RESOLUTION NO. 2634

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF TOLLESON, ARIZONA, AUTHORIZING THE SALE OF CITY PARCEL NO. 102-48-263, LOCATED AT THE NORTHEAST CORNER OF 91ST AVENUE AND VAN BUREN STREET, AND AUTHORIZING AND DIRECTING THE MAYOR, CITY MANAGER, CITY CLERK, AND CITY ATTORNEY TO TAKE ALL ACTIONS NECESSARY TO COMPLETE THE TRANSACTION.

WHEREAS, the City Council has determined that the sale of real property identified as Maricopa County Assessor's Parcel No. 102-48-263, located at the northeast corner of 91st Avenue and Van Buren Street, and reserving all existing easements and rights-of-way, is in the best interest of the citizens of the City of Tolleson; and

WHEREAS, the City of Tolleson has agreed to sell the property described above to Schulte Real Estate Management Corp.; and

WHEREAS, the parties have reached an agreement regarding the terms and conditions of the sale which are included in the Purchase Contract, attached hereto as Exhibit A and incorporated herein by reference, to be executed by both parties.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TOLLESON, ARIZONA, as follows:

<u>Section 1.</u> The recitals above are hereby incorporated as if fully set forth herein.

<u>Section 2.</u> The City of Tolleson is authorized to enter into the Purchase Contract, attached hereto as Exhibit A and incorporated herein, for the sale of the property designated as Maricopa County Assessor's Parcel No. 102-48-263, which is legally described in the Purchase Contract, and to comply with the terms of said Purchase Contract.

<u>Section 3.</u> The Mayor, City Manager, City Clerk, and City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Resolution on behalf of the City of Tolleson.

<u>Section 4.</u> This Resolution shall take effect immediately upon its passage and adoption.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Mayor and Council of the City of Tolleson, Arizona, on this 24th day of February, 2026.

____
Juan F. Rodriguez, Mayor

ATTEST: ______________________________________
Crystal Zamora, City Clerk

APPROVED AS TO FORM: ______________________________________
Justin Pierce, City Attorney

EXHIBIT A

TO

RESOLUTION NO. 2634

[Purchase Agreement]

See following pages.

PURCHASE CONTRACT
BETWEEN
THE CITY OF TOLLESON
AND
SCHULTE REAL ESTATE MANAGEMENT CORP.

THIS PURCHASE CONTRACT (this "Agreement") is made as of February 24, 2026, between the **CITY OF TOLLESON**, an Arizona municipal corporation (the "City'" or "Seller") and **SCHULTE REAL ESTATE MANAGEMENT CORP.**, a Delaware Corporation, or its assignee, ("Buyer"), (collectively, "party" or "parties").

In consideration of the covenants, terms, conditions and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Purchase and Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, on the terms and conditions contained herein, certain rights to real property located in Maricopa County, Arizona, consisting of fee title to five (5) +/- acres of real property as described and depicted in Exhibit A, attached hereto and incorporated herein by reference together with all improvements, water rights, air rights, mineral rights, privileges and appurtenances thereto, (the "Real Property"). Both parties agree that a material consideration of this transaction is Buyer's obligation and promise to enter into a minimum 15-Year Lease with a grocery store ("Tenant") consisting of at least 30,000 square feet of retail space (exclusive of storage, offices and non-public areas) (the "Grocery Store Lease") to be constructed on the Property (the "Project"). This condition and requirement shall survive the close of escrow, provided such condition and requirement shall be fully satisfied once the Grocery Store Lease is fully signed by the Buyer and Tenant.

2. Purchase Price. The total price to be paid for the Real Property (the "Purchase Price") is One Million Dollars ($1,000,000.00), payable in cash or readily available funds to be deposited with Escrow Agent on the Closing Date. Within five (5) business days following the mutual execution and delivery of the Agreement to Escrow Agent, Buyer will deposit **Twenty-Five Thousand Dollars ($25,000.00)** (the "**Deposit"**). During the Due Diligence Period, the Deposit shall be fully refundable to Buyer. At Closing, the Deposit and any interest thereon shall be credited against the Purchase Price. The Deposit will be returned to Buyer on the terms set forth herein.

3. City's Right of First Refusal.

If at any time after close of escrow, Buyer receives any bona fide third-party offer to acquire all right, title and interest in and to the Property, which offer Buyer desires to accept, Buyer shall notify the City in writing (at the address set forth below) of such offer, and the City shall have fifteen (15) business days after receipt of such notice within which to notify Buyer of the City's election to acquire the Property at the price and on the terms and conditions set forth in such offer. The notice from Buyer to the City shall contain a copy of the bona fide third-party offer to acquire the Property

If the City elects to exercise its right of first refusal by providing notice to Buyer within the time period set forth above, Buyer and the City shall proceed to close the escrow in the time period for the closing as set forth in such offer.

In the event the City fails to provide Buyer with notice within the time period set forth above, Buyer may may proceed to sell the Property to the bona fide third-party free and clear of the terms of any right of first refusal.

4. <u>Open and Close of Escrow</u>.

4.1 <u>Escrow Agent and Instructions</u>. Promptly after execution of this Agreement by the parties, an escrow (the "Escrow") shall be opened with Pioneer Title located at 1550 East Missouri Avenue, Phoenix, Arizona 85014, Attn: Jennifer Siverio, Senior Commercial and Residential Escrow Officer ("Escrow Agent") to facilitate the consummation of the sale of the Real Property pursuant to this Agreement. This Agreement constitutes escrow instructions to Escrow Agent; however, if required by Escrow Agent, Buyer and Seller shall execute and deliver to the Escrow Agent printed form escrow instructions consistent with this Agreement. In the event of any conflict between the provisions of the printed form escrow instructions and this Agreement or any deed, instrument or document in connection with the transactions contemplated herein, the provisions of this Agreement or such deed, instrument or document shall control. No provision of the escrow instructions shall excuse any non-performance by either party. The assignment by Escrow Agent of an escrow number to this transaction and the opening of the Escrow by Escrow Agent shall constitute Escrow Agent's acceptance of the instructions to, and other obligations of, Escrow Agent as set forth in this Agreement and the Escrow Instructions.

