

PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS
THIS DOCUMENT IS MORE THAN A RECEIPT FOR MONEY.
IT IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

THIS PURCHASE AND SALE AGREEMENT (the “**Agreement**”) is made as of the Effective Date (defined below), by and between, husband and wife, and its assignees, with their address at TBD (“**Buyer**”) and, with its principal place of business at TBD (“**Seller**”).

Mr. & Mrs. or Assignee ("Buyer") shall deposit with Escrow Holder the sum of **Seventy Fifty Thousand dollars (\$75,000.00)** as a deposit ("Deposit") within 3 business days after the execution of the Purchase Agreement, to be applied to the purchase price of that certain land and improvements (collectively, the "Property") located at 28353 N Main St, San Tan Valley, AZ 85143, County of Pinal, State of Arizona, and more particularly described as follows:

A real property known as the Copper Basin Fire Station (#843) with a building approximately 9,119 SF on approximately 55,016 SF of land, AKA: Parcel # 210-73-002-0

If after the Due Diligence Period, the Buyer elects to proceed with the transaction, the Buyer will deposit an additional **Seventy Fifty Thousand dollars (\$75,000)** to the escrow company, and the deposit will become non-refundable as liquidated damages. If the closing does not occur due to a breach of the contract by Seller, then all Earnest Money Deposits shall be returned to Buyer with any interest. Upon close of escrow, the total amount of the Deposit shall be applied to the Purchase Price.

TERMS AND CONDITIONS

Seller agrees to sell, and Buyer agrees to purchase, the Property on the following terms and conditions:

- 1) **PURCHASE PRICE:** The Purchase Price for the Property is **Three Million Eight Hundred Thousand Dollars (\$3,800,000)**, payable pursuant to the terms stated herein.

- 2) **NEW LOAN:** Buyer agrees to use Buyer’s best efforts, at Buyer’s expense, to obtain a new loan secured by first mortgage or trust deed on the Property. Buyer agrees to pay lender’s normal processing and appraisal fees, if any. Buyer shall submit a written application to obtain said loan to a bona fide lender within five (5) calendar days after opening escrow and shall authorize said lender to confirm in writing to Seller that lender has received said application. If Buyer (i) fails to apply and provide authorization as provided in the preceding sentence, or (ii) fails to notify Seller in writing that Buyer has removed this loan contingency within thirty (30) calendar days after opening of escrow, this Agreement shall be null and void. Buyer’s entire Deposit shall be returned, and Buyer and Seller shall have no further obligation to buy or sell under this Agreement. Seller agrees to pay any prepayment penalties, defeasance, or yield maintenance fees or charges due on the existing loan, if any.

