COMMERCIAL REAL ESTATE SALE CONTRACT

1. PARTIES: This Commercial Real Estate Sale Contract ("Contract") is made by and between <u>City of Bel Aire Land Bank</u> ("Seller") and <u>Murdock Properties, LLC, a Kansas limited liability company, and/or assigns</u> ("Buyer"), and is effective as of the date and time of acceptance on the signature page of this Contract (the "Effective Date"). On or before (10) days before the closing date, Buyer shall provide Seller the name and Articles of Organization and associated documents for the business entity intended to be assigned this Contract, upon review and approval of the Seller, the Seller may authorize the assignment of this Contract to the entity on or before closing.

PROPERTY: Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the real estate that is located in <u>The City of Bel Aire</u>, <u>Sedgwick County</u>, <u>Kansas</u>, <u>E1/2 NW1/4 EXC FOR RD ON N SEC 17-26-2E and W1/2 NE1/4 SEC 17-26-2E consisting of approximately 150 (+-) acres, more or less zoned AG Agricultural</u>. <u>See Attached "Exhibit A"</u>. <u>LEGAL ON SURVEY TO GOVERN</u>.

- 2. EXCEPTIONS: The Property shall be subject, however, to the Permitted Exceptions (as defined in paragraph 8 of this Contract), and the existing leases, contracts and agreements disclosed by Seller to Buyer pursuant to paragraph 19 of this Contract.
- 3. PURCHASE PRICE: The purchase price is ONE MILLION, THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$1,350,000.00) which Buyer agrees to pay Seller as follows: Earnest Money in the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) as "Earnest Money" which is to be deposited within ten (10) days of execution of this Contract in the insured trust or escrow account of Security 1st Title LLC, 727 N. Waco, Suite 300, Wichita, KS 67203 (Debbie Beck) ("Escrow Agent") as part of the consideration of the sale; the balance to be paid in guaranteed funds or cashier's check at Closing (as defined in this Contract), adjusted at Closing for proration's, closing costs and other agreed adjustments.
- 4. CLOSING DATE: Subject to all the provisions of this Contract, the closing of this Contract (the "Closing") shall take place at the offices of the Title Company (as hereinafter defined) or such other place as the parties mutually agree within ten (10) days after Seller delivers clear title but not later than March 15, 2022. Possession shall be delivered at Closing.
- 5. EXISTING FINANCING: Seller shall make any payments required on existing mortgages or deeds of trust until Closing.
- 6. PRORATIONS: The rents, income and expenses from the Property shall be prorated between Seller and Buyer as of Closing. Seller shall pay all general real estate taxes levied and assessed against the Property, and all installments of special assessments assessed for or attributable to the years prior to the calendar year of Closing. All such taxes and installments of special assessments assessed for or attributable to the calendar year of Closing shall be prorated between Seller and Buyer on the basis of such calendar year, as of Closing. If the amount of any tax or special assessment cannot be ascertained at Closing, proration shall be computed on the amount for the preceding year's tax or special assessment. Buyer shall assume and pay all such taxes and installments of special assessments accruing after the Closing and any and all future specials established after closing.
- 7. PERMITTED EXCEPTIONS: Seller shall deliver to Buyer within a reasonable time after the Closing an owner's Kansas Standard Policy (the "Owner's Policy") insuring good and indefeasible title to Buyer in the amount of the purchase price as of the time and date of recordation of Seller's General Warranty Deed, subject only to the Permitted Exceptions defined below. The Owner's Policy shall not contain any exception for mechanic's liens or claims of mechanic's liens or for parties in possession and Buyer herein objects to any such exceptions.
 - A. **Title Commitment.** Due to the extended length of time between the execution of this Agreement and the anticipated closing date, and to limit expectation that any items exist impacting the marketability of Title to the Property as described above, Seller shall, not later than thirty (30) days before closing of this Contract, cause to be furnished to Buyer a current commitment to issue the Owner's Policy (the "Title Commitment"), the cost of said