4.2 <u>Escrow Date</u>. Escrow Agent shall notify the parties in writing as to the date on which it received fully executed copies of this Agreement, which date is called the "Escrow Date."

4.3 <u>Closing</u>. The exchange of the Real Property for the consideration set forth in this Agreement and consummation of the transactions contemplated by this Agreement (the "Closing") shall occur at 10:00 a.m. on a date that is forty-five (45) days after the end of the Due Diligence Period or as same may be extended at the office of Escrow Agent or at such other time and location as the parties may agree, which date shall be referred to as the "Closing Date." The Closing Date shall be deemed to be the date on which the parties shall have performed all actions necessary for the closing of the transaction, without regard to the date on which Escrow Agent actually records the deed or other closing documents. Seller and Buyer hereby authorize Escrow Agent to execute, at Closing, an affidavit of real property value as required by Arizona law. Upon the close of escrow, the amounts paid by the Buyer, and less any closing costs payable by the City, shall be disbursed to the City.

4.4 IRC Reports. Escrow Agent, as the party responsible for closing the transactions contemplated hereby within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), shall file all necessary information reports, returns and statements (collectively the "Reports") regarding the transactions as may be required by the Code, including, but not limited to, the reports required pursuant to Section 6045 of the Code. Escrow Agent further agrees to indemnify and hold Buyer, Seller and their respective attorneys harmless for, from and against any and all claims, costs, liabilities, penalties, or expenses resulting from Escrow Agent's failure to file the Reports that Escrow Agent is hereby required to file.

4.5 Prorations and Escrow Fees. The cost of a Standard Title Insurance Policy shall be paid by Seller with Buyer responsible for endorsements and any lender policy. All other escrow fees shall be paid by the Buyer unless otherwise provided herein. Special assessments or similar liens for work or improvements shall be paid by Seller. Real property, personal property and ad valorem taxes and other state or local taxes and charges affecting the Real Property shall be prorated on the basis of the current year's rate and valuation, provided, that if the rate of, or valuation for, any such taxes, charges or assessments has not been fixed before the Closing Date, then the adjustment thereof at the Closing shall be upon the basis of the rate for the preceding year applied to the latest assessed valuation. Except as otherwise provided in this Agreement, all other closing costs shall be paid by Buyer. Seller shall not, without the prior written consent of Buyer, consent to the imposition of any assessment against the Real Property if such assessment would be required to be paid, in whole or in part, by Buyer. Seller shall give Buyer timely written notice of any proposed governmental action, including, but not limited to, the formation of an improvement district or other similar district which could result in the imposition of assessments against the Real Property.

5. Condition of Title.

5.1 Title Report. Promptly after opening of Escrow, Escrow Agent shall deliver to Buyer and to Seller a preliminary title report or commitment (including matters revealed by an inspection of the Real Property) dated no earlier than the Escrow Date leading to the issuance of a standard coverage owner's policy of title insurance in the amount of the Purchase Price insuring Buyer's interest in the Real Property, together with readable copies of all instruments of record referred to therein (the "Title Report").

5.2 Title Review Period. Buyer shall have until 30 days after receipt of the Title Report (the "Title Review Period") within which to object in writing to Seller and Escrow Agent to the legal description or any matters affecting title shown on the Title Report, it being agreed that the Purchase Price is based upon free and clear title and only such other exceptions thereto as may be approved by Buyer, in its sole and absolute discretion. Buyer's failure to timely object to any of the matters affecting title shown on the Title Report within the Title Review Period will constitute Buyer's rejection of title subject to those matters.

5.3 Title Objections. If Buyer objects to any matters affecting title shown on the Title Report, Seller shall have until the Closing Date to cure any matters objected to by Buyer but shall have no obligation to do so. If Seller does not cure those matters objected to by Buyer by the Closing Date, Buyer may, in its sole discretion, elect to (a) waive the matters objected to and close Escrow subject thereto, or (b) cancel this Agreement by notice to Seller and Escrow Agent, whereupon the Escrow and this Agreement shall automatically terminate and neither party shall thereafter have any further obligations or liability to the other under this Agreement except as herein expressly provided for otherwise.

5.4 Amended Title Report. Buyer shall have until five (5) business days after receipt of an amended Title Report disclosing new matters affecting title to the Real Property (and the Closing Date shall automatically be extended for such five business-day period, if appropriate) within which to object in writing to Seller and Escrow Agent to any matters affecting title set forth therein; whereupon Buyer shall have the same rights hereunder as described with respect to the objections to the first Title Report described in Section 5.3 above. If Seller does not cure those matters objected to by Buyer within two business days after notice of Buyer's objection (and, if necessary, the Closing Date shall be appropriately extended until the expiration of the five business-day period hereinabove provided and this two business-day period), then Buyer may, in its sole and absolute discretion, elect either of the remedies set forth in Section 5.3 above; provided, however, that, notwithstanding anything in this Agreement to the contrary, Buyer's rights and remedies shall not be limited with respect to any breach of Seller's covenant set forth in the following sentence. Seller covenants that between the Escrow Date and the Closing Date Seller will not intentionally cause any material matter to arise or be imposed upon the Real Property affecting title thereto.

