

This is a legally binding contract; if not understood seek advice from an attorney

CONTRACT FOR SALE OF REAL ESTATE

THIS CONTRACT is entered into by and between Chae Song Ko and Young Eun Ko ("Seller") and the City of Broken Arrow, an Oklahoma municipal corporation ("Buyer"). Upon *approval* by both Seller and Buyer, as evidenced by their signatures hereto, a valid and binding contract of sale, which includes any attachments or documents incorporated by reference, shall exist. The Effective Date of which shall be the latest date for approval by all parties as indicated below, and the terms and conditions of which are as follows:

Seller agrees to sell and convey to Buyer by General Warranty Deed and Buyer agrees to accept such deed and purchase the Property on the following terms and conditions:

1. PROPERTY. The Property shall consist of the following described real estate located at 201 East Washington Street, Broken Arrow, OK in Tulsa County, Oklahoma;

LEGAL DESCRIPTION: N/2 N/2 NW/4 NE/4 Less East 858 feet & Less West 63 feet for road & Less North 60 feet thereof for road, Sec. 23, Range 18 North, Township 14 East of the Indian Base and Meridian, Unplatted, 2.466 Acres.

Together with all fixtures and improvements, and all appurtenances, subject to existing zoning ordinances, plat or deed restrictions, utility easements serving the Property including all mineral and water rights owned by Seller unless expressly reserved by Seller in the Contract and excluding mineral rights previously reserved or conveyed of record (collectively referred to as "the Property"). Buyer shall not rely on any quoted square footage and/or acreage and shall have the right to measure the Property.

2. PURCHASE PRICE AND EARNEST MONEY. The total purchase price is \$215,000.00 ^{6-11-16 K.Y.} _{DATE/SELLER} ^{Buyer ID # 24,000.00 K.Y.} payable as follows: \$1,000 on execution of this Contract, as earnest money and part payment of the Purchase price (the "Earnest Money"), which has been delivered to the Broker identified below and evidenced by signature under Broker's Receipt. The Earnest Money shall be deposited with Commercial Title & Escrow Services, Inc. ("Escrow Agent") in an escrow account within three (3) days from the Effective Date of the Contract, and the balance of the purchase price shall be paid in cash, cashier's or certified check or wire (electronic) transfer of funds upon delivery of the deed (the "Closing").

Buyer and Seller agree that any expenses incurred on their behalf shall be paid by the party incurring such expenses and shall not be paid from earnest money.

In the event a dispute arises prior to the release of earnest money held in escrow, the escrow holder shall retain said earnest money until one of the following occur:

- a) A written release is executed by Buyer and Seller agreeing to its disbursement;
- b) Agreement of disbursement is reached through Mediation;
- c) Interpleader or legal action is filed, at which time the earnest money shall be deposited with the Court Clerk; or

- d) The passage of thirty (30) days from the date of final termination of the Contract has occurred and options a), b) or c) above has not been exercised.
- e) Broker escrow holder, at Broker's discretion, may disburse earnest money. Such disbursement may be made only after fifteen (15) days written notice to Buyer and Seller at their last known address stating the escrow holder's proposed disbursement.

3. ACCEPTANCE OF PROPERTY. Buyer, by Closing or taking possession of the Property, shall be deemed to have accepted the Property, in its then condition, including fixtures and equipment. No representations, warranties or guarantees, express or implied, by Seller, Seller's representatives and agents, Brokers or their sales associates with reference to the Property including condition, age and size of improvements, land area and any fixtures or equipment shall be deemed to survive the Closing.

4. TITLE INSURANCE AND SURVEY.

A. Seller at Seller's expense, (including the cost of pre-closing abstracting and title examiner's report) within fourteen (14) days after the Effective Date of this Contract shall furnish to Buyer a Commitment for the title insurance from a title insurance company acceptable to Buyer (the "Title Commitment"). The Title Commitment covering the Property shall be addressed to the Buyer and bind the title company to Issue to Buyer, at Closing, an ALTA standard form Owner's Policy of Title Insurance (the "Title Policy") in the amount of the Purchase Price. The Title Commitment shall set forth the status of the title to the Property, showing and having attached copies of all liens, claims, encumbrances, easements, rights-of-way, encroachments, reservations, restrictions and any other matters affecting the Property.

