

## CONTRACT OF SALE

THIS CONTRACT OF SALE ("Contract") is made and entered into as of the 1st day of February, 2017 between THE CLINTON HOSPITAL AUTHORITY, a Public Trust ("Seller"), having its principal office and mailing address of \_\_\_\_\_P.O. Box 1177, Clinton, Oklahoma, 73601 and MELISSA L FARROW LIVING TRUST and/or its assigns ("Purchaser"), having a mailing address of 8301 S Walker, Suite 103, Oklahoma City, Oklahoma County, Oklahoma. 73139.

1. Sale Agreement; Property. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller, on the terms stated in this Contract, the certain real property located at 533 South 30th Clinton, Oklahoma, described on Exhibit "A" attached to this Contract, together with all rights and appurtenances pertaining thereto (collectively, the "Property").

2. Purchase Price. Subject to the adjustments and prorations hereinafter described, the price ("Purchase Price") to be paid by Purchaser to Seller for the purchase of the Property is TWO HUNDRED FIFTY THOUSAND & NO/100 DOLLARS (\$250,000.00). The Purchase Price will be paid in the following manner:

2.1 Earnest Money. At the time of Seller's execution of this Contract and delivery of same to Purchaser, Purchaser shall deposit the sum of Ten Thousand Dollars (\$10,000.00) ("Earnest Money") in immediately available, current, United States funds with Custer County Abstract, 631 N 6<sup>th</sup>, Clinton, Oklahoma 73601 (the "Escrow Agent") to be held in an interest bearing account and applied to the purchase price at Closing or otherwise disposed of in accordance with this Contract. All interest earned on such deposit shall become part of the Earnest Money.

2.2 Payment at Closing. At Closing, Purchaser shall remit to Seller the balance of the Purchase Price in immediately available U.S. funds.

3. Purchaser's Conditions Precedent to Closing. The following shall constitute conditions precedent to Purchaser's obligation to purchase the Property and shall be satisfied within the time periods stated hereinbelow, or, to the extent not otherwise stated hereinbelow. In the event one or more of the following conditions are not satisfied as required herein, Purchaser shall notify Seller, in writing, of such fact on or before 12:01 a.m., Ten (10) days prior to closing, and this Contract will terminate and the Earnest Money shall be returned to Purchaser subject to the extension rights of the parties contained hereinafter.

3.1. Title. Within twenty (20) business days after the date hereof, Seller will provide to Purchaser a commitment from Escrow Agent for issuance of an ALTA Owner's Title Insurance Policy, in the amount of the Purchase Price, marketable record title, in fee simple, to the Property to be in Seller according to the Title Standards adopted by the Oklahoma Bar Association, subject to recorded plat restrictions, recorded utility easements, zoning ordinances and other exceptions or encumbrances of record

which may be approved in writing by Purchaser ("the "Approved Title Exceptions").  
Copies of all instruments constituting an exception in the commitment for title insurance

shall accompany the commitment. Purchaser shall have ten (10) days from receipt of the commitment for title insurance to provide to Seller a letter setting forth all of Purchaser's objections to Seller's title to the Property, and Seller shall have thirty (30) days from its receipt of Purchaser's written objections to correct the defects in title objected to by Purchaser at Seller's sole cost and expense. Termination of this Contract and return of the Earnest Money shall be Purchaser's sole remedy for Seller's failure to satisfy Purchaser's objections to Seller's title to the Property, or Purchaser shall waive such objections and proceed under the terms of this Contract. On the Closing Date (hereinafter defined), the Escrow Agent shall issue to Purchaser an Owner's Title Insurance Policy covering the property and containing only the Approved Title Exceptions.

3.2. Survey. Within twenty (20) business days after the date hereof, Seller will provide to Purchaser, at Seller's sole cost and expense, an ALTA/ACSM Land Title and Topographic Survey ("Survey") covering the Property, showing all improvements, fences, easements, right-of-ways, building lines, roads and alleys, and showing no encroachments upon the Property and no encroachments by any of the improvements onto adjacent property or onto recorded right-of-ways or easements. The Survey shall be prepared by a registered land surveyor acceptable to Purchaser and shall contain a certification in favor of Seller, Purchaser and Escrow Agent that the Survey is correct and accurate and the Property is free of encroachments, the form and content of which certification shall in any event be approved by the Escrow Agent for purposes of deleting the standard survey exceptions from the owner's policy of title insurance. Purchaser shall have ten (10) days from the receipt of Survey to provide to Seller a letter setting forth all of Purchaser's objections to Survey, and Seller shall have thirty (30) days from its receipt of Purchaser's written objections to correct such objections. Termination of this Contract and return of the Earnest Money shall be Purchaser's sole remedy for Seller's failure to satisfy Purchaser's objections to Survey, or Purchaser shall waive such objections and proceed under the terms of this Contract.

