

REAL ESTATE PURCHASE AGREEMENT

Contract Date: See Section 30 below

SELLER: Irene Mae Bodenstedt as Trustee of the Irene Mae
Bodenstedt Revocable Trust dated July 1, 1998 (1/2 interest)

Marlin G. Bodenstedt (1/4 Interest)

Harlin C. Bodenstedt (1/4 Interest)

BUYER: CITY OF PEORIA, an Arizona municipal corporation

ESCROW AGENT: Sharon Dyke, Empire West Title Agency

LOCATION: 10450 N 83rd Avenue (APN 142-41-021B)

ESCROW NUMBER/ESCROW: 44332EW

RECITALS

- A. Seller is the owner of certain real property located north of the northwest corner of 83rd Avenue and Jefferson Street, in Peoria, Arizona (the "Property") and more particularly described on Exhibit "A" hereto.
- B. Buyer desires to purchase the Property from Seller for the amount of One Hundred Forty-Four Thousand Three Hundred Dollars (\$144,300) (the "Purchase Price").
- C. Soon after the date of this Agreement, the parties desire to record certain documents affecting the Property (the "Closing").
- D. Buyer in accordance with Section 3(1) of the City of Peoria City Charter is authorized to acquire real property and Buyer's City Council has considered the City expenditure authorized by this Agreement and the direct consideration the City will receive.

LCON_____

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

TERMS OF AGREEMENT

1. Agreement. This Real Estate Purchase Agreement ("Agreement") may be supplemented by the printed form Escrow Instructions ("Escrow Instructions") to which it is attached and shall be construed together with the Escrow Instructions as a single document (collectively referred to as the "Agreement"); in the event of any inconsistency between any provision in this Agreement and any provision in the Escrow Instructions, the provision in this Agreement shall prevail. Upon the execution of the Escrow Instructions and this Agreement by Seller and Buyer, same shall constitute a binding contract between Seller and Buyer for the purchase and sale of the Property.

2. Opening of Escrow and Close of Escrow. Escrow shall be opened when (i) one fully executed or counterparts of this Agreement executed by Seller and Buyer, respectively, have been delivered to Escrow Agent on or before the acceptance date referred to in Section 35 and (ii) Buyer shall have deposited the Earnest Money with Escrow Agent on or before the acceptance date hereinabove set forth ("Opening of Escrow"). Escrow Agent shall advise Seller and Buyer, in writing, of the Opening of Escrow and the date thereof. Consummation of the purchase of the Property contemplated hereby (the "Close of Escrow" or "Closing Date") shall take place on or before July 15, 2017, and shall automatically terminate without any further notices, three business days later unless otherwise extended by mutual agreement of the parties. At or before Close of Escrow, each party shall execute and deliver such documents and perform such acts as are provided for herein. All monies and documents required to be delivered under this Agreement shall be deposited in Escrow on or before 5:00 p.m. Arizona Time on the Closing Date.

3. Title Insurance; Conveyance of Title. The Property, including all rights and privileges appurtenant to or arising from the Property, shall be conveyed by Seller to Buyer upon Close of Escrow by Seller's special warranty deed ("Deed"), warranting title to the Property to be conveyed thereby to be a fee simple absolute estate free and clear of all matters, claims, liens, and encumbrances except: (i) taxes not yet due and payable at Close of Escrow (subject to proration as hereinafter provided); (ii) reservations in patents from the United States or the State of Arizona; and (iii) any other matters disclosed by the preliminary title report (or any amended report) which are deemed waived or approved by Buyer in accordance with subsection 7(a). Escrow Agent shall issue or cause to be issued a standard coverage owner's policy of title insurance in the amount of the Purchase Price, for which Buyer shall bear the cost.

4. Possession. Upon Close of Escrow, Seller shall vacate the Property and deliver possession to Buyer, and all risk of loss of, or damage to, the Property from any source shall, at that time, pass to and become the sole responsibility of Buyer.

5. Payment of Purchase Price. The Purchase Price for the Property shall be One Hundred Forty-Four Thousand Three Hundred Dollars (\$144,300) payable as follows:

(a) One Thousand Five Hundred Dollars (\$1,500) of the above amount (in the form of cash or other good funds or cashier's or certified check) to be deposited with Escrow Agent upon Opening of Escrow; and

(b) The remaining One Hundred Forty-Two Thousand Eight Hundred Dollars (\$142,800) to be paid by the Buyer at Close of Escrow.

