

AGREEMENT

for

Sale and Purchase of

The Southeast Quarter (SE/4) of Section Nineteen (19), and the Northeast Quarter (NE/4) of Section Thirty (30), Township Thirty-three (33) South, Range Twenty-seven (27) West of the 6th P.M., Meade County, Kansas.

Mike Burkhart, Broker/Auctioneer
Burkhart Real Estate & Auction
P.O. Box 1564
Dodge City, Kansas 67801
(620) 430-2000
mike@soldbyburkhart.com

Agreement prepared by:

Terry E. Cordes
Attorney at law
148 N. Fowler
P.O. Box 1270
Meade, Kansas 67864
(620) 873-2133
office@terrycordeslaw.com

AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 2023, by and between the following parties:

James D. Tennis and Brent E. Tennis, co-executors of the Estate of Dean E. Tennis, Deceased, with respective addresses of P.O. Box 44, Rose Hill, Kansas 67133, and 121 N Estates Lane, Henderson, Texas 75652;

hereinafter “First Party” (whether one or more); and

_____;

hereinafter “Second Party”, (whether one or more); as follows, **WITNESSETH:**

1. Premises. First Party agrees to sell and convey to Second Party by good and sufficient Co-Executors’ Deed, accompanied by title insurance and made in accordance with current title standards, the following described real estate situated in Meade County, Kansas, to-wit:

The Southeast Quarter (SE/4) of Section Nineteen (19), and the Northeast Quarter (NE/4) of Section Thirty (30), Township Thirty-three (33) South, Range Twenty-seven (27) West of the 6th P.M.;

and said Co-Executors’ Deed to be given by First Party to Second Party shall recite therein that the conveyance of the above-described real estate is except and subject to all existing easements, rights of way, oil and gas leases, and other restrictions of record, if any.

2. Consideration. Second Party agrees to pay for said real estate and First Party agrees to accept therefor the sum of \$_____, payable as follows:

\$25,000.00 cash, which shall be payable upon the execution of this Agreement as earnest money to the escrow agent hereinafter named.

\$_____, being the balance of said purchase price, to be paid to the escrow agent hereinafter named upon delivery of a good and sufficient Co-Executors’ Deed, conveying to Second Party the above-described real estate, together with title insurance made in accordance with current title standards showing marketable title in First Party, and a properly executed Certificate of Title for the 1977 Liberty trailer house situated on said premises.

3. Escrow Agent. Terry E. Cordes, Attorney at Law is hereby designated and appointed as escrow agent of the parties hereto. The purchase price to be paid by Second Party for said real estate, the Co-Executors’ Deed and the trailer house Certificate of Title to be executed by

First Party, all as herein provided, and a copy of this Agreement duly executed shall be paid and delivered to said escrow agent who shall hold and then pay and deliver the same to the respective parties entitled thereto, upon full performance by the parties hereto of all the terms of this Agreement, and these presents shall constitute the authority of said escrow agent in the premises. At the time of closing this transaction, said escrow agent is hereby authorized to deduct the following:

- a. The real estate tax obligation of First Party as hereinafter provided;
- b. Any sum or sums of money necessary to secure the release of any and/or all liens encumbering the real estate the subject of this Agreement;
- c. First Party's proportionate share of the title insurance charges as hereinafter provided;
- d. First Party's proportionate share of the escrow fee of the escrow agent as hereinafter provided;
- e. The commission fee of Mike Burkhart, Broker/Auctioneer;
- f. The attorney fees and expenses advanced of Terry E. Cordes, Attorney at Law of Meade, Kansas associated with and incidental to the sale of the above described real estate; and
- g. Any other incidental expenses of sale, which incidental expenses of sale shall be first approved of by First Party;

and then remit the balance of the purchase money to First Party, James D. Tennis and Brent E. Tennis, co-executors of the Estate of Dean E. Tennis, Deceased.