3.3. Purchaser's Contingencies. This Contract is subject to and contingent upon the Purchaser determining the suitability of the Property for Purchaser's intended uses ("Due Diligence") on or before March 30<sup>th</sup>, 2017. Also included in the due diligence period shall be Purchaser's acceptance of title, survey, feasibility analysis, zoning, environmental, availability of utilities, obtaining any permits or governmental approvals necessary for Purchaser's intended use, and all other matters of concern to Purchaser. Purchaser shall provide Seller a letter on or before April 18<sup>th</sup>, 2017, setting forth whether Purchaser has satisfied all of Purchaser's contingencies and proceed with the Closing, or Purchaser may terminate the Contract, in which case the Earnest Money would be returned to Purchaser.

4. Closing. This purchase and sale shall be consummated as follows:

4.1 Closing Date. The purchase and sale evidenced by this Contract shall be closed (the "Closing") April 7<sup>th</sup>, 2017 (the "Closing Date"), ~~or at a date and time selected by Purchaser and reasonably acceptable to Seller unless extended, in writing, by the Parties.~~ The Closing shall occur at the office of Escrow Agent located at Custer County Abstract, 631 N 6<sup>th</sup>, Clinton, OK 73601.

4.2 Transfer of Title to Property. Title to the Property shall be conveyed to Purchaser by a ~~General Warranty~~Quit Claim Deed.

4.3 Seller's Deliveries at Closing. At Closing, Seller shall cause to be delivered to Purchaser the following items (all required documents will be duly executed and acknowledged where required):

4.3.1 Deed. The above-described ~~General Warranty~~Quit Claim Deed.

~~4.3.2 Lien Affidavit. An affidavit in favor of the title insurance company, certifying that Seller has no unpaid bills for labor or materials furnished to the Property.~~

4.3.23 Closing Statement. A Closing Statement in form acceptable to Seller and Purchaser.

4.4 Purchaser's Deliveries at Closing. At closing, Purchaser shall deliver or cause to be delivered to following items (all required documents will be duly executed and acknowledged where required):

4.4.1 Closing Statement. A Closing Statement in form mutually acceptable to Seller and Purchaser.

4.4.2 Cash Payment. The balance of the purchase price.

4.5 Closing Costs. The closing costs of this transaction shall be allocated as follows:

4.5.1 Seller's Closing Costs. Seller shall pay Seller's attorneys' fees, the cost of documentary stamps to be affixed to the ~~General Warranty~~Quit Claim Deed, all recording costs for any curative instruments, abstracting costs, one-half of the Escrow Agent's closing fee, and ~~one-half of the owner's title insurance policy premium.~~

4.5.2 Purchaser's Closing Costs. Purchaser shall pay Purchaser's attorney's fees, all recording costs for the General Warranty Deed, the costs of all inspections, investigations and reports ordered by Purchaser, one-half of the Escrow Agent's closing fee, and ~~one-half~~ of the owners title insurance policy premium.

4.6 Prorations. All costs and expenses of owning, operating, maintaining, insuring and repairing the Property, including, without limitation, all utility charges, maintenance and repair costs, taxes and assessments shall be prorated as of 11:59 p.m. on the day prior to the Closing Date. Seller shall pay any special assessment installments due prior to the Closing Date, and Purchaser shall pay any special installments due on or after the Closing Date.

5. Possession. Seller will tender possession of the Property to Purchaser at Closing.

6. Seller's Representations and Warranties. Seller hereby represents and warrants to Purchaser the following as of the Effective Date of this Contract and as of the Closing Date, which representations and warranties shall survive the Closing.

