

REAL ESTATE PURCHASE AGREEMENT

Tract 3

THIS AGREEMENT, entered into the 2nd day of May, 2020, between **Steven L. Kraus, Judith K. Krause, Sheryl A. Hudson, Jerald A. Krause, Angela Lancaster, Sheila R. Krause** and **Brenda L. Lahm**, hereinafter referred to collectively as "Seller", and _____

_____, hereinafter referred to as "Buyer", whether one or more,

WITNESSETH:

THAT WHEREAS, Seller is the owner of the surface and mineral rights in and to the following described real estate located and situated in Marshall County, Kansas, to-wit:

The Northeast Quarter (NE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) and the Northwest Quarter (NW $\frac{1}{4}$) of Section Eight (8); and the East Half (E $\frac{1}{2}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Seven (7), Township One (1) South, Range Six (6), East of the 6th P.M., Marshall County, Kansas

WHEREAS, the Seller and the Buyer, as parties hereto, enter into this Agreement to define their respective rights and liabilities with regard to the sale of the above-described real estate from the Seller to the Buyer.

NOW THEREFORE, in consideration of the promises and mutual covenants hereinafter contained, **IT IS AGREED** by and between the parties as follows:

1. **Sale of Property.** The Seller does hereby agree to sell and convey to the Buyer the above-described real estate.

2. **Purchase Price.** The Buyer agrees to pay for the described real estate, and the Seller agrees to accept therefor, the sum of \$_____ as purchase price consideration.

3. **Method Of Payment.** Payment of the purchase price consideration stated above shall be made by the Buyer as follows:

A. \$_____, representing a 10% down payment, payable to the Seller upon the execution of this Agreement and deposited in escrow as hereinafter provided, the receipt of which is acknowledged by the Seller.

B. \$_____, representing the balance of said purchase price in cash to the Seller upon delivery of marketable title to Buyer at closing.

4. **Internal Revenue Code Section 1031 Like-Kind Exchange.** Seller and Buyer agree that the Seller may elect to engage in a "Like-Kind Exchange" pursuant to Internal Revenue Code Section 1031 to avoid the recognition of capital gain on the sale of the above-described real estate. In that event, Seller shall be responsible for and pay for all legal fees, tax advisor and tax preparer fees and all other expenses and costs incurred that are incidental to the execution of the "Like-Kind Exchange". If the Seller elects to engage in a "Like-Kind Exchange", the Buyer agrees to cooperate in the execution of the "Like-Kind Exchange", and agrees to execute any and all documents required of the Buyer to comply with Internal Revenue Code Section 1031.

Likewise, Buyer may elect to engage or be engaged in a "Like-Kind Exchange" pursuant to Internal Revenue Code Section 1031 for the purpose of avoidance of capital gain recognition. In such event, Buyer shall be responsible for and pay for all legal fees, tax advisor and tax preparer fees and all other expenses and costs incurred that are related to the execution of the "Like-Kind Exchange". Seller agrees to cooperate in the execution of the "Like-Kind Exchange" and agrees to execute any and all documents required of the Seller to comply with Internal Revenue Code Section 1031.

5. **Title.** The Seller shall convey marketable title to the described real estate by General Warranty deed. The Seller shall furnish the Buyer a title insurance commitment and title insurance policy covering the described real estate in the amount of the purchase price which evidences marketable title held by the Seller. The cost of the title insurance shall be paid one-half (½) by Seller and one-half (½) by Buyer. Any mortgage title insurance costs shall be paid by Buyer. Buyer shall notify Seller in writing of any objection to the title within 10 days after receipt of the title insurance commitment or the same shall be deemed waived. Seller shall have a reasonable time within which to satisfy any objections to title. If Seller cannot deliver marketable title as provided herein, Buyer may elect to waive such objections. If the Buyer does not waive such objections, then all monies paid by the Buyer shall be returned to the Buyer, and this Agreement shall be of no further force or effect.

The term "marketable title" shall be the meaning of that term under the Standards for Title Examination of the Kansas Bar Association.

6. **Taxes.** Taxes and assessments on the real estate for 2019 and all prior years shall be paid by Seller. Taxes and assessments on the real estate for 2020 and subsequent years shall be paid by Buyer.