Buyer's Initials _____

Seller's Initials _____

- 3) **ESCROW:** Broker shall open escrow with Fidelity National Title Agency ("Escrow Holder") 60 E. Rio Salado Parkway, 11th Floor, Tempe, Arizona 85281 C/O Patti Graham, Vice President and Commercial Escrow Officer, by the simultaneous deposit of a copy of this executed Agreement and Buyer's Deposit with Escrow Holder (defined as "opening of escrow"), within 3 days of mutual execution. Seller and Buyer shall execute such further documents or instruments as Escrow Holder may deem necessary to close this transaction within the Escrow Period. In the absence of same, this Agreement shall be binding and shall prevail. Close of escrow (or the "Closing Date") shall mean the date on which the deed transferring title to the Property is recorded and shall occur on or before **fifteen (15) days following the thirty (30) day Due Diligence Period.** In the event Buyer's lender requires additional time to complete its underwriting requirements for said property, the Buyer reserves the right to an additional fifteen (15) day Due Diligence Period extension at no additional risk to the Buyer. Escrow fees shall be split 50/50 by Buyer & Seller, per local custom. All other closing costs not allocated in this Agreement shall be paid in accordance with the custom in the county where the Property is located.
- 4) **PRORATIONS:** Collected Gross Rents, real property taxes, premiums on insurance, interest on any debt being assumed or taken subject to by Buyer, and any other expenses of the Property shall be paid current and prorated as of the Closing Date. All tenant security deposits, advance rentals, pre-paid contracts and the amount of any future lease credits shall be credited to Buyer. The amount of any bond or assessment which is a lien not yet due and not customarily paid with real property taxes shall be paid by Seller.
- 5) **TITLE:** Within **Ten (10)** calendar days upon opening of escrow, Seller shall procure and cause to be delivered to Buyer a preliminary title report issued by Fidelity National Title Agency (the "Title Company") on the Property. Within the Due Diligence Period Buyer shall deliver to Seller written notice of any exceptions to which Buyer reasonably objects regarding its findings. Failure of Buyer to object within this time period is a waiver of exceptions to title shown in such report. If Buyer objects to any exceptions, Seller shall within **Ten (10)** calendar days after receipt of Buyer's objections, deliver to Buyer written notice that either (i) Seller has removed (or will prior to the Closing Date remove) the exceptions to which Buyer has objected to, or (ii) Seller is unwilling or unable to eliminate said exceptions. If Seller fails to so notify Buyer or is unwilling or unable to remove any such exception by the Closing Date, Buyer may, within 72 hours of the period and in the preceding sentence, elect in writing to terminate this Agreement and receive back the entire Deposit, in which event Buyer and Seller shall have no further obligation to buy or sell under this Agreement. In the event Buyer does not give notice of such election within that period, Buyer shall be deemed to have elected to purchase the Property subject to such exceptions. Seller shall convey the Property by Special Warranty Deed delivered as of the Closing Date, conveying, marketable title subject only to the exceptions shown in the preliminary title report and not disapproved by Buyer in accordance with Agreement. All monetary liens, other than those agreed to be assumed by Buyer herein, shall be removed at or prior to the Closing Date without Buyer having to object to the same. Title shall be insured by a standard owner's policy of title insurance issued by the Title Company in the amount of the purchase price with premium paid by Seller. Any special endorsements, all coverage for the benefit of a lender, and the cost of any survey shall be paid for by Buyer. Buyer and Seller are advised to consult a title officer with any questions regarding the effect of any matter shown in the preliminary title report or the availability of different forms of title coverage.
- 6) **PERSONAL PROPERTY:** Title to any personal property to be conveyed to Buyer in connection with the sale of the Property shall be conveyed to Buyer by Bill of Sale on the Closing Date free and clear of all liens

Buyer's Initials _____

Seller's Initials _____

and encumbrances (except those approved by Buyer as provided above) and otherwise in “as is” condition. The price of such personal property shall be included in the purchase price for the Property.

- 7) **ASSIGNMENT OF WARRANTY RIGHTS:** Effective as of the close of escrow, Seller shall assign to Buyer all assignable warranty, contractual, and similar rights respecting goods and services that have been furnished for the repair, maintenance, or improvement of the Property by third party contractors, vendors, or service providers. The parties understand that not all rights involving such third parties are assignable, and neither Seller nor Broker has made any representation to the contrary. Buyer is advised to investigate all such matters in the course of Buyer’s due diligence and receive written verification from any such third party.
- 8) **DOCUMENT CONTINGENCIES:** Seller agrees to provide to Buyer complete copies of the available items listed below within **Five (5)** calendar days of opening of Escrow. Buyer warrants and represents to Seller that any Seller provided documents are proprietary in nature and are not to be used or deliver to any other parties for any purpose other than the consummation of this transaction.
- a. All current rental agreements, leases, ground leases, water or mineral agreements, service and vendor contracts, HOA agreements, insurance policies, utility bills, covenants conditions and restrictions, and tax bills affecting the Property.
 - b. Operating statement of the Property for the **Twenty-Four (24)** calendar months immediately preceding the acceptance of this offer.
 - c. All notes and mortgages or trust deeds affecting the Property which are to be assumed or taken subject to by Buyer, if applicable.
 - d. Complete, current rent roll, including a schedule of all tenant deposits, prepaid rent, credits, fees, dates to which rent has been paid, expiration dates of leases, and renewal options, if applicable.
 - e. All records, reports, test results, certifications, and other documentation or information in the possession of the seller regarding the existence of any toxic or hazardous substances known to Seller to be on, in, under, or affecting the Property, including without limitation mold, asbestos, petroleum, petrochemicals, lead-based paint, or lead-based paint hazards in, on, or about the Property or the soil there under.
 - g. Buyer shall have **thirty (30)** calendar days after receipt of each of those items to review and approve same in writing (herein referred to as the Due Diligence Period) . If Buyer fails to approve in writing each of these items within the specified time, this Agreement shall be null and void, Buyer's entire Deposit shall be returned, and Buyer and Seller shall have no further obligation to buy or sell hereunder except that Buyer shall immediately return to Seller all Seller and Broker provided documents.
- 9) _____ **(Initials) BUYER’S INSPECTION AND INVESTIGATION:** Buyer shall have **Thirty (30)** calendar days after acceptance of this offer to inspect and investigate the physical condition of the Property (in accordance with Paragraph 24), including all systems and components therein, but not limited to interior