B. Seller, at Seller's expense, within twenty-one (21) days after the Effective Date of this Contract shall furnish to Buyer five (5) copies of a survey of the Property, prepared by a licensed surveyor, dated or undated no more than six (6) months prior to the Effective Date of this Contract (the "Survey"). The Survey shall show:

1. The boundary lines, dimensions and area of the land indicated thereon;
2. The location of all fences, building, driveways, monuments and other improvements located within the boundary lines;
3. The location of all setback lines;
4. The location of all easements, alleys, streets, roads, rights-of-way and other matters of record affecting such land, together with the instrument, book and page number indicated;
5. If the Property is unplatted, a metes and bounds description of the Property;
6. The scale, the North direction, the beginning point, distance to the nearest intersecting street and point of reference from which the Property is measured; and
7. If the Property is located in (i) a floodway; (ii) a 100-year flood plain; (iii) a "flood prone area", as defined by the United States Department of housing and Urban Development, pursuant to the U.S. Flood Disaster Protection Act of 1973, as amended, or (iv) an area classified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, reflected by

flood Insurance Rate Map covering the floodway, 100-year flood plain, flood prone area or flood hazard area. Such Survey shall be in a form sufficient to permit the title company issuing the Title Policy to remove printed survey exception from the policy.

C. The legal description of the Property contained in the Survey, if different from the description contained in this Contract, once approved by Buyer and Seller, shall be substituted for the description of the Property and the Contract shall be deemed amended by the substitution of the legal description of the Property contained in the Survey without the necessity of the parties executing any further amendment to the Contract.

D. Buyer shall have ten (10) days from the receipt of both the Commitment for Title Insurance and the survey referred to above to examine the same and specify to Seller, in writing, those matters which Buyer finds objectionable. No matter in the Title Commitment shall be construed as a valid objection to Title under this Contract unless it is so construed under the "Oklahoma title Examination Standards" of the Oklahoma Bar Association, where applicable. In case of valid objections to the title in the Title Commitment, Seller shall have thirty (30) days, or such additional time as may be agreed to, in writing, by Seller and Buyer, to make reasonable efforts to cure or remove such objections. If the receipt by Buyer of the information referred to above, then all of the items reflected in the Title Commitment and Survey shall be considered to be acceptable to Buyer. If such valid objections cannot be satisfied within the time stipulated in the paragraph, the Earnest money shall be returned to the Buyer, Buyer shall return the abstract to Seller and this Contract shall be of no further force and effect.

E. On the date of closing of this transaction, as provided in the Contract, Seller shall furnish to Buyer a copy of the Title Commitment, fully marked and initialed by the title company issuing the Owner's Title Policy, marked Title Commitment, shall reflect the exceptions and provisions to be contained in the Owner's Title Policy upon issuance thereof. The Title Commitment shall commit to issue to Buyer and owner's policy of title insurance covering all of the Property, in the sum of the Purchase Price and written on an American Land Title Association (ALTA) Owner's Policy form, or its equivalent, and, except for the objections Buyer has agreed to waive, showing only the standard printed exceptions and exclusions contained in the said ALTA form of Owner's Title Policy. The premium charged by the Title Company and cost closing abstracting expense of providing such Title Policy shall be borne by Buyer.

F. The Title Commitment shall permit deletion of the Survey exceptions, at Buyer's sole cost and expense, Additional extended coverage, including waiver of the standard exceptions and an ALTA standard zoning endorsement, which reflects the zoning classification of the Property, shall also be provided by Seller, at Buyer's request, and costs for such extended coverage in excess of the base policy premium shall be reimbursed to Seller by Buyer at Closing.

G. Seller shall make reasonable efforts at Seller's sole cost and expense, to cure or remove objections identified in the Survey. If Seller fails to cause all of the objections to be removed or cured prior to the Closing Date, or if Seller notifies Buyer of Seller's decision not to cure or remove some or all of the objections, Buyer's sole remedy shall be to:

1. Terminate the Contract by giving Seller written notice thereof, which notice must be given within five (5) days after Seller notifies Buyer of Seller's decision not to cure or remove the objections in which event the Earnest Money, together with all interest earned thereon, shall be returned to buyer and either party shall have any further rights, duties or obligations hereunder or;
2. Elect to purchase the Property subject to the Buyer's objections not so removed or cured; in which event the objections not removed or cured shall be deemed acceptable to Buyer.

H. Notwithstanding anything to the contrary contained in the Contract, in the event the transaction contemplated by this Contract does not close for any reason except Seller's failure to cure or remove a title objection described in the Survey or wrongful refusal to close, Buyer shall be responsible for the payment of the cost of the survey. Upon closing, any existing Abstract(s) of Title, owned by Seller, shall become the property of Buyer.