7. **Escrow Agency.** Marshall County Abstract & Title Company,

Marysville, Kansas, is designated by the parties as the escrow agent for the closing of this transaction. Seller and Buyer shall each pay one-half (½) of the escrow fee and closing fee charged by the escrow agent. The escrow agent shall:

a) Collect from Buyer and deposit in its escrow account the down payment and the remaining balance of the purchase price at the closing of this Agreement.

b) Receive and hold the original executed Real Estate Purchase Agreement between the parties, together with all deeds and related legal documents required to complete this transaction pending the closing.

c) On the date of closing, collect the Buyer's share of the cost of owner's title insurance, escrow fees and closing fees, Buyer's mortgage title insurance cost, if any, and any other costs to be paid by Buyer as provided under the terms of this Agreement.

d) Prior to the disbursement to Seller of any of the funds paid into the escrow agent's account, pay the following: unpaid balance 2019 real estate taxes on the described real estate; premium for the owner's title insurance policy; premium for the Buyer's mortgage title insurance policy, if any; attorney's fees incurred by the Seller for preparation of legal documents related to this transaction; and Seller's one-half (½) escrow fees and closing fees

e) At closing, the escrow agent shall pay to Seller the net purchase price and shall deliver to Buyer the executed deed or deeds and owner's title insurance policy to the described real estate showing marketable title in Seller.

8. **Possession.** Possession of the described real estate shall be delivered to the Buyer upon date of closing: Provided, that the Buyer shall be authorized by Seller to have access to the described tract of real estate upon payment of the down payment to the escrow agent and Buyer's execution of this Agreement for the purposes of placing cattle on pasture land for grazing and preparation of and planting of a spring-planted crop on the cropland. In such event the Buyer shall pay for and provide proof of liability insurance covering the described tract of real estate. Upon Buyer's execution of this Agreement and payment of the down payment to the escrow agent, Buyer shall provide proof in writing to the escrow agent that the described tract of real estate is covered by a liability insurance policy. Such proof in writing shall be in the form of a document from an insurance carrier or an agent for the insurance carrier showing that Buyer has binding liability insurance in effect covering the described tract of real estate. In addition, the Buyer shall be at risk for the cost all labor, materials and improvements provided by Buyer in regard to the pasture land and the cost of all inputs and labor expended by Buyer to prepare and plant the cropland to a spring-planted crop. Specifically, if Buyer should default on full performance of this Agreement, Seller shall not be liable for reimbursement to

Buyer for the cost of the above-described materials and expenditures provided by Buyer for the benefit of the described tract of real estate.

9. **Growing 2020 Wheat Crop.** Notwithstanding the terms set forth in Paragraph 8 in regard to Possession, Seller and Buyer each acknowledge that there is a growing wheat crop on the described real estate which is subject to an existing cash rental farm tenancy. Buyer shall not receive possession of the crop land planted to the 2020 wheat crop until completion of the harvest of said wheat crop or August 1, 2020, whichever date occurs first. The Buyer shall receive the landlord's cash rental payment for the crop land planted to the 2020 wheat crop upon conclusion of the 2020 wheat harvest.

10. **Closing.** This transaction shall close on or before June 4, 2020, unless additional time is required to meet valid title requirements, if any, made by Buyer.

11. **Government Farm Program Payments.** Any and all government farm program payments attributable to crops grown on the described real estate during the 2019 crop year and prior years shall be the property of the Seller. Such payments attributable to crops grown on the described real estate during the 2020 crop year and all subsequent years shall be the property of the Buyer.

12. **Default.** In the event Buyer fails, neglects or refuses to perform this Agreement upon delivery of marketable title to the described real estate by Seller, then the Buyer shall be deemed in default and the Seller may declare this Agreement terminated and forfeited. Upon such default, Buyer shall forfeit the amount of the down payment to Seller in liquidation of damages for such default and this Agreement shall thereupon be terminated. In such event, the escrow agent shall disburse the amount of the down payment to Seller. In addition to the liability for liquidation of damages, in the event of such default, Buyer shall be responsible for and reimburse Seller for attorney fees and other expenses and costs incurred by Seller due to Buyer's default, to include but not be limited to fees for drafting of this Agreement and other documents for the closing of the transaction and title insurance cancellation fees.

13. **Environmental Warranty.** Seller represents to Buyer that to the best of Seller's information and belief there is no environmental contamination on the above-described real estate as of the date of execution of this Real Estate Purchase Agreement. In consideration of the aforesaid representation and the purchase price herein, the individuals who are acting collectively as Buyer herein, for themselves, their heirs, their successors and assigns, shall effective on the date of closing of this real estate transaction release and forever discharge Seller and Seller's successors and assigns from any and all claims or demands by any persons or entities arising out of or in relation to any contamination or hazardous waste or pollution on or under the above-described real estate.

14. **Hazardous Waste and Contamination.** Buyer acknowledges that Seller and Seller's agent have no expertise concerning any environmental requirements and that Buyer is not relying upon any representations, or the lack of same, as they may apply to condition of the property.

15. **No Representation by Seller.** Except for Seller's representation in the Environmental Warranty provision herein, no representations or warranties, express or implied, have been made by the Seller to the Buyer as to the condition of the premises hereinbefore described or the improvements thereon erected, and it is understood and agreed that the premises are sold "as is" at the time this Agreement is executed by Buyer.

