

REAL ESTATE PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

Escrow No. _____

BY THIS AGREEMENT, the parties hereto declare, covenant and agree as follows:

ARTICLE I Definitions

The following terms are defined as set forth herein for purposes of this Agreement and shall be given such meanings wherever appearing in this Agreement unless the context requires otherwise, and subject to such further qualifications as are expressly set forth hereinafter:

Seller: Amphitheater School District No. 10,
a political subdivision of the State of Arizona
c/o Todd A. Jaeger, Esq.
701 W. Wetmore
Tucson, AZ 85705
Telephone – (520) _____
Facsimile – (520) _____

Purchaser: The Town of Oro Valley,
a political subdivision of the State of Arizona
c/o Tobin C. Sidles, Esq.
11000 N. La Cañada
Oro Valley, Arizona 85737
Telephone - (520) ____ - ____
Facsimile - (520) ____ - ____

Escrow Agent: _____

Tucson, Arizona _____
Attn: _____
Telephone - (520) _____
Facsimile - (520) _____

Date of this Agreement: _____, 2015 ("Date of this Agreement") (TO BE COMPLETED ONLY BY ESCROW AGENT AFTER EXECUTION OF THIS AGREEMENT BY SELLER AND PURCHASER. ESCROW AGENT SHALL USE AS THE DATE OF THIS AGREEMENT THE DATE ESCROW AGENT FIRST RECEIVES THIS AGREEMENT ORIGINALLY EXECUTED BY SELLER AND PURCHASER. ESCROW AGENT SHALL PROMPTLY CONFIRM SUCH DATE IN WRITING TO SELLER AND PURCHASER).

Property or Real Property: Vacant land of approximately 6.5 acres, the precise legal description of which shall be provided to escrow prior to Closing, Pima County Assessor's No. 225-11-2650, together with any personal property thereon included at no value and without representation or warranty of any kind.

ARTICLE II PURCHASE AND SALE

2.1 Purchase and Sale. Subject to the terms, provisions and conditions set forth herein, Seller agrees to sell and Purchaser agrees to purchase Seller's entire right, title and interest in and to the Property.

2.2 Purchase Price and Payment Terms. The total Purchase Price to be paid by Purchaser to Seller for the Purchase of the Property is the sum of \$_____ ("the Purchase Price"). The Purchase Price shall be paid as follows:

(a) Earnest Money. On the Date of this Agreement Purchaser shall deliver to Escrow Agent in the form of cash, certified or cashiers' check, or available wired funds \$10,000.00 (the Earnest Money). The Earnest Money shall be deposited by the Escrow Agent in an interest bearing account. All interest which accrues from the Date of this Agreement shall be paid to the party entitled to receive the Earnest Money.

(b) Remainder of Purchase Price. The remainder of the Purchase Price in the amount of \$_____, as adjusted by the fees and prorations, shall be paid by Purchaser at Closing in the form of cash, certified or cashiers' check, or available wired funds.

ARTICLE III CONTINGENCIES AND CONDITIONS PRECEDENT TO PURCHASER'S PERFORMANCE

3.1 Contingencies. The obligation of Purchaser to purchase the Property pursuant to this Agreement is subject to Purchaser's approval, during the "Contingency Period," of:

- (a) Title to the Property; and
- (b) The feasibility of the Property for Purchaser's intended use.

Purchaser may reject the Property for any reason during the "Contingency Period" which period shall commence upon the Date of this Agreement and expire at 5:00 p.m. local time sixty (60) days thereafter.

3.2 Title Report. Within seven (7) business days of the Date of this Agreement, Escrow Agent shall deliver to Purchaser a preliminary title report issued by the underwriter designated by Escrow Agent showing the status of record title to the Property, together with

legible copies of all documents listed as exceptions or encumbrances therein or appearing in any "requirement" section thereof (the "Title Report"). Purchaser shall have the Contingency Period to provide written approval or disapproval, which disapproval shall set forth with specificity the reason(s) for Purchaser's objection(s) of the condition of title to the Property as revealed by the Title Report. If no disapproval is received by Seller and Escrow Agent, the Title Report shall be deemed approved. If Purchaser disapproves of any matter contained in the Title Report, Seller shall cooperate fully with Purchaser to resolve the item(s) to which Purchaser has objected. Should Seller fail to correct or cure any such deficiency as identified in writing by Purchaser prior to Closing, Purchaser may, by giving written notice to Seller and Escrow Agent: (a) proceed to close this transaction by giving written notice of its election to waive this condition precedent; or (b) cancel and terminate this Agreement.