4. Possession. It is further agreed by and between the parties hereto that possession of the premises the subject of this Agreement shall be delivered by First Party to Second Party upon payment in full and the closing of this transaction, subject, however, to the following understandings and agreements:

NATIVE GRASS AND IMPROVEMENT SITE ACREAGE: It is agreed by and between the parties hereto that approximately 122 acres, more or less, of the real estate the subject of this Agreement is native grass and improvement site acreage, and that upon payment in full and the closing of this transaction, Second Party shall be entitled to possession of said native grass and improvement site acreage, together with and including the 1977 Liberty trailer house situated on the improvement site, which will be conveyed by Certificate of Title at closing.

CONSERVATION RESERVE PROGRAM ACREAGE: It is agreed by and between the parties hereto that approximately 198.02 acres, more or less, of the real estate the subject of this Agreement is currently enrolled in the Conservation Reserve Program pursuant to

four separate contracts, and that upon payment in full and the closing of this transaction, Second Party's possession of said acreage will be subject to the terms and conditions of said Conservation Reserve Program contracts with Second Party agreeing to comply with all laws and regulations relating to said program, and in the event there shall be non-compliance with any of the contracts or said program, Second Party agrees to indemnify and hold First Party harmless from any and all liability in connection with the same. It is further specifically understood and agreed that First Party shall be entitled to retain as First Party's sole and separate property, all prior years' Conservation Reserve Program payments incidental to the real estate, the subject of this Agreement, which is enrolled in said Conservation Reserve Program. It is further specifically understood and agreed by the parties hereto that, upon payment in full and the closing of this transaction, Second Party shall be entitled to receive a pro rata share of the 2023 Conservation Reserve Program payments to be paid incidental to the real estate the subject of this Agreement enrolled in the said Conservation Reserve Program scheduled for payment on or about October 1, 2023, as well as 100% of all annual payment thereafter. It is agreed by the parties hereto that the proration of the said scheduled October 1, 2023 Conservation Reserve Program payments shall be calculated based upon the number of days from October 1, 2022 to the date of the closing of this transaction and the recording of the Co-Executors' Deed in the Meade County Register of Deeds Office, divided by 365 days, with that percentage to be First Party's share of the said October 1, 2023 payments, and the remaining share thereof to be paid to Second Party.

It is further agreed by and between the parties hereto that one of the four Conservation Reserve Program contracts hereinbefore mentioned is identified as Contract No. 10228 that has a contract period extending from October 1, 2013 to September 30, 2023, with 76.30 acres, more or less, of Conservation Reserve Program acreage included in said Contract No. 10228. First Party and Second Party understand and agree that First Party has made a timely application at the Meade County FSA Office to reenroll the said 76.30 acres, the subject of current Contract No. 10228, in a new contract, subject, however, to terms and conditions acceptable to First Party. With regard to said pending application for the reenrollment of the approximate 76.30 acres presently subject to Contract No. 10228 hereinbefore referenced, it is agreed by the parties hereto that provided First Party's application is accepted and USDA/CCC permits Second Party to be a participant in a new contract for the approximate 76.30 acres, Second Party shall be entitled and further agrees to make a timely decision whether or not any offer that might be extended by USDA/CCC for the reenrollment of said 76.30 acres pursuant to the terms and provisions of a new Conservation Reserve Program shall be accepted or refused by First Party, and if accepted, Second Party agrees to comply with all laws and regulations relating to all Conservation Reserve Program contracts, including the new Conservation Reserve Program contract, and in the event there shall be non-compliance, Second Party agrees to indemnify and hold First Party harmless from any and all liability in connection therewith.

By reason of the recitals and understandings expressed within this paragraph 4. Possession, the parties hereto do hereby agree to execute any and/or all documents necessary at the Meade County FSA Office, or as may be required by USDA/CCC to effectuate their mutual intentions, and further

agree that all of said understandings and agreements as made within this paragraph 4. Possession shall survive payment in full and the closing of this transaction.

5. Real Estate Taxes. First Party agrees to pay the 2022 real estate taxes and all prior years' real estate taxes assessed and levied on the real estate the subject of this Agreement. First Party further agrees to pay a pro rata share