

Jessica Bryne  
Regulatory Services  
One South Church  
Mailstop UE201  
Tucson, Arizona 85701  
(520) 884-3680 Office  
jbryne@tep.com

**ORIGINAL**



0000044428

RECEIVED

50

2006 MAR -7 P 4: 52

AZ CORP COMMISSION  
DOCUMENT CONTROL



March 6, 2006

Docket Control  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007

Re: Sale of 510 N. Sixth Street, Prescott AZ for UNS Gas, Inc.  
Docket No. G-04204A-05-0002, Decision No. 68180

Docket Control:

Pursuant to Decision No. 68180 enclosed please find an original and thirteen copies of all executed sales documentation and settlement calculations on the sale of 510 N. Sixth Street, Prescott, AZ for UNS Gas, Inc. Also enclosed is an additional copy that the Company requests you date-stamp and return in the self-addressed, stamped envelope for our files.

If you have any questions, please call me at 520-884-3680.

Sincerely,

Jessica Bryne  
Regulatory Services

Enclosures

Cc: Brian Bozzo, ACC  
Carmela Leon, ACC  
Julian Pereira, ACC



**LandAmerica  
Transnation**

**TRANSNATION TITLE INSURANCE COMPANY**

600 E. Gurley, Suite E  
Prescott, AZ 86301  
Phone: (928) 445-3350  
Fax: (928) 445-7003

**SUPPLEMENTAL ESCROW INSTRUCTIONS**

Escrow No. 01400980 - 278 - TR2

In connection with the above referenced escrow, it is hereby understood and agreed by and between the undersigned that they are aware that the subject property is still assessed under a parcel number that includes additional property, therefore the 2006 tax proration shall be based on an estimated annual tax of \$267,510.63.

The Seller shall be charged from January 1, 2006 to the close of escrow, and the Buyer shall be credited the same amount.

The Buyer herein understands and agrees that when the 2006 tax bill is received, it will be their responsibility to pay the entire 2006 billing.

The Buyer herein understands and acknowledges that their Owner's Policy of Title Insurance will be subject to the 2006 taxes.

The parcel of land should have its own parcel number for the 2006 billing and the Buyer herein shall be responsible for that entire billing.

ALL PARTIES HERETO ACKNOWLEDGE THAT THIS IS AN APPROXIMATE AND THAT THE ACTUAL TAX FIGURE MAY VARY. TRANSNATION TITLE INSURANCE COMPANY SHALL BE RELIEVED OF ANY AND ALL RESPONSIBILITY AND/OR LIABILITY IN CONNECTION WITH SAID TAXES AFTER THE CLOSE OF ESCROW.

**BUYER:**

**SELLER:**

City of Prescott

UNS Gas, Inc., an Arizona Corporation

*Darrell Willis*  
\_\_\_\_\_  
Darrell Willis

\_\_\_\_\_  
Dennis R. Nelson, Senior Vice President



# TRANSNATION TITLE INSURANCE COMPANY

600 E. Gurley, Suite E, Prescott, AZ 86301  
(928) 445-3350

## SELLERS CLOSING STATEMENT

Final

Seller: **UNS Gas, Inc.**

Escrow No: **01400980-278 TR2**

Close Date: **01/17/2006**

Proration Date:

Date Prepared: **01/18/2006**

Property: **501 N. Sixth St.  
Prescott, AZ 86301**

Description	Debit	Credit
<b>TOTAL CONSIDERATION:</b>		495,000.00
Total Consideration		
<b>ESCROW CHARGES:</b>		
Escrow Fee to Transnation Title Insurance Company	225.75	
<b>TITLE CHARGES:</b>		
Owners Policy to Transnation Title Insurance Company	544.60	
Express Mail to Transnation Title Insurance Company	20.00	
<b>RECORDING FEES:</b>		
Recording Service Fee to Transnation Title Insurance Company	32.50	
<b>ADDITIONAL CHARGES:</b>		
Second Half 2005 Taxes to Yavapai County Treasurer	134,223.60	
Holdback to Rents	36,000.00	
<b>PRORATIONS AND ADJUSTMENTS:</b>		
County Taxes <span style="float: right;">From 01/01/06 To 01/17/06</span>	11,726.49	
Based on the Annual amount of \$267,510.63		
<b>COMMISSIONS:</b>		
Commission	29,700.00	
\$29,700.00 to Lindquist, Inc.		
Sub Totals	212,472.94	495,000.00
Proceeds Due Seller	282,527.06	
Totals	\$495,000.00	\$495,000.00