3.3 Entry of Property. From and after the Date of this Agreement, Purchaser and its agents shall have the right to enter upon the Property to conduct surveys, hydrological, topographical, environmental and engineering studies and reports, to conduct tests, borings and analyses of the soils, to investigate the availability and quality of access, utilities, water and sewage disposal to the Property, and to otherwise inspect the general condition of the Property, the cost of which shall be borne exclusively by Purchaser. Purchaser hereby agrees to hold Seller harmless from any and all liabilities or obligations incurred as a result of such entrance of Purchaser or its agents upon the Property, except as may be due to the acts of Seller, and to return the property to its condition immediately prior to the inspection.

3.4 Satisfaction or Waiver of Contingencies. It is acknowledged that the contingencies set forth in Article III hereof are for the exclusive benefit of Purchaser, and Purchaser may elect to waive any such contingency reserved for its benefit and proceed to consummate the transaction contemplated hereby unless this Agreement has been sooner terminated by the terms hereof. Any such waiver shall be executed in writing and deposited with Escrow Agent.

3.5 Termination of Agreement. If the contingencies set forth in Paragraph 3.1 hereof have not been satisfied or waived within the periods provided in Paragraph 3.1 hereof, or if Purchaser otherwise rejects the Property within the Contingency Period in its discretion, this Agreement may be terminated by Purchaser, and in that event the Earnest Money plus accrued interest, shall be refunded to Purchaser and the parties shall have no further obligation hereunder.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

4.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Purchaser that as of the date of Closing.

(a) Authority. This Agreement has been duly authorized and executed, and all documents delivered to Escrow Agent or Purchaser pursuant to the terms of this Agreement shall be duly authorized and executed, on behalf of the Seller.

(b) Organization; Standing. Seller has all the power and authority necessary to enter into this Agreement and to carry out the transactions contemplated thereby.

(c) Deposit and Escrow of Deed. Prior to or at the Close of Escrow, Seller shall deposit with Escrow Agent a Special Warranty Deed and related Affidavit of Real Property Value, duly executed by Seller in proper form for recording, conveying to Purchaser Seller's interest in the Property free and clear of any and all consensual monetary liens.

(d) Brokers and Commissioned Agents. No brokers and/or commissioned agents have any rights or claims in connection with this transaction.

(e) Non-Foreign Status. Seller is a "United States person" within the meaning of Section 1445 of the Internal Revenue Code, as amended.

4.2 Purchaser's Representations and Warranties. Purchaser hereby represents and warrants that as of the Closing:

(a) Authorization. Purchaser is authorized to execute and deliver this Agreement and to perform the covenants and obligations to be performed and carried out by it hereunder subject to the contingency set forth in Paragraph 3.1.

(b) Delivery of Documents; Compliance. Purchaser will have performed, observed and complied with all of the covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by Purchaser on or before the Close of Escrow, and will execute and deliver all documents required to be executed and delivered by Purchaser in order to consummate the transaction contemplated hereby, on or before the Close of Escrow, subject to the contingencies set forth in Article III.

(c) Brokers and Commissioned Agents. Purchaser was not represented by a broker and/or commissioned agent in connection with this transaction.

(d) AS IS Condition. Except as expressly stated in this Agreement, Seller is not bound by any prior or contemporaneous verbal or written statement of information pertaining to the Property, its zoning, usability, size, condition or any other matter. Purchaser acknowledges and agrees that Seller has not made, and Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or future, of, as to, or concerning (i) the nature and condition of the Property, including, without limitation, the water, soil and geology, and the suitability thereof and of the Property for any and all activities and uses which Purchaser may elect to conduct thereon or any improvements thereon or which Purchaser may elect to construct thereon, income to be derived therefrom or expenses to be incurred with respect thereto, or any obligations or any other matter or thing related to or affecting the same, or the manner of construction and condition and state of repair or lack of repair or any improvements located thereon; the existence, nature and extent of any easement, right-of-way, right to possession or use, lien, encumbrance, license, reservation, condition or other matter affecting title to the Property; and (ii) the compliance of the Property or its operation with any laws, ordinances, orders, rules or regulations of any governmental or other body. Purchaser