6. Title Insurance. Buyer's obligation to close Escrow is conditioned upon the commitment of Escrow Agent, or its affiliated title insurer, to issue to Buyer, at or promptly following the Closing, a standard coverage owner's policy of title insurance insuring title to the Real Property to Buyer in the amount of the Purchase Price, the policy to be subject only to the usual printed exceptions, conditions and stipulations in the form of policy and matters affecting title shown on the Title Report not objected to by Buyer in accordance with Section 5 hereof. Buyer shall pay the portion of the premium for an extended coverage owner's policy that is in excess of what the premium would have been for a standard owner's policy, and Seller and Buyer shall split evenly the balance of the premium. Seller and Buyer agree to comply with all reasonable requirements imposed by the title insurer as a condition to issuance of the policy (excluding matters affecting title which, by notice given to Escrow Agent and the other party within ten days after delivery of the Title Report, either Buyer or Seller reasonably determines should more properly be shown in the exceptions to title portion of the Title Report).

7. Buyer's Due Diligence. From full execution of this Agreement, Buyer shall have nine (9) months (270 days) of Due Diligence to complete the Grocery Store Lease and submit all Permits for Construction. The Deposit will become nonrefundable and payable to Seller as liquidated damages in the event Buyer fails to close the transaction for any reason other than Seller's breach.

7.1 <u>Right of Termination</u>. During the Due Diligence Period, Buyer may terminate this Agreement for any reason or no reason in Buyer's sole discretion, and in such event the Earnest Money, together with any interest thereon, shall be refunded to Buyer except as to any surviving obligations or indemnifications set forth herein. The indemnifications set forth herein shall survive termination of this Agreement and Close of Escrow. At the end of the due diligence period, should Buyer not have entered into the Grocery Store Lease and submitted all required permits for construction of the Project, Seller may elect to terminate the agreement and refund the earnest money to the Buyer unless the due diligence period is extended as set forth below.

7.2 <u>Access to Property</u>. Seller shall afford Buyer and its representatives reasonable access to the Property during the Due Diligence Period. Buyer shall repair and restore any damage to the Property caused by the Buyer arising from Buyer's activities. Buyer shall indemnify and hold Seller, its members, agents, employees and tenants, harmless from any claim for injury to person or property damage that may be made against Seller, its members, agents, employees and tenants, as a result of Buyer's activities on the Property during the Due Diligence Period.

7.3 <u>Due Diligence Items.</u> Within five (5) business days of the Effective Date, Seller shall, to the extent the same are in Seller's possession or readily available to Seller, deliver to Buyer copies of all items listed in <u>Exhibit C</u> attached hereto (collectively, the "**Due Diligence Items**") along with written confirmation that all Due Diligence Items have been delivered ("**Delivery Notice**"). If the Due Diligence Items and Delivery Notice are not timely provided, all time frames in this Agreement including the Contingency Period (defined below) shall extend on a day-for-day basis until the Due Diligence Items and Delivery Notice are delivered.

7.4 <u>Extension of Due Diligence Period</u>. Provided Buyer delivers written notice to Seller and deposits an additional $25,000 with the Title Company (the "**Extension Fee**") prior to the expiration of the Due Diligence Period, Buyer may extend the Due Diligence Period by an additional 120 days. If Buyer extends the Escrow, the original Deposit shall be non-refundable but shall be applied toward the Purchase Price. The Extension Fee shall be refundable to Buyer provided Buyer terminates this Agreement before the extended Due Diligence Period expires; however, the Extension Fee shall be non-refundable to Buyer thereafter except in the event of Seller's default under the Agreement, condemnation of the Property, or casualty to the Property but applicable to the Purchase Price in the event of Closing. At the end of the extended due diligence period, should Buyer not have entered into a grocery store lease and obtained permits for construction, Seller may elect to terminate the agreement and refund the Extension Fee to the Buyer.

7.5. <u>Removal of Property from the Market.</u> During the Escrow period, Seller shall not (i) solicit or respond to offers from other Buyers for all or a portion of the Property, (ii) engage in negotiations with any other person or entity for the sale of all or a portion of the Property, or (iii) agree to sell, assign, or transfer all or any portion of the Property to any person or entity.

8. <u>Property Reports</u>. Within 10 days of Opening of Escrow, Seller shall provide Buyer with surveys, drawings, plans and/or specifications and reports affecting the Property in Seller's possession regarding the Property and improvements ("Property

Reports"). Buyer acknowledges that the documents will be provided on the condition that Seller makes no representations or warranties with regard to the accuracy or completeness of the Property Reports. The Buyer will make their own independent verification of all matters important to Buyer during the Due Diligence Period including matters set forth in the Property Reports. Additionally, Seller will, within the ten (10) day period described herein, provide Buyer with a vendor list for the Property.

9. Conveyancing and Closing Documents.

9.1 By Seller. On the Closing Date, Seller shall deliver to Buyer:

a. A special warranty deed, in the form attached hereto as Exhibit B, conveying to Buyer title to the Real Property, together with an executed Affidavit of Real Property Value, if applicable.

b. A sworn affidavit stating under penalty of perjury that Seller is not a "foreign person" as such term is defined in Section 1445(f)(3) of the Code. In the event Seller does not furnish the sworn affidavit, Buyer may withhold (or direct Escrow Agent to withhold) from the funds due to Seller at the Closing, an amount equal to the amount required to be so withheld pursuant to Section 1445(a) of the Code, and such withheld funds shall be deposited with the Internal Revenue Service as required by Section 1445(a) and the regulations promulgated thereunder. The amount withheld, if any, shall nevertheless be deemed to be part of the Purchase Price paid to Seller.