# CITY OF PRESCOTT

## LEGAL DEPARTMENT

201 South Cortez Street  
Post Office Box 2059  
Prescott, Arizona 86302-2059

Tele: (928) 777-1276  
Tdd: (928) 777-1100  
Fax: (928) 777-1325

John R. Moffitt  
Thomas A. Lloyd  
Glenn A. Savona  
Gary D. Kidd

December 21, 2005

Ms. Tina Royse  
Transnation Title Ins. Co.  
600 E. Gurley St., Suite E  
Prescott, AZ 86301

Re: Unisource/City of Prescott Escrow  
Escrow # 01400980-278-TR2

Dear Tina:

Enclosed please find a letter agreement revising the terms and conditions of closing in the above captioned matter.

If you have any questions, please feel free to call me.

Very truly yours,

CITY OF PRESCOTT  
LEGAL DEPARTMENT

JOHN R. MOFFITT  
City Attorney

Cc: Darrell Willis  
Fred Lindquist



# CITY OF PRESCOTT

## LEGAL DEPARTMENT

201 South Cortez Street

Post Office Box 2059

Prescott, Arizona 86302-2059

Tele: (928) 777-1276  
Tdd: (928) 777-1100  
Fax: (928) 777-1325

John R. Moffitt  
Thomas A. Lloyd  
Glenn A. Savona  
Gary D. Kidd

December 16, 2005

Mr. Dennis Nelson  
c/o UNS Gas, Inc.  
3950 E. Irvington, #FM100  
Tucson, AZ 85714

Re: Sale of 510 N. Sixth Street, Prescott, AZ

Dear Mr. Nelson:

As you are probably aware, our contract for sale provided that the close of escrow for this transaction would take place on November 30, 2004. We have been willing to extend that closing date in light of the delay in the ACC approving the sale of the subject property to the City of Prescott.

We have now been advised that it has been approximately 2 months since the ACC approved this sale.

We would propose that the contract documents be revised as follows:

> The lease term of the Commercial Lease agreement would be revised to provide for a monthly rental of \$3,000 per month, with the term to expire on December 31, 2006.

> The Agreement for Sale would be revised as follows:

◇ The close of escrow (Paragraph 5) would be revised to reflect the date of January 15, 2006.

◇ Paragraph 6 would be revised to provide for Transnation Title to withhold the sum of \$36,000 as and for rental payments during the 2006 calendar year.

◇ Paragraph 9(A) would be deleted, since all necessary approvals have been received.

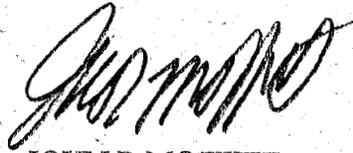
Mr. Dennis Nelson  
December 16, 2005  
Page Two

> The City of Prescott would be entitled to retain any and all interest due as a result of our earnest money deposit (which was posted with the title company a year ago).

Would you please indicate your concurrence with the above by signing and returning the original of this letter to me no later than January 2, 2006. We would like to continue with this transaction in an orderly and friendly fashion.

Very truly yours,

CITY OF PRESCOTT  
LEGAL DEPARTMENT



JOHN R MOFFITT  
City Attorney

AGREED TO AND ACCEPTED BY UNS GAS, INC.