Buyer's Initials _____

Seller's Initials _____

inspection, soil conditions, and the presence or absence of hazardous materials on or about the Property, the possible presence of lead-based paint and lead-based paint hazards, analysis of federal, State and local laws to determine whether the Property complies or fails to comply, or must be brought into compliance, with any safety, regulatory, zoning, energy conservation, retrofit or other applicable standards or requirements either as a condition of sale or transfer or otherwise, including what changes to the Property, if any, are required under the Americans With Disabilities Act or any similar or other federal, State or local law, the availability of any development, construction or other permits desired by Buyer, and all other matters of interest Buyer respecting or affecting the Property, and to notify the Seller in writing the Buyer approves same. If Buyer fails to approve the physical condition of the Property in writing within the specified time, this Agreement shall be null and void, Buyer's entire Deposit shall be returned, and Buyer and Seller shall have no further obligation to buy or sell hereunder. All costs of any such inspection and testing shall be paid by Buyer.

10) **CONDITION OF PROPERTY:** It is understood and agreed that the Property is being sold "as is" and "where is," that Buyer has, or prior to the Closing Date will have, inspected the Property.

11) **DEPOSITS IN ESCROW:** Buyer's Deposit (unless previously deposited in escrow) shall be placed in escrow by Broker upon removal of the last contingency specified in paragraph 4 herein. Prior to the Closing Date, Seller shall execute and deliver to escrow holder the Special Warranty Deed referred to in paragraph 6. Buyer and Seller shall execute escrow instructions directing the Escrow Holder to release immediately from escrow and deliver to Seller Buyer's entire Deposit (including increases, if any). Seller shall hold Buyer's Deposit subject to the remaining terms and conditions of this Agreement. Prior to the Close of Escrow, if the Property is made unmarketable by Seller, or acts of God, this Agreement shall be void, Buyer's entire Deposit, less any Escrow Fees and Lender Fees incurred to that point, shall be returned, the deed shall be returned to Seller, and Buyer and Seller shall have no obligation to buy or sell hereunder.

12) **SELLER DISCLOSURES AND WARRANTIES:**

a. **Material defects:** To the best of Seller's knowledge, Seller knows of no material defects of the Property, including but not limited to structural defects, engineering defects, energy conservation and/or safety retrofit(s) required by federal, state, or local law as a condition of transfer of the Property. (Note any exceptions: _____.)

b. **Compliance with laws:** To the best of Seller's knowledge, the Property and all improvements thereon are in compliance with all applicable laws, codes, regulations and other similar governmental standards and requirements and that no material structural modifications or alterations of the improvements on the Property have been made without appropriate permits.

c. **Natural Hazards Disclosure:** A Natural Hazards Disclosure report shall be obtained during escrow, at Seller's, Buyer's expense, and at Buyer's request, from a recognized vendor of such reports, and shall be furnished to Buyer containing disclosures required by law.

d. **Environmental Matters; Hazardous and Toxic Materials:** To the best of Seller's knowledge, the Property is not contaminated with and does not contain any toxic or hazardous materials, including, but not limited to asbestos, mold, PCBs, other toxic, hazardous or contaminated substances, or

Buyer's Initials _____

Seller's Initials _____

underground storage tanks. Seller agrees to disclose to Broker and to prospective Buyers any and all information which Seller has or may acquire prior to close of escrow regarding the presence and location of any hazardous material on or about the Property. **Buyer is advised and agrees to make Buyer's own investigation regarding hazardous materials during physical inspection period.**