9.2 By Escrow Agent. On the Closing Date, Escrow Agent shall:

a. Record or file, as appropriate, the closing instruments hereunder in the following order: the Special Warranty Deed and the Affidavit of Value, if applicable.

b. Deliver the title insurance policy, as set forth in Section 5 of this Agreement, to the Buyer.

c. Provide each party with a complete set of closing documents as they become available to Escrow Holder.

10. Tests.

10.1 General Tests. Buyer, its agents and designees, shall have the right to enter upon the Real Property at all times prior to the Closing Date for the purposes of inspecting the Real Property and making and obtaining drainage, environmental, soil and engineering tests, and performing other tests, studies or inspections desired by Buyer. Buyer agrees to indemnify, defend and hold harmless Seller for, from and against all claims, liabilities and damages, including attorneys' fees, for personal injury, physical damage to property or mechanics' or materialmen's liens which may be asserted against Seller as a result of Buyer's entry onto the Real Property and inspection or testing thereof. Buyer shall, after its entry and testing, restore the Real Property to substantially the same condition that existed prior to such entry and testing. Buyer agrees to provide the City with copies of all written reports Buyer receives under this Section 10.1.

10.2 Environmental Site Assessment. Buyer may, at its sole option and expense, during the Due Diligence Period, undertake the inspection, testing and analysis of the Real Property to determine the nature and extent of the existence of any Hazardous Substances, if any, present on, at or under the Real Property. Buyer shall obtain Seller's prior written approval of the time, manner and extent of any such investigation (including any investigation which entails soils or groundwater tests or analyses), which consent shall not unreasonably be withheld or delayed by Seller. Seller shall provide Buyer and Buyer's agents and representatives with access to all portions of the Real Property, at reasonable times and subject to the rights of any tenants or other occupants of the Real Property, for the purpose of completing any such investigation of the Real Property. Seller shall cooperate with Buyer's investigation of the Real Property so long as the same does not unreasonably interfere with Seller's operations or cause any undue expense to Seller which is not reimbursed by Buyer. Buyer shall indemnify and hold Seller harmless from and against any and all claims arising as a result of any such entry or investigation by Buyer or Buyer's consultant, except with respect to any matter related to Seller's obligation to clean or remove any Hazardous Substances previously existing on the Real Property, so long as the same are not aggravated by Buyer's entry or investigation. Seller may, at its sole option, observe and monitor the investigation undertaken by Buyer, and its consultants, and may, at Seller's expense, obtain split or duplicate samples of any soil, groundwater or other material samples taken by Buyer. Buyer shall provide the Seller, as soon as they are made available to Buyer, copies of all field data, filed reports, laboratory analyses, reports and all other analyses and reports prepared or used in connection with Buyer's investigation of the Real Property, including the report prepared and provided to Buyer by its consultant. Notwithstanding anything contained in this Agreement to the contrary, in the event the results of Buyer's investigation of the Real Property are not satisfactory to Buyer, in its sole and absolute discretion, Buyer shall have the right to terminate this Agreement upon ten days written notice to Seller. Buyer agrees to provide the City with copies of all written reports Buyer receives under this Section 10.2.

11. No Alterations to Real Property. Seller shall make no modifications or alterations to the Real Property between the Escrow Date and the Closing Date, without the prior written consent of Buyer. As of the Closing Date, there will be no outstanding contracts made by Seller for any improvements to the Real Property which have not been fully paid, and Seller shall cause to be discharged or bonded in accordance with law any mechanics' or materialmen's liens arising from any labor or material furnished prior to the Closing Date. Notwithstanding the foregoing, Seller and Buyer agree that Seller will undertake at its sole cost and expense the undergrounding of the drainage area in the northwest part of the Property during the Due Diligence Period, which work shall be completed prior to the expiration of the original Due Diligence Period (the "Drainage Work").

12. Representations of Seller. Seller represents and warrants to Buyer that to the best of Seller's actual knowledge as of the date of this Agreement and without any duty to conduct additional investigation on Seller's part, that:

12.1 Seller's Authority.

a. **Authorized Signatory.** The person executing this Agreement on behalf of Seller is duly authorized to do so and thereby bind Seller hereto. Within 20 days of the Escrow Date, Seller shall deposit with Escrow Agent all evidence required by Escrow Agent for title insurance purposes of said person's authority to sign on behalf of and bind Buyer to this Agreement and all closing documents.

b. **Municipal Organization.** Seller is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Arizona and has full power and authority to enter into and perform this Agreement in accordance with its terms. All proceedings of Buyer to consummate the transaction contemplated by this Agreement and all documents and instruments required to be executed and delivered hereunder by Buyer have been duly and validly authorized, and upon execution and delivery by Buyer will constitute the valid and binding obligations of Buyer in accordance with their terms.

c. **Binding Agreement**. This Agreement and each of the documents and agreements to be delivered by the City at the closing constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms.

12.2 Seller's Ownership. Seller owns fee simple title to the Property. Seller has full authority to sell the Real Property pursuant to the terms of this Agreement. To Seller's knowledge, the Real Property is not subject to any unrecorded mortgages, liens, financing statements or encumbrances.

13. Conditions to Buyer's Obligation to Close. The obligation of Buyer to purchase the Real Property from Seller is conditioned upon and subject to the satisfaction (unless waived in writing by Buyer in Buyer's sole and absolute discretion) of each of the following conditions on or before the Closing Date:

13.1 Warranties True. The representations and warranties of Seller in this Agreement shall be true and correct in all respects on and as of the Escrow Date and on and as of the Closing Date as if made on and as of the Closing Date.

13.2 Conditions Met. Seller shall have performed and complied with all agreements and conditions contained herein required to be performed or complied with by it prior to or at the Closing Date.

