

RESOLUTION NO. 1303-23

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, APPROVING A PURCHASE AGREEMENT WITH LOCK BLOCKS, LLC.; AND AUTHORIZING THE MAYOR TO EXECUTE SAID PURCHASE AGREEMENT.

WHEREAS, pursuant to A.R.S. § 9-241, the City is authorized to purchase real property;
and

WHEREAS, the City has negotiated a purchase agreement with Lock Blocks, LLC to purchase certain real property and improvements located at 1950 Industrial Dr., Page, Arizona, in accordance with the terms and conditions set forth in the Agreement for the Purchase of Real Estate attached hereto as Exhibit 1 and incorporated herein by reference.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PAGE, AS FOLLOWS:

Section 1. Approval of Purchase Agreement

That the Mayor and City Council of the City of Page hereby approve the Purchase Agreement which is attached hereto and authorize the Mayor to execute said agreement.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PAGE, ARIZONA this 10th day of May, 2023, by the following vote:

Ayes	<u>6</u>
Nays	<u>0</u>
Abstentions	<u>0</u>
Absent	<u>1</u>

CITY OF PAGE

BY William R. Dink
Mayor

ATTEST:

Kim Larson
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney



EXHIBIT 1

AGREEMENT FOR THE PURCHASE OF REAL ESTATE

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

1. Definitions.

The following terms are hereby defined for purposes of this Agreement and shall be given the stated meanings unless the context requires otherwise:

Seller: LOCK BLOCKS LLC
1950 Industrial Dr.
Box 2995
Page, Arizona 86040

Buyer: CITY OF PAGE
P. O. Box 1180
Page, Arizona 86040
Telephone: (928) 645-8861

Escrow
Agent: PIONEER TITLE AGENCY, INC.
809 North Navajo
P. O. Box 508
Page, Arizona 86040
Telephone: (928) 645-0064

Date of this
Agreement: The _____ day of _____, 2023.

Property: The land, buildings and other improvements, except those specifically exempted herein, located at 1950 Industrial Dr., Page, AZ. More particularly described as Subdivision: PAGE (BLOCK 199 LOT 1A) INST 3197406 Block: 199 Lot: 1A FKA CASE 9 MAP 12 Sixteenth: NW Quarter: SE Section: 05 Township: 40N Range: 09E Sixteenth: NE Quarter: SW Section: 05 Township: 40N Range: 09E

Purchase
Price: The Purchase Price for the Property shall be Three Million and No/100 Dollars (\$3,000,000.00), plus Buyer shall also pay all costs including appraisal fees, escrow fees, title fees, recording fees.

Performance

Date: The Closing Date shall not extend beyond September 15, 2023, unless agreed to in writing by the parties. The parties will make all reasonable efforts to close by June 30, 2023. See, paragraph 10 for further provisions concerning the Performance Date and definition of "closing" and "close of escrow".

2. Purchase and Sale of Property. Subject to and upon the terms, provisions and conditions set forth herein, Seller agrees to sell and Buyer agrees to purchase the entire right, title and interest of Seller in and to the Property for the Purchase Price.

3. Purchase Price.

3.1 The Purchase Price shall be payable by Buyer in lawful currency of the United States.

3.2 Upon Buyer's execution hereof, Buyer shall deposit Fifteen Thousand and No/100 Dollars (\$15,000.00) with Escrow Agent as earnest money hereunder. All earnest money deposited shall be credited at the Performance Date toward the Purchase Price.

3.4 On or before the Performance Date, Buyer shall tender to Seller one hundred percent (100%) of the purchase price.

3.5 The funds deposited pursuant to Paragraph 3.2, above, shall be invested by Escrow Agent with a federally insured commercial bank or savings institution in such savings accounts, certificates of deposit or similar investments as Buyer shall direct from time to time, provided that any and all such funds be available and disbursed when required by the terms of this Agreement. All earnings on such invested funds shall be paid to the party entitled hereunder to receive the principal of such funds, and, upon payment to Seller, shall be credited towards the Purchase Price.