- e. **Seller warrants** that there is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending, or to Seller's knowledge, threatened, against Seller, the Property (or any portion thereof) or the transactions contemplated by this Agreement, which, if adversely determined, could individually or in the aggregate have a material adverse effect on title to the Property or any portion thereof or on the validity or enforceability of the Lease or which could in any material way interfere with the consummation by Seller of the transactions contemplated by this Agreement.
- f. **Seller warrants** it has not received any written notice from any insurance company or board of fire underwriters of any defects or inadequacies in or on the Property or any part or component thereof that would materially and adversely affect the insurability of the Property or any part thereof or cause any material increase in the premiums for insurance for the Property or any part thereof that have not been cured or repaired.
- g. **Seller warrants** that other than the Permitted Exceptions and the Assumed Operating Agreements, on the Closing Date there will be no service contracts, management agreements, Brokerage Agreements or other agreements or instruments in force and effect, oral or written, that grant to any person whomsoever or any entity whatsoever any right, title, interest or benefit in or to all or any part of the Property, any rights to acquire all or any part of the Property or any rights relating to the use, operation, management, maintenance, leasing or repair of all or any part of the Property (collectively, "**Operating Agreements**"). To Seller's knowledge, no material default, delinquency or breach exists on the part of any contractor or other third party under the Assumed Operating Agreements. There are no material defaults or breaches on the part of Seller under any of the Assumed Operating Agreements. All amounts due and payable under the Operating Agreements have been paid in full or will be paid in full at Closing.
- h. **Seller warrants** that from the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall not remove from the Property any item of Personal Property included in the sale, unless such item, in each case, is replaced with a similar item of comparable utility and value.
- i. **Seller warrants** that from the Effective Date until the Closing, Seller shall not (a) mortgage, pledge or subject the Property or any part thereof to a lien or other encumbrance; (b) allow any mechanic's or materialmen's liens to attach to the real property; (c) cause or permit to be placed or recorded any document affecting title to any portion of the real property; (d) subject any portion of the Property to any option contract, sales contract, lease or any other agreement pursuant to which any party shall have any right to occupy or use any portion of the Property without the prior written consent of the Buyer.
- j. **Seller warrants** that it will pay or cause to be paid all debts, taxes and other obligations incurred by it in connection with the use and ownership of the Property up to the date of Closing, except for those

Buyer's Initials _____

Seller's Initials _____

items for which proration is agreed upon in accordance with this agreement hereof, including but not limited to all real estate and other taxes. Seller will indemnify, defend and hold Buyer harmless from all such debts, taxes and other obligations and shall defend any claim therefor at Seller's cost and expense.

- 13) **ESTOPPEL CERTIFICATES:** Seller shall obtain and deliver to Buyer, prior to the expiration of the Due Diligence Period, estoppel letters or estoppel certificates ("Estoppel Certificates") from each lessee or tenant of the Property stating: (a) the date of commencement and the scheduled date of termination of the lease, (b) the amount of advance rent and other deposits paid to Seller, (c) the amount of monthly (or other periodic) rent and other charges, (d) that the lease is in full force and effect and unmodified with no future rental credits due tenant or, if there have been any modifications or amendments, or future rental credits due tenant, an explanation of same, (e) square footage (if set forth in the lease), and (f) that there are no uncured defaults under the terms of the lease by lessor or lessee or an explanation of any such defaults. Seller agrees to use reasonable efforts to obtain Estoppel Certificates signed by tenants. Buyer shall have **Five (5)** calendar days after receipt to disapprove, in writing, the Estoppel Certificates and cancel this Agreement, but only if the Estoppel Certificates reflect gross income from the Property or other terms and conditions that are materially less favorable than that previously represented by Seller. Upon such disapproval, Buyer's entire Deposit shall be returned, and Buyer and Seller shall have no further obligations hereunder.

- 14) **RISK OF LOSS:** Risk of loss to the Property shall be borne by Seller until title has been conveyed to Buyer. In the event improvements on the Property are destroyed or materially damaged between acceptance of this Agreement and the Closing Date, Buyer shall have the option of demanding and receiving back the entire Deposit, in which event Buyer and Seller shall be released from all obligations hereunder, or accepting the Property in its then present condition. Upon Buyer's physical inspection and approval of the Property, Seller shall maintain the Property through close of escrow in the same condition and repair as approved, reasonable wear and tear excepted.