commitment shall be paid by Buyer and reimbursed by Seller at Closing, issued through a title insurance company acceptable to Buyer and authorized to issue title insurance in the state in which the Property is located (the "Title Company"), together with complete and legible copies of all documents and instruments, including plats and surveys (the "Exceptions Documents") creating exceptions to title in the Title Commitment. Buyer shall have until thirty (30) days after receipt of the Title Commitment, Exception Documents, and the Survey (the "Review Period") in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment. Any matters which are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions to the status of Seller's title (the "Permitted Exceptions"). Within twenty-nine (29) days after receipt of Buyer's objections, (the "Cure Period") Seller shall either: (i) cure all such matters objected to by Buyer and notify Buyer in writing that the same have been cured; or (ii) provide such evidence as is reasonably satisfactory to Buyer and the Title Company that all such matters will be cured on or before the Closing in order that the Title Company may, as of the Closing, issue the Owner's Policy subject only to the Permitted Exceptions; or (iii) notify Buyer in writing that Seller elects not to cure one or more of the matters objected to by Buyer. In the event Seller elects not to cure Buyer's title objections and notifies Buyer that the same have been cured or provide evidence reasonably satisfactory to Buyer and the Title Company that Buyer's title objections will be cured on or before the Closing, then Buyer shall have the right to terminate this Contract by giving Seller written notice of termination at any time after expiration of the Cure Period and prior to the Closing. In the event Buyer terminates this Contract in accordance with this paragraph 8, the Earnest Money will be returned to Buyer and the parties shall be relieved of their respective rights and obligations set forth in this Contract. In the event Buyer does not terminate this Contract during said twenty-nine (29) day period, Buyer shall be deemed to have elected to waive its title objections and accept title subject to the matter reflected in the Title Commitment and not cured by Seller.

8. [INTENTIONALLY OMITTED.]

- 9. REAL ESTATE BROKER: Seller and Buyer agree that NAI MARTENS COMPANY and J. P. WEIGAND & SONS, INC. are the only real estate brokers negotiating this sale, and Seller agrees to pay a commission to MARTENS COMPANY (3%) three percent and J. P. WEIGAND & SONS, INC. (3%) three percent pursuant to separate agreements. J. P. Weigand & Sons, Inc. is functioning as a transaction broker in this transaction with Bradley Tidemann acting as designated agent of the Buyer. Any party to this Contract through whom a claim to any broker's, finder's or other fee is made, contrary to the representations made above in this paragraph 9, shall indemnify, defend and hold harmless the other party to this Contract from any other loss, liability, damage, cost or expense, including, without limitation, reasonable attorney's fees, court costs and other legal expenses paid or incurred by the other party, that is in any way related to such a claim. The provisions of this paragraph 9 shall survive Closing or termination of this Contract.
- 10. DELIVERY OF DEED; PAYMENT; DISBURSEMENT OF PROCEEDS: At or before Closing, Seller agrees to properly execute and deliver to the Title Company to hold in escrow a General Warranty Deed and all other documents and funds reasonably necessary to complete the Closing. The General Warranty Deed shall convey to Buyer marketable fee simple title to the Property, free and clear of all liens and encumbrances, other than the Permitted Exceptions identified in this contract. At or before the Closing, Seller and Buyer each agree to deliver into escrow with the Title Company a cashier's check or guaranteed funds sufficient to satisfy their respective obligations under this Contract. Seller understands that, unless otherwise agreed, disbursement of proceeds will not be made until after the General Warranty Deed or the instrument of conveyance, and, if applicable, the mortgage/deed of trust relating to Buyer's financing have been recorded and the Title Company can issue the Owner's Policy containing only the Permitted Exceptions on Schedule B thereof.
- 11. INSURANCE; MAINTENANCE: Seller agrees to maintain Seller's liability coverage insurance, if any, on the Property until Closing. Seller shall perform all ordinary and necessary maintenance, upkeep and repair to the Property to maintain it in its present condition through Closing.
- 12. FOREIGN INVESTMENT: Seller represents that Seller is not a foreign person as described in the Foreign Investment in Real Property Tax Act and agrees to deliver a certificate at Closing to that effect which shall contain Seller's tax identification number.