4. Information/Delivery Items.

4.1 Title Report: Seller shall provide Buyer with a preliminary title report or commitment for title insurance.

4.2 Entry on Property: Buyer and its authorized representatives and agents have been provided access to the Property for the purpose of making such examinations, test investigations, surveys, inquiries or other inspections including, but not limited to, hydrological, topographical, traffic and engineering studies and reports, tests, borings and analysis of the soils and water (including subsurface conditions), investigation of the availability and quality of access, utilities, water and sewer to the Property, and to otherwise inspect the general condition of the Property as may be necessary to satisfy Buyer that the Property is suitable for Buyer's intended development. The cost of all such examinations or investigations are the responsibility

of Buyer. Buyer shall indemnify and hold Seller harmless from and against any and all loss, cost, damage, injury, or expense arising out of or related to claims of injury to persons or property, or claims of lien for work or labor performed, or materials or supplies furnished as a result of the exercise of Buyer's right of entry hereunder.

4.3 Licenses and Permits: Seller shall within ten (10) days of the date hereof make available at Buyer's request true and correct copies of all licenses, permits, certificates of occupancy and other documents issued by any governmental or nongovernmental entity to the Seller necessary for the use of the Property for its present uses.

5. Contingencies.

5.1 Buyer's obligation to consummate the purchase of the Property and to close escrow is conditioned upon the acceptance or waiver (subject to the provisions set forth below) of the title report. Buyer must provide written notice to Seller within thirty (30) days of the release of the title report of any discrepancy or disapproval. Buyer shall permit Seller an additional forty-five (45) day period to cure Buyer's objections, whereupon Seller shall undertake in good faith and utilize its best efforts to take all action necessary to cure same. If Buyer's objections are not cured to Buyer's satisfaction prior to expiration of the period permitted by this paragraph, Buyer may either (a) cancel and terminate this Agreement or (b) waive any remaining objections and approve the condition of title to the Property as then existing. If Escrow Agent issues any amended preliminary reports or commitments for title insurance, Buyer shall have a period of twenty (20) days after receipt of the same to object to any matter not appearing in prior reports or commitments and shall have the same options as provided above with respect to objections to the original report. Seller shall use its best efforts to cure any objections Buyer has with respect to the condition of title.

5.2 It is acknowledged that the contingencies set forth in Paragraph 5.1 are for the exclusive benefit of Buyer, and Buyer may elect to waive any such contingency reserved for its benefit and proceed to consummate the transaction contemplated hereby, unless this Agreement has been terminated according to the terms hereof. Any such waiver shall be executed in writing and deposited with Escrow Agent or Seller.

5.3 If all of the contingencies set forth in paragraph 5.1 have not been satisfied or waived in writing within the period provided in paragraph 5.1, this Agreement may be terminated by Buyer, and the earnest money shall be returned to Buyer and the parties shall have no further obligation hereunder.

6. Obligations, Representations and Warranties.

6.1 Seller hereby agrees to diligently undertake the performance of all obligations of Seller contained in this paragraph and makes the representations and warranties set forth herein:

(a) Seller will comply with all provisions of Paragraph 4, above;

(b) Prior to the Performance Date, assuming all necessary governmental approvals have been obtained, Seller shall deposit with Escrow Agent a Warranty Deed and related Affidavit of Real Property Value (if needed), duly executed by Seller in proper form for recording;

(c) All risk of loss is Seller's, except as outlined in paragraph 4.2, until the Property is conveyed to Buyer in accordance herewith. In the event of material loss or damage to the Property, Buyer may cancel and terminate this Agreement and receive a refund of all earnest Money deposited;

(d) No default or breach exists under any covenant, condition, restriction, right-of-way or easement affecting the Property, or any portion thereof, which is to be performed or complied with by the owner of the Property, and Seller has no knowledge of any fact or condition which would constitute such default or breach;