- 15) **POSSESSION:** Possession of the Property shall be delivered to Buyer on the Closing Date upon verification of recording of the deed and any other document or instruments required by Escrow Holder. All keys, opening devices, leases, rental agreements, ongoing vendor contracts etc., shall be delivered to Buyer at close of escrow.

- 16) **LIQUIDATED DAMAGES:** By placing their initials immediately below, Buyer and Seller agree that it would be impractical or extremely difficult to fix actual damages in the event of a default by Buyer, that the amount of Buyer's Deposit hereunder (as same may be increased by the terms hereof) is the parties reasonable estimate of Seller's damages in the event of Buyer's default, and that upon Buyer's default in its purchase obligations under this Agreement, not caused by any breach or fault of Seller, Seller shall be released from its obligation to sell the Property and shall retain Buyer's Deposit (as same may be increased by the terms hereof) as liquidated damages, which shall be Seller's sole and exclusive remedy in law or at equity for Buyer's default.

Seller's Initials _____

Buyer's Initials _____

Buyer's Initials _____

Seller's Initials _____

17) **SELLER EXCHANGE:** Seller shall have the right (provided Seller notifies Buyer in writing at least ten (10) days prior to Closing Date) to designate a parcel or parcels of other real property as the "Upleg" or "Exchange Property" which Seller would like to acquire in exchange for the Property for purposes of Internal Revenue Code 1031. Buyer shall cooperate with Seller in effecting such an exchange provided that: (a) the acquisition and exchange of any Exchange Property shall not impose upon Buyer additional liability or financial obligations; and (b) Seller shall indemnify and hold Buyer harmless from all liabilities, claims, losses, or actions which Buyer incurs or to which Buyer may be exposed as a result of Buyer's participation in the contemplated exchange. In order to permit Seller to locate Exchange Property, close of escrow shall not occur earlier than _____ (____) calendar days after opening of escrow unless Seller agrees otherwise. This Agreement is not contingent upon Seller's ability to locate Exchange Property or effectuate an exchange. In the event any exchange contemplated by Seller fails to occur for any reason, the sale of the Property shall nonetheless be consummated as provided herein.

18) **BUYER EXCHANGE:** Buyer shall have the right (provided Buyer notifies Seller in writing at least ten (10) days prior to the Closing Date) to designate the Property as the "Upleg" or "Exchange Property" which Buyer wishes to exchange for other real property disposed of by Buyer for purposes of Internal Revenue Code Section 1031. Seller shall cooperate with Buyer in effecting such an exchange provided that: (a) Seller shall not incur additional liability or financial obligations as a consequence of Buyer's exchange; (b) Buyer's exchange shall not reduce the net amount to which Seller is entitled under this Agreement; and (c) Buyer shall indemnify and hold Seller harmless from all liabilities, claims, losses, or actions which Seller incurs or to which Seller may be exposed as a result of Seller's participation in the contemplated exchange. This Agreement is not contingent upon Buyer's ability to effectuate an exchange. In the event any exchange contemplated by Buyer fails to occur for any reason, the sale of the Property shall nonetheless be consummated as provided herein.

19) **AUTHORIZATION:** Buyer and Seller authorize Broker to disseminate sales information regarding this transaction, including the purchase price of the Property, which would typically be available to the Public.

20) **AGENCY:**

a. **POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on, or ultimately acquire the Property. Seller understands that Buyer may consider, make offers on, or purchase other properties similar to the Property. Buyer and Seller acknowledge and consent to Broker(s) representation of such potential buyers and sellers before, during, and after Broker(s)' representation of Buyer and Seller herein.

b. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
Listing Agent: VIAONE Properties, Marc Bonilla, represents the Seller. Buyers Agent: Hyres International, LLC, Catalin Isfan, represents the Buyer exclusively.

