

Contract For Sale Of Real Estate

1 Parties

This contract is made this _____ day of March, 2024, by:

Seller: The Francis B. Schraad Trust, by Diane Mason and Keith Schraad, Co-Trustees;
and,

Buyer(s): _____ (please write names exactly as they are to appear on the Warranty Deed, complete with marital status)

2 Property

The Seller hereby agrees to sell to the Buyer and the Buyer agrees to purchase the following described real estate, to-wit:

The Southeast Quarter of Section 18, Township 2 South, Range 13 East of the 6th P.M., Nemaha County, Kansas.

The property includes its improvements and appurtenances. The improvements and appurtenances are sold as-is without warranty as to condition or purpose. Seller agrees that all mineral interests are included in this sale. The property is subject, however, to any covenants, declarations, restrictions, zoning laws, and easements of record.

3 Contract Sales Price

The purchase price is \$ _____ which the Buyer(s) agrees to pay as follows:

- a. Ten percent of the purchase price \$ _____ paid as an earnest deposit simultaneously with the execution of this Contract to Nemaha County Abstract & Title Co., hereinafter the Escrow Agent, as part of the consideration of the sale;
- b. The balance after payment of encumbrances not assumed by the Buyer, if any, shall be paid to the Escrow Agent at closing by certified funds.

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- c. Any governmental payments due from the USDA pursuant to the federal farm program that have not been received prior to the Closing Date shall still be paid to the respective operator and/or landlord of the Real Estate, consistent with that which is reflected on the records of the Farm Services Agency for 2022 and 2023. Any governmental payments due from the USDA that accrue after the Closing Date shall be payable to the Buyers.

4 Closing And Possession

Buyer and Seller agree to make final closing on or before the 9th day of May, 2024. Seller agrees to give possession on closing.

Time is made of the essence of this Contract, and this Contract shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.

5 Terms

5.1 Existing Mortgage

The Seller will make payments required on existing mortgage or deed of trust, if any, until date of delivery of deed or date of closing. Seller agrees to provide a release of mortgage on or before closing.

5.2 Taxes

Seller will pay all general taxes and special assessments for the years prior to the current calendar year. General taxes and special assessment installments for the current 2024 calendar year shall be paid by the Buyer. The Buyer shall assume all general taxes and special assessments other than those to be paid by the Seller as described herein.

5.3 Deed

Upon the execution hereof, the Seller shall execute and deliver to the escrow agent a **KANSAS TRUSTEES' DEED** properly executed and conveying said property, free and clear of all liens and encumbrances whatsoever, except as herein provided, to be held by the escrow agent for delivery to the Buyer pending successful closing.

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5.4 Marketable Title

5.4.1 Cost of Proof of Marketable Title

The **cost of an owner's policy of title insurance will be paid one-half by the Buyer and one-half by the Seller**; the Buyer shall pay the cost of any loan policy required by Buyer's lender, if any.

5.4.2 Forms of Proof

The Seller will promptly furnish to the Buyer an owner's preliminary report for title insurance, certified to date by a competent and bonded abstractor showing all instruments of record affecting said property from the United States Government to this date, with the usual certificates as to bankruptcy, taxes, judgments and mechanic's liens.

Such owners' policy shall be conclusive evidence of marketable title in Seller, subject only to the aforesaid exceptions; provided, however, that in the event Seller furnish title insurance, Seller shall deliver a signed commitment for said title insurance policy from a title company authorized to do business in Kansas for examination by Buyer, in which event, Seller shall deliver the owners' title policy to Buyer after closing.

5.4.3 Buyer's Duty to Inspect and Provide Notice of Objections

The Buyer will promptly examine title report. Buyer must notify Seller of any objections as to the title report in writing within **14 days** of Seller delivering the title report.

5.4.4 Seller's Opportunity to Remedy

Upon written notice, Seller must rectify the title within **90 days**. In such cases the time of the closing will be extended accordingly. If legal proceedings are necessary, such proceedings must begin promptly and diligently prosecuted to completion.

5.4.5 Failure to Remedy

In the event Seller are unable to furnish marketable title as above provided, this contract will become null and void. Buyer will be entitled to the return of all earnest money payments and all parties shall thereupon be released from any further liability under this contract.

