

PURCHASE AND SALE AGREEMENT
Woodland Lake Park Townsite Act Sale

THIS PURCHASE AND SALE AGREEMENT, (hereafter called the Agreement) is made effective as of the date of the last authorized signature below, between the Town of Pinetop-Lakeside, a municipal corporation, 325 W. White Mountain Blvd., Lakeside, Arizona, 85929, hereinafter referred to as the Purchaser, and the United States of America, acting by and through the Forest Service, Department of Agriculture, hereinafter referred to as the Forest Service. This Agreement is hereby executed pursuant to the following authorities: Townsite Act of July 31, 1958 (P.L. 85-569, 72 Stat. 438; 7 U.S.C. 1012a; 16 U.S.C. 478a), as amended by the Act of October 21, 1976 (P.L. 94-579, 90 Stat. 2760); and Public Law 105-344 dated November 2, 1998.

WITNESSETH:

WHEREAS, the parcels of land, and certain improvements, described below, containing 107.88 acres, more or less, located in Navajo County, State of Arizona, was offered for sale to the Purchaser at the approved appraised market value of \$1,635,000.

GILA AND SALT RIVER MERIDIAN, Navajo County, Arizona

T. 8 N., R. 23 E.

sec. 6, W $\frac{1}{2}$ W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$.

T. 9 N., R. 23 E.

sec. 31, lots 10 and 12.

Together with any and all associated appurtenant minerals rights, oil and gas, and geothermal resources.

Together with any and all associated appurtenant water/well rights, including:

“Certificate of Water Right No. 33-96156.0000” to use the waters of Woodland Reservoir, a tributary of Walnut Spring, a tributary of the Little Colorado River, for the purpose of recreation and wildlife, within the SW $\frac{1}{4}$, sec. 31, T. 9 N., R. 23 E. The priority date of the right is December 23, 1991, not to exceed 46.0 acre-feet.

EXCEPTING AND RESERVING TO THE UNITED STATES, a right-of-way thereon for ditches or canals constructed by the authority of the United States pursuant to the Act of August 30, 1890 (43 U.S.C. 945).

SUBJECT TO:

- An existing easement dated October 18, 1982, for a road right-of-way, for Woodland Lake Road, as shown on that certain Correction Easement Deed recorded on November 30, 1982, in Docket 682, pages 480-490, Navajo County, Arizona. Said easement was transferred to the Town of Pinetop-Lakeside per Navajo County Board of Supervisors Resolution No. 70-91 dated December 16, 1991, and recorded in Docket 1059, page 890.

WHEREAS, the Purchaser agrees to pay the full sale price for purchase of the property.

NOW THEREFORE, in consideration of the terms and conditions of this Agreement, the parties agree as follows:

- **The Purchaser shall:**

- Make payment in the amount of \$1,635,000. Said payment shall constitute full payment

for the property. Payment must be made as described in the Bill for Collection.

- Bear the cost of any survey work required for the conveyance of the Federal land. As of the date of this Agreement, no additional survey work has been identified.
- Bear the cost of all recordation services and title insurance, if desired or required, by the Purchaser. The Federal government does not provide title insurance, title commitments, or other title documents.
- Record the Quitclaim Deed in the appropriate county lands records.
- Prepare and issue easement deeds to the following entities who currently hold Special Use Permits with the Forest Service: (1) Citizens Telecommunications Company of the White Mountains, Inc.; (2) Navopache Electric Cooperative, Inc.; (3) CableOne, Inc.; (4) Pinetop-Lakeside Sanitary District; (5) Pinetop Water Company; (6) Show Low/Pinetop-Lakeside Irrigation Company; (7) UNS Gas, Inc, of UniSource Energy.
- Record all easements noted above within the appropriate county.
- Properly file the water rights with the Arizona Department of Water Resources.
- **The Forest Service shall:**
 - Remove any personal property and equipment that is not included in the sale, prior to the date of closing.
 - Terminate and/or modify Forest Service authorized permits located on the subject property after closing.
 - Upon notification that the payment has been received, execute and deliver the Quitclaim Deed to the Purchaser. Such Deed shall be prepared by the Forest Service and approved by the Office of General Counsel. At closing, the property shall be free and clear of all exceptions to title, liens, easements, covenants, restrictions, encumbrances, etc., now known as Exceptions, except those shown on the Quitclaim Deed.
- **Insert the following Floodplain Notice into the Quitclaim Deed:**

Floodplain Notice: The information contained in this NOTICE is provided pursuant to the authority contained in Section 3(d) of Executive Order 11988 of May 24, 1977.

There are approximately 5.9 acres of land within the 100-year floodplain within a portion of section 6, T. 8 N., R. 23 E., and approximately 0.03 acres within a portion of section 31, T. 9 N., R. 23 E., Gila and Salt River Meridian. Once the lands are conveyed out of Federal ownership, they are subject to

floodplain ordinances and regulations of the Town of Pinetop-Lakeside.