- 13. TERMINATION: If this Contract is terminated by either party pursuant to a right expressly given in this Contract or upon failure of any contingency or condition precedent, Buyer shall not be entitled to an immediate return of the Earnest Money deposit, unless Seller was the party in default, and neither party shall have any further rights or obligations under this Contract except as otherwise stated in this Contract.
- 14. DEFAULT AND REMEDIES: Seller or Buyer shall be in default under this Contract if either fails to comply with any material covenant, agreement or obligation within any time limits required by this Contract. Following a default by either Seller or Buyer under this Contract, the other party shall have the following remedies, subject to the provisions of paragraph 15 of this Contract:
 - A. If Seller defaults, Buyer may (i) specifically enforce this Contract and recover damages suffered by Buyer as a result of the delay in the acquisition of the Property up to the escrow amount; and (ii) terminate this Contract by written notice to Seller. If Buyer elects to terminate this Contract for such default of Seller, the Earnest Money shall be returned to Buyer upon written demand.
 - B. If Buyer defaults, Seller may retain the Earnest Money as liquidated damages as Seller's sole remedy (the parties recognizing that it would be extremely difficult to ascertain the extent of actual damages caused by Buyer's breach, and that the Earnest Money represents as fair an approximation of such actual damages as the parties can now determine).
- 15. DISPOSITION OF EARNEST MONEY AND OTHER FUNDS AND DOCUMENTS: In the absence of written escrow instructions, and notwithstanding any other terms of this Contract providing for forfeiture or refund of the Earnest Money, the Escrow Agent shall not distribute the Earnest Money or other escrowed funds or documents, once deposited, without the written consent of all parties to this Contract. A party's signature on a closing statement prepared by the Escrow Agent or Title Company shall constitute such consent. In the absence of either written consent or written notice of a dispute, failure by either Buyer or Seller to respond in writing to a certified letter from the Escrow Agent or Title Company, if different, within ten (10) days of receipt, or failure by either Buyer or Seller to make written demand upon the other party and upon the Escrow Agent or Title Company, as applicable, for return or forfeiture of the Earnest Money, other escrowed funds or documents within ten (10) days after receiving written notice of cancellation of this Contract, shall constitute consent to distribution of all funds and documents deposited with the Escrow Agent or Title Company as suggested in any such certified letter or written demand.
- 16. NOTICES: All notices, consents, approvals, requests, waivers, objections or other communications (collectively "notices") required under this Contract (except notice given pursuant to paragraph 16 of this Contract) shall be in writing and shall be served by either electronic facsimile transmission (if receipt is verified and a signed copy is promptly mailed), by hand delivery, by prepaid United States certified mail, return receipt requested, or by reputable overnight delivery service guaranteed next-day delivery and providing a receipt. All notices shall be addressed to the parties at the respective addresses as set forth below, except that any party may, by notice in the manner provided above, change this address for all subsequent notices. Notices shall be deemed served and received upon the date of transmission (in the case of electronic facsimile transmission), upon the third day following the date of mailing (in the case of notices mailed by certified mail) or upon delivery (in all other cases). A party's failure or refusal to accept service of a notice shall constitute delivery of the notice.
- 17. EXISTING LEASES AND CONTRACTS. Within ten (10) days after the Effective Date of this Contract, Seller shall deliver to Buyer true and complete copies of (i) all existing leases and other contracts and agreements which do or will materially affect the use, ownership, operation or management of the Property (excluding any documents evidencing exceptions to title referenced in the Title Commitment), (ii) statements of income and expenses relating to the operation of the Property for the past two (2) years, (iii) a rent roll showing rent due and rent paid under all existing leases covering the past two years, and (iv) utility bills for the past year. At that time, Seller shall certify to Buyer in writing that the documents so delivered do constitute true, complete and accurate copies of all existing leases, contracts, agreements, and other items required to be delivered under this paragraph. If, in Buyer's sole judgment, the existing leases, contracts, agreements, or other items are unsatisfactory, Buyer shall have the right to terminate this Contract by written notice given to Seller on or prior to the end of the Inspection Period, in which event the Earnest Money shall be refunded to Buyer and neither party shall have any further liability under this Contract, and this Contract shall be null and void. If, however, Buyer does not

