time to time, and as further set forth in any regulations or forms promulgated thereunder.

TITLE COMPANY:

Reunion Title 2745 Wind River Lane Denton, Texas 76210 Telephone: (940) 382-3030 Telecopy: (940) 382-0575

By:_____

Printed Name: _____

Title:

Agreement receipt date: _____, 2017

ATTACHMENT 1 to Easement Purchase Agreement VMY Properties, LLC

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

WATER AND SANITARY SEWER EASEMENT

THE STATE OF TEXAS,	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DENTON	§	

THAT **VMY Properties, LLC,** a Texas limited liability company ("Grantor"), of Denton County, whose mailing address is 2401 Clear Field Drive, Plano, TX 75025, in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by the City of Denton, Texas, receipt of which is hereby acknowledged, has GRANTED, BARGAINED, SOLD and CONVEYED and does by these presents GRANT, BARGAIN, SELL and CONVEY unto the City of Denton, Texas ("Grantee") a .1279 acre perpetual water and sanitary sewer easement in, along, upon, under, over and across the following described property (the "Property"), owned by Grantor, and situated in Denton County, Texas, located in the Stephen Hembrie Survey, Abstract Number 643 to wit:

PROPERTY AREA BEING DESCRIBED AND DEPICTED IN EXHIBIT "A", ATTACHED HERETO AND MADE A PART HEREOF

For the following purposes:

Constructing, reconstructing, installing, repairing, relocating, operating, and perpetually maintaining water pipelines, sanitary sewer pipelines, and all related facilities and appurtenances, respectively, in, along, upon, under, over and across said Property, including without limitation, the free and uninterrupted use, liberty, passage, ingress, egress and regress, at all times in, along, upon, under, over and across the Property to Grantee herein, its agents, employees, contractors, workmen and representatives, for the purposes set forth herein, including without limitation, the making additions to, improvements on and repairs to said facilities or any part thereof.

This Easement is subject to the following:

1. Structures. No buildings, fences, structures, signs, facilities, improvements or obstructions of any kind, or portions thereof, shall be constructed, erected, reconstructed or placed in, along, upon, under, over or across the Property. Further, Grantor stipulates and acknowledges that the Grantee, in consideration of the benefits above set out, may remove from

the Property, such buildings, fences, structures, signs, facilities, improvements and other obstructions as may now or hereafter be found upon said Property and dispose of any such buildings, fences, structures, signs, facilities, improvements or obstructions in any manner it deems appropriate without liability to Grantee. Notwithstanding anything to the contrary contained in this Paragraph 1, Grantor shall have the rights in respect to the Property that are set forth in Paragraph 4 below.

2. Access. For the purpose of exercising and enjoying the rights granted herein, the Grantee shall have access to the Property by way of existing public property or right-of-way.

3. Trees and Landscaping. No shrub or tree shall be planted upon the Property or that may encroach upon the Property. Grantee may cut, trim, or remove any shrubs or trees, or portions of shrubs or trees now or hereafter located within or that may overhang upon the Property without liability to Grantee, including without limitation, the obligation to make further payment to Grantor.

4. Grantor's Rights. Grantor shall have the right, subject to the restrictions contained herein, to make use of the Property for any purpose that is not inconsistent with the City's rights granted to Grantee herein for the purposes granted. Notwithstanding anything to the contrary herein, (a) the Property may be crossed by utilities, sidewalks, paving and parking areas; (b) the surface of the Property may be used for landscaping (limited to grass & turf) provided no trees are planted thereon. Furthermore, if Grantor's Teasley Lane access driveway is to be taken out of service for any period time exceeding 24 hours continuous, for the uses of the Property herein granted, then Grantee, its agents, employees, contractors, workmen, and representatives shall employ measures, such as temporary steel plates across ditchline(s) or traversable backfill, so as to not unreasonably interfere with or to preclude vehicular access / truck deliveries or pick-ups in respect to Owner's land.

5. Restoration. Following the use of the Property for construction, reconstruction, installation, repair, relocation, operation or maintenance of the facilities referenced herein, Grantee shall restore the Property as near as practicable to the condition which existed prior to the applicable construction, reconstruction, installation, repair, relocation, operation or maintenance activity, including without limitation the placement and restoration of any, curbs or paving disturbed as a result of such activities.

6. Successors and Assigns. This grant and the provisions contained herein shall constitute covenants running with the land and shall be binding upon the Grantor and Grantee, and their heirs, successors and assigns.