By: 

Name: Dennis R. Nelson

Title: Senior Vice President



TRANSACTION TITLE INSURANCE COMPANY  
600 E. Gurley, Suite E  
Prescott, AZ 86301  
Phone: (928) 445-3350  
Fax: (928) 445-7003

Dated: December 17, 2004  
Escrow No.: 01400980 - 278 - TR2  
Escrow Officer: Tina Royse

### TERMS AND CONDITIONS OF ESCROW COMMERCIAL

The undersigned hereby employ **TRANSACTION TITLE INSURANCE COMPANY** to act as Escrow Agent in closing the above escrow. They understand and agree, and instruct Escrow Agent, as follows:

1. Deposit of Documents and Funds by Parties. They will deposit with Escrow Agent the necessary documents to complete the sale as established by the terms of the Commercial Real Estate Purchase Contract and Receipt for Deposit ("Purchase Contract") and all monies payable under the Purchase Contract unless otherwise specified.
2. Disbursement of Funds. They instruct Escrow Agent to pay from funds held for said purpose, amounts necessary to procure the documents and to pay charges and obligations necessary to consummate this transaction, in accordance with the Purchase Contract. Escrow Agent shall be under no obligation to disburse any funds until advised by the bank that the check or draft deposited has been honored. In the event any check given by, or on behalf of, Buyer is subsequently dishonored, Seller agrees to refund any remittance made to Seller by Escrow Agent.
3. Completion, Recording and Delivery of Documents. They authorize Escrow Agent to act upon any statement furnished by a lienholder or his agent without liability to Escrow Agent and to execute and record on their behalf the Affidavit of Real Property Value, using the total consideration for the established value, unless instructed by Seller and Buyer to the contrary. At the appropriate time as set forth in the Purchase Contract, Escrow Agent shall deliver to the proper party, or record in the appropriate public office, all necessary documents, disburse all funds, and issue the title insurance policy.
4. Deposit of Funds by Escrow Agent. All monies deposited with Escrow Agent in connection with this escrow will be deposited into a non-interest bearing account with a financial institution (the "Funds Depository") whose deposits are covered by FDIC or FSLIC insurance. The parties acknowledge that, in calculating the amount of available insurance, the FDIC or FSLIC will consolidate money deposited under this escrow with all other funds of the undersigned which are on deposit with the Funds Depository. Therefore, the parties hereby release Escrow Agent from any liability and assume all responsibility for any loss which may result from a lack of FDIC or FSLIC insurance in excess of \$100,000. IF SO INSTRUCTED BY SELLER OR BUYER, ESCROW AGENT WILL INVEST ANY DEPOSITED FUNDS IN AN INTEREST BEARING ACCOUNT ESTABLISHED IN THE NAME OF **TRANSACTION TITLE INSURANCE COMPANY** AS ESCROW AGENT. THE DEPOSITING PARTY HAS A RIGHT TO EARN INTEREST ON ANY ESCROWED FUNDS WHICH ARE DEPOSITED IN THE INTEREST BEARING ACCOUNT. A GOOD FAITH ESTIMATE FOR INTEREST EARNED ON A TYPICAL INVESTMENT ACCOUNT WITH A FEDERALLY INSURED INSTITUTION IS AS FOLLOWS: DEPOSIT OF \$1,000 AT 5% PER ANNUM WOULD PAY APPROXIMATELY \$4.17 PER MONTH, OR AT 6% PER ANNUM WOULD PAY APPROXIMATELY \$5.00 PER MONTH. THE ACCOUNT MAY BE ESTABLISHED BY CONTACTING THE ESCROW AGENT AT THE TELEPHONE NUMBER OR ADDRESS LISTED ABOVE AND EXECUTING ESCROW AGENT'S CUSTOMARY INVESTMENT INSTRUCTION.
5. Written instructions. Escrow Agent shall not be bound by, nor be obligated to act upon any instruction, demand or notice not in writing and signed by the party or its agent delivering such instruction, demand or notice.

