

REAL ESTATE PURCHASE CONTRACT

1. **OFFER AND ACCEPTANCE.** The terms of this Sale Contract ("Contract") shall represent a binding contract between Seller and Buyer upon execution by the parties hereto.

SELLER: Loretta D. Arnold, a single person, AND Joshua T. Arnold, a single person

BUYER: _____

2. **MUTUAL COVENANTS.** Seller agrees to sell and Buyer agrees to purchase the real estate ("Land"), legally described to-wit:

North Half of the Southwest Quarter (N/2 SW/4) of Section 1, Township 30 South, Range 3 East of the 6th P.M., Cowley County, Kansas, except a tract beginning at the Southwest corner of the North Half of said Quarter Section, thence North along the West line of said Quarter Section 836 feet, thence East parallel with the South line of the North half of said Quarter Section, 2084.75 feet, thence South parallel with the West line of said Quarter Section, 836 feet to the South line of the North Half of said Quarter Section, thence West along the South line of the North Half of said Quarter Section, 2084.75 feet to the point of beginning

3. **SUMMARY OF TERMS:**

CONTRACT SALES PRICE	\$ _____
EARNEST DEPOSIT	\$ <u>10,000</u>
BALANCE DUE AT CLOSING	\$ _____

4. **EARNEST DEPOSIT.** The Buyer does hereby deposit with Security 1st Title, ("Escrow Agent") **NON-REFUNDABLE** earnest money as security that the terms and conditions of this Contract shall be fulfilled by the Buyer. Earnest Money shall be deposited within five business days after the Effective Date of the Contract. If Earnest Money is to be deposited with an escrow agent other than a real estate broker, the listing broker shall deliver the Contract and earnest money deposit to the escrow agent. The listing broker shall obtain and keep in the transaction file a receipt from the escrow agent showing the date of delivery of the Contract and earnest money deposit. The earnest money shall be applied to the purchase price at closing. The balance of the purchase price, adjusted by any prorations and credits provided under this Contract, shall be paid to Seller at closing by wire transfer of funds, cashier's check, or other form of payment acceptable to Seller.

5. **CLOSING.** The parties agree that time is of the essence, and Buyer agrees to close on or before September 27, 2019, or sooner if documents are available, through the offices of Escrow Agent. Any fees charged by the title company for handling the escrow closing shall be shared equally between Seller and Buyer. Buyer and/or Seller will have the necessary funds available to close this Contract, payable by cashier's check, certified funds, or wire.

6. **TRANSFER OF TITLE:** Transfer of title will be by Warranty Deed, subject to all easements, both visible and of record, any unitization pooling, or spacing agreements or orders, protective and restrictive covenants, zoning ordinances, unreleased oil and gas leases, prior mineral conveyances or reservations of all oil, gas, and other minerals. Seller shall have no obligation to obtain releases of oil and gas leases, water leases, nor spacing abstracts, nor certificates nor affidavits of non-development, nor certificates of records searches from the Kansas Corporation Commission.

7. **POSSESSION.** Possession will be at closing
8. **AGENCY DISCLOSURE:** Seller and Buyer acknowledge that Theurer Auction/Realty, LLC, are, or will be, acting as the agents of the SELLER, with the duty to represent the SELLER'S interest.
9. **SURVEY.** Buyer acknowledges and agrees that Seller is not providing a survey and shall not have any obligation to provide a survey. If Buyer desires a survey, Buyer may obtain it at Buyer's sole cost and expense. The property will be transferred based on the legal description as per Sumner County, Kansas, Register of Deeds records.
10. **INSPECTIONS.** The Real Estate is not offered contingent upon inspections. The Real Estate was offered at public auction in its present, "as is, where is" condition and is accepted by Buyer without any expressed or implied warranties or representations from Seller or Theurer, including, but not limited to, the following: the condition of the Real Estate; the Real Estate's suitability for any or all activities or uses; the Real Estate's compliance with any laws, rules, ordinances, regulations, or codes of any applicable government authority; the Real Estate's compliance with environmental protection, pollution, or land use laws, rules, regulations, orders, or requirements; the disposal, existence in, on or under the Real Estate of any hazardous materials or substances; or any other matter concerning the Real Estate.

It is Buyer's responsibility to have any and all desired inspections completed prior to bidding, including, but not limited to, the following: roof; structure; termite; environmental; survey; encroachments; groundwater; flood designation; presence of radon; presence of lead-based paint or lead-based paint hazards; presence of asbestos; presence of mold; electrical; appliances; heating; air conditioning; mechanical; plumbing (including water well, septic or lagoon compliance); sex offender registry information; flight patterns, or any other desired inspection. Bidder acknowledges that Bidder has been provided an opportunity to inspect prior to the ending of the Auction and that Bidder has either performed all desired inspections or accepts the risk of having not done so. In the event inspections were performed by Seller and made available to Buyer, Buyer acknowledges the property is being sold AS IS and will need to satisfy all requirements or deficiencies at their cost.