Buyer's Initials _____

Seller's Initials _____

- 21) **SQUARE FOOTAGE; BOUNDARIES:** During physical inspection period, Buyer agrees to conduct its own investigation as to actual gross and net square footage of building(s) and land, and of the true boundaries of the Property.
- 22) **FIRPTA COMPLIANCE:** Seller and Buyer agree to execute and deliver any instrument, affidavit or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act (FIRPTA) and regulations promulgated thereunder, Arizona withholding law, and any other applicable federal, state, or local tax laws.
- 23) **INSPECTION OF PROPERTY:** Seller agrees that Broker, Buyer, and their representatives shall have the right to enter upon and inspect the interior and exterior of the Property at any reasonable time during escrow during normal business hours and by 24 hour advance appointment. Buyer shall warrant and represent to Seller that no inspections conducted shall compromise the integrity of the Property or the safety of any existing Tenants.
- 24) **OTHER BROKERS:** Broker reserves the right to determine on what terms and conditions it cooperates with other licensed real estate brokers not affiliated with Broker. Furthermore, Buyer and Seller agree that, in the event any broker other than Broker or a broker affiliated with Broker is involved in the disposition of the Property, Broker shall have no liability to Buyer or Seller for the acts or omissions of such other broker, who shall not be deemed subagents of Broker. **Buyer is represented by Hyres International, LLC, and the Seller is represented by VIAONE Properties.**
- 25) **BROKER DISCLAIMER:** Buyer and Seller acknowledge that, except as otherwise expressly stated herein, Broker has made no warranties or representations respecting the Property, including without limitation any of the following, under any federal, state, or local law: (a) legality of the present or any possible future use of the Property; (b) pending or possible future action by any governmental entity or agency which may affect the Property; (c) the physical condition of the Property, including without limitation soil conditions, structural integrity of improvements, or presence or absence of mold, fungi, or wood destroying organisms or pests or dry rot; (d) accuracy or completeness of income and expense information and projections, square footage figures, or boundaries or possible encroachments of the Property; (e) text or accuracy of leases, options, and other agreements affecting the Property, or reports from any source concerning or affecting the Property; (f) the possibility that leases, options, or other documents exist which affect or encumber the Property and which have not been provided or disclosed by Seller; or (g) the possible presence or location of toxic or hazardous substances on or below the surface of the Property, including, but not limited to, asbestos, radon, petroleum, petrochemicals, PCBs, lead-based paint or lead-based paint hazards, other toxic, hazardous, or contaminated substances, and underground storage tanks. Regarding (g) above, Broker further recommends that Buyer seek independent professional counsel to determine presence and/or location of any such toxic or hazardous materials or tanks. Buyer agrees that investigation and analysis of the foregoing matters are Buyer's sole responsibility and that Buyer shall not hold Broker responsible therefore. Buyer and Seller acknowledge and agree that (a) Brokers do not decide what price Buyer should pay or Seller should accept; (b) Brokers do not guarantee performance by others who may provide services or products to Buyer or Seller; and (c) Buyer and Seller and Buyer will seek appropriate legal, tax, insurance, title, and other desired assistance from appropriate professionals.

Buyer's Initials _____

Seller's Initials _____

26) **SCOPE OF BROKER'S RESPONSIBILITY:** Broker shall have no responsibility or liability for performing or arranging any due diligence or other investigation of the Property on behalf of Buyer or Seller, or for providing either party with any information or documentation provided by the other party or any third party, or for determining or correcting any inaccuracy or incompleteness in any such information or documentation, or for professional advice with respect to any legal, tax, engineering, zoning, governmental land use, construction, hazardous materials, or other issues. Except for maintaining the confidentiality of any information regarding Buyer or Seller's financial condition and any future negotiations regarding the terms of this Purchase Agreement, Buyer and Seller agree and acknowledge by this Agreement that their relationship with Broker is at arm's length and is neither confidential nor fiduciary in nature.

27) **LIMITATION OF LIABILITY:** Except for Broker's gross negligence, actual fraud, or willful misconduct, Broker's liability for any breach or negligence in its performance of its duties in connection with this Agreement, including without limitation claims for breach of fiduciary duty and constructive fraud, shall be limited to the compensation actually received by Broker in any transaction hereunder.

