

## CONTRACT FOR THE SALE AND PURCHASE OF REAL ESTATE

This Contract for the Sale and Purchase of Real Estate (this "Contract") is by and between The Clinton Industrial Authority, an Oklahoma Municipal Trust, whose address is P.O. Box 1177, Clinton, OK 73601 ("Seller") and Public Service Company of Oklahoma, a(n) Oklahoma corporation, whose address is 1 Riverside Plaza, Columbus, Ohio 43215-2373 ("Buyer"), hereby agree as follows:

1. Property to be Conveyed.

(a) Fee. Seller agrees to sell and Buyer agrees to purchase the surface only of approximately 25 acres of land, situated in the Northeast Quarter of Section 34, Township 12N, Range 17W, in the City of Clinton, County of Custer, State of Oklahoma. The approximate location of the 25 acre tract is shown on Exhibit A, attached hereto and made a part hereof.

The real property is hereinafter referred to as the "Premises".

2. Purchase Price. The purchase price for the Premises shall be Three Hundred Twelve Thousand Five Hundred Dollars (\$312,500.00) (the "Purchase Price"). The Purchase Price shall be payable in the following manner:

(a) Buyer agrees to pay Ten Thousand Dollars (\$10,000.00) within ten (10) days following Buyer's execution of this Contract, as earnest money (the "Deposit"), to be deposited with a title company that Buyer selects, to serve as escrow agent for this transaction ("Escrow Agent"), which shall be credited to the Purchase Price at Closing.

(b) Buyer shall pay the balance of the Purchase Price by check or wire transfer upon delivery of the Deed at Closing.

3. Conveyance. Good and marketable title to the Premises shall be conveyed by Seller to Buyer at closing by Quit Claim Deed (the "Deed"), in fee simple, free and clear and unencumbered, subject only to such easements, conditions, and restrictions of record as of the date this Contract is executed as may be reasonably acceptable to Buyer; zoning and other governmental regulations, restrictions; and non-delinquent real estate taxes and assessments. Seller shall retain the rights to the subsurface oil, gas and minerals of the Premises, but will waive any and all rights they have to use the surface of the Premises for the removal of any oil, gas or minerals. The language of this surface rights waiver in the Deed shall read: Grantor hereby agrees that neither it nor its successors or assigns shall be entitled to ever use any portion of the surface of the property for the purpose of investigating, exploring, prospecting, drilling, or mining for or producing oil, gas or other minerals or any related activities. Any such operations on contiguous land shall in no manner interfere with the surface of the property or subsurface support of any improvements constructed or to be constructed on the property. If Grantor already has granted an oil and gas lease on the property, Grantor further grants and conveys to Grantee all the surface rights of the property with respect to negotiating the location of any investigation, exploration, prospecting, drilling, mining for, production or transportation of oil, gas or other minerals or any related activities, as those rights are described in the oil and gas lease. Seller agrees to execute

customary closing affidavits and documents and provide all necessary information as required by the Title Company for the closing of this transaction and that will enable the Title Company to delete the standard exceptions to title from the Title Commitment.

4. Due Diligence Review. During the Due Diligence Period, Buyer and its agents shall have the right to enter the Premises at reasonable times to survey and inspect the Premises, as Buyer may deem necessary or advisable to determine the suitability of the Premises for Buyer's intended purposes. The "Due Diligence Period" shall commence on the Effective Date of this Contract and shall terminate one hundred eighty (180) days thereafter. During the Due Diligence Period, Buyer shall be entitled to conduct the following:

(a) Title Examination. Buyer shall be responsible for selecting the Escrow Agent, conducting and paying for any examination of the title to the Premises, as Buyer deems appropriate.