13.3 Documents in Escrow. Seller shall have deposited in Escrow or delivered to Buyer the documents required of Seller pursuant to this Agreement.

13.4 Title Commitment. Escrow Agent (or its title insurance affiliate, if appropriate) shall have committed to issue to Buyer at or promptly after the Closing the title insurance policy required under this Agreement.

If any of the conditions described in this Section 13 are not satisfied, Buyer, at its election, (a) may cancel this Agreement by notice to Seller and Escrow Agent, whereupon this Agreement and the Escrow shall automatically terminate and neither party shall thereafter have any further obligations or liability to the other hereunder except as herein expressly provided for otherwise, or (b) may waive Seller's compliance with the condition and close Escrow subject thereto.

13.5 Development Agreement. The Buyer and Seller shall have entered into a mutually acceptable "development agreement" with respect to the Project.

13.6 Permits. The Buyer has obtained all permits and approvals for the Project.

14. Representations of Buyer. Buyer represents and warrants to, and covenants with, Seller that:

14.1 Authorized Signatory. The person executing this Agreement on behalf of Buyer is duly authorized to do so and thereby bind Buyer hereto. Within 20 days of the Escrow Date, Buyer shall deposit with Escrow Agent all evidence required by Escrow Agent for title insurance purposes of said person's authority to sign on behalf of and bind Buyer to this Agreement and all closing documents.

14.2 Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona and has full power and authority to enter into and perform this Agreement in accordance with its terms. All proceedings of Buyer to consummate the transaction contemplated by this Agreement and all documents and instruments required to be executed and delivered hereunder by Buyer have been duly and validly authorized, and upon execution and delivery by Buyer will constitute the valid and binding obligations of Buyer in accordance with their terms.

15. Conditions to Seller's Obligation to Close. The obligation of Seller to sell the Real Property to Buyer pursuant hereto is conditioned upon and subject to the satisfaction (unless waived in writing by Seller) of each of the following conditions on or before the Closing Date.

15.1 Warranties True. The representations and warranties of Buyer in this Agreement shall be true and correct in all material respects on and as of the opening of Escrow and on and as of the Closing Date as if made on and as of the date of the Closing Date.

15.2 Performance Complete. Buyer shall have substantially performed fully and complied with all material agreements and conditions herein required to be performed or complied with by it prior to or at the Closing Date.

If the conditions described in this Section 15 are not satisfied, Seller, at its election, (a) may cancel this Agreement by notice to Buyer and Escrow Agent, whereupon this Agreement and the Escrow shall automatically terminate and neither party shall thereafter have any further obligations or liability to the other hereunder except as herein expressly provided for otherwise, or (b) may waive Buyer's compliance with the condition and close Escrow subject thereto.

16. <u>Seller's Remedies.</u> Except as otherwise expressly provided in this Agreement, if Buyer defaults under this Agreement, Seller's sole and exclusive right and remedy shall be to terminate this Agreement by written notice to Buyer and Escrow Agent, at which point, if applicable, Escrow Agent shall deliver to Buyer the Earnest Money Deposit. Neither party shall thereafter have any further obligations or liability to the other except as herein expressly provided for otherwise. Seller waives any claim it may have for incidental or consequential damages arising out of a failure of performance of the Buyer under this Agreement.

17. <u>Buyer's Remedies</u>. If the escrow hereunder fails to close because of a breach by the Seller, Buyer shall have right to terminate this Agreement by written notice to Seller and Escrow Agent, at which point Escrow Agent shall return the Earnest Money Deposit to Buyer and make a claim against Seller for Buyer's reasonable costs and expenses in connection with this transaction or Buyer may waive such breach by Seller and close. Buyer waives any claim it may have for incidental or consequential damages arising out of a failure of performance of the Seller under this Agreement. Seller shall not be responsible for any of Buyer's expected profits, tax incentives, or other tangible or intangible benefits from development which may have occurred upon Closing and later development of the Real Property.

18. <u>Breach; Cure</u>. Failure or unreasonable delay by the Seller or Buyer to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement and, if the breach is not cured within five (5) days after written notice thereof from the other Party, shall constitute a default under this Agreement; provided, however, that if the failure is such that more than five (5) days would reasonably be required to perform such action or comply with any term or provision hereof, then the party shall have such additional time as may be necessary to perform or comply so long as the party commences performance or compliance within said five-day period and diligently proceeds to complete such performance or fulfill such obligation (the "Cure Period"); provided further, however, that no such cure period shall extend beyond the Closing Date, unless otherwise agreed to, in writing, by the parties. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. In the event a breach is not cured within the Cure Period, the non-defaulting party shall have all rights and remedies which may be available under law or equity, including without limitation the right to (a) specifically enforce any term or provision of this Agreement, (b) terminate this Agreement or (c) institute an action for damages.

19. Operation of Real Property until the Closing. Except for the Drainage Work after the Escrow Date, and prior to the Closing Date and delivery of possession of the Real Property to Buyer, Seller shall not make or cause to be made any repairs and replacements with respect to any part or portion of the Real Property but shall continue to maintain and operate the Real Property in the normal manner to keep the Real Property in its condition as of the Escrow Date, ordinary wear and tear excepted except as provided in Section 11.

20. Eminent Domain. In the event that, prior to the Closing Date, any of the Real Property is taken by the power of condemnation or eminent domain, or in the event notice is given by any governmental authority of, or an action is commenced with respect to, the taking of any part of the Real Property by the power of condemnation or eminent domain, Seller shall give immediate written notice thereof to Buyer. Buyer may, in its sole discretion and within 20 days after receipt of such notice from Seller or prior to the Closing Date, whichever period is shorter, elect to terminate this Agreement by written notice of such election to Seller and Escrow Agent. In the event Buyer elects to cancel this Agreement, neither party shall thereafter have any further obligation or liability to the other except as herein expressly provided for otherwise. If Buyer does not elect to so cancel this Agreement, all condemnation awards relating to the Real Property and rights thereto are hereby assigned to Buyer and shall be paid to Buyer.