6.1 Seller's Power and Authority. Seller has the power and authority to execute and deliver this Contract as Seller's legally binding obligation, and has (or, at Closing, will have) the power and authority to sell and convey the Property as provided in this Contract and to carry out and perform all obligation imposed on Seller hereunder, and that all requisite action necessary (1) to authorize Seller to enter into this Contract has been taken, and (2) to authorize Seller and its closing representative to carry out and perform all obligations and conditions imposed on Seller hereunder has been or, on Closing Date, will have been taken.

6.2 No Notice of Condition Correction Requirement. Seller has not received written notice from any governmental authority, insurance company, or other agency requiring the correction of any condition with respect to the Property which has not been corrected, or alleging any violation of law relating to the Property.

6.3 No Condemnation Notice. Seller has not received any written notice of any pending or contemplated governmental taking or similar action with respect to the Property.

6.4 No Other Contracts. On the Closing Date, there will be no contracts or agreements affecting the Property or any part thereof other than this Contract, less and except the contracts and agreements set forth in Exhibit "B" attached hereto, if any. If there are other contracts or agreements affecting the Property and one or more are not provided by Seller to Purchaser as required herein or Purchaser does not find one or more of such contracts or agreements acceptable, Purchaser can terminate this Contract without penalty.

6.5 Hazardous Substance and Underground Storage Tanks. To the best of Seller's knowledge, Seller has not received any written notice from any governmental authority alleging that the Property is in violation of any "Environmental Law", meaning the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976 ("RCA"), the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Clean Water Act and all applicable Oklahoma laws and regulations, as any of such laws have been supplemented or amended to the Effective Date. Seller has received no written notice or report from any governmental authority indicating the presence of hazardous substances affecting the Property other than any such notice or report that was previously delivered to Purchaser, if any.

6.6 No Unpaid Bills. To the best of Seller's knowledge, there are no bills unpaid, liens or security interests filed or claims pending in connection with Seller's ownership of the Property, excepting any mortgage to be released at Closing.

6.7 Property Not Committed. To the best of Seller's knowledge, no commitments have been or will be made by Seller, or by any person affiliated with Seller, to any governmental unit or agency, utility company, authority, school board, church or religious body, or to any other organization, group or individual relating to the Property that would prohibit or impose conditions on development of the Property, except as set forth in Exhibit "B" attached, if any.

6.8 Service/Maintenance Contracts. There are no service or maintenance contracts affecting the Property for which Seller presently is or hereafter may be obligated or liable.

7. Brokerage. Purchaser and Seller confirm and acknowledge that, prior to entering into this Contract, Blanton Property Company, L.L.C., advised and disclosed to all parties that Blanton Property Company, L.L.C., is the agent and representative of the Purchaser herein and Purchaser acknowledges that if, and only if, this transaction is consummated, Seller will be liable to Blanton Property Company, L.L.C., for a commission in the amount of Three (3 %) of the Purchase Price paid to Broker by Seller. Seller shall indemnify and hold Purchaser harmless from and against any and all broker's fees due or claimed to be due to any other real estate broker or agent with whom Seller may have dealt. Purchaser represents and warrants that it has not dealt with any other real estate broker or agent in connection with this transaction except as named herein. Seller shall indemnify and hold Purchaser harmless from and against any and all broker's fees due or claimed to be due to any real estate broker or agent with whom Purchaser may have dealt.

8. Default; Remedies. In the event either party to this Contract fails to perform its obligations hereunder (except as excused by the other party's default), the party claiming default will make written demand for performance by the other party. If Seller fails to comply with such a written demand within ten (10) days after receipt thereof, Purchaser may waive such default and proceed with the closing, or Purchaser may seek specific performance of the terms of this Contract, or Purchaser may terminate this Contract and obtain a refund of the Earnest Money. If Purchaser fails to comply with such a written demand within ten (10) days after receipt thereof, Seller may waive such default and proceed with the closing, or Seller may seek specific performance of the terms of this Contract or Seller may terminate this Contract, in which case the Earnest Money shall be paid to Seller as liquidated damages, and not as a penalty, it being understood and agreed that Seller's actual damages would be difficult or impossible to ascertain, but that the Earnest Money is a reasonable approximation thereof. On termination of this Contract, each party shall pay the expenses that it has incurred. If either party to this Contract commences litigation against the other to enforce its rights hereunder, the prevailing party in such litigation shall be entitled to recover from the other its reasonable attorneys' fees and expenses incidental to such litigation.