5.5 Escrowed Funds

Buyer and Seller request that the above-named Escrow Agent serve as such for the sale transaction. The parties agree that the **escrow fee for the closing of this transaction shall be paid one-half by the Buyer and one-half by the Seller**. Notwithstanding any other terms of this contract providing for forfeiture or refund of the earnest money deposit, the parties understand that applicable Kansas real estate laws prohibit the

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Escrow Agent from distributing the earnest money, once deposited, without the consent of all parties to this agreement. Buyer and Seller agree that failure by either to respond in writing to a certified letter from Escrow Agent within seven days of receipt thereof or failure to make written demand for return or forfeiture of an earnest money deposit within 30 days of notice of cancellation of this agreement shall constitute consent to distribution of the earnest money as suggested in any such certified letter or as demanded by the other party hereto.

5.6 Attorney fees

The parties agree that **attorney fees for the preparation of this agreement will be paid one-half by the Buyer and one-half by the Seller.** The parties acknowledge that there may be additional fees for preparation of other documents required at closing. Seller acknowledges that Seller will be responsible for the costs of preparation and recording documents necessary to cure title defects in order to provide marketable title to Buyer.

5.7 Disbursement of Proceeds

The Seller and Buyer understand that disbursement of down payment, payments and final payment of the sale proceeds may not be made until after the closing date or after the deed and mortgage or deed of trust have been recorded, whichever occurs first. It is further understood that Seller's expenses of sale, if any, shall be paid from the escrowed funds held by Escrow Agent.

5.8 Earnest Money Deposit

In the event of default by the Buyer, the Seller shall have the right to notify the Buyer in writing (by certified mail) of the forfeiture of the earnest deposit and other payments to the Seller.

5.9 Real Estate Brokerage Fee

Seller shall be responsible for and pay a real estate brokerage fee to Midwest Land & Home as set forth in the listing agreement between Seller and broker, which shall be paid from sale proceeds by the Escrow Agent.

5.10 Seller/Buyer(s) Agency Disclosure

Pursuant to K.S.A. 58-3602 (14), the licensee, Midwest Land & Home, hereby notifies the undersigned Buyer(s) in writing, as part of this contract, as follows:

- A. The licensee is or will be acting as an agent of the Seller with the duty to represent the Seller's interest, the licensee will not be acting as the agent of the undersigned Purchaser, and all information given to licensee will be disclosed to Seller.

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- B. The real estate firm/firms involved in this transaction are agents only, not parties to this contract, and will in no case be held liable to either party for performance of any term or condition of this contract or for damages for non-performance. Purchaser acknowledges that said firm/firms have made no representations and have given no express or implied warranties with regard to the condition of the Real Estate. The parties agree that the real estate firm/firms shall not be responsible for the conduct of third parties providing specialized services whether those services were arranged by Seller, Purchaser, or the real estate firm/firms on behalf of either.
- C. The parties agree that the real estate licensees involved in this transaction are not experts regarding any environmental or health hazards in and on Real Property. The parties shall seek expert advice and obtain inspections to determine such conditions exist in and on the Real Property. If inspections were not performed regarding all or part of the Real Property prior to signing this contract, Purchaser is bound by whatever information an inspection would have revealed and waives any claim, right or cause of action relating to or arising from any condition of the Real Property that would have been apparent had such inspections been performed.

5.11 Survey

It is **recommended the Buyer obtain a survey**, at Buyer's expense, prior to closing of the sale. If Buyer elects not to obtain a survey, it is understood and agreed the Seller shall not be held responsible for any defect, encroachments, overlaps, boundary line disputes, acreage and any other matters which would be disclosed by a survey.

5.12 Condition And Use Of Property

The party in possession shall keep the property in as good a condition as when the contract was signed until the purchase price is fully paid.

5.13 Insurance

Seller will keep the insurance that is now in force on the property in force until closing date. After closing, Buyer will obtain their own insurance.

5.14 Casualty Loss

In the event of loss or damage to the improvements on the premises, the proceeds of the insurance coverage shall be used to repair said damage and/or replace said improvements, but if such proceeds are inadequate to pay the cost of said repair or replacement, this Contract may, at the option of Buyer, be terminated, whereupon the escrow agent shall, upon demand, return the earnest money and all papers deposited by

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Buyer to Buyer and all papers delivered by Seller to Seller, whereupon all parties shall be released from further liability hereunder.