21. Risk of Loss. Prior to the Closing Date, the risk of loss resulting from any cause, including, without limitation, fire or other casualty, to the improvements or any property, real or personal, subject to this Agreement shall be that of Seller. Seller shall keep the Real Property insured against casualty until the Closing under its existing insurance policies or replacement policies with the same coverage existing as of the Escrow Date. If, at any time prior to the Closing, the improvements on the Real Property are destroyed or materially damaged, Buyer may elect (a) to terminate this Agreement whereupon neither party shall thereafter have any further obligation or liability to the other except as herein expressly provided for otherwise or (b) to close Escrow, in which event all insurance proceeds from Seller's insurance are hereby assigned to Buyer and shall be paid to Buyer within ten days of a demand therefore.

22. General Provisions.

22.1 Cooperation. The Buyer and the Seller hereby acknowledge and agree that they shall cooperate in good faith with each other as contemplated by this Agreement, including without limitation the obtaining of all necessary permits and approvals related to the construction of the Project.

22.2 Time of Essence. Time is of the essence with respect to each and every provision of this Agreement and the performance required by each Party hereto.

22.3 Conflict of Interest. Pursuant to Arizona law, rules and regulations, no member, official or employee of the Buyer shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to cancellation pursuant to ARIZ. REV. STAT. § 38-511.

22.4 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered to the party at the address set forth below, (b) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (c) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to Seller:	City of Tolleson, Arizona 9055 West Van Buren Street Tolleson, Arizona 85353 Attn: Jason Earp, Development Services Director Email: Jason.Earp@tolleson.az.gov
With a copy to:	Pierce Coleman PLLC 17851 North 85th Street, Suite 175 Scottsdale, Arizona 85255 Attn: Justin Pierce City Attorney Email: Justin@PierceColeman.com
If to Buyer: With a copy to:	Schulte Real Estate Management Corp. 1 Riverway, Suite 1900 Houston, Texas 77056-1951 Attn: Matthias Schruff, President Email: msh@schulteinv.com
With a copy to:	Steven R. Smith c/o Thompson Coburn LLP 2100 Ross Avenue, Suite 3200 Dallas, Texas 75201 Email: srsmith@thompsoncoburn.com
If to Escrow Agent:	Pioneer Title Agency 1550 East Missouri Avenue Phoenix, Arizona 85014 Attn: Jennifer Siverio, Senior Comm. Escrow Officer Email: jennifer.siverio@pioneertitleagency.com

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (a) when delivered to the party, (b) three (3) business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (c) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (d) when received by facsimile/email transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

22.5 Counsel Assistance; Fair Interpretation.

a. Counsel for Seller. The Seller has either been assisted by counsel in connection with the preparation and execution of this Agreement or has chosen to forego such legal representation despite a recommendation from the Buyer that the Seller seek advice from legal counsel.

b. Counsel for Buyer. The Buyer has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

c. Fair Interpretation. This Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the Party who drafted a provision shall not be employed in interpreting this Agreement.

22.6 Governing Law; Venue. This Agreement shall be interpreted and governed according to laws of the State of Arizona. The venue for any dispute hereunder shall be Maricopa County, Arizona, and the Parties hereby irrevocably waive any right to object to such venue.

22.7 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by either Party of any breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same for any other term, covenant or condition herein contained.

22.8 Assignment and Encumbrances

Prior to Closing, Buyer will have the right to assign its rights under the Purchase Agreement to one or more entities which are affiliates of Buyer. Until and unless such an assignment of this Agreement is made, none of such entities will have any liability thereunder. Upon such assignment such entities shall assume all of Buyer's obligations under this Agreement and Buyer shall be released from any obligations occurring thereafter (unless Buyer violates confidentiality provisions in this Letter). Buyer shall remain obligated for its actions or omissions under this Agreement arising prior to the assignment, such as by example and not limitation, for damage or liability arising related to inspections or entries on the Property by Buyer or its agents, contractors, affiliates, or employees or breach of confidentiality obligations by Buyer.

a. **Prior Approval Required.** Except any assignment to a lender, Buyer shall not assign this Agreement or any interest therein without obtaining Seller's prior written approval.

b. **Certain Permitted Assignments**. The Seller grants permission to the Buyer to assign its interest in portions of this Agreement to subsidiaries or affiliates of the Buyer.

22.9 **Waiver of Right to Trial By Jury.** The Parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the Parties hereto waives any right to a trial by jury. In the event of litigation, the Parties hereby agree to submit any such litigation to the Court (bench trial) and that the parties agree that this Agreement shall be deemed to have been created in Maricopa County, Arizona, and to be subject to the jurisdiction of the Maricopa County Superior Court, and that any claims to alternative jurisdiction based on diversity of citizenship, corporate location, etc. are waived by the Parties pursuant to this Agreement.

22.10 **Warranty Against Payment of Consideration for Agreement**. Buyer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, consultants, engineers and attorneys and any licensed real estate broker retained by Buyer.

22.11 **Nonliability of Officials, Partners and Employees**. No member, official or employee of the City will be personally liable to Buyer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Buyer or successor, or on any obligation under the terms of this Agreement. No agent, employee, officer, member, or shareholder of Buyer will be personally liable to the City, or any successor in interest, in the event of any default or breach by the Buyer or for any amount which may become due to the City or successor, or on any obligation under the terms of this agreement.