elect to terminate this Contract during the specified time period, this right of termination shall have been waived by Buyer. On or before the date of Closing, Seller shall (a) confirm to Buyer that there exists no default under any of the leases, tenancies, contracts or agreements for all or any portion of the Property by Seller, as landlord or otherwise, and (b) use its best efforts to furnish to Buyer customary estoppel certificates from each tenant which shall include, without limitation, confirmation from each tenant with respect to the lease and income and expense information supplied by landlord with respect to that tenant, and confirmation that such tenant holds no unrecorded deeds, contracts, or options to purchase the Property, has no unilateral right to renew an existing tenancy, is not entitled to any abatement or reduction of rent or right of set-off against rents, and is not entitled to any performance by Seller as landlord of any construction or other service. At Closing, Seller shall assign to Buyer all of Seller's rights to all leases affecting the Property together with the other contracts or agreements which Buyer elects to have assigned and, without limiting the representations of Seller set forth herein, Buyer shall assume the Seller's responsibilities under such leases and contracts arising after the effective date of such assignment. At closing, Buyer shall receive a credit against the Purchase Price for all security deposits provided for under any lease affecting the Property.

18. [INTENTIONALLY OMITTED.]

- 19. EARNEST MONEY DEPOSIT. To the extent permitted by applicable law, Seller and Buyer hereby direct the Escrow Agent to place the Earnest Money and other funds deposited with it at the execution of this Contract in an interest bearing account. All interest and other earnings on the funds so placed shall become part of the Earnest Money deposit and shall be disposed of as called for in this Contract in the same manner as the funds originally deposited. The cash payment due at Closing shall be reduced by the amount of any interest or other earnings on the Earnest Money deposit that are paid to or accrue for the benefit of Seller.
- 20. ESCROW FEES Buyer shall pay escrow fees charged by the Title Company for handling the closing of this transaction.
- 21. RECORDING AND CLOSING COSTS. Buyer shall pay for all fees and expenses in connection with Buyer's financing, if any, including, without limitation, all mortgage registration taxes and recording fees. Seller shall pay for all recording fees and other costs in connection with the release of any liens on the Property which are not Permitted Exceptions. Buyer shall pay for the Title Commitment and the Owner's Policy described in paragraph 8. Except as otherwise set forth in this Contract, all other Closing costs, including, without limitation, miscellaneous recording fees which are not addressed above and escrow fees shall be paid by Buyer.
- 22. CONDITIONS. The obligations of Buyer to close this transaction and to complete the purchase and pay the purchase price are subject, without limitation, to the following conditions precedent being in effect or complied with on the Closing Date, and Seller agrees that it will use its best efforts to cause such conditions to be in effect or complied with on such date: (i) no materially adverse change shall have occurred with respect to the condition or operation of the Property between the date hereof and the Closing date; and (ii) no part of the Property shall be subject to any pending or threatened condemnation or public taking. Post-closing, Seller agrees to cooperate with Buyer in obtaining all necessary zoning permits, Planned Unit Development (PUD) and any other related items associated with commercial development of the subject Property with a buffer of a lighter use to the south. Seller and Buyer hereby further agree to cooperate in good faith post-closing.
- 23. INCLUDED PROPERTY. The Property sold and to be conveyed hereunder shall include the following: (i) all those certain plots, parcels or tracts of land referred to in "Exhibit A" attached hereto and made a part hereof, together with all right, title and interest of Seller in and to all rights, privileges, servitudes and appurtenances thereto belonging or appertaining, including without limitation streets, alleys and rights of way adjacent thereto.
- 24. NO OTHER BROKERS. Except as provided in paragraph 9 of this Contract, Seller and Buyer each hereby represent and warrant to the other that no other brokers or agents are due any commissions from or relating to the closing of this transaction and each party hereby indemnifies and agrees to hold the other harmless against and from all claims asserted by any others for any such commission or fee.
 - 25. COVENANTS PENDING CLOSING. From the Effective Date until the Closing, Seller agrees as follows:

