

**REAL ESTATE PURCHASE CONTRACT
FOR LAND**

This is a legally binding contract. If you desire legal or tax advice, consult your attorney or tax advisor.

EARNEST MONEY RECEIPT

Buyer, PAYSON CITY CORPORATION offers to purchase the Property described below and shall deliver to Payson Business Center, LLC, A Utah Limited liability company, as Earnest Money, the amount of \$0.00.

Received by: _____ on _____ (Date)
(Signature of agent/broker acknowledges receipt of Earnest Money)

Brokerage: NONE Phone Number _____

OFFER TO PURCHASE

1. PROPERTY: .36 acres consisting of a portion of parcel number: 30:060:0037 for corridor preservation of 800 South located at approximately 800 South 1700 West, Payson, Utah 84651.

1.1 Included Items (specify). N/A.

1.2 Water Rights/Water Shares. All water rights attached to the property shall be included in the Purchase Price.

[] _____ Shares of Stock in the _____ (Name of Water Company)

2. PURCHASE PRICE. The Purchase Price for the Property is \$230,000.00.
The Purchase Price will be paid as follows:

\$0.00 (a) **Earnest Money Deposit.** Under certain conditions described in this Contract, **THIS DEPOSIT MAY BECOME TOTALLY NON-REFUNDABLE.**

\$0.00 (b) **New Loan.** Buyer agrees to apply for one or more of the following loans:

[] **CONVENTIONAL** [] **OTHER** (specify) _____

If the loan is to include any particular terms, then check below and give details:

[] **SPECIFIC LOAN TERMS:** _____

\$0.00 (c) **Seller Financing** Buyer & Seller will determine the terms of Seller Financing

\$230,000.00 (d) **Other (specify)** Purchase contingent upon Buyer securing the funds from Mountainland Association of Governments

\$0.00 (e) **Balance of Purchase Price in Cash at Settlement**

\$230,000.00 PURCHASE PRICE. Total of lines (a) through (e)

3. SETTLEMENT AND CLOSING. Settlement shall take place on the Settlement Deadline referenced in Section 24(c), or on a date upon which Buyer and Seller agree in writing. "Settlement" shall occur only when all of the following have been completed: (a) Buyer and Seller have signed and delivered to each other or to the escrow/closing office all documents required by this Contract, by written escrow instructions or by applicable law; (b) any monies required to be paid by Buyer under these documents s have been delivered by Buyer to Seller or to the escrow/closing office in the form of collected or cleared funds; and (c) any monies required to be paid by Seller under these documents have been delivered by Seller to Buyer or to the escrow/closing office in the form of collected or cleared funds. Seller and Buyer shall each pay one-half (1/2) of the fee charged by the escrow/closing office for its services in the settlement/closing process. Taxes and assessments for the current year, rents, and interest on assumed obligations shall be prorated at Settlement as set forth in this Section. Proration set forth in this Section shall be made as of the Settlement Deadline date referenced in Section 24(c), unless otherwise agreed to in writing by the parties. Such writing could include the settlement statement. The transaction will be considered closed when Settlement has been completed, and when all of the following have been completed: (i) the proceeds of any new loan have been delivered by the Lender to Seller or to the escrow/closing office; and (ii) the applicable Closing documents have been recorded in the office of the county recorder. The actions described in parts (i) and (ii) of the preceding sentence shall be

completed within four calendar days of Settlement.

4. **POSSESSION.** Seller shall deliver physical possession to Buyer within: ☒ Upon Closing ☐ Other (specify) _____.