5. RISK OF LOSS. Until Closing or transfer of possession, risk of loss to the Property, ordinary wear and tear excepted, shall be upon Seller, after Closing or transfer of possession, whichever comes first such risk shall be upon Buyer

6. NON-FOREIGN SELLER. Seller represents and warrants that at the time of acceptance hereof and at Closing Seller is not a "foreign person" as such term is defined in Section 1445(1) of the Internal Revenue Code of 1954. At the Closing, and as a condition thereto, Seller shall furnish to Buyer an affidavit, in form and substance acceptable to Buyer, signed under penalty of perjury and containing Seller's United States Social Security and/or taxpayer identification numbers, to the effect that Seller is not a foreign person within the meaning of Section 1445(1) of the Internal Revenue Code.

7. TAXES AND PRORATIONS. The Seller shall pay in full (i) all special assessments against the Property upon the date of Closing whether or not payable in installments(ii) all taxes, other than general ad valorem taxes for the current calendar year, which are a lien on the Property upon the date of Closing, including the cost of documentary stamps to be attached to the Deed; and (iii) the cost of any item of workmanship or material furnished on or prior to the date of Closing which is or may become a lien on the Property. Unless otherwise specified in Paragraph 13, the following items shall be prorated between the Seller and the Buyer as of the date of Closing. (i) rents, if any; and (ii) general ad valorem taxes for the current calendar year, provided that, if the amount of such taxes has not been fixed the proration shall be based upon the rate of levy for the previous calendar year

K. V. G. 11-16
8. CLOSING. Subject to the provisions of Paragraph 6 and subject to the fulfillment of any conditions to the Closing specified in Paragraph 13; the Closing shall be held on or before *Sept. 6* ~~August 10, 2016~~ (the "Closing Date"). If there are valid objections to title that require correction the Closing Date shall be extended for the time permitted under Paragraph 6. At or prior to the *Buyer* ~~DATE~~ Closing the Seller shall deliver to the Escrow Agent a duly executed and acknowledged warranty deed conveying the Property, a Non-Foreign Affidavit, a Bill of Sale for any personal property,

and such other documents as are reasonably necessary to convey the Property and rights therein for delivery to the Buyer upon payment of the purchase price. Possession shall be transferred upon conclusion of Closing process unless otherwise provided in writing. The Buyer and Seller shall each pay one-half (1/2) of any Escrow or Closing fees charged.

9. BREACH OR FAILURE TO CLOSE. If after the Seller has performed Seller's obligations under this Contract and, if within five (5) days after the date specified above for Closing, the Buyer fails to make payments or to perform any other obligation of the Buyer under this Contract, then the Seller may, at Seller's option, cancel and terminate this Contract and retain all sums paid by the Buyer, but not to exceed five percent (5%) of the purchase price, as liquidated damages all of the obligations of Buyer and Seller breaches this Contract or fails to perform any of Seller's obligations, then buyer shall be entitled to either cancel and terminate this Contract, return the abstract, if any, to Seller and receive a refund of the Earnest Money, or pursue any other legal or equitable remedy. In the event of any court action or proceeding to enforce any provision hereof, the prevailing party shall be entitled to receive from the other party all reasonable costs of the action, including attorneys' fees.

10. EFFECT. This Contract shall be executed in compliance with Paragraph 16 below and when executed by both Seller and buyer, shall be binding upon and inure to the benefit of Seller and Buyer, their heirs, legal representatives, successors and assigns. This Contract sets forth the complete understanding of Seller and Buyer and supersedes all previous negotiations representations and agreements between them, their agents, Broker(s) and Broker's sales associates. This Contract can only be amended or modified by a written agreement signed by Seller and Buyer. In executing this Contract, both Seller and Buyer agree to the terms of the Broker(s) receipt and Agreement contained below

11. SPECIAL CONDITIONS

Buyer is willing to purchase the Property in its current as is condition.
Buyer needs thirty (30) days for review of title and survey.
Buyer can close approximately thirty (30) days thereafter.
Buyer's Earnest Money will be non- refundable, but applicable to purchase price after the initial thirty (30) days.