16. **Realtor's Disclaimer.** The Buyer understands that **Midwest Land & Home, LLC** is or will be acting as agent of the Seller with the duty to represent the Seller's interest. **Midwest Land & Home, LLC** will not be the agent of the prospective Buyer; information given to **Midwest Land & Home, LLC** will be disclosed to the Seller. **Midwest Land & Home, LLC** does not express nor imply any warranty or guarantee, oral or written, to the condition of the above-described real property or the suitability of it for any purpose.

17. **Entire Agreement.** This writing shall constitute the entire agreement between the parties hereto, and there are no representations, warranties, conditions or agreements other than those expressly set forth herein. No other agreement, statement, promise, warranty or representation that is not in writing and signed by all parties to this contract shall be binding.

18. **Assignability.** This Agreement is assignable by the Buyer only upon obtaining the written consent of the Seller.

19. **Binding Effect.** This Agreement shall extend to and become binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

20. **Situs.** The situs of this Agreement is the State of Kansas, and the terms and provisions hereof shall be governed and interpreted in accordance with the laws of the State of Kansas.

21. **Execution of Agreement.** This Agreement may be executed by a facsimile or electronic signature and such manner of execution shall have the same force and effect as an original signature by a party to this Agreement.

This Agreement may be executed simultaneously in counterparts, each of which documents shall be deemed as an original of this Agreement: Provided, that all of such documents together shall collectively constitute one and the same Agreement. This Agreement shall not be considered fully effective unless and until it is executed by each of the parties hereto identified as Seller and Buyer.

Notwithstanding any other terms of this Agreement providing for forfeiture or refund of the earnest money/down payment deposit, the parties understand that applicable Kansas real estate laws prohibit the escrow agent from distributing the earnest money/down payment, once deposited, without the consent of all parties to this Agreement. SELLER and BUYER agree that failure by either to respond in writing to a certified letter from the escrow agent within seven (7) days of receipt thereof or failure to make written demand for return or forfeiture of an earnest money/down payment deposit within thirty (30) days of notice of cancellation of this Agreement shall constitute consent to distribution of the earnest money/down payment as suggested in any such certified letter or as demanded by the other party hereto. As per the 1986 Tax Reform Act, the escrow agent, Marshall County Abstract & Title Company Trust Account, must file an information return showing the name, address and Tax ID number of each party to this real estate transaction, as well as details regarding gross proceeds, and any other information required by the IRS.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Steven L. Krause

Judith K. Krause

Sheryl A. Hudson

Jerald A. Krause

Angela Lancaster

Sheila R. Krause

Brenda L. Lahm

"SELLERS"

Print Name: _____

Print Name: _____

"BUYER"

RECEIPT OF ESCROW

The undersigned hereby acknowledges receipt of the following:

- | | Date |
|--|-------|
| 1. Executed Real Estate Purchase Agreement | _____ |
| 2. Executed General Warranty Deeds | _____ |
| 3. \$_____ down payment | _____ |
| 4. Title insurance policy | _____ |
| 5. \$_____ balance of purchase price | _____ |

and agrees to act as escrow agent of the parties to said Agreement pursuant to the terms and conditions thereof, subject to the condition that the parties to said Agreement will indemnify and hold harmless the escrow agent against all costs, damages, attorneys fees, expenses and liabilities which may be sustained while acting in good faith and without fault in the performance of the duties and responsibilities relating to the escrow agent.

DATED this _____ day of May, 2020.

Marshall County Abstract & Title Company

By:

Patricia M. Holle, President

INFORMATION FOR ESCROW AGENT

SELLER: **Steven L. Krause**

Street Address

City, State and Zip

Social Security No.

INFORMATION FOR ESCROW AGENT

SELLER: **Judith K. Krause**

Street Address

City, State and Zip

Social Security No.

INFORMATION FOR ESCROW AGENT

SELLER: **Sheryl A. Hudson**

Street Address

City, State and Zip

Social Security No.

INFORMATION FOR ESCROW AGENT

SELLER: **Jerald A. Krause**

Street Address

City, State and Zip

Social Security No.

INFORMATION FOR ESCROW AGENT

SELLER: **Angela Lancaster**

Street Address

City, State and Zip

Social Security No.

INFORMATION FOR ESCROW AGENT

SELLER: **Sheila R. Krause**

Street Address

City, State and Zip

Social Security No.

INFORMATION FOR ESCROW AGENT

SELLER: **Brenda L. Lahm**

Street Address

City, State and Zip

Social Security No.

INFORMATION FOR ESCROW AGENT

BUYER(S):

Name

Street Address

City, State and Zip

Social Security No.

Name

Street Address

City, State and Zip

Social Security No.