5. **CONFIRMATION OF AGENCY DISCLOSURE.** At the signing of this Contract:

☐ Seller's Initials ☐ Buyer's Initials

The Listing Agent, _____ None _____, represents ☐ Seller ☐ Buyer ☐ both Buyer & Seller as a Limited Agent;

The Listing Broker, _____ None _____, represents ☐ Seller ☐ Buyer ☐ both Buyer & Seller as a Limited Agent; (Company Name)

The Selling Agent, _____, represents ☐ Seller ☐ Buyer ☐ both Buyer & Seller as a Limited Agent;

The Selling Broker, _____, represents ☐ Seller ☐ Buyer ☐ both Buyer & Seller as a Limited Agent. (Company Name)

6. **TITLE INSURANCE.** At Settlement, Seller agrees to pay for a standard-coverage owner's policy of title insurance insuring Buyer in the amount of the Purchase Price. Any additional title insurance coverage shall be at Buyer's expense.

7. **SELLER DISCLOSURES.** No later than the Seller Disclosure Deadline referenced in Section 24(a), Seller shall provide to Buyer the following documents which are collectively referred to as the "Seller Disclosures":

- (a) a Seller property condition disclosure for the Property signed and dated by Seller;
- (b) a commitment for the policy of title insurance;
- (c) a copy of any leases affecting the Property not expiring prior to Closing;
- (d) written notice of any claims and/or conditions known to Seller relating to environmental problems;
- (e) evidence of any water rights and/or shares referenced in Section 1.2 above; and
- (f) Other (specify) _____

Seller shall warrant the truthfulness and completeness of Seller's Disclosures at Closing and such Seller's Disclosures shall survive closing and not merge with the Deed.

8. **BUYER'S RIGHT TO CANCEL BASED ON BUYER'S DUE DILIGENCE.** Buyer's obligation to purchase under this Contract (check applicable boxes):

- (a) ☒ IS ☐ IS NOT conditioned upon Buyer's approval of the content of all the Seller Disclosures referenced in Section 7;
- (b) ☒ IS ☐ IS NOT conditioned upon Buyer's approval of a physical condition inspection of the Property;
- (c) ☐ IS ☒ IS NOT conditioned upon Buyer's approval of a survey of the Property by a licensed surveyor ("Survey");
- (d) ☐ IS ☒ IS NOT conditioned upon Buyer's approval of applicable federal, state and local governmental laws, ordinances and regulations affecting the Property; and any applicable deed restrictions and/or CC&R's (covenants, conditions and restrictions) affecting the Property;
- (e) ☐ IS ☒ IS NOT conditioned upon the Property appraising for not less than the Purchase Price;
- (f) ☐ IS ☒ IS NOT conditioned upon Buyer's approval of the terms and conditions of any mortgage financing referenced in Section 2 above;
- (g) ☐ IS ☒ IS NOT conditioned upon Buyer's approval of the following tests and evaluations of the Property: (specify) _____

If any of items 8(a) through 8(g) are checked in the affirmative, then Sections 8.1, 8.2, 8.3, and 8.4 apply; otherwise, they do not apply. The items checked in the affirmative above are collectively referred to as Buyer's "Due Diligence."

Unless otherwise provided in this Contract, Due Diligence shall be paid for by Buyer and shall be conducted by individuals or entities of Buyer's choice. Seller agrees to cooperate with Buyer's Due Diligence and with a finale pre-closing inspection under Section 11.

8.1 Due Diligence Deadline. No later than the Due Diligence Deadline referenced in Section 24(b) Buyer shall: (a) complete all of Buyer's Due Diligence; and (b) determine if the results of Buyer's Due Diligence are acceptable to Buyer.

8.2 Right to Cancel or Object. If Buyer determines that the results of Buyer's Due Diligence are unacceptable, Buyer may, no later than the Due Diligence Deadline, either (a) cancel this Contract by providing written notice to Seller, whereupon the Earnest Money Deposit shall be released to Buyer; or (b) provide Seller with written notice of objections.

8.3 Failure to Respond. If by the expiration of the Due Diligence Deadline, Buyer does not: (a) cancel this Contract as provided in Section 8.2; or (b) deliver a written objection to Seller regarding the Buyer's Due Diligence, the Buyer's Due Diligence shall be deemed approved by Buyer, and the contingencies referenced in Sections 8(a) through 8(g), including but not limited to, any financing contingency, shall be deemed waived by Buyer.