12. TAX DEFERRED EXCHANGE 1031. In conformance with Section 1031 of the Internal Revenue Code, it may be the intention of the Seller or Buyer or both to effect a tax-deferred exchange. Either the Seller or buyer or both may assign his/her rights in this Contract to a qualified intermediary for the purpose of effecting a tax-deferred exchange. The parties agree to cooperate and execute the necessary documents to allow either or both parties to effect such exchange at no additional cost or liability to the other party. However, any warranties that may be expressed in this Contract shall remain and be enforceable between the parties executing this document.

13. BROKER RELATIONSHIP DISCLOSURE AND COMMISSION.

- A. The broker shall have the following duties to all parties in a transaction, which are mandatory and may not be abrogated or waived by the broker:
1. Treat all parties with honesty and exercise reasonable skill and care;
 2. Unless specifically waived in writing by a party to the transaction:
 - a. Receive all written offers and counteroffers
 - b. Reduce offers or counteroffers to a written form upon request of any party to a transaction, and
 - c. Present timely all written offers and counteroffers.
 3. Timely account for all money and property received by the broker;
 4. Keep confidential information received from a party or prospective party confidential. The confidential information shall not be disclosed by a firm without the consent of the party disclosing the information unless disclosure is required by law, or the information is made public or becomes public as the result of actions from a source other than the firm. The following information shall be considered confidential and shall be the only information considered confidential in a transaction:
 - a. That party or prospective party is willing to pay more or accept less than what is being offered;
 - b. That a party or prospective party is willing to agree to finance terms that are different from those offered;
 - c. The motivating factors of the party or prospective party purchasing, selling, leasing, optioning, or exchanging the property; and
 - d. Information specifically designated as confidential by a party unless such information is public; and
 - e. Comply with all requirements of the Oklahoma Real Estate License Code and all applicable statutes and rules.
- B. A broker shall have the following duties and responsibilities only to a party for whom the Broker is providing brokerage services in a transaction which are mandatory and may not be abrogated or waived by a Broker:
1. Inform the party in writing when an offer is made that the party will be expected to pay certain costs, brokerage service costs and approximate amount of costs; and
 2. Keep the party informed regarding the transaction.
- C. When working with both parties to a transaction, the duties and responsibilities set forth in this section shall remain in place for both parties.
- D. It is further acknowledged and agreed by the parties that the Seller will pay the Listing Broker a commission equal to 6% of the purchase Price at Closing, to be split equally between First Commercial Real Estate Services, Inc. and Empire Properties, Inc. for services rendered in this real estate transaction.

14. BINDING EFFECT AND ENFORCABILITY OF CONTRACT. Before this Contract shall be binding and can be enforced by either party, the following acts of execution and deliveries shall be completed:

Execution and Delivery of Contract Documents, Counterparts. The parties agree that the contract between them shall be evidenced by either a single executed Contract upon which each of the parties shall place their signatures or by each of them placing their signatures on separate complete (carbon, photo electronic or fax) copies (“counterpart”) of the Contract documents. The Contract shall be binding only upon the delivery to each party, or their Broker (if authorized) of either (i) a Contract containing the original signature of both parties or (ii) a counterpart containing either the original or a copy of signature of the other party. The parties agree that as to all aspects of this transaction involving documents and electronic signature shall have the same force and effect as an original signature pursuant to the provisions of the Uniform Electronic Transactions Act, 12A, Oklahoma Statutes, Section 15-101 et seq. All prior verbal or written negotiations, representations and agreements are superseded by the Contract, which may only be modified or assigned by a further written agreement of Buyer and Seller.

15. NOTICE. Any notice provided for herein shall be given in writing and shall be deemed to be given on the date hand-delivered to the party; or when sent by facsimile transmission to the fax number shown below (provided the sending party obtains a confirmation receipt for such facsimile); or when delivered by national overnight courier (provided the sending party obtains a confirmation receipt for such delivery), or on the second business day following the date when deposited in the United States mail, postage prepaid, addressed to the appropriate parties at:

To Escrow/Closing Agent
Commercial Title and Escrow Services, Inc.
c/o Pam Bewley
4739 E. 91st street, Ste 200
Tulsa, Ok 74137
Fax No. 918.556.6347
Email address: pbewley@commercialtitleok.com
Phone number: 918.556.6336

To Buyer:
Michael Spurgeon
Broken Arrow City Manager
220 S. 1st St.
Broken Arrow, OK 74012

Copies to Buyer's Broker
First Commercial Real Estate Services, Inc.
8301 East 74th Place
Tulsa, OK 74133

To Seller:
Chae Song Ko and Young Eun Ko
1200 S. Umbrella
Broken Arrow, OK 74012

Copies to Seller's Broker
Empire Properties, Inc.
616 South Boston
Tulsa, OK 74119
*P.O. Box 2395
74101*

Either party may change the address to which notices are to be sent by giving the other party notice in the manner herein set forth.