- A. Seller shall advise Buyer in writing of any material changes known to the Seller to information provided and representations and warranties made to Buyer pursuant to the terms and conditions of this Contract.
- B. Seller shall not make application for any building permits, use permits or zoning variances from any governmental authority with respect to the Property without Buyer's prior consent.
- C. Subject to the indemnity clause in paragraph 8, Seller shall allow Buyer to enter the Property and to inspect or cause to be inspected the condition of the Property, at any time or times from the Effective Date to and including the Closing, such inspections to be made during reasonable hours.
- D. Seller will not incur any new lease or obligation or enter into or alter, amend, or modify any lease, contract or commitment relating to the Property without Buyer's prior written consent.
- 26. DAMAGE BY CONDEMNATION. If before the Closing Date, the Property or any part thereof are taken or are threatened to be taken by condemnation or other eminent domain proceedings, Seller will immediately give written notice thereof to Buyer and Buyer shall have the option to cancel this Contract by written notice to Seller within ten (10) days after the date of the Seller's notice to Buyer of such event. If so canceled, Buyer and Seller shall be released from all obligations to each other under this Contract; in which event, the Earnest Money shall be promptly returned to Buyer. If Buyer shall not cancel this Contract, Buyer shall purchase the Property without reduction in Purchase Price, in which event Seller shall assign to Buyer at closing all of Seller's rights to any condemnation proceeds payable as a result of such condemnation.

27. REPRESENTATIONS. Seller represents and hereby warrants to Buyer that as of the Effective Date:

- A. To the best of Seller's knowledge, the Property complies with all city, county and state laws, ordinances, conditions and regulations applicable to the ownership and operation thereof, including, without limitation, all applicable zoning laws and environmental laws and all amendments and regulations thereto.
- B. There is no litigation at law, in equity or in proceedings before any commission or other administrative authority, or any governmental investigation, pending or, to the knowledge of Seller, threatened against or affecting the Property or Seller's interest in the Property.
- C. Seller is not aware of any rezoning or condemnation proceedings or contemplated rezoning or condemnation proceedings affecting all or any part of the Property or any property adjacent to the Property.
- D. Buyer hereby acknowledges that the land is subject to current and future special assessments. Buyer has had the opportunity to determine the amounts of current or future special assessments concerning the Lots prior to the execution hereof, and Buyer hereby releases Seller of an obligation to inform Buyer concerning the special assessments. Buyer also acknowledges that as is typical in development, future benefit districts may require Buyer to pay specials for future improvements, this agreement in no way restricts the potential for such assessments.
- E. Seller is duly organized, validly existing and in good standing under the laws of the state of its organization; Seller has full right, title, authority and capacity to execute and perform this Contract and to consummate all of the transactions contemplated herein, and the individual of the Seller who executes and delivers this Contract and all documents to be delivered to Buyer hereunder is and shall be duly authorized to do so.
 - F. There are no unrecorded leases that effect the Property.
- G. No representation or warranty by Seller in this Contract and no statement or certificate furnished or to be furnished by Seller pursuant hereto or in connection with the transaction contemplated hereby contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

Seller covenants that all of Seller's representations contained in this Contract shall remain true as of the date of Closing, shall survive the Closing with an effective date as of the Closing Date, and shall not be merged with the title conveyed to Buyer or any document executed in connection with this transaction.

- 28. [INTENTIONALLY OMITTED.]
- 29. ENTIRE AGREEMENT AND MANNER OF MODIFICATION: This Contract, and any attachments or addendums hereto, constitute the complete agreement of the parties concerning the Property, supersede all other agreements and may be modified only by initialing changes in this Contract or by written agreement.
- 30. DEADLINE FOR ACCEPTANCE: Buyer's offer to purchase the Property from Seller shall expire if Seller has not accepted this Contract by signing and delivering a fully executed copy to Buyer, on or before the earlier of (i) Buyer delivering written notice to Seller that Buyer's offer to enter into this Contract is withdrawn or (ii) **February 23, 2022.**
 - 31. TIME AND EXACT PERFORMANCE ARE OF THE ESSENCE UNDER THIS CONTRACT.
- 32. LIKE-KIND EXCHANGE. Seller and Buyer may, at their respective options, and at their respective sole cost and expense, elect to participate in a tax deferred exchange under Section 1031 of the Internal Revenue Code in connection with this transaction and Buyer and Seller agree to reasonably cooperate with each other in connection with the same provided: (a) neither is required to enter into the chain of title on the other party's property and that they use a qualified intermediary to effect the exchange; (b) each will be exclusively responsible for all costs incurred in connection with their respective exchange; and (c) closing of this transaction is not unreasonably delayed in any manner because of any such exchange.
- 33. MINERAL INTERESTS. Seller shall convey to Buyer 100 percent (100%) of Seller's mineral interest in the subject property. In the event Seller is unable to deliver 100 percent (100%) of said mineral interests, then Buyer, in Buyer's sole discretion, may declare this Agreement null and void and Buyer's Earnest Money shall be returned in full.