(e) No actions, suits, proceedings or investigations are pending or, to the knowledge of Seller, threatened against or relating to the Property in any court or before any governmental department or agency, and Seller has no knowledge of any basis for any such action, suit, proceeding or investigation;

(f) No person, firm, or other entity has any right or option to acquire the Property or any portion thereof or any interest therein, superior to the rights of Buyer herein, and Seller will take no action prior to the close of escrow hereunder which will adversely affect the rights of Buyer hereunder or adversely affect the ability of Seller to perform hereunder;

(g) The Property will be conveyed and exclusive possession thereof delivered by Seller to Buyer at the close of escrow in the same condition it is in as of the date of Buyer's execution of this Agreement, natural wear and tear and Buyer's testing excepted;

(h) There are not and shall not be at closing any leases or rental agreements affecting the Property, not previously disclosed in writing, or any rights of possession thereof;

(i) No work has been performed or is in progress at, and no materials have been furnished to, the Property or any portion thereof which, though not currently the subject of a lien, might give rise to mechanics', materialmens' or other liens against Seller's interest in the Property or any portion thereof or any improvements hereafter erected thereon;

(j) No hazardous wastes or substances have been knowingly dumped, deposited or buried on the Property by the Seller or any of its agents or employees;

(k) The representations of Seller contained herein are and will be true and correct as of the Closing Date, and Seller will have duly performed all of the covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by Seller in order to consummate the transaction contemplated hereby on or before the Performance Date. Seller covenants that it will advise Buyer, in writing, on or before the Closing Date, of any change in any representation or warranty set forth in this paragraph. In the event of any material or substantive change in the representations or warranties prior to the close of escrow, Buyer, in addition to all other rights and remedies, shall be entitled to terminate this Agreement and receive a refund of all earnest money deposits pursuant hereto.

6.2 Buyer hereby represents and warrants that Buyer 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 Buyer including, without limitation, payment of all funds required to be paid by Buyer on or before the Performance Date, and will execute and deliver all documents required to be executed and delivered by Buyer in order to consummate the transaction contemplated hereby on or before the Performance Date.

6.3 Buyer acknowledges and agrees that Buyer is purchasing the Property in "As-Is" condition without expressed or implied warranties of any kind, and that Buyer is relying wholly on Buyer's own judgment with respect to the suitability and condition of the Property.

7. Conditions of Sale.

7.1 Seller makes no representation or warranty with respect to access to and from adjoining streets.

7.2 Buyer acknowledges that all required on and off-site improvements to the property shall be made by the Buyer and at Buyer's sole expense including, but not limited to, the costs of extending infrastructure (e.g., roadway, water, sewer, electric, telephone, and cable).

8. Conditions to Closing.

8.1 Buyer's purchase of the Property and closing of the transaction contemplated hereby is conditioned upon and subject to:

- (a) Satisfaction or waiver of all contingencies set forth in Paragraph 5.1.
- (b) Performance of all obligations of Seller set forth in Paragraph 6.1.
- (c) Issuance by Pioneer Title or the licensed insurer for which it is agent to or for the benefit of Buyer of an owner's title insurance policy showing fee simple title to the

Property in Buyer subject only to those printed exceptions customarily contained in such policies and those encumbrances, restrictions, reservations, exceptions, stipulations, conditions and requirements approved by Buyer pursuant to Paragraph 5.1.

(d) The Property's appraised value, according the appraisal to be obtained by Buyer, shall be equal to or greater than the Purchase Price. Buyer shall obtain said appraisal and provide a copy to Seller within sixty (60) days of the Date of this Agreement.