11. **PRORATION OF TAXES AND RESERVES.** The Seller shall pay all ad valorem taxes through 2018. Sellers will pay any matured special assessment liens due on or before closing; Buyer shall assume and pay any future installments of special assessment liens falling due after closing. Taxes for 2019 taxes will be prorated to date of closing. Buyer shall pay 2019 taxes when due.
12. **EVIDENCE OF TITLE.** Seller shall cause to be furnished to Buyer a title insurance company's commitment to issue, after closing, a title insurance policy in an amount equal to the full purchase price naming Buyer as the insured. Except for assumptions or owner-carry transactions, the commitment shall show marketable title vested in Buyer, subject to any of the following exceptions which may apply: Easements; if Buyer fails to obtain a survey, any encroachments that would have been disclosed by a survey; rights-of-way of record; trees, plantings and fences; restrictions and protective covenants of record, provided no forfeiture provisions are contained therein; unmatured special assessments; oil and gas leases; zoning laws, ordinances and regulations; rights of tenants in possession; the liens, if any, described therein; and those exceptions which are standard to American Land Title Association's Form B or as specified herein and in an assumption, the mortgage securing the loan which the Buyer is assuming. A copy of the title commitment will be furnished to Seller, Buyer, lender, listing broker, and selling broker as promptly as possible. The Seller and Buyer shall each pay one-half the cost of the owner's title insurance policy. In the event Seller is entitled to a discount, the Seller shall receive the full discount. Buyer shall pay for any title coverage for the benefit of Buyer's lender. Buyer shall have a reasonable time, not to exceed five business days, to examine the title insurance commitment and to notify Seller of any objections to the title. Objections shall be made and cured per the Kansas Bar Association Title Standards. Seller may, at Seller's discretion, take action to resolve Buyer's objections to the status of title. If Seller fails or refuses to resolve Buyer's objections to title, then Buyer may either purchase the Property subject to Buyer's objections, or Buyer may terminate this Contract, in which event Buyer's sole remedy shall be the return of Buyer's earnest money deposit. The applicable owner's premium and search fee for the title insurance policy shall be paid by the Seller, and the Escrow Agent shall have

the right to pay such fees out of the funds held in escrow. Seller will pay for all expenses to clear title requirements, if any.

13. **MINERAL RIGHTS.** Minerals are believed to be intact; all Seller-owned minerals convey to Buyer.
14. **DISPOSITION OF EARNEST MONEY.** Pursuant to K.S.A. 40-1137, if the earnest money is deposited with a Title Insurance Agent, the Title Insurance Agent can only disburse earnest money 1) pursuant to written authorization of Buyer and Seller; 2) pursuant to a court order; or 3) when a transaction is closed according to the agreement of the parties. IF a dispute arises over disposition of funds or documents deposited with the Title Insurance Agent, Seller and Buyer agree that any attorney's fees, court costs and/or other legal expenses incurred by the Title Insurance Agent in connection with such dispute shall be reimbursed from the earnest money or other funds deposited with the Title Insurance Agent. In addition to forfeiture of earnest money to Seller or return of earnest money to Buyer, Buyer and Seller shall both have the option of enforcing specific performance of this Contract or any other remedy allowed by law or equity. In the event earnest money is held by a real estate broker, the provisions of K.S.A. 58-3061 shall govern.
15. **BROKERAGE FEES.** The parties hereto agree that no real estate commission is due any party in regard to this transaction other than Seller's auctioneer (the "Auction Company") pursuant to separate written agreement between Seller and the Auction Company. Each party agrees to indemnify the other and hold it harmless in respect to any commissions, fees, judgments, or expenses of any nature or kind which it may become liable to pay by reason of any claims by or on behalf of brokers, finders, or agents employed by the other party in connection with the transaction contemplated by this Contract, or any litigation or similar proceeding arising from such claims. Each party represents to the other that, other than as stated herein, there is no valid basis for such claims. The party handling the closing is hereby authorized and directed to collect and disburse the brokerage fees at closing.
16. **TAX DEFERRED EXCHANGE.** In conformance with the terms 26 U. S. C. §1031 and the regulations thereunder, 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 the 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.
17. **LIABILITY OF ESCROW AGENT.** The parties acknowledge that the Escrow Agent hereunder acts at the request and convenience of the parties. When acting in such capacity, the Escrow Agent shall not be deemed to be the agent of either of the parties hereto, and the Escrow Agent shall not be liable to either of the parties for any acts or omissions of Escrow Agent on its part unless taken or suffered in bad faith, in willful disregard of this Contract, or involving gross negligence. Seller and Buyer shall, jointly and severally, indemnify, defend and hold harmless Escrow Agent from and against all costs, claims, and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to acts or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Contract, or involving gross negligence on the part of the Escrow Agent. In no event shall the Escrow Agent be liable for unearned interest with respect to the Earnest Money deposit.
18. **DEFAULT.** If Buyer fails to perform any obligation imposed by this Contract, Seller may serve written notice of default upon Buyer. If such default is not corrected within five days thereafter, then, at the option of the Seller, Seller may seek specific performance, terminate said Contract, or any other remedy provided by law or equity against the Buyer. If the Seller terminates said Contract, the Seller shall be entitled to retain the Earnest Money paid hereunder as liquidated damages. In the event of Seller's failure to perform its obligations imposed by this Contract then, Buyer shall serve upon Seller written notice to correct such default. Should Seller fail to correct such default within five days of receipt of such notice, Buyer may seek specific performance or any other remedy provided by law or equity against the Seller.