APPROVED AND AGREED TO BY BUYER:

APPROVED AND AGREED TO BY SELLER:

This _____ day of _____

This 6 day of June 2016

Buyer: City of Broken Arrow

Sellers

By: _____
Mayor

By: [Signature]
Chae Song Ko

By: [Signature]
Young Eun Ko

TERMINATION OF OFFER. The above Offer shall automatically terminate on ~~June 10~~, 2016 at 5:00 p.m. unless withdrawn prior to acceptance or termination.

July 6,

KY 6-17-16
SELLER/DATE BUYER/DATE

DISCLOSURE TO SELLER OR BUYER OF BROKERAGE DUTIES, RESPONSIBILITIES AND SERVICES

- 1. **DUTIES AND RESPONSIBILITIES.** A Broker who provides Brokerage Services to one or both parties shall describe and disclose in writing the Broker's duties and

responsibilities prior to the party or parties signing a contract to sell, purchase, option, or exchange real estate.

- A. Broker shall have the following duties and responsibilities which are mandatory and may not be abrogated or waived by a broker, whether working with one party, or working with both parties:
1. Treat all parties to the transaction with honesty and exercise reasonable skill and care;
 2. Unless specifically waived in writing by a party to the transaction:
 - a. Receive all written offers and counteroffers;
 - b. Reduce offers or counteroffers to a written form upon request of any party to a transaction; and
 - c. Present timely all written offers and counteroffers
 3. Inform, in writing, the party for whom the Broker is providing Brokerage Services when an offer is made that the party will be expected to pay certain closing costs, Brokerage Service costs and the approximate amount of the costs;
 4. Keep the party for whom the Broker is providing Brokerage Services informed regarding the transaction;
 5. Timely account for all money and property received by the Broker;
 6. Keep confidential information received from a party or prospective party confidential. The confidential information shall not be disclosed by a Broker without the consent of the party disclosing the information unless consent to the disclosure is granted in writing by the party or prospective party disclosing the information, the disclosure is required by law, or the information is made public or becomes public as the result of actions from a source other than the Broker. The following information shall be considered confidential and shall be the only information considered confidential in a transaction:
 - a. That a party or prospective party is willing to pay more or accept less than what is being offered,
 - b. That a party or prospective party is willing to agree to financing terms that are different from those offered,
 - c. The motivating factors of the party or prospective party purchasing, selling, optioning or exchanging the property, and
 - d. Information specifically designated as confidential by a party unless such information is public.
 7. Comply with all requirements of the Oklahoma Real Estate Code and all applicable statutes and rule:
 8. When working with one party or both parties to a transaction, the duties and responsibilities set forth in the section shall remain in place for both parties.

2. **BROKERAGE SERVICES PROVIDED TO BOTH PARTIES TO THE TRANSACTION.** The Oklahoma Broker Relationships Law (Title 59, Oklahoma Statutes, Section 858-35-858-363) allows a real estate Firm to provide brokerage services to both parties to the transaction. This could occur when a Firm has contracted with a Seller to sell their property and a prospective Buyer contacts that same Firm to see the


property. If the prospective Buyer wants to make an offer on the property, the Firm must now provide a written notice to both the Buyer and Seller that the Firm is now providing brokerage services to both parties to the transaction. The law states that there are mandatory duties and responsibilities that must be performed by the Broker for each party

3. **BROKER PROVIDING FEWER SERVICES.** If a Broker intends to provide fewer Brokerage Services than those required to complete a transaction, the Broker shall provide written disclosure to the party for whom the Broker is providing services. The disclosure shall include a description of those steps in the transaction that the Broker will not provide and state that the Broker assisting the other party in the transaction is not required to provide assistance with the steps in any manner
4. **CONFIRMATION OF DISCLOSURE OF DUTIES AND RESPONSIBILITIES**
The duties and responsibilities disclosed by the Broker shall be confirmed in writing by each party in a separate provision, incorporated in or attached to the contract to purchase, option or exchange real estate

I understand and acknowledge that I have received this notice on _____ day of _____, 2016

BUYER (print name) _____ Signature _____

I understand and acknowledge that I have received this notice on 6 day of June, 2016

SELLER (print name) CHAE SONG KO Signature 

SELLER (print name) Young Eun Ko Signature 