6. Earnest Money. Escrow Agent shall deposit the Earnest Money referred to in subsection 5(a) in an interest-bearing account of a federally-insured depository selected by Buyer. Subject to any provision of this Agreement requiring a different use, in the event the sale provided for in this Agreement is consummated, the Earnest Money (and all interest accrued thereon) shall be applied by Escrow Agent toward the payment of the Purchase Price; in the event the sale is not consummated for failure of Seller to meet all of their obligations under this Agreement, the Earnest Money (and all interest accrued thereon) shall be returned to Buyer. In the event the sale is not consummated as a result of the failure of Buyer to meet all of its obligations under this Agreement, the Earnest Money (and all interest accrued thereon) shall be paid to Seller as liquidated damages as Seller's only remedy, and both Buyer and Seller shall be relieved of all further liability to one another except for liabilities arising under Section 17 (Indemnity). Seller and Buyer agree that it would be impractical or extremely difficult to fix actual damages in case of a default by Buyer, and that the amount of the Earnest Money is a reasonable estimate of Seller's damages caused by Buyer's default.

7. Closing; Fees, Taxes, and Assessments; Costs.

(a) At Close of Escrow, a Standard ALTA Owner's Policy of title insurance in the amount of the Purchase Price insuring Buyer's title to the Property shall be issued by Escrow Agent through its authorized underwriter(s) and the title insurance premium shall be paid out of the Purchase Price proceeds, subject to the usual printed exceptions contained in such title insurance policies, those matters which appear as exceptions in Schedule B of the Commitment (as defined in Section 8 below) and which are not objected to or are waived in the manner described in said Section 8, and any other matters approved in writing by Buyer ("Title Policy"). In the event Buyer desires an ALTA Extended Policy the additional cost shall be borne by Buyer.

(b) At Close of Escrow, the recording fees with respect to the Deed, the Affidavit of Value and any escrow fees and charges shall be paid by Buyer. All non-delinquent real property taxes and any other assessments to or against the Property shall be paid by Seller prorated to Close of Escrow based upon the most recent assessments.

(c) At Close of Escrow, Seller shall deliver the Deed, an Affidavit of Property Value, a Non-Foreign Person Affidavit, and each and every document,

agreement, and/or instrument reasonably required by the Escrow Agent in connection with the Closing.

(d) At Close of Escrow, Buyer shall deliver the Purchase Price and all other sums to be paid by Buyer hereunder, and each and every other document, agreement and/or instrument reasonably required by Escrow Agent in connection with the Closing.

8. Buyer's Contingencies. Buyer's obligation to consummate the transactions contemplated by this Agreement is subject to satisfaction of all of the following conditions precedent (any or all of which may be waived by Buyer in a writing signed by Buyer or its duly authorized agent):

(a) Status of Title. Escrow Agent, as soon as is reasonably possible after execution of this Agreement, shall provide Buyer and Seller with a preliminary report of the title to the Property (the "Commitment"), disclosing all matters of record and Escrow Agent's requirements for both closing the Escrow created by this Agreement and issuing the Title Policy described in Section 7 of this Agreement (the Commitment also shall be suitable to serve as the basis for issuance of an ALTA extended form coverage lender's title insurance policy). At such time as Buyer receives the Commitment (and any amended report adding additional title exceptions), Buyer shall have five (5) business days after receipt of the Commitment to object in writing to any matter shown in the Commitment. If Buyer fails to object within the five (5) business days, the condition of title to the Property shall be deemed approved by Buyer. In the event Buyer does object in writing to any matter disclosed in the Commitment, Seller shall attempt in good faith and using due diligence, to remove such objection before Close of Escrow. If any such matter cannot be removed after Seller's attempts to do so, Seller shall so notify Buyer, in writing, and Buyer shall elect within five (5) business days after receipt of Seller's notice to either: (i) cancel this Agreement and receive the return of all Earnest Money paid, together with any interest accrued thereon; or (ii) close the Escrow waiving 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 and close the Escrow.

(b) Environmental Contamination and Assessment of Property. Buyer has had the opportunity to assess the environmental conditions on the property and is satisfied with the known information. However, in no event shall an "as is" clause set forth within this Agreement affect the application of federal, state or local law regarding environmental contamination and Seller's responsibility for remediating same, including remediation that may be required after Close of Escrow.

(c) Investigation. Buyer shall have fifteen (15) days from the Opening of Escrow (the "Investigation Period") to conduct such other tests and investigations, other than those described in paragraphs (a) and (b) above, as Buyer deems at its discretion to be material to its determination whether the Property is suitable for Buyer's purposes. Upon prior reasonable notice to Seller, Seller shall permit access to the Property by Buyer to inspect and perform any such tests during the Investigation Period.