19. **NO WARRANTIES BY SELLER / DISCLAIMER.** It is understood and agreed that Seller has not made, does not herein make, and shall not be deemed to have made any representation or warranty relating to the condition of the premises or to Buyer's use of the premises. Any such representations or warranties (whether express or implied, whether arising by virtue or statute, common law, custom or otherwise and, including but not limited to, implied warranties of habitability, suitability, merchantability and fitness for a particular purpose) are hereby expressly disclaimed by Seller and waived by Buyer to the fullest extent permitted by law. Buyer acknowledges that Buyer has carefully inspected and examined the premises (or has had a full and adequate opportunity to do so) and is relying upon its own inspection of the premises.
20. **CONDITION OF PREMISES, REPRESENTATION, INSPECTION.** Buyer acknowledges that it has inspected the Property and/or all information regarding the Property and/or all information regarding Mineral Rights, and that it is acquainted with the condition thereof and accepts the same as of the time Buyer executed this Contract in its **as-is condition.** Buyer acknowledges that Seller has not undertaken any independent investigation as to the truth or accuracy of any documents or materials provided to Buyer regarding the Land and/or the Mineral Rights, and Buyer shall have no claim against Seller or any of its employees, agents, affiliates, members and managers based upon such documents or materials. In the event Buyer desires to obtain an environmental study, he shall do so at his expense and furnish proof of any environmental hazards or defects to Seller ten days prior to closing. In the event of proof of an environmental hazard or defect, Seller shall have the right to correct same within a reasonable time or to cancel this contract. If cancellation is elected, the earnest deposit shall be returned to Seller. The escrow agent is hereby authorized to release to Seller all monies paid in connection with this transaction as soon as the title is approved by Buyer, and the escrow is closed, less any expense in connection with this sale. Buyer further acknowledges that no personal property of Seller is being sold under this Contract.
21. **CONVICTED CRIMES REGISTRATION.** Kansas law requires persons who are convicted of certain crimes, including certain sexually violent crimes, to register with the sheriff of the county in which they reside. If you, as the buyer, desire information regarding those registrants, you may find information on the homepage of the Kansas Bureau of Investigation (KBI) at <http://www.Kansas.gov/kbi> or by contacting the local sheriff's office.
22. **HEIRS AND ASSIGNS.** This Contract shall inure to the benefit of, and be fully binding upon the Seller, their heirs, executors, administrators, successors, and assigns. No assignment shall serve to release or relieve the party assigning from any responsibilities or obligations hereunder.
23. **SIGNATURE BY ELECTRONIC MAIL AND IN COUNTERPART, AGREEMENT TO USE ELECTRONIC SIGNATURES.** Signatures to this Contract may be transmitted by electronic mail (such as a PDF) and signed in counterpart, on separate pages, which may then be assembled as the complete agreement of the parties. In addition, Buyer and Seller agree this transaction may be conducted through electronic means in accordance with the Kansas Uniform Electronic Transactions Act.
24. **KANSAS LAW APPLIED.** This Contract and its validity, construction and performance shall be governed by the laws of Kansas.
25. **ALTERATIONS.** Any alteration of the terms and conditions of this Contract must be agreed to in writing by both Buyer and Seller.
26. **AGREEMENT APPROVAL.** This Contract constitutes the entire agreement between the parties and supersedes any previously executed contracts and representations, verbal or written. Neither this Contract, nor any interest herein, shall be transferred or assigned by Buyer without the prior written consent of the Seller.

Buyer and Seller also acknowledge that they have read the entire Contract and that by signing page five (5) of this five (5) page Contract, they agree to all terms contained herein.

SELLER

BUYER

LORETTA D. ARNOLD DATE

JOSHUA T. ARNOLD DATE

SIGNATURE

PRINT NAME DATE

SIGNATURE

PRINT NAME DATE