8.4 Response by Seller. If Buyer provides written objections to Seller, Buyer and Seller shall have seven calendar days after Seller's receipt of Buyers objections (the "Response Period") in which to agree in writing upon the manner of resolving Buyer's objections. Except as provided in Section 10.2, Seller may, but shall not be required to, resolve Buyer's objections. If Buyer and Seller have not agreed in writing upon the manner of resolving Buyer's objections, Buyer may cancel this Contract by providing written notice to Seller no later than three calendar days after expiration of the Response Period; whereupon the Earnest Money Deposit shall be released to Buyer. If this Contract is not canceled by Buyer under this Section 8.4, Buyer's objections shall be deemed waived by Buyer. This waiver shall not affect those items warranted in Section 10.

9. ADDITIONAL TERMS. There ☒ ARE ☐ ARE NOT addenda to this Contract containing additional terms. If there are, the terms of the following addenda are incorporated into this Contract by this reference:
☒ Addendum No. 1 ☐ Seller Financing Addendum ☐ Other (specify) _____

10. SELLER WARRANTIES & REPRESENTATIONS.

10.1 Condition of Title. Seller represents that Seller has fee title to the Property and will convey good and marketable title to Buyer at Closing by general warranty deed. Buyer agrees, however, to accept title to the Property subject to the following matters of record: easements, deed restrictions, CC&R's (meaning covenants, conditions and restrictions), and rights-of-way; and subject to the contents of the Commitment for Title Insurance as agreed to by Buyer under Section 8. Buyer agrees to be responsible for taxes, assessments, Homeowners association dues, utilities, and other services provided to the Property after Closing. Seller will cause to be paid off by Closing all mortgages, trust deeds, judgments, mechanic's liens, tax liens and warrants. Seller will cause to be paid current by Closing all assessments and homeowners association dues. (NOTE: It is the intent of the City to do a boundary line adjustment. The City was not intending to subdivide the property.)

IF ANY PORTION OF THE PROPERTY IS PRESENTLY ASSESSED AS "GREENBELT" (CHECK APPLICABLE BOX):

☐ SELLER ☒ BUYER SHALL BE RESPONSIBLE FOR PAYMENT OF ANY ROLL-BACK TAXES ASSESSED AGAINST THE PROPERTY.

10.2 Condition of Property. Seller warrants that the Property will be in the following condition **ON THE DATE SELLER DELIVERS PHYSICAL POSSESSION TO BUYER:**

- (a) the Property shall be free of debris and personal property;
- (b) the Property will be in the condition specified in 1.1 above.

11. FINAL PRE-CLOSING INSPECTION. Before Settlement, Buyer may, upon reasonable notice and at a

reasonable time, conduct a final pre-closing inspection of the Property to determine only that the Property is "as represented," meaning that the Property has been repaired/corrected as agreed to in Section 8.4, and is in the condition warranted in Section 10.2. If the Property is not as represented, Seller, will, prior to Settlement, repair/correct the Property, and place the Property in the warranted condition of with the consent of Buyer (and Lender if applicable), escrow an amount at Settlement sufficient to provide for the same. The failure to conduct a final pre-closing inspection or to claim that the Property is not as represented, shall not constitute a waiver by Buyer of the right to receive, on the date of possession, the Property as represented.

12. CHANGES DURING TRANSACTION. Seller agrees that from the date of Acceptance until the date of Closing, none of the following shall occur without the prior written consent of Buyer: (a) no changes in any existing leases shall be made; (b) no new leases shall be entered into; (c) no substantial alterations or improvements to the Property shall be made or undertaken, except as required by 1.1 above; and (d) no further financial encumbrances to the Property shall be made.

13. AUTHORITY OF SIGNERS. If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company, or other entity, the person executing this Contract on its behalf warrants his or her authority to do so and to bind Buyer and Seller.