Buyer must obtain Seller's written consent prior to conducting any invasive testing on the Property, which consent shall not unreasonably be withheld. Buyer shall conduct all such inspections, investigations, and tests and be responsible for returning the Property to substantially the condition in which it was prior to the time of any entry. In the event Buyer fails to notify Seller by the conclusion of the Investigation Period that the Property or any part thereof is not suitable for its purposes, then Buyer shall be deemed to have accepted the Property and waived any objections relating to matters within the scope of this subparagraph (c). In the event Buyer does so notify Seller, however, Seller shall undertake to remediate such conditions to Buyer's reasonable satisfaction or to terminate this Agreement, whereupon Buyer and Seller shall have no further obligations hereunder, other than liabilities or obligations arising under the indemnity provisions of Section 17. Buyer agrees to indemnify, defend, and hold harmless Seller for, from, and against any and all claims arising out of Buyer's exercise of the rights granted by this Section, including, without limitation, any claims relating to mechanics' or materialmen's liens as a result of Buyer's activities pursuant to this Agreement.

9. No Warranties. Except as otherwise set forth herein, Buyer agrees that the Property shall be purchased in an "as-is" condition. Seller makes no warranty as to the sufficiency of the Property for Buyer's purposes or any purpose whatsoever, the physical condition of the Property or any work or improvements which might be required for any reason whatsoever, the square footage or acreage contained within the Property, except as expressly set forth elsewhere in this Agreement or within the separate escrow instructions included as a part of this Agreement. Nothing herein abrogates Seller's duty to disclose known material conditions affecting the Property and the consideration to be paid by Buyer.

10. Seller's Warranties. Seller warrants, represents, and covenants (with the understanding that Buyer is relying on said warranties, representations and covenants) that:

(a) Seller's Authority. Seller has full power and authority to enter into and perform under this Agreement in accordance with its terms. Upon execution of this Agreement this Agreement shall be binding and enforceable on Seller.

(b) Other Leases or Agreements. Seller warrants that there are no unrecorded leases or other agreements which may affect Buyer's ability to take title to or possession of the Property.

(c) Bankruptcy or Insolvency. Seller warrants that it is not the subject of a bankruptcy or insolvency proceeding.

(d) Labor, Materials and Mechanic's Liens. Seller warrants that payment in full will be made prior to Close of Escrow for all labor, professional services, materials, machinery, fixtures, or tools furnished within the one hundred fifty (150) days immediately preceding the Close of Escrow in connection with any construction, alteration or repair of any improvement to or on the Property.

11. Water Rights. At Close of Escrow, Seller shall, without further act, be deemed to have assigned, transferred, conveyed, and set over unto Buyer all of the grandfathered water rights, if any, with respect to the Property.

12. Buyer's Representations and Warranties. Buyer warrants, represents, and covenants (with the understanding that Seller is relying on said warranties, representations, and covenants) that:

(a) Buyer has full power and authority to enter into and perform this Agreement in accordance with its terms.

(b) Buyer acknowledges that consummation of this transaction shall constitute its acknowledgment that it has independently inspected and investigated the Property. Except as otherwise agreed herein, Buyer agrees to accept the Property in its present condition "as is," subject to the warranties, covenants and agreements set forth in this Agreement.

(c) Buyer acknowledges that the Property is comprised of land and a vacant building, and represents and warrants to Seller that Buyer has inspected the Property and has entered into this contract based upon Buyer's inspection and that Seller made no representations or warranties regarding the condition of the Property for Buyer's specific purposes.

13. Brokerage. Seller and Buyer agree as follows:

(a) Mutual Warranties. Buyer warrants and represents that it has not dealt with any party who is or may be legally entitled to a brokerage commission, finder's fee, or other like payment in connection with this Agreement. Seller warrants and represents that it has dealt only with HomeSmart Realty – Heidi Thomason ("Broker") and Seller shall pay Broker a real estate commission equal to three percent (3%) of the Purchase Price, if and only if Close of Escrow occurs. Each party, on demand, agrees to indemnify and hold the other harmless for, from, and against any and all loss, cost, damage, claim, liability, and expense (including but not limited to court costs and reasonable attorneys' fees) that may result if the indemnifying party's warranty and representation set forth above proves to be untrue, incomplete, or misleading.

(b) Survival. The provisions of this Paragraph 13 shall survive Close of Escrow (but not the termination) of this Agreement.