acknowledges that having been given the opportunity to inspect the Property (including full and complete opportunity to investigate for latent defects therein), Purchaser is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller or which Seller negligently fails to disclose, including without limitation any information as to latent defects. Purchaser further acknowledges that any information provided with respect to the Property was obtained from a variety of sources and Seller (i) has not made any independent investigation or verification of such information; and (ii) makes no representations or warranties as to the accuracy or completeness of such information. Purchaser agrees to accept the Property and acknowledges that the sale of the Property is made by Seller on an "AS IS, WHERE IS and WITH ALL FAULTS" basis. Purchaser expressly acknowledges, that, in consideration of the agreements of Seller herein, except as otherwise specified herein, SELLER MAKES NO WARRANTY, REPRESENTATION OR COVENANTS OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY, TENANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, WITH RESPECT TO THE PROPERTY. Purchaser represents to Seller that Purchaser has done an independent evaluation of the Property and is relying on Purchaser's own expertise concerning the purchase of the Property. Purchaser hereby disclaims, waives, releases and discharges any right, claim or cause of action that Purchaser has or may acquire against Seller arising out of or related to (1) the existence of any hazardous substances, wastes, pollutants or contaminants in, on or about the Property or (2) any negligent non-disclosure of latent defects related to the Property. The acknowledgements, disclaimers and waivers found in this Paragraph will survive the Closing of this transaction.

4.3 Survival of Warranties after Closing. The parties acknowledge that each and every representation, warranty and covenant contained in Article IV hereof shall be true and accurate as of the date of execution of this Agreement and also as of the Close of Escrow and shall constitute a material part of the consideration hereunder, and shall survive the Closing.

ARTICLE V ESCROW AGENT; THE CLOSING

5.1 Escrow Agent. Upon execution of this Agreement by Seller, an escrow shall be established at _____, Attention: _____, Telephone Number (520) _____ and Facsimile Number (520) _____.

5.2 The Closing. The "Closing" or "Close of Escrow" shall take place at the office of the Escrow Agent at 1:00 p.m., local time on the "Date of Closing". The Date of Closing shall be fifteen days following the expiration of the Contingency Period.

5.3 Obligation of Seller at Closing. The following events shall occur at the Closing, each being a condition precedent to the others but all being deemed to have occurred simultaneously:

(a) Pay one-half (1/2) of the fees of Escrow Agent for acting as escrow agent in closing this transaction and the premium for the standard owner's title policy.

(b) If not previously accomplished, Seller shall execute, have acknowledged and delivered to Escrow Agent the Special Warranty Deed;

(c) If not previously accomplished, Seller shall execute and have delivered to Escrow Agent an Affidavit of Real Property Value, a Certificate of Non-Foreign Person Status, an assignment of all contracts and related documents as set forth in Article III above;

(d) Seller shall deliver possession of the Property to Purchaser.

5.4 Obligations of Purchaser at Closing. At the Closing, Purchaser shall:

(a) Pay one-half (1/2) of the fees of Escrow Agent for acting as escrow agent and closing this transaction;

(b) Deliver the Purchase Price as required by Article II hereof; and

(c) Pay for the additional premium to obtain an ALTA Extended Owner's Title Policy, if requested by Purchaser.

5.5 Obligations of Escrow Agent at Closing. Without limiting its other obligations pursuant to law, it shall be the obligation of the Escrow Agent at or by Closing:

(a) To record the Special Warranty Deed, and any other documents delivered hereunder and to be recorded at Purchaser's or Seller's request;

(b) To pay any and all outstanding monetary liens encumbering the Property.

(c) To deliver to the Pima County Recorder the Affidavit of Real Property Value;

(d) To deliver to Purchaser the Certificate of Non-Foreign Status;

(e) To cause the issuance and delivery to Purchaser of the title insurance policy, subject only to those matters approved by Purchaser pursuant to paragraph 3.2 hereof, with effective date the date of Closing;

(f) To pay the net proceeds to Seller; and

(g) To pay, upon default by party or cancellation by the parties, either Seller or Purchaser the amounts due pursuant to this Agreement without further notice or consent of either Seller or Purchaser being required.