The National Flood Insurance Program (42 U.S.C. 4001-4129) provides the umbrella document for the states floodplain control programs. In Arizona, A.R.S. § 48-3610 provides direction to counties and local governments. Counties must have floodplain regulations in effect in order to qualify for the National Flood Insurance program. In the Town of Pinetop-Lakeside, floodplain regulations are found at General Ordinances of the Town of Pinetop-Lakeside, Arizona, Chapter 15.12, FLOODPLAIN REGULATIONS. These ordinances strictly control development in “Base Flood” areas, which are the same as “100-Year Floodplains.”

- **Insert the following Deed Restriction for Wetland Protection into the Quitclaim Deed:**

Deed Restriction for Wetland Protection: The parcel contains 20.1 Wetland acres, more or less, and requires protection. Pursuant to the authority contained in Section 4(b) of Executive Order 11990 of May 24, 1977, the Quitclaim Deed is subject to a restriction which constitutes a covenant running with the land that no new construction or development, or filling of land, or reductions in water supply or vegetative diversity, subject to valid existing water rights, may occur in the wetland area as shown on the map attached herewith, entitled “EXHIBIT A – WOODLAND LAKE PARK SALE FLOODPLAIN AND WETLAND ANALYSIS REPORT February 22, 2018.”

- **Insert the following CERCLA Notice/Indemnification into the Quitclaim Deed:**

CERCLA Notice/Indemnification: The Grantee shall indemnify, defend, and hold the United States of America, its various agencies and/or employees, harmless from any costs, damages, claims, liabilities, and judgments arising from past, present, and future acts or omissions of Grantee, including its employees, agents, contractors, or lessees, arising out of, or in connection with, Grantee’s use, occupancy, or operations on the quitclaimed real property. This Notice/Indemnification and hold harmless agreement includes, but is not limited to, acts and omissions of the Grantee, its employees, agents, contractors, or lessees arising out of, or in connection with the use and/or occupancy on the quitclaimed real property which has resulted, or does hereafter result in: (1) violations of Federal, State and local laws and regulations which are now, or may in the future become, applicable to the quitclaimed real property, including but not limited to, the Oil Pollution Act, 33 U.S.C. Sec. 2701 et seq., the Comprehensive Environmental Response,

Compensation and Liability Act, 42 U.S.C. Sec. 9601 et seq., as amended, the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1251 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.; (2) judgments, claims, or demands assessed against the Grantor; (3) costs, expenses, or damages incurred by the United States; (4) the releases or threatened releases on or into the land, property and other interests of the Grantor by solid waste and/or hazardous substances as defined by Federal, State and local environmental laws; (5) or other activities by which hazardous substances or wastes, as defined by Federal, State and local environmental laws, were released, stored, used or otherwise disposed of at the quitclaimed real property, and any clean-up response, natural resources damage, or other actions related in any manner to said hazardous substances or wastes. This covenant shall be construed as running with the land, and may be enforced by the United States in a court of competent jurisdiction.

The information contained in this NOTICE is voluntarily provided pursuant to the authority of regulations promulgated under section 120(h), 42 U.S.C. 9620(h), of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601 et seq., as amended.

Since around 1987 to present, the land has been used by the Town of Pinetop-Lakeside for operating and maintaining a recreational park with related facilities. Site inspections were completed on August 31, 2018 and All Appropriate Inquiry worksheets were prepared on October 23, 2018, to document the current conditions of the parcel. At the time of the site visits, there are no documented Recognized Environmental Concerns (RECs) noted on the property.

- **Other Terms and Conditions:**
- The Town of Pinetop-Lakeside understands that the Forest Service does not furnish title insurance for the property it conveys, and if needed, or desired, by the Town, title insurance will be the responsibility of the Purchaser.
- The Town of Pinetop-Lakeside agrees that no representative or agent of the United States has made any representations or promise with respect to this agreement not expressly contained herein.
- The terms of this contract shall be binding on the Town of Pinetop-Lakeside and the Forest Service, subject to the terms and conditions provided herein:
- The agreement is not terminated by mutual consent or upon such terms as may be provided in the agreement.
- No substantial loss or damage occurs to the property from any cause.

- No undisclosed hazardous substances are found on the property prior to the conveyance.
- In accordance with State law, either party may record this Agreement in the appropriate county land records.

IN WITNESS THEREOF, the parties hereto have executed this agreement.

TOWN OF PINETOP-LAKESIDE:

USDA FOREST SERVICE:

By: _____
 STEPHANIE IRWIN
 Mayor
 Minerals
 Town of Pinetop-Lakeside

By: _____
 FORREST DECKER
 Acting Director, Lands and
 Southwestern Region
 USDA Forest Service

Date: _____

Date: _____

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this ____ day of _____ 20 ____, by Stephanie Irwin, known to me to be the Mayor, and she executed same as the free act therein contained.

 Notary Public

My Commission expires: _____

The foregoing instrument was acknowledged before me this ____ day of _____ 20 ____, by Forrest Decker, known to me to be the Acting Director of Lands and Minerals, Southwestern Region, Forest Service, United States Department of Agriculture, who being duly sworn stated that he signed said instrument on behalf of the United States of America under authority duly given, and he executed same as the fee act on behalf of the United States of America for the purposes therein contained.

 Notary Public

My Commission expires: _____