6. Taxes/Assessments. Real property taxes and assessments, if applicable, are to be prorated based on the latest tax/assessment bill(s) available to Escrow Agent at the close of escrow. Escrow Agent is not liable in the event a subsequent tax/assessment bill is different for that used as the basis for the proration.
7. Closing Costs/Escrow Fees. Unless the parties provide otherwise, all closing costs and escrow fees will be paid 1/2 by the Seller and 1/2 by the Buyer.
8. Indemnity. They will pay all costs, damages, attorneys' fees and expenses which Escrow Agent may incur or sustain in connection with this transaction, except as caused by the negligence or willful misconduct of Escrow Agent.
9. Resignation. At any time and in its sole discretion, Escrow Agent can resign as Escrow Agent by sending written notice to all parties to the escrow. All money and documents held by Escrow Agent will be returned to the party who delivered them into escrow.
10. Excluded Matters. Possession of the property, transfer of utilities, collection of cancellation premiums from the Seller's fire or hazard insurance policy, the renewal, procurement, assignability or effectiveness of flood insurance or any other policies of insurance, the transfer of personal property and payment of personal property taxes, and the treatment of wood infestation, will be handled by the parties direct and outside of escrow, and Escrow Agent shall have no responsibility with regard thereto.
11. Unclaimed Funds Charge. Pursuant to A.R.S. Section 44-317 Escrow Agent will charge a \$25.00 service fee for the processing and administration coincidental with any unclaimed funds. This one time \$25.00 charge will be earned by Escrow Agent after Escrow Agent has made a diligent effort to locate the party which includes written notice.
12. Conflicting Demands. They authorize Escrow Agent in the event of any conflicting demands made upon it concerning these instructions, or this escrow, at its election, to hold any money and documents deposited hereunder until it receives mutual instructions by all parties or until a civil action shall have been finally concluded in a Court of competent jurisdiction, determining the rights of all parties. In the alternative, Escrow Agent may at its discretion at any time, commence a civil action to interplead any conflicting demands to a Court of competent jurisdiction to determine its rights and the rights of the parties to this escrow. In accordance with paragraph eight (8), the parties will pay to Escrow Agent its expenses and attorneys' fees sustained in connection with the civil action, and any appeal, to determine its rights and the rights of the parties to this escrow. They therefore authorize and direct Escrow Agent to deduct its charges, expenses, and attorney's fees incurred in connection with any interpleader action from any funds before depositing those funds into court.

### 13. Good Funds Law

All parties are aware and understand that Arizona Revised Statutes Section 6-843 requires that an escrow agent disburse money from an escrow account only if funds are deposited and available for withdrawal. Availability of funds is determined as follows:

(i) ELECTRONIC TRANSFERS ("wired funds") are available for disbursement THE SAME DAY AS RECEIVED.

(ii) CASHIER'S CHECKS, CERTIFIED CHECKS OR TELLER'S CHECKS are available for disbursement THE SAME DAY AS DEPOSITED.

(iii) Checks made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution are available for disbursement THE SAME DAY AS DEPOSITED.

In order to avoid unnecessary delays of two days or more, please use the above methods of payment whenever possible.

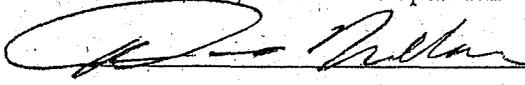
THE UNDERSIGNED HEREBY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE MATTERS CONTAINED IN THIS ADDENDUM. THEY UNDERSTAND THAT ESCROW AGENT IS RELYING UPON THIS ACKNOWLEDGMENT IN CLOSING THE SUBJECT ESCROW.