9. Condemnation. In the event that either party is notified prior to Closing that any entity having powers of eminent domain is seeking or plans to seek acquisition of all or any part of the Property, the party receiving such notice shall immediately notify the other in writing, and either party shall thereupon have the right to cancel this Contract by written election delivered within ten (10) days after receiving such notification from the other party.

10. Binding Effect. This Contract shall bind and inure to the benefit of Purchaser and Seller and their respective successors and assigns.

11. Survival. This Contract shall survive the consummation of the transaction and the delivery of the ~~Special Warranty~~ Quit Claim Deed, and all of the terms and conditions hereof shall be and remain in full force and effect between the parties.

12. Entire Agreement; Modification. This Contract supersedes any and all prior discussions and agreements between Seller and Purchaser with respect to the purchase of the Property and other matters contained herein, and this Contract contains the sole and entire understanding between the parties hereto with respect to the transactions contemplated herein. This Contract shall not be modified or amended except in writing executed by Seller and Purchaser.

13. Assignment. Purchaser may only assign this Contract ~~without~~ with the written consent of Seller.

14. Applicable Law. This Contract shall be governed by and construed in accordance with the laws of the State of Oklahoma.

15. Time. Time is of the essence of this Contract.

16. Authority. Seller and Purchaser each represent that all necessary corporate action has been duly and effectively taken in connection with its execution, delivery and performance of this Contract, and that the party executing this Contract has authority to do so.

17. Notices. All notices herein required or permitted shall be in writing and any notice or other communication required or permitted hereunder shall be given by personal delivery or be sent by registered or certified mail, postage prepaid, addressed to the addresses set forth on page 1 hereof. Notice shall be deemed given on the earlier of (i) actual receipt or (ii) three (3) business days after mailing.

18. Limitation of Liability. No advisor, trustee, director, officer, partner, member, manager, employee, beneficiary, shareholder, participant or agent of or in Seller shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or pursuant to the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter, and Purchaser and its successors and assigns and, without limitation, all other persons and entities, shall look solely to Seller's assets for the payment of any claim or for any performance, and Purchaser hereby waives any and all

such personal liability. The limitations of liability provided in this Section are in addition to, and not in limitation of, any limitation on liability applicable to Seller provided by law or by any other contract, agreement or instrument.

19. Section 1031 Exchange. Either Seller or Purchaser may consummate the sale/purchase of the Property as part of a so-called "like kind exchange" (the "Exchange") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), provided that: (i) the Closing shall not be delayed or adversely affected by reason of the Exchange not shall the consummation or accomplishment of the exchange be a condition precedent or condition subsequent to Purchaser's or Seller's obligations under this Agreement; (ii) either Seller or Purchaser may effect the Exchange through a qualified intermediary so long as neither of their respective rights and obligations under this Agreement are adversely affected thereby; and (iii) neither Seller or Purchaser shall be required to make an assignment of the purchase agreement for the exchange property or be required to acquire or hold title to any real property for the purposes of consummating the Exchange, (1) have their rights under this Agreement adversely affected or diminished in any manner, or (2) be responsible for compliance with or be deemed to have warranted to the other that the Exchange in fact complies with Section 1031 of the Code.

20. Purchaser's intended use for the premises will be a medical office facility and will use its best efforts to remodel and occupy said premises within twelve (12) months of the closing date.

21. Seller agrees to deliver premises at closing in a broom clean condition, free of any and all medical records, and any reserved personal property.

22. Counterpart Execution. This Agreement may be executed in counterparts, each of which will be deemed an original document, but all of which will constitute a single document. This document will not be binding on or constitute evidence of a contract between the parties until such time as a counterpart of this document has been executed by each party and a copy thereof delivered to the other party to this Agreement.

23. Acceptance Time. The foregoing offer is made subject to acceptance in writing hereon by Seller, and in return of an executed copy to the undersigned Purchaser on or before February 20, 2017.

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IN WITNESS WHEREOF, Purchaser and Seller have caused this Contract to be executed and delivered on the date first above written.

"Seller":  
\_\_\_\_\_  
Chairman, David D. Berrong

"Purchaser":  
Melissa L Farrow Living Trust, and/or assigns

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT "A"**

***LEGAL DESCRIPTION***

Addition

——— (~~To be attached~~) Lot 2 Block 3 Granada Estates

with a physical address of: 533 South 30<sup>th</sup>, Clinton, OK

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