28) **RESOLUTION OF DISPUTES:**

a. **MEDIATION:** (Applies whether or not Arbitration is initialed.) ANY CLAIM OR DISPUTE OF ANY KIND BETWEEN BUYER AND SELLER WHICH THE PARTIES ARE UNABLE TO RESOLVE BETWEEN THEMSELVES SHALL BE SUBMITTED TO MEDIATION PRIOR TO COMMENCING AN ARBITRATION (IF APPLICABLE) OR LAWSUIT. IF BUYER OR SELLER COMMENCES AN ARBITRATION (IF APPLICABLE) OR LAWSUIT WITHOUT FIRST SEEKING TO RESOLVE THE CLAIM OR DISPUTE THROUGH MEDIATION, OR FAILS TO PARTICIPATE IN MEDIATION REQUESTED BY THE OTHER BUYER OR SELLER PARTY, THEN IF SUCH PARTY IS SUCCESSFUL IN THE ARBITRATION (IF APPLICABLE) OR LAWSUIT, SUCH PARTY SHALL NOT BE ENTITLED TO RECOVER ITS ATTORNEY'S FEES EVEN IF OTHERWISE AVAILABLE TO SUCH PARTY.

b. **ARBITRATION:**

(1) ANY DISPUTE OR CLAIM BETWEEN BUYER AND SELLER ARISING FROM THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREIN SHALL BE SETTLED BY BINDING ARBITRATION UNDER THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. FILING A COURT ACTION TO OBTAIN PROVISIONAL REMEDIES SHALL NOT CONSTITUTE A WAIVER OF THIS PROVISION.

(2) **BROKERS:** BUYER AND SELLER AGREE TO MEDIATE AND ARBITRATE ANY DISPUTE OR CLAIM INVOLVING EITHER OR BOTH BROKER(S), PROVIDED EITHER OR BOTH BROKERS AGREE(S) TO SUCH MEDIATION OR ARBITRATION PRIOR TO OR WITHIN A REASONABLE TIME AFTER THE DISPUTE OR CLAIM IS PRESENTED BY OR TO SUCH

Buyer's Initials _____

Seller's Initials _____

BROKER(S). PARTICIPATION IN MEDIATION OR ARBITRATION SHALL NOT RESULT IN BROKER(S) BEING DEEMED A PARTY TO THIS AGREEMENT OR THE TRANSACTION FOR ANY OTHER PURPOSE.

(3) NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY A NEUTRAL ARBITRATION AS PROVIDED BY ARIZONA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL, AND ARE GIVING UP MOST OF YOUR RIGHTS OF APPEAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. NOTWITHSTANDING THIS WAIVER OF RIGHTS TO DISCOVERY, IN ANY CASE IN WHICH BROKER SUES FOR AN UNPAID COMMISSION, BROKER SHALL BE ENTITLED TO THE PRODUCTION OF ALL NONPRIVILEGED DOCUMENTS DEMANDED OR SUBPOENAED BY BROKER FROM BUYER AND SELLER, OR ANY THIRD PARTY TO THE ARBITRATION.

IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE ARIZONA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Buyer's Initials: _____

Seller's Initials: _____

c. **WAIVER OF JURY TRIAL.** (Applies whether or not Arbitration is initialed.) ANY COURT ACTION ARISING FROM THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREIN, OR RELATING TO THE PAYMENT OF COMPENSATION TO THE BROKERS, SHALL BE HELD AND DETERMINED BEFORE THE APPROPRIATE COURT WITHOUT A JURY, IN THE INTEREST OF SAVING TIME AND EXPENSE.

29) **SUCCESSORS & ASSIGNS:** This Agreement hereto shall be binding upon and inure to the benefit of the parties, their heirs, successors, agents, representatives, and assigns.

30) **ATTORNEY'S FEES:** In any litigation, arbitration or other legal proceeding which may arise between any of the parties hereto, including Broker, the prevailing party shall be entitled to recover all of its costs, including the costs of arbitration, and reasonable attorney's fees in addition to any other relief to which such party may be entitled.