TO HAVE AND TO HOLD unto the said City of Denton, Texas as aforesaid for the purposes aforesaid the premise above described.

Witness its hand, this ______ day of ______, 2017.

GRANTOR:

VMY PROPERTIES, LLC a Texas limited liability company By: _____ Printed name: _____ Title: _____ ACKNOWLEDGMENT THE STATE OF TEXAS § COUNTY OF _____ § This instrument was acknowledged before me on this _____ of _____, 2017, by of the VMY Properties, LLC. Notary Public, in and for the State of Texas My commission expires: Accepted this day of ..., 2017 for the City of Denton, Tx. (Res. No. 1991-073).

By:

Paul Williamson, Real Estate Manager

UPON FILING, RETURN TO: The City of Denton-Capital Projects Attn: Paul Williamson 901-A Texas Street Denton, TX 76209

PARCEL 37 ~ VMY PROPERTIES ~ EXHIBIT "A"

BEING a 0.1279 acre tract of land located in the Stephen Hembrie Survey, Abstract No. 643, City of Denton, Denton County, Texas, said 0.1279 acre tract of land being a portion of **BLOCK 1**, **LAKEWOOD ESTATES**, being an Addition to the said City and State, according to the plat thereof filed for record in Cabinet C, Page 193, Plat Records, Denton County, Texas (P.R.D.C.T.), said 0.1279 acre tract of land also being a portion of a called 2.843 acre tract of land conveyed to **VMY PROPERTIES, LLC**, by deed as recorded in Denton County Clerk's Instrument No. 2016-2501, Official Public Records, Denton County, Texas (O.P.R.D.C.T.), said 0.1279 acre tract of land being a variable width permanent Water and Sanitary Sewer Easement and being more particularly described by metes and bounds as follows:

BEGINNING on the northeast property line of a called 0.1486 acre tract of land described as Parcel 36, conveyed to the State of Texas by deed as recorded in Denton County Clerk's Instrument No. 2012-103819, O.P.R.D.C.T., said beginning point being located North 45°53'50" West a distance of 11.63 feet from a Texas Department of Transportation aluminum monument found at the most southerly southeast property corner of the said 0.1486 acre tract;

THENCE North 45°53'50" West, along the said northeast property line of the 0.1486 acre tract, over and across said Block 1, a distance of 5.08 feet to the intersection of the said northeast property line with the east easement line of an existing 20 feet wide Public Utility Easement conveyed to the City of Denton by deed recorded in Volume 1219, Page 872, Deed Records, Denton County, Texas (D.R.D.C.T.);

THENCE along the said east easement line and over and across said Block 1 the following courses and distances:

North 02°17'20" West, a distance of 284.64 feet to the beginning of a curve to the left having a radius of 1,491.57 feet,

Along said curve to the left, an arc length of 56.44 feet, and across a chord which bears North 03°22'21" West, a chord length of 56.43 feet;

THENCE departing the said easement line, over and across said Block 1 the following courses and distances:

North 85°13'48" East, a distance of 15.27 feet to the beginning of a curve to the right having a radius of 1,512.39 feet;

Along said curve to the right, an arc length of 72.28 feet, and across a chord which bears South 03°45'19" East, a chord length of 72.27 feet;

South 02°23'24" East, a distance of 273.81 feet to the north easement line of an existing 8 feet wide Public Utility Easement conveyed to the City of Denton by deed recorded in Volume 4109, Page 3081, D.R.D.C.T.

THENCE North 89°24'17" West, along the said north easement line, a distance of 13.04 feet to the **POINT OF BEGINNING.**

The hereinabove described tract of land contains a computed area 0.1279 acres (5,573 square feet) of land, more or less.

NOTE: Bearings shown herein are based on a local plane modified from NAD83(2011), Texas State Plane grid, Texas North Central, Zone 4202.

* SURVEYOR'S STATEMENT *

I, Eric S. Spooner, a Registered Professional Land Surveyor in the State of Texas, hereby certify that the land description and plat represent an actual survey made on the ground under my supervision, and shows the location of the rights-of-way, easements and other matters of record as listed in Schedule B of the Commitment for Title issued by First American Title Insurance Company, having an effective date of August 17, 2016, 2016, issued September 06, 2016, 2016, GF #2027-198048-RU affecting the subject property.

Eric S. Spooner Registered Professional Land Surveyor Texas Registration No. 5922 Spooner and Associates, Inc. T.B.P.L.S. Firm No. 10054900

9-28-16