5.6 Prorations.

(a) Assessments. If at the time for delivery of the Deed, the Property or any part thereof shall be or shall have been affected by any form of assessment (including, but not limited to an improvement district assessment), which is or may be payable in annual installments, then, for purposes of this Agreement, the current assessment which is due and owing shall be prorated and any which are to become due and payable after the deliver of the Deed shall be assumed by Purchaser.

5.7 Commissions. Seller and Purchaser represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction, except as specifically disclosed herein and Seller and Purchaser agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any brokerage fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and each will pay all costs of defending any action or lawsuit brought to recover such fees or commissions incurred as a result of the other party's acts, including reasonable attorneys' fees. This provision shall survive Closing.

ARTICLE VI DEFAULT AND TERMINATION

6.1 Time of the Essence. Time is of the essence of this Agreement. In the event of a default by either party hereunder, the remedies upon default are as set forth in this Article VI unless otherwise provided in this Agreement.

6.2 Purchaser's Default. If Purchaser shall default in the performance of its obligations hereunder, Escrow Agent shall pay as liquidated damages to Seller the Earnest Money of \$10,000.00 as Seller's sole and exclusive remedy. The parties acknowledge and agree that Seller's damages because of Purchaser's default hereunder are difficult to ascertain and agree that the amount of \$10,000.00 represents a reasonable estimate of Seller's damages.

6.3 Seller's Default. If Seller shall default in performing its obligations hereunder, Purchaser shall be entitled to pursue any and all legal and equitable remedies.

ARTICLE VII MISCELLANEOUS

7.1 Effect of Headings. The subject headings of articles and subarticles of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

7.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior and contemporaneous agreements, representations and understandings of the parties regarding the subject matter of this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto.

7.3 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service, if served personally on the party to whom notice was given, or on the third day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed to Purchaser, Seller and Escrow Agent at their respective addresses indicated in Article I hereof; provided, however, that all notices directed to Seller shall also be sent to Nathan B. Hannah, Esq., DeConcini McDonald Yetwin & Lacy, P.C., 2525 East Broadway Boulevard, Suite 200, Tucson, Arizona 85716-5303.

7.4 Assignment. This Agreement shall be binding on and shall inure to the benefit of the parties to it and their respective successors, assigns and nominees.

7.5 Attorneys' Fees. In the event either party hereto shall employ legal counsel or bring an action at law or other proceeding against the other party to enforce any of the terms, covenants or conditions hereof, the party prevailing in any such action or other proceeding shall be paid all reasonable attorneys' fees by the other party, as determined by the Court and not the jury, and in the event any judgment is secured by such prevailing party, all such attorneys' fees shall be included in such judgment.

7.6 Execution of Other Documents. The parties hereto agree to execute, acknowledge and deliver such other documents and instruments as may be reasonable necessary or appropriate to carry out the full intent and purpose of this Agreement.

7.7 Risk of Loss. The risk or loss of damage to the Property by casualty, or its taking by eminent domain prior to Closing, is retained by the Seller. Upon the happening of any material loss, damage or taking, Purchaser shall within fifteen days of Purchaser's knowledge thereof, be entitled to terminate this Agreement by giving written notice thereof to Seller and Escrow Agent within the said period. If Purchaser does not terminate this Agreement, Purchaser shall be entitled to any insurance monies collectable for such loss or damage, at or after Closing, or the award for such taking by eminent domain assuming that it closes this transaction pursuant to the terms of this Agreement. In no event shall the Purchase Price be reduced in the event of condemnation or damage. In the event of Purchaser's termination of this Agreement pursuant to this paragraph, the Earnest Money, and accrued interest thereon, shall be returned to the Purchaser and the parties hereunder shall have no further obligation or liability to each other.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed effective the day and year first above written.

SELLER:

Amphitheater School District No. 10,
a political subdivision of the State of Arizona

PURCHASER:

Town of Oro Valley, a political subdivision
of the State of Arizona

By: _____

By: _____

Its: _____

Its: _____

RECEIVED AND ACCEPTED this
_____ day of _____, 2015:

ESCROW AGENT

By: _____

Its: _____

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