5.15 Default

In the event Buyer or Seller shall fail to comply with any of the terms of this Contract, then this Contract shall, at the option of the other party, become immediately null and void, whereupon all rights of defaulting party hereunder shall end. In the event of default by Buyer, all monies paid hereunder shall be retained by Seller as rent and as liquidated damages for said nonperformance and Seller shall be entitled to retain possession of said real estate and upon said election all parties shall be released from further liability hereunder. If Sellers do not exercise their option to terminate this Contract as aforesaid, Seller may pursue such other rights as they may have and shall be entitled to whatever other legal or equitable remedies are available to them. In the event of default by Seller, Buyer shall be entitled to pursue their rights to specific performance and any other legal or equitable remedies available to them.

5.16 Bank Disclosure

The Seller authorizes the Escrow Agent to receive any mortgage or loan information relative to the above-referenced property, specifically directing the lending institution to provide any mortgage pay-off amounts upon request of the Escrow Agent. The Buyer authorizes the Escrow Agent to receive any mortgage or loan information relative to the above-referenced property and to release to the bank or lending institution which is financing the purchase a copy of this Contract of Sale, the deed, a closing statement (HUD), and any other documents or information regarding this sale transaction as may be required for the loan application and the closing of this sale.

5.17 Binding Upon And Assignment

It is mutually agreed by said parties that the terms, conditions and covenants of this contract are binding upon, and extend to the heirs, personal representatives and assigns of said parties. Buyer shall NOT sell, assign, or transfer this Contract or any interest under it or any interest in or to said property without the prior written consent of Seller.

5.18 Consent to 1031 Exchange.

Buyer acknowledges that this contract may be part of an exchange of like-kind property pursuant to Internal Revenue Code Section 1031 and hereby consents to the assignment of Seller's rights in and to this contract and waives and releases all claims against Nemaha County Title Exchange, LLC, its agents, employees, successors and/or assigns for any breach of representation, warranty or other obligation of Seller in connection with this contract acting in its capacity as qualified intermediary. This consent shall not release

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Seller from any representation, warranty or other obligation under the terms of this contract. Seller shall indemnify Buyer against all liability, loss and expense, to include but not be limited to attorney fees, court costs, fines and penalties that Buyer may incur by reason of its consent to the assignment of Seller's rights in and to this contract to the exchange agent to act in the capacity of a Qualified Intermediary for an IRC Section 1031 exchange of like-kind property, or in defending or prosecuting any suit, action or other proceeding brought in connection therewith, or in obtaining or attempting to obtain a release from liability in respect thereof.

5.19 Execution of this Agreement; Electronic Signatures

- (a) This agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- (b) This Agreement may be executed by DocuSign, facsimile, or electronic signature by any party and such signature will be deemed binding for all purposes hereof without delivery of an original signature being thereafter required.

5.20 Additional Terms

This contract supersedes any previously executed contracts verbal or written by and between the undersigned to buy and sell the property, and the terms, conditions and contracts are intended as a full, fair and satisfactory understanding by said parties. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Contract are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Contract.

5.21 Contract Preparation

The parties acknowledge that Martin W. Mishler and Luke S. Sunderland are attorneys licensed in the State of Kansas. The parties acknowledge that their interests under this Agreement are substantially aligned and that, accordingly, they have knowingly and freely permitted Martin W. Mishler or Luke S. Sunderland of Mishler & Sunderland Law Offices to draft this Contract according to their written instructions. Furthermore, each party acknowledges that he/she has had the opportunity to employ an independent attorney and tax advisor in regard to this Contract. The parties affirm that Mishler & Sunderland Law Offices do not represent either party as an attorney in this transaction and, in the event of a dispute, the parties will be advised to retain independent counsel.

[THIS PAGE ENDS HERE, SIGNATURE PAGES FOLLOW]

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**THIS IS A LEGALLY BINDING AGREEMENT. YOUR SIGNATURE
BINDS YOU TO PERFORM AS ABOVE SET FORTH. IF NOT
UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY.**

Agreed to and entered as to the Seller:

The Francis B. Schraad Trust Dtd

By: Diane Mason, Co-Trustee

Date

By: Keith Schraad, Co-Trustee

Date

And as to the Buyer(s):

Date

Date

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