14. COMPLETE CONTRACT/ASSIGNMENT. This Contract together with its addenda, any attached exhibits, and Seller Disclosures, constitutes the entire Contract between the parties and supersedes and replaces any and all prior negotiations, representations, warranties, understandings or contracts between the parties. This Contract cannot be changed except by written agreement of the parties. Buyer may assign this Contract, without Seller's consent, to an entity formed by, or related to, Buyer.

15. DISPUTE RESOLUTION. The parties agree that any dispute, arising prior to or after Closing, related to this Contract (check applicable box)

☐ **SHALL**

☒ **MAY AT THE OPTION OF THE PARTIES**

first be submitted to mediation. If the parties agree to mediation, the dispute shall be submitted to mediation through a mediation provider mutually agreed upon the parties. Each party agrees to bear its own costs of mediation. If mediation fails, the other procedures and remedies available under this Contract shall apply. Nothing in this Section 15 shall prohibit any party from seeking emergency equitable relief pending mediation.

16. DEFAULT. If Buyer defaults, Seller may elect as its sole and exclusive remedy to retain the Earnest Money Deposit as liquidated damages. If Seller defaults, in addition to return of the Earnest Money Deposit, Buyer may elect either to accept from Seller a sum equal to the Earnest Money Deposit as liquidated damages, or may sue Seller to specifically enforce this Contract or pursue other remedies available at law. If Buyer elects to accept liquidated damages, Seller agrees to pay the liquidated damages to Buyer upon demand

17. ATTORNEY FEES AND COSTS. In the event of litigation or binding arbitration to enforce this Contract, the prevailing party shall be entitled to costs and reasonable attorney fees. However, attorney fees shall not be awarded for participation in mediation under Section 15.

18. NOTICES. Except as provided in Section 23, all notices required under this Contract must be: (a) in writing; (b) signed by the party giving notice; and (c) received by the other party or the other party's agent no later than the applicable date referenced in this Contract.

19. ABROGATION. Except for the provisions of Sections 10.1, 10.2, 15 and 17 and express warranties made in this Contract, the provisions of this Contract shall not apply after Closing.

20. RISK OF LOSS. All risk of loss to the Property, including physical damage or destruction to the Property or its improvements due to any cause except ordinary wear and tear and loss caused by a taking in eminent domain, shall be borne by Seller until the transaction is closed.

21. TIME IS OF THE ESSENCE. Time is of the essence regarding the dates set forth in this Contract. Extensions

must be agreed to in writing by all parties. Unless otherwise explicitly stated in this Contract: (a) performance under each Section of this Contract which references a date shall absolutely be required by 5:00 PM Mountain Time on the stated date; provided, however, if any date falls on Saturday or Sunday or on a legal holiday recognized in the state of Utah, the deadline shall expire on the next succeeding business day; and (b) the term "days" shall mean calendar days and shall be counted beginning on the day following the event which triggers the timing requirement (i.e., Acceptance, etc.) Performance dates and times referenced herein shall not be binding upon title companies, lenders, appraisers and others not parties to this Contract, except as otherwise agreed to in writing by such non-party.

22. FAX TRANSMISSION AND COUNTERPARTS. Facsimile (fax) transmission of a signed copy of this Contract, any addenda and counteroffers, and the retransmission of any signed fax shall be the same as delivery of an original. This Contract and any addenda and counteroffers may be executed in counterparts.

23. ACCEPTANCE. "Acceptance" occurs when Seller or Buyer, responding to an offer or counteroffer of the other: (a) signs the offer or counteroffer where noted to indicate acceptance; and (b) communicates to the other party or to the other party's agent that the offer or counteroffer has been signed as required.

24. CONTRACT DEADLINES. Buyer and Seller agree that the following deadlines shall apply to this Contract:

(a) **Seller Disclosure Deadline:** Seven (7) days after acceptance.

(b) **Due Diligence Deadline:** Sixty (60) days after acceptance.