IN WITNESS WHEREOF, Seller and Buyer execute this Contract on the date(s), and at the time(s), indicated below by their respective signatures.

BUYER	SELLER
Murdock Properties, LLC,	City of Bel Aire Land Bank
a Kansas limited liability company, and/or assigns	
DocuSigned by:	
By: Louis J. Robelli	By:
Louis J. Robelli	Print Name: Jim Benage
Title: MEMBER	Title: Chairman
Date: <u>2/21/2022</u> Time 1154	Date:Time:
Mailing Address: <u>5841 N. Prospect Road</u>	Address: 7651 E Central Park Avenue
Park City, KS 67204	Bel Aire, KS 67220
Telephone: (316) 761-5705	Telephone: (316) 744-2451
Fax: ()	Fax:
("Buyer")	("Seller")

EXHIBIT A



Except

The West half of the Northeast Quarter of Section 17, Township 26 South, Range 2 East of the 6th P.M., Sedgwick County, Kansas, EXCEPT the North 175.00 feet thereof.

The East half of the Northwest Quarter of Section 17, Township 26 South, Range 2 East of the 6th P.M., Sedgwick County, Kansas, EXCEPT the North 175.00 feet thereof.



Property Address:

Webb and K-254, W of SW/c, Bel Aire, KS

WIRE FRAUD ALERT IMPORTANT! YOUR FUNDS MAY BE AT RISK

SECURITY 1ST TITLE DOES NOT SEND WIRE INSTRUCTIONS UNLESS REQUESTED

This Alert is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer. Realtors®, Real Estate Brokers, Title Companies, Closing Attorneys, Buyers and Sellers are targets for fraudsters to gain access to information for the purpose of wire fraud schemes. Many homebuyers have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification.

A fraudster will hack into a participant's email account to obtain information about upcoming real estate transactions. After monitoring the account to determine the likely timing of a closing, the fraudster will send an email to the Buyer purporting to be the escrow agent or another party to the transaction. The fraudulent email will contain wiring instructions or routing information, and will request that the Buyer send funds to an account controlled by the fraudster.

Security 1st Title does not require your funds to be wired. We accept certified checks. If you prefer to wire, you must contact us by phone to request our wire instructions. We will give them verbally or send via SECURED email. After receipt, if you receive another email or unsolicited call purporting to alter these instructions please disregard and immediately contact us.

Closing funds in the form of ACH Electronic Transfers will NOT be accepted

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- •NEVER RELY on emails or other communications purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- DO NOT FORWARD wire instructions to any other parties.
- ALWAYS VERIFY WIRE INSTRUCTIONS, specifically the ABA routing number and account number, by calling the party who is receiving the funds.
- DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify with a phone directory.
- DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.

ACKNOWLEDGEMENT OF RECEIPT - YOU MUST SIGN BELOW

Your signature below acknowledges receipt of this Wire Fraud Alert.

BUYER	<u>SELLER</u>
Murdock Properties, LLC,	City of Bel Aire Land Bank
a Kansas limited liability company, and/or assigns	
DocuSigned by:	
By: Louis J. Robelli	By:
Louis J. Robelli	Jim Benage
For more information on wire-fraud scams or to report an incident, please refer to the following links:	
Federal Bureau of Investigation:	Internet Crime Complaint Center:
http://www.fbi.gov	http://www.ic3.gov