22.12 **Indemnity.** Each of the parties shall indemnify, protect, defend and hold harmless the other from and against any and all claims, costs, damages and liabilities (including attorneys' fees and costs) arising from any breach by such party of any of the representations and warranties contained herein.

22.13 **Waiver of Attorneys' Fees**. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys' fees, either pursuant to the Contract, pursuant to A.R.S. § 12-341.01(A) and (B), or pursuant to any other state or federal statute, court rule, or common law.

22.14 **Limited Severability.** The Buyer and the Seller each believe that this Agreement was executed, delivered and performed in compliance with all applicable laws. However, in the unlikely event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement is declared void or unenforceable by a court of competent jurisdiction (or is construed as requiring the Seller or Buyer to do any act in violation of any applicable laws, constitutional provision, law, regulation or Tolleson City Charter or Code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic or otherwise) to the Parties as if such severance and reformation were not required. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed. Notwithstanding the foregoing, the requirements of Sections 12.5 and 14.3 are deemed necessary for this Agreement and the parties hereby agree that this Agreement shall terminate if a development agreement is not approved by the parties prior to Closing.

22.15 <u>Exhibits</u>. All exhibits attached hereto are incorporated herein by this reference as though fully set forth herein.

22.16 <u>Entire Agreement</u>. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties hereto, oral or written, are hereby superseded by and merged into this Agreement.

22.17 <u>No Partnership; Third Parties</u>. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between the Seller and the Buyer. No term or provision of this Agreement is intended to or shall be for the benefit of any person or entity not a Party hereto, and no such other person or entity shall have any right or cause of action hereunder.

22.18 <u>Additional Acts and Documents</u>. Each Party hereto agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement. If any action or approval is required of any Party in furtherance of the rights under this Agreement, such approval shall not be unreasonably withheld.

22.19 <u>Headings; Counterparts</u>. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

22.20 <u>Force Majeure</u>. The performance of either Party and the duration of this Agreement shall be extended by any causes that are extraordinary and beyond the control of the Party required to perform, such as, but not limited to, extreme changes in market conditions, a significant weather or geological event or other act of God, civil or military disturbance, labor or material shortage, or acts of terrorism.

22.21 Computation of Time. In computing any period of time under this Agreement the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day, which is not a Saturday, Sunday, or legal holiday. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (local time in Tolleson, Arizona) on the last day of the applicable time period provided herein.

22.22 Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Parties hereto. Within ten days after any amendment to this Agreement, such amendment shall be recorded in the Maricopa County Recorder's Office.

22.23 Countersigned. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22.24 Commission. Buyer agrees to pay David Guido, NAI, a commission for the land sale, per separate agreement. Seller represents that it has not engaged a broker, and no commission is due by Seller.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first written above.

"**SELLER"**

CITY OF TOLLESON, an Arizona municipal corporation

By:______________________________
Name:____________________________
Its:______________________________

ATTEST:	APPROVED AS TO FORM:
____________________________	____________________________
Crystal Zamora, City Clerk	Justin Pierce, City Attorney

[ADDITIONAL SIGNATURES ON FOLLOWING PAGE.]

"**BUYER**"

SCHULTE REAL ESTATE MANAGEMENT CORP.,
a Delaware corporation

By:________________________________
Matthias Schruff, President

ACCEPTED AND APPROVED:

PIONEER TITLE AGENCY

By: ______________________________
Name: ____________________________
Title: _____________________________

Dated: ____________________________

EXHIBIT A
TO
PURCHASE AND SALE AGREEMENT
BETWEEN
THE CITY OF TOLLESON
AND
SCHULTE REAL ESTATE MANAGEMENT CORP.

[Legal Description]

Lot 1, of La Entrada, according to the plat of record in the office of the county recorder of Maricopa County, Arizona, recorded in Book 1050 of Maps, page 25.

[SEE ORIGINAL, RECORDED PLAT, FOLLOWING.]