Buyer's Initials _____

Seller's Initials _____

31) **CLOSING COSTS and PRORATIONS.** Seller shall pay: (a) the fees of any counsel representing it in connection with this transaction; (b) the fee for the Title Commitment, search, exam fee and the premium for an ALTA standard owner's title insurance policy; (c) all State, County and City transfer taxes which become payable by reason of the transfer of the Property from Seller to Buyer; (d) the recordation fee for the release of security instruments, encumbrances and Monetary Liens; (e) one-half of the Escrow Costs; and (f) ½ of the Settlement Costs. Buyer shall: (i) pay the fees of any counsel representing Buyer in connection with this transaction; (ii) pay for the cost of the Survey, Zoning Compliance Report and other 3rd party reports relating to the conducting its due diligence review; (iii) pay the cost for any extended coverage to the standard coverage Title Insurance Policy and/or the cost of any additional endorsements; (iv) pay the recordation fee for the deed; (v) pay ½ of the Escrow fees; and (vi) one-half of the Settlement Costs. All other costs and expenses incident to this transaction and the closing thereof shall be paid by the party incurring such costs and expenses. The provisions of this Agreement shall survive the Closing or any early termination of this Agreement.

All revenue and expenses are to be prorated as of the day of closing. Any late receipts or expenses will be prorated within thirty (30) days after the closing or after tenant reconciliations, if applicable.

32) **TIME:** Time is of the essence of all provisions of this Agreement for which a time period is expressed.

33) **NOTICES:** All notices required or permitted hereunder shall be given to the parties in writing (with a copy to Broker) at their respective addresses set forth below, Certified US Registered Mail with return receipt requested and shall be effective upon receipt. If the date on which any act required or permitted to be performed under this Agreement falls on a Saturday, Sunday or Legal Holiday, the time for performance shall be extended to the next business day.

34) **OTHER TERMS AND CONDITIONS:** Seller instructs title company to pay 2% commission of the gross purchase price to the Buyer's Broker and 2% commission of the gross purchase price to the Seller's Broker at close of escrow out of Seller's proceeds.

35) **ENTIRE AGREEMENT; MODIFICATION:** This Agreement, including any addenda, attachment, or supplement that is signed or initialed by the parties, if any, expresses the entire agreement of the parties and supersedes all prior agreements, understandings, and communications between the parties regarding the Property. There are no other understandings, oral or written, which in any way alter or enlarge its terms, and there are no warranties or representations of any nature, either express or implied, except as set forth herein. In the event any escrow instruction contains a term or provision inconsistent with this Agreement, this Agreement shall govern and prevail. Any future modification of this Agreement will be effective only if it is in writing and signed by the parties hereto.

36) **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. Any claim or dispute arising from this Agreement shall be determined exclusively before the appropriate tribunal situated in County where the Property is located.

Buyer's Initials _____

Seller's Initials _____

BUYER: _____

ADDRESS:

BUYER: _____

Email:
PHONE:

Date: _____

SELLER: _____

ADDRESS:

SELLER: _____

Email:
PHONE:

Date: _____

Buyer's Initials _____

Seller's Initials _____

Tenant Notice Letter

Re: Sale and Assignment of the interest of Luge & Sons Development Inc (“Seller”) in and to that certain lease referenced herein as:

Dear Tenant:

We are pleased to announce that Mr. & Mrs. (“Buyer”) has today acquired the interest of Seller in and to the Lease and is now the landlord under your lease at the property (the “Lease”).

Your security deposit in the amount of \$ _____ held in accordance with your Lease has been transferred to Purchaser.

From this day forward, all checks payable to the landlord under your Lease should be made payable to and mailed as follows:

All inquiries with regard to the Lease and the giving of all notices provided for in the Lease shall be addressed to Purchaser at the address above.

Should you have any questions concerning the sale and assignment of the Lease, please call _____ at.

Very truly yours,

Seller:

By: _____

Name:

Title:

Buyer:

By: _____

Buyer's Initials _____

Seller's Initials _____

NO REPRESENTATION IS MADE BY BROKER AS TO THE LEGAL OR TAX EFFECT OR VALIDITY OF ANY PROVISIONS OF THIS AGREEMENT. A REAL ESTATE BROKER IS QUALIFIED TO GIVE ADVICE ON REAL ESTATE MATTERS. IF YOU DESIRE LEGAL, TAX, OR OTHER ADVICE, CONSULT YOUR ATTORNEY, TAX ADVISOR, OR OTHER APPROPRIATE PROFESSIONAL.

Buyer's Initials _____

Seller's Initials _____