The foregoing conditions are solely for the benefit of Buyer. At any time or times on or before the date for the satisfaction or waiver of each condition, at Buyer's election in its sole and absolute discretion, Buyer may waive any of the foregoing conditions by written notice to Seller. In the event any of the foregoing conditions or other conditions to this Agreement which are for the benefit of Buyer are neither fulfilled nor waived in writing by Buyer within the time provided in this Agreement, Buyer, at its election in its sole and absolute discretion, by written notice to Seller, may terminate this Agreement, receive Buyer's earnest money, and be released from all obligations under this Agreement except to the extent such obligations expressly survive termination of this Agreement.

9. Failure to Close/Earnest Money.

9.1 In the event Buyer terminates this Agreement as elsewhere expressly authorized, all earnest money deposited hereunder shall be returned in full to Buyer, and this Agreement shall thereupon be deemed void and of no further force or effect.

9.2 In the event Seller refuses, fails, or is unable to satisfy its obligations hereunder, the sole remedy of Buyer is the return of earnest money deposited hereunder. This Agreement and the escrow established hereby shall be terminated. In such event any earnings gained on the earnest money deposit, as provided under Paragraph 3.5, shall be delivered to Buyer.

9.3 In the event all contingencies or conditions to closing reserved for Seller's benefit have been satisfied or waived and Seller has tendered complete performance on or before the Performance Date, and Buyer is not entitled to terminate this Agreement, but Buyer nevertheless refuses or fails to close the transaction contemplated hereby in accordance with the terms of this Agreement, then Seller shall make a written demand of Buyer to perform and close this Agreement. If Buyer does not do so within five (5) days after receipt of such demand, this Agreement shall be deemed breached, and Seller may elect one or more of the following remedies: (i) terminate this Agreement whereby all of the earnest money deposited hereunder shall be paid to Seller and the Escrow established hereby, (ii) institute legal proceedings against Buyer for specific performance of Buyer's obligations hereunder, and/or (iii) pursue any other remedies available at law or in equity including, without limitation, suit for damages or other alternative relief.

10. Performance Date/Closing Date.

Buyer and Seller shall pay all monies, execute and deposit all documents, and complete all other obligations required hereunder in order to consummate the purchase and sale of the Property on or before the Performance Date. On, or as soon as practical following the Performance Date, Escrow Agent shall record all necessary documents and otherwise accomplish the provisions hereof so as to close the transaction contemplated hereby (herein sometimes referred to alternatively as the "closing date", the "closing" or "close of escrow").

11. Taxes, Assessments, Prorations.

11.1 All real estate taxes, interest, utilities, rents, and/or insurance premiums, if any, relating to the Property shall be prorated as of the date of closing. All assessments, if any, shall be paid in full by Seller at the Performance Date. Real estate taxes shall be calculated on the basis of the latest figures prepared by the governmental authority responsible for assessing the Property based on the most recent tax rate as then determined. If the taxes for the current year are later determined to be different than those upon which proration was based, Seller and Buyer shall adjust the difference outside of escrow based upon the actual figures. All monthly prorating shall be made on the basis of a thirty (30) day month.

11.2 All appraisal costs, survey fees, escrow fees, and recording fees shall be paid by Buyer. Buyer shall pay all fees and premiums with respect to issuance of preliminary title reports, title insurance commitments and the owner's title insurance policy to be issued to Buyer, all as provided herein.

12. Nomination.

Buyer may only assign its rights under the Purchase Agreement with the prior written consent of the Seller.

13. Escrow Instructions.

13.1 Buyer and Seller hereby employ Escrow Agent to act as their escrow agent in connection with the purchase and sale agreed to herein on the terms set forth herein.

13.2 Buyer hereby agrees to pay Escrow Agent upon demand all charges payable by them respectively as provided herein, if any.

13.3 In the event of a breach of this Agreement or non-compliance with the terms herein, Buyer and Seller authorize Escrow Agent to hold any money and documents deposited hereunder until an action shall be brought in a court of competent jurisdiction to determine the rights of Seller and Buyer, or to interplead said parties by an action brought in any such court.