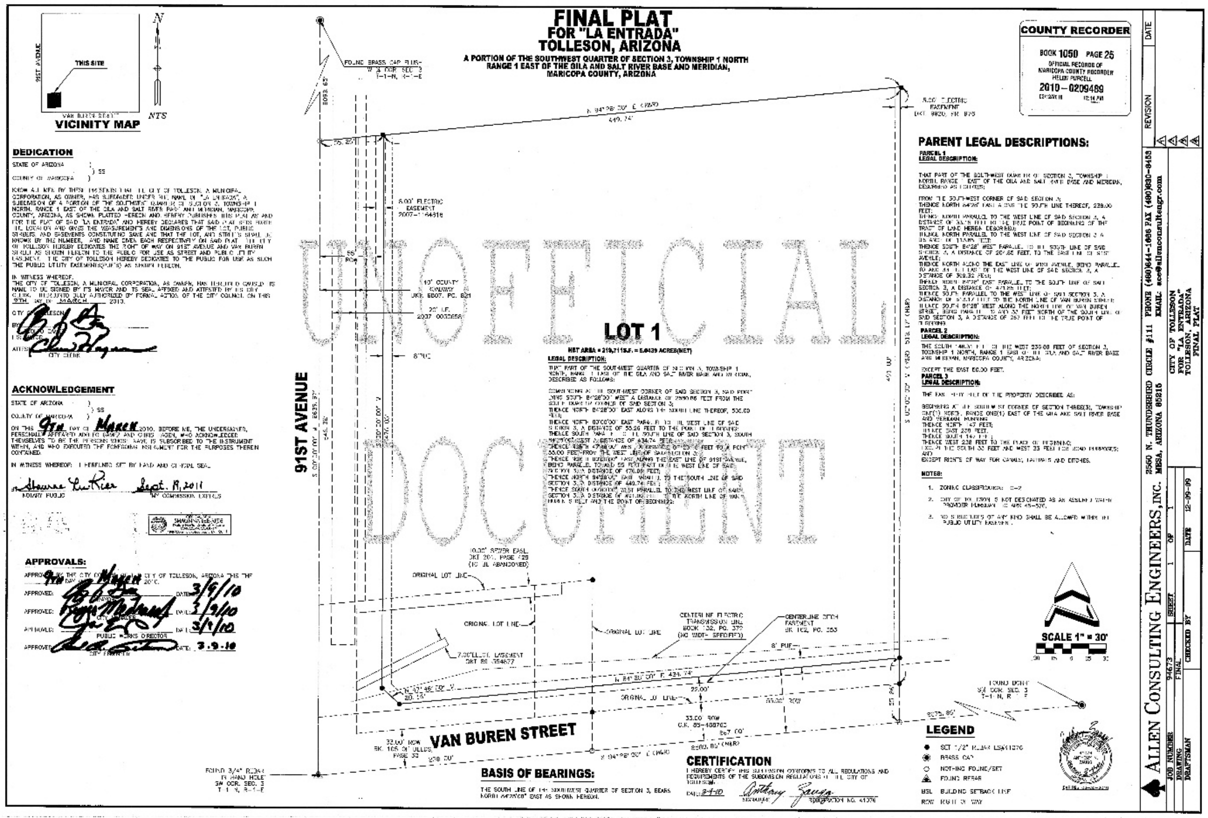
FINAL PLAT
FOR "LA ENTRADA"
TOLLESON, ARIZONA
A PORTION OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 1 NORTH
RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,
MARICOPA COUNTY, ARIZONA
VICINITY MAP
NTS
DEDICATION
ACKNOWLEDGEMENT
APPROVALS:
COUNTY RECORDER
PARENT LEGAL DESCRIPTIONS:
LOT 1
91ST AVENUE
VAN BUREN STREET
BASIS OF BEARINGS:
CERTIFICATION
LEGEND
SCALE 1" = 30'
UNOFFICIAL DOCUMENT
ALLEN CONSULTING ENGINEERS, INC.

Exhibit A-1

EXHIBIT B
TO
PURCHASE AND SALE AGREEMENT
BETWEEN
THE CITY OF TOLLESON
AND
SCHULTE REAL ESTATE MANAGEMENT CORP.

[Special Warranty Deed]

See following pages.

When Recorded Return to:
Schulte Real Estate Management Corp.
1 Riverway, Suite 1900
Houston, Texas 77056-1951
Attn: Matthias Schruff, President

Exempt pursuant to A.R.S. § 11-1134(A)(3)

SPECIAL WARRANTY DEED

For valuable considerations, the City of Tolleson, an Arizona municipal corporation, located at 102 East Third Street, Tolleson, Arizona 86047 ("Grantor"), does hereby convey to Schulte Real Estate Management Corp., a Delaware corporation, ("Grantee"), the following real property situated in the County of Maricopa, State of Arizona, as described in **Exhibit A**.

SUBJECT TO current taxes and assessments; patent reservations; all covenants, conditions, restrictions, reservations, rights, rights-of-way, easements, obligations and liabilities and other matters of record or to which reference is made in the public record; any and all conditions, shortages in area, overlaps, conflicts in boundary lines, easements, encroachments, rights-of way, rights or claims, or restrictions not shown by the public records which would be disclosed by a physical inspection, or which an accurate survey of the Property would reveal; unpatented mining claims; and the applicable zoning and use ordinances, regulations, zoning codes and the like of any municipality, county, state, or the United States affecting the Property as same now exist and as may hereafter be established or amended.

Grantor hereby binds itself and its successors to warrant and defend title to the Property against the acts of Grantor and none other, subject to the matters set forth above.

FURTHERMORE, Grantor hereby quitclaims to Grantee, without covenant or warranty of any kind whatsoever, any rights or claims to title to water, applications for water rights, and claims to or interests in water rights which are appurtenant or in any way applicable to or derived from the Property whether surface, underground, wells, springs, percolating, flood, vested, contingent, recorded, certificated, appropriated or otherwise.

[SIGNATURES ON FOLLOWING PAGE.]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

GRANTEE:
CITY OF TOLLESON, ARIZONA,
A municipal corporation

By: ___DO NOT SIGN EXHIBIT_________
Reyes Medrano, Jr., City Manager

ACKNOWLEDGMENT

STATE OF ARIZONA)
) ss
County of Maricopa)

On this _____ day of _____________, 2026, before me, the undersigned Notary Public, personally appeared Reyes Medrano, Jr., City Manager of the City of Tolleson, Arizona, a municipal corporation, being so authorized to execute, who executed and acknowledged the foregoing instrument for purposes therein contained and whose identity was proven to me on the basis of satisfactory evidence to be the person who they claim to be and acknowledged that they signed the Special Warranty Deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

______DO NOT SIGN EXHIBIT_________
Notary Public

My Commission Expires:

GRANTEE:
SCHULTE REAL ESTATE MANAGEMENT CORP.,
a Delaware corporation

By:____DO NOT SIGN EXHIBIT_______________
Matthias Schruff, President

EXHIBIT A

Legal Description – Entire Parcel

Maricopa County Parcel No. 102-48-263

Lot 1, of La Entrada, according to the plat of record in the office of the county recorder of Maricopa County, Arizona, recorded in Book 1050 of Maps, page 25.

EXHIBIT C
TO
PURCHASE AND SALE AGREEMENT
BETWEEN
THE CITY OF TOLLESON
AND
SCHULTE REAL ESTATE MANAGEMENT CORP.

[Due Diligence Items]

See following pages.