SELLER:

BUYER:

UNS Gas, Inc., an Arizona Corporation

City of Prescott



Daryl Willis

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SELLER:

BUYER:

UNS Gas, Inc., an Arizona Corporation

City of Prescott

\_\_\_\_\_  
Scott Rathbun

*Darryl Willis*

\_\_\_\_\_  
Daryl Willis

*John Moffitt*

\_\_\_\_\_  
John Moffitt



TRANSNATION TITLE INSURANCE COMPANY  
600 E. Gurley, Suite E  
Prescott, AZ 86301  
Phone: (928) 445-3350  
Fax: (928) 445-7003

December 17, 2004

Re: Escrow No.: 01400980 - 278 - TR2

ACKNOWLEDGEMENT AND RECEIPT OF THE FOLLOWING:

- Copy of Schedule B Exceptions
- Commitment for Title Insurance

I/We, City of Prescott hereby acknowledge that I/we have received the above listed documents for the property located at 501 N. Sixth St., Prescott, AZ 86301.

BUYER:

City of Prescott  
Darryl Willis  
Darryl Willis

John Moffitt  
John Moffitt

Date Received: 12/27/04

## HOLDBACK AGREEMENT

TO: TRANSNATION TITLE INSURANCE COMPANY (The "Company")  
Office Address: 600 E. Gurley Prescott, AZ 86301  
Escrow # 01400980 - 278 - TR2  
Escrow Officer: Tina Royse

Uns Gas, Inc., an Arizona Corporation and City of Prescott hereby employ the Company to hold the sum of \$26,000.00 (the "Holdback Funds"). The Holdback Funds are to be utilized for the purpose of lease monies. The Company shall hold the monies deposited hereunder, until such time as written disbursement requests meeting the following requirements have been received: See Attached City of Prescott Agreement For Sale Real Property and Exhibit

Notwithstanding the foregoing, if any monies remain on deposit with the Company as of 12 months from the date of this Agreement, the Company shall disburse such remaining monies to City of Prescott. The Company is hereby authorized and directed to make the foregoing disbursement without further authorization or direction from the parties hereto. Upon disbursement of any remaining Holdback Funds in accordance with this paragraph, this Agreement shall terminate and the Company shall have no further liability hereunder.

Unless otherwise directed by the parties hereto, the Company shall hold the Holdback Funds in a non-interest bearing account. Should the parties elect to have the Holdback Funds in an interest-bearing account, any interest accruing thereon shall inure to the benefit of City of Prescott, and shall be disbursed to City of Prescott at such time as all remaining Holdback Funds are disbursed to the party entitled to receive them pursuant to the terms hereof.

UNS Gas, Inc., an Arizona Corporation and City of Prescott understand and agree that the Company shall have no liability in connection with this agreement, except for the disbursement of the Holdback Funds in accordance with the terms hereof and except for its willful acts and gross negligence. The parties hereto further agree to indemnify and hold the Company harmless for, from and against all costs, damages, attorneys' fees, and expenses arising as a result of or related to this agreement or the disbursement of the Holdback Funds, including without limitation any judgment, amounts paid in settlement, and all costs and expenses, including reasonable attorneys' fees, incurred in defending or settling any action, suit or proceeding in connection with the foregoing.

The Company shall have no obligation to see that the disbursements made by it in accordance with the terms hereof are actually used for the purposes set forth herein, nor shall the Company have any responsibility or liability for: (i) completion or satisfactory completion of said purpose, (ii) guaranteeing that the Holdback Funds will be sufficient to complete said purpose, (iii) any mechanics' or materialmen's liens that may be filed, (iv) compliance of the parties with the terms of any other agreements between the parties relating to the use of the Holdback Funds, or (v) any other matter relating to the accomplishment of the purposes set forth herein.

The Company shall act hereunder as a depository only and shall not be responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any instrument deposited with the Company hereunder, or with respect to the form or execution of same, or the identity, authority or rights of any person executing or depositing the same. The Company is neither a party to nor bound by any agreement which may be deposited under, evidenced by, or arising out of this agreement. The Company is not required to investigate the circumstances, background or truthfulness of any notice received from the parties hereto. The Company shall have no duties to anyone except those signing this agreement.