(c) **Settlement Deadline:** January 30, 2023.

25. OFFER AND TIME FOR ACCEPTANCE. Buyer offers to purchase the Property on the above terms and conditions. If Seller does not accept this offer by: ☐ AM ☒ 5 PM Mountain Time, Thursday September 15, 2022, this offer shall lapse; and the Earnest Money Deposit shall be returned to Buyer.

(Buyer's Signature) (Offer Date) (Buyer's Signature) (Offer Date)

The later of the above Offer Dates shall be referred to as the "Offer Reference Date"

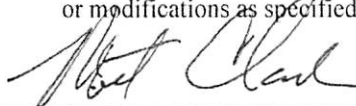
Payson City Corporation 439 West Utah Avenue 801-465-5234
(Buyer's Names) (PLEASE PRINT) (Notice Address) (Phone)

ACCEPTANCE/COUNTEROFFER/REJECTION

CHECK ONE:

☒ **ACCEPTANCE OF OFFER TO PURCHASE:** Seller Accepts the foregoing offer on the terms and conditions specified above.

☐ **COUNTEROFFER:** Seller presents for Buyer's Acceptance the terms of Buyer's offer subject to the exceptions or modifications as specified in the attached ADDENDUM NO. ____.

 9-30-22 1430
(Seller's Signature) (Date) (Time) (Seller's Signatures) (Date) (Time)

(Seller's Names) (PLEASE PRINT) (Notice Address) (Zip Code) (Phone)

**ADDENDUM 1 TO THE REAL ESTATE PURCHASE CONTRACT BETWEEN
PAYSON CITY AND PAYSON BUSINESS CENTER, LLC**

WHEREAS, Payson Business Center is the owner of certain real property located in Utah County, more specifically described in the Real Estate Purchase Contract for which this Addendum pertains; and

WHEREAS, Payson City is purchasing the Property described in the Real Estate Purchase Contract for corridor preservation of 800 South; and

WHEREAS, Payson Business Center, LLC and Payson City desire to guarantee upon the sale of the Property to Payson City that Payson Business Center, LLC shall be granted two ingress/egress access points from 800 South to the remaining Payson Business Center, LLC Property. Those ingress/egress access points shall meet all City and State standards; and

WHEREAS, the term of this Addendum 1 shall survive the transfer of the property for the 800 South corridor preservation until the date in which Payson Business Center, LLC has been approved to construct the ingress/egress access points and has constructed the ingress/egress access points; and

NOW THEREFORE the parties hereto contract, covenant, and agree as follows:

1. The first ingress/egress access point shall be a minimum of thirty (30) feet. This access shall comply and be built according to City and State standards and shall be built on 800 South.
2. The second ingress/egress access point shall be a minimum of thirty-six (36) feet. This access shall comply and be built according to City and State standards and shall be built on 800 South.
3. This Addendum 1 shall remain until Payson Business Center, LLC has submitted plans for the two access points and constructs both access points.
4. Payson City shall be responsible for the payment of any roll-back taxes associated with the Property.

PAYSON CITY CORPORATION

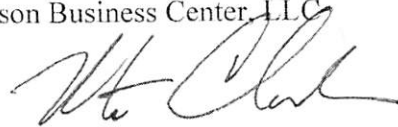
By: _____
William R. Wright, Mayor

ATTEST:

By _____
Kim Holindrake, Recorder

Payson Business Center, LLC

By:



Robert Clark, Owner

9-30-22

STATE OF UTAH)

:ss

COUNTY OF UTAH)

Robert Clark, being first duly sworn, says that he is the Owner of Payson Business Center, LLC, and that he is authorized to make and has in fact signed the foregoing Addendum 1 on behalf of Payson Business Center, LLC, and that he has read and knows the contents thereof, and that the same are true to his own knowledge.

SUBSCRIBED AND SWORN to before me this _____ day of January, 2023.

NOTARY PUBLIC