13.4 Seller and Buyer will indemnify and save harmless Escrow Agent against all costs, damages, attorneys' fees, expenses and liabilities which it may incur or sustain in connection with these instructions or the escrow or any court action arising therefrom and will pay the same upon demand; provided, however, that this paragraph shall not apply with respect to such matters resulting from Escrow Agent's negligence, omission, error, or intentional wrong-doing.

13.5 Seller and Buyer direct that all money payable hereunder be paid to Escrow Agent. Disbursement of any funds may be made by check of Escrow Agent.

13.6 Seller and Buyer agree that the employment of Escrow Agent shall not affect any rights of subrogation under the terms of any title insurance policy issued pursuant to the provisions hereof.

13.7 If disbursement is made to other than the parties hereto by reason of death, insolvency, bankruptcy, dissolution of Seller or by reason of any legal proceedings, Escrow Agent shall be paid such reasonable fees as Escrow Agent shall establish.

13.9 The word "charges" as used herein refers to all charges and advances made and obligations incurred by Escrow Agent in connection herewith and all charges of Escrow Agent in connection with the issuance of its title insurance policy.

13.10 The day provided herein within which compliance with any requirement must be met shall end at the close of the then regularly-established public business hours of Escrow Agent for such day.

14. Miscellaneous.

14.1 Any notice to be given by Buyer or Seller shall be given in writing and delivered in person to Buyer or Seller, or forwarded by certified or registered mail, postage prepaid, at the address indicated in Paragraph 1 hereof, unless the party giving any such notice has been notified, in writing, of a change of address. Any such notice shall be effective three (3) days after postmark, if mailed, or upon receipt, if delivered.

14.2 This Agreement contains the complete understanding and agreement of the parties hereto with respect to all matters referred to herein, and all prior representations, negotiations and understandings are superseded hereby and merged into this Agreement. No party shall be liable or bound to any other person hereto in any manner by any agreement, warranty, representation or guarantee, except as specifically set forth herein or in any instrument executed pursuant hereto.

14.3 In the event any party hereto shall employ legal counsel to bring an action at law or other proceeding against any 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 and costs incurred 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 and costs shall be included in the judgment.

14.4 If any term or provision of this Agreement is determined to be invalid, such invalid term or provision shall not affect or impair the remainder of this Agreement, but such remainder shall continue in full force and effect to the same extent as though the invalid term or provision were not contained herein.

14.5 Time is of the essence of this Agreement. Except as herein otherwise provided, this Agreement and all of the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, executors, personal representatives, successors and assigns of the parties hereto.

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

14.7 If a date provided herein within which any requirement must be met shall fall on a Saturday, Sunday or date on which Escrow Agent, state, county or governmental offices are closed, or date on which the banks in Arizona are generally closed, then the date of compliance shall be extended through the next date when none of the above is applicable.

14.8 For the convenience of the parties, this Agreement may be executed in one or more counterparts, each of which may be executed by one or more of the parties hereto, with the same force and effect as though all parties executing such counterparts had executed but one instrument.

14.9 The date of this Agreement shall be the date a fully executed copy hereof is deposited with Escrow Agent, which date Escrow Agent shall insert on the first page hereof.

14.10 This Agreement and the rights of the parties hereto shall be governed and construed in accordance with the laws of the State of Arizona with venue in Coconino County.

14.11 Seller owns certain equipment identified in Exhibit A that it may sell to any 3rd party by or before November 10, 2023. All other equipment will be transferred to Buyer upon closing. Seller may store the identified equipment on the Property until sold. Any equipment that is not sold and removed from the Property by November 10, 2023 shall become the property of Buyer. As applicable, Seller will promptly provide titles or other paperwork transferring ownership to Buyer on or after November 10, 2023.

14. 12 Reentry on Property by Seller after Sale: Seller and its authorized representatives and agents and potential buyers shall be provided reasonable access to

the Property for the purpose of selling equipment identified in Exhibit A, pursuant to paragraph 14.11, until November 10, 2023. Seller shall indemnify and hold Buyer harmless from and against any and all loss, cost, damage, injury, or expense arising out of or related to claims of injury to persons or property, or claims as a result of the exercise of Sellers right of reentry hereunder.