If conflicting demands are made upon the Company, the Company may hold any money and/or documents subject to such conflicting demands until the rights of the parties making such conflicting demands are determined by written agreement or court action, or the Company may interplead said funds and/or documents. The parties agree that the Company is authorized and directed to deduct its charges, expenses and attorneys' fees incurred in connection with an interpleader action from said funds before depositing the funds into court. Deposit by the Company of said funds and/or documents into the court or similar tribunal shall relieve the Company of all further liability and responsibility with respect to said funds or documents.

The Company may, at any time and with or without cause, resign by sending written notice to all parties to the escrow. The resignation is effective thirty (30) days after the notice is deposited into the United States Mail. All money and documents held by the Company after its resignation shall be disbursed according to the written mutual instructions of the parties hereto or, if no such instructions are received by the Company by the effective date of the Company's resignation, shall be disbursed to City of Prescott, without further instructions.

The Company's liability to the holding and disbursement of the funds as set forth herein, and Company is not responsible to pay any invoice or liens not specifically provided for herein.

Escrow # 01400980 - 278 - TR2

An Escrow fee of \$.00 will be paid by the Seller and Buyer at set up of this holdback and a check processing fee of \$60. per check cut will be deducted from the holdback funds at the time of disbursement.

DATED this December 17, 2004.

ACCEPTED AND APPROVED :

\_\_\_\_\_  
\_\_\_\_\_

ACCEPTED AND APPROVED:

  
\_\_\_\_\_

RECEIVED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

TRANSNATION TITLE INSURANCE COMPANY  
AS ESCROW AGENT

BY: \_\_\_\_\_  
Tina Royse

Escrow # 01400980 - 278 - TR2

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DATED this December 17, 2004.

ACCEPTED AND APPROVED :

*[Signature]*  
Danell Willis

ACCEPTED AND APPROVED:

\_\_\_\_\_  
\_\_\_\_\_

RECEIVED AND ACCEPTED this 27 day of Dec, 2004.

TRANSNATION TITLE INSURANCE COMPANY  
AS ESCROW AGENT

BY: Tina Royse

### CITY OF PRESCOTT ASSESSMENT INFORMATION REQUEST FORM

To: City of Prescott  
Attn: Jodie Fisher  
Via Fax No. 777-1174

#### Section 1 to be completed by Realty/Title Company

Date of Request: January 13, 2006		Estimate date of Closing: 01/17/06
Assessment #:		
Unit:		
Parcel #: 113-13-029 114-01-040A 114-01-032J ALL UNDER 966-00-120	Lot(s):	
Property Address: 501 N. Sixth St. Prescott, AZ 86301		
Name of Seller(s): UNS Gas, Inc.		
Mailing Address: 3950 E. Irvington #FM100 Tucson, AZ 85714		
Name of Buyer(s): City of Prescott		
Mailing Address: 201 S. Cortez St., Prescott, AZ 86301		
Will Buyer occupy site? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Realtor/Title Agent's Name: Tina Royle		
Realty/Title Company: TRANSNATION TITLE INSURANCE COMPANY Prescott		
Mailing Address: 600 E. Gurley Prescott, AZ 86301		
Phone: (928) 445-3350	445-7003	E-mail address: Royle, Tina

#### Section 2 to be completed by City of Prescott

Phase:	
Assessment Paid in Full: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>Paid in full 7/17/96</i>
Current Payoff Amount:	
Installment Payments Current: <input type="checkbox"/> Yes <input type="checkbox"/> No	Payoff figure Good thru:
Dates and Amounts of Delinquent Installments:	
Date and Amount of Next Installment:	
Additional Comments:	

\*\*\*  
*Jodie Fisher* 1/17/06



TRANSNATION TITLE INSURANCE COMPANY  
600 E. Gurley, Suite E  
Prescott, AZ 86301  
Phone: (928) 445-3350  
Fax: (928) 445-7003

SUPPLEMENTAL ESCROW INSTRUCTIONS

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BUYER:

City of Prescott

Darrell Willis  
Darrell Willis

SELLER:

UNS Gas, Inc., an Arizona Corporation

Dennis R. Nelson, Senior Vice President