14. Survival of Representations and Warranties. All representations and warranties contained in this Agreement are true on and as of the date so made, will be true in all material respects on and as of the Closing Date, and will survive Close of Escrow and execution, delivery, and recordation of the Deed. In the event that any representation or warranty by a party is untrue, the other party shall have all rights and remedies available at law, in equity, or as provided in this Agreement.

15. No Assumption of Seller's Liabilities. Buyer is acquiring only the Property from Seller and is not the successor of Seller. Buyer does not assume, agree to pay, or indemnify Seller or any other person against any liability, obligation, or expense of Seller, or relating in any way to the Property.

16. Condemnation; Risk of Loss. In the event of the condemnation (or sale in lieu of condemnation) of any part of the Property prior to Close of Escrow, Buyer shall have the right either: (i) to cancel this Agreement by written notice to Seller and Escrow Agent in which event there shall be returned to Buyer the Earnest Money and all interest thereon, all documents shall be returned to the party who deposited them and thereafter this Agreement shall be of no further force or effect whatsoever.

17. Indemnification and Liabilities. Subject to the limitations and other provisions contained in this Agreement, Seller shall, and it hereby does, indemnify and agree to pay, defend, and hold harmless Buyer from any liability, obligation, action, suit, judgment, fine, award, loss, claim, demand, or expense (including attorneys' fees) arising from any act or omission of Seller pertaining in any manner to the Property for the period of time prior to the Close of Escrow. Buyer does not agree to assume any liability, encumbrance, or obligation of any kind or character whatsoever relating in any manner to all or any part of the Property: (i) except as specifically provided herein; and (ii) except that Buyer agrees to pay, defend, indemnify, and hold harmless Seller from any liability, obligation, action, suit, judgment, fine, award, loss, claim, demand, or expense (including attorneys' fees) arising from any act or omission of Buyer, Buyer's agents and employees.

18. Remedies.

(a) In the event of default by Buyer, Seller's sole remedy shall be to cancel this Agreement and to retain the Earnest Money (together with all accrued interest) as liquidated damages; Seller and Buyer agree that it would be impractical or extremely difficult to fix actual damages in case of the Buyer's default; that the amount of the Earnest Money deposit paid by Buyer is a reasonable estimate of the Seller's damages in case of Buyer's default; and that Seller shall retain said Earnest Money as its damages and, thereafter, neither party shall have any further obligations to the other under this Agreement.

(b) In the event of default by Seller, Buyer may elect to cancel this Agreement by written notice to Seller and Escrow Agent, in which event Escrow Agent shall return to Buyer all Earnest Money (plus any accrued interest earned thereon), together with all other documents Buyer has deposited with Escrow Agent in connection with this Escrow, in which case Buyer and Seller shall have no other rights or obligations under this Agreement.

19. Notices. Notices required or permitted hereunder shall be given in writing and personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To Seller: Irene Mae Bodenstedt, Trustee of the Irene Mae Bodenstedt Revocable Trust dated July 1, 1998
Marlin G. Bodenstedt
Harlin C. Bodenstedt



To Buyer: Carl Swenson, City Manager
City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

With a copy to: Stephen J. Burg, City Attorney
City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

To Escrow Agent: Sharon Dyke
Empire West Title Agency
4808 North 22nd Street, Suite 100
Phoenix, Arizona 85016

or at any other address designated by Buyer, Seller, or Escrow Agent, in writing.

20. Attorneys' Fees. In the event suit is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reimbursement for reasonable attorneys' fees and court costs.

21. Intended Agreement. This Agreement shall not be construed for or against either party as a result of its participation, or the participation of its counsel, in the preparation and/or drafting of this Agreement or any exhibits hereto.

22. Relationship. This Agreement shall not be construed as creating a joint venture, partnership, or any other joint arrangement between Buyer and Seller.

23. Further Instruments and Documents. Each party hereto shall, promptly upon the request of the other party or Escrow Agent, acknowledge and deliver to the other party or Escrow Agent any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

24. Integration Clause; No Oral Modification. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all agreements, oral or written, entered into prior to this Agreement are revoked and superseded by this Agreement. This Agreement may not be changed, modified, or rescinded, except in writing, signed by all parties hereto.

25. Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the laws of the State of Arizona. Any action brought to interpret, enforce, or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa or in the Federal District Court in and for the District of Arizona.

26. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement, and this Agreement shall otherwise remain in full force and effect.

27. Waiver. Failure of any party to exercise any right, remedy, or option arising out of a breach of this Agreement shall not be deemed a waiver of any right, remedy, or option with respect to any subsequent or different breach, or the continuance of any existing breach.