15. Conflict of Interest.

This Agreement is subject to A.R.S. 38-511 and may be canceled pursuant thereto.

SELLER:
LOCK BLOCKS LLC
1950 Industrial Dr.
P.O. Box 2995
Page, Arizona 86040

BUYER:
CITY OF PAGE
P. O. Box 118
Page, Arizona 86040
(928) 645-8861

By: _____

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED AND ACCEPTED WITH RESPECT TO THE PROVISIONS DEALING WITH THE ESCROW AGENT.

Pioneer Title Agency, Inc.

BY: _____

FLEXCRETE PHYSICAL INVENTORY

EQUIPMENT

SAWMILL MACHINERY				
	DESCRIPTION:	SERIAL#:	CONDITION	QUANTITY
1	Rollers - USNR (Red)		Good	1
2	Rip Gang Sawmill - USNR		Good	1
3	Crosscut Unit USNR SAW		Good	1
4	Main Hydraulic Pump - USNR		Good	1
5	Chopsaw - USNR(Blue)		Good	1
6	Turn Table-USNR Part of Assembly Line (Blue)		Good	1
7	Crane (Yellow) by Crosscut		Good	1
8	Palletizer, Columbia , Model #: QBR200		Good	1
TOTAL:				8

Please note all Flexcrete equipment replacement parts, small tools, and batch ingredients are included.

All electrical infrastructure is included

BATCH PLANT OPERATING STATION				
	DESCRIPTION:	SERIAL#:	CONDITION	QUANTITY
1	Memory Box, Batching PLC, Allen Bradley, Mod# CAT-2711P-RPI	(21) AWOC17TO	Good	1
2	Hopper and Bag House		Good	1
3	Main Breaker, AIC Electric	A106208	Good	1
6	Mixing Tank Batch Assembly		Good	1
7	Panel Plus View 1500		Good	1
8	Panel Plus View 1000		Good	1
TOTAL:				6

OUTSIDE BATCH PLANT OPERATING STATION				
	DESCRIPTION:	SERIAL#:	CONDITION	QUANTITY
1	Vibrating Tables (Orange).		Good	1
2	Tank, Hot Water 5,500 Gallons (White)		Good	1
3	Tank, Accelerator 2,700 Gallons (White)		Good	1
4	Silo, Storage 1400 CF		Good	1
5	Silo, Storage 2800 CF		Good	2
6	Self Dumping Hopper (Grey) Fibers		Good	1

DEMOLD STATION				
	DESCRIPTION:	SERIAL#:	CONDITION	QUANTITY
1	Mold Forms 24x4x2		Good	45
2	Demold Mold Conveyor Motor		Good	1
3	Demolding Console		Good	1
4	Large Overhead Cranes Amerquip			2

LAB ROOM				
	DESCRIPTION:	SERIAL#:	CONDITION	QUANTITY
1	Pressure Test Mark, (Grn/Blk), Model #: CM-2500-DB	12000	Good-Bad Display	1
2	Label Printer, PRO9000	T351140043	Good	1
3	Lab Oven, Model #: 40GC	SO: F130027	Good	2
4	Scale, Model #: HV-60KGL	EW7301912	Good	1
TOTAL:				5

	DESCRIPTION:	SERIAL#:	CONDITION:	QUANTITY
1	All vehicles and trailers			
2				

	DESCRIPTION:	SERIAL#:	CONDITION	QUANTITY
1	Tools welders ect located in equipment room			
3	All Ventilation components belonging to bag house system			
4	Air Compressor and dryer unit			
5			Good	1
6			Good	1
7	SAW, Band-LISSMAC (blue) M#MBS-502	B03E1104	Good	2
8	Sawmill Electrical panel wall		Good	1
9	Batch Station electrical panel wall		Good	1