i. Upon execution of this Contract, Seller agrees to provide Buyer with copies of any existing abstracts of title, title commitments, or title insurance policies Seller may have relating to the Premises. **If the Premises is subject to a Mortgage or Deed of Trust – Seller shall advise Buyer and co-operate in obtaining the necessary release or Partial Release Mortgage for the land to be conveyed.**

ii. If Buyer determines that title to the Premises is not marketable or it contains encumbrances which are not acceptable to Buyer, then Buyer shall notify Seller within the Due Diligence Period, specifying the title issue(s) to which Buyer objects.

iii. If Buyer gives Seller such notice of objections, then Seller shall have a period of sixty (60) days to correct such issue(s) to Buyer's satisfaction.

iv. In the event Seller fails or refuses to correct such issue(s) to Buyer's satisfaction, Buyer, in its sole discretion, may terminate this Contract. In the event Buyer elects to terminate this Contract, Buyer shall be entitled to receive a prompt refund of the Deposit.

v. If Buyer fails to notify Seller within the Due Diligence Period of any objections to title, then Buyer shall be deemed to have waived any objections and to accept title to the Premises.

(b) Environmental, Surveys & Tests. During the Due Diligence Period, Buyer and Buyer's agents shall have the right to enter upon the Premises to make and conduct such environmental assessments, site surveys, inspections and other engineering and environmental tests on the Premises as Buyer deems necessary, including without limitation, the right to make land and topographical surveys, core drillings, soil and water tests, engineering tests and communication studies.

i. The cost of such assessments, surveys, inspections, and tests shall be borne solely by Buyer.

ii. Buyer agrees to indemnify and hold Seller harmless from any and all loss, liability, claims and expense (including reasonable attorney's fees) arising out of the acts of Buyer or its designees on the Premises.

iii. If Buyer, in its sole discretion, determines that the Premises are not suited to use for Buyer's purposes, then Buyer may terminate this Contract. In the event Buyer elects to terminate this Contract, Buyer shall be entitled to receive a prompt refund of the Deposit.

iv. If Buyer does not purchase the Premises, Buyer shall, at its election, either repair any physical damage caused by such surveys and tests, or pay to Seller the amount of said damage.

(c) Governmental Approvals. In the event Buyer determines that it must secure a zoning change or other governmental or regulatory approval to use the Premises for Buyer's intended purpose, Seller agrees to cooperate with Buyer in obtaining such approval, as required.

i. Buyer will prepare at Buyer's expense any required governmental application for Seller's signature. Buyer will submit the application to the applicable authority and pay any submittal or application fees.

ii. In the event the governmental application process is not completed to Buyer's satisfaction prior to Closing, the closing on the Premises will be extended for a reasonable period of time until application for the Premises is approved.

iii. In the event Buyer cannot obtain a required approval of the Premises in a timely manner, or on terms that are reasonably acceptable to Buyer, Buyer, at its option, may elect to terminate this Contract, and Buyer shall be entitled to a prompt refund of the Deposit.

5. Default. If this Contract is terminated or canceled pursuant to Paragraph 4, Due Diligence Review or 10, Risk of Loss hereof, this Contract shall be null and void, and the Deposit shall be refunded promptly and all parties shall be relieved from any further obligation hereunder. If Buyer fails to close for any reason other than those provided for under Paragraph 4 or 10 hereof, then Seller shall be entitled to retain the Deposit as liquidated damages, thereby releasing both parties from any further obligation under this Contract. Seller and Buyer have made this provision for liquidated damages because it would be difficult to calculate the amount of actual damages for such default and Seller and Buyer agree that said amount represents reasonable compensation to Seller for such default.

6. Closing. The date for delivery of the Deed and the closing of this transaction shall be tentatively set as two hundred ten days (210) from the Effective Date, or at such other date as may be agreed upon in writing by the parties (the "Closing"). The Closing shall be held at a place mutually agreeable to the parties.

7. Possession. Seller shall deliver possession and occupancy of the Premises to Buyer at Closing unless there has been an agreement otherwise which is evidenced by the execution of Buyer's standard lease agreement at or prior to Closing.

8. Taxes, Assessments and Closing Costs. Seller shall pay or credit on Purchase Price all delinquent taxes, including penalties and interest, and all assessments and liens on the Premises or

Seller on or before Closing. Seller shall also be responsible for all unpaid real estate taxes not yet due for years prior to Closing and a portion of such taxes for year of Closing prorated through date of Closing. Such taxes shall be based on a 365 day year and, if undetermined, on most recently available tax rate and valuation. Buyer will be responsible for title commitment, title insurance, environmental assessment and survey costs as set forth in Paragraph 4 above, and all other closing costs shall be split as is customary for the state where the Premises is located. Buyer will prepare the Deed at its expense. Buyer will not be responsible for payment of Seller's attorney's fees, if any.

9. Condition of Premises. Seller states to the best of Seller's knowledge, information and belief that: (a) there are no underground storage tanks located on the Premises; (b) no part of the Premises is presently being used, nor at any time in the past has been used as a dump or other waste disposal site; and (c) there are no hazardous wastes or deposits stored or buried thereon or therein. Buyer acknowledges that Buyer will conduct or has conducted its own inspection of the Premises and is relying solely upon such inspection to determine the condition of the Premises. The Premises shall be delivered at Closing in substantially the same condition as it was as of the Effective Date of this Contract.

10. Risk of Loss. Risk of loss to the Premises from fire or other casualty or reason of condemnation shall be borne by Seller until the Closing. If the Premises are damaged or destroyed by fire or other casualty and not repaired and restored by Seller to as good as condition as it was prior to such casualty, or if a portion of the Premises are taken through condemnation proceedings or are transferred voluntarily in lieu thereof, Buyer may cancel this Contract, or notify Seller that Buyer will elect to proceed to purchase the Premises if Seller and Buyer can agree upon an acceptable adjustment of the Purchase Price to reflect the damage incurred.

11. Escrow. Buyer and Seller hereby agree that:

(a) The terms contained in Paragraph 5 Default of this Contract shall govern the actions of the Escrow Agent and the disposition of the funds held in escrow.

(b) The Escrow Agent shall incur no liability whatsoever in connection with its good faith performance hereunder. Escrow Agent shall be liable only for loss or damage caused directly by its acts of negligence or intentional misconduct.

(c) In the event of any disagreement or dispute between the parties as to the terms of escrow, the Escrow Agent may refuse to comply with said instructions and/or claims until: (i) the dispute has been settled between the parties and joint, written instructions are delivered to Escrow Agent by the parties, or (ii) the dispute has been settled by a court of competent jurisdiction.

12. Time of the Essence. Time is expressly declared to be of the essence in this transaction, unless the parties otherwise agree in writing.

13. Entire Agreement. The parties acknowledge and agree that this Contract constitutes their entire agreement and that no oral or implied agreement exists.



19. Authority. The parties herein warrant to each other that they have full capacity, power and authority to enter into and perform this Contract according to its terms.

20. Confidentiality. For a period of twenty-four (24) months after the date of this Contract, Buyer and Seller agree not to disclose the contents of this Contract to any third party, without the prior written consent of the other party, and to keep the amount of the Purchase Price herein confidential by limiting disclosure of such amount to only their attorneys, accountants and other representatives working for them who have a legitimate need to know such information.

IN WITNESS WHEREOF, this Contract has been executed by the parties hereto as of the dates written below, to be effective as of the Effective Date.

Dated by Seller this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**Clinton Industrial Authority**

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

Name: David Berrong  
Title: Chairman

Dated by Buyer \_\_\_\_\_

**Public Service Company of Oklahoma, a Oklahoma corporation**

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

P. Todd Ireland, Manager  
Real Estate Asset Management  
American Electric Power Service Corporation  
Authorized Signer



Disclaimer: This drawing is not an actual survey, and is for general information purposes only.