28. Counterparts. This Agreement may be executed in any number of counterparts, all the counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.

29. Special Variations From Escrow Instructions. Notwithstanding anything in the Escrow Instructions to the contrary: (i) Seller shall pay, in full and at Closing, any existing improvement lien assessments on or relating to the Property unless otherwise agreed by the parties; and (ii) Escrow Agent shall pro-rate taxes on the basis of the latest available tax statement.

30. Date of Agreement. The date of this Agreement shall for all purposes be the date of the signature of the last party to sign this Agreement.

31. Time is of the Essence. Time is hereby declared to be of the essence for the performance of all conditions and obligations under this Agreement.

32. Construction/Interpretation. The captions and section headings used in this Agreement are for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement. The term "person" shall include an individual, corporation, partnership, trust, estate, or any other entity. If the last day of any time period stated herein shall fall on a Saturday, Sunday, or legal holiday in the State of Arizona, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday, or legal holiday in the State of Arizona.

33. Foreign Tax Withholdings. Seller agrees to comply with IRS reporting requirements. Seller shall provide to Buyer and Escrow Agent at Closing appropriate affidavits stating that it is not a foreign person or a non-resident alien and that no withholding is required pursuant to Internal Revenue Code ("IRC") § 1445. In the event such affidavits are not forthcoming or in the event either Escrow Agent or Buyer knows or has reason to know that they are false, Escrow Agent is hereby irrevocably

authorized and directed to withhold 10% of Seller's proceeds of the purchase price pursuant to IRC § 1445.

34. Conflict of Interest. This Agreement shall be subject to cancellation pursuant to the provisions of A.R.S. § 38-511 relating to conflicts of interest.

35. Offer. Upon execution by Buyer and delivery to Seller, this Agreement shall constitute the offer of Buyer to purchase the Property on the terms and conditions set forth herein. This offer shall be open to acceptance by Seller (by Seller's executing and delivering a copy of this Agreement to Buyer and to Escrow Agent) on or before the close of business on June 23, 2017. In the event that this condition is not complied with on or before the close of business on the date specified, this offer shall terminate and shall be self-revoking without further action on behalf of Buyer. In addition, and without limiting the foregoing, Buyer reserves the right to revoke this offer, upon written notice to Seller, at any time before this offer is accepted by Seller.

36. Recitals. The Recitals set forth on page 1 of this Agreement are incorporated herein as though fully set forth herein.

[Signatures Appear on Following Pages]

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

SELLER:

Irene Mae Bodenstedt, **Trustee of the Irene Mae Bodenstedt Revocable Trust dated July 1, 1998 (1/2 interest)**; Marlin G. Bodenstedt **(1/4 interest)** and Harlin C. Bodenstedt **(1/4 interest)**

By _____
Irene Mae Bodenstedt, Trustee

Date: _____

By _____
Marlin G. Bodenstedt

Date: _____

By _____
Harlin C. Bodenstedt

Date: _____

ACKNOWLEDGMENT

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this _____ day of _____, 2017, before me, a Notary Public, personally appeared Irene Mae Bodenstedt, Trustee of the Irene Mae Bodenstedt Revocable Trust dated July 1, 1998, known to me or satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that they have executed the same. If this person's name is subscribed in a representative capacity, it is for the seller named and in the capacity indicated.

Notary Public

My Commission Expires:

Seal:

ACKNOWLEDGMENT

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this _____ day of _____, 2017, before me, a Notary Public, personally appeared Marlin G. Bodenstedt, known to me or satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that they have executed the same. If this person's name is subscribed in a representative capacity, it is for the seller named and in the capacity indicated.

Notary Public

My Commission Expires:

Seal:

ACKNOWLEDGMENT

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this _____ day of _____, 2017, before me, a Notary Public, personally appeared Harlin C. Bodenstedt, known to me or satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that they have executed the same. If this person's name is subscribed in a representative capacity, it is for the seller named and in the capacity indicated.

Notary Public

My Commission Expires:

Seal:

BUYER:

CITY OF PEORIA, an Arizona municipal corporation

Date: _____

By: _____
Carl Swenson, City Manager

ATTEST:

By: _____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

By: _____
Stephen J. Burg, City Attorney

EXHIBIT "A"

(Property)

Lots 1, 2 and 3, Block 24, AMENDED PLAT OF PEORIA, according to the plat recorded in the office of the County Recorder of Maricopa County, Arizona in Book 3 of Maps, Page 62;

EXCEPT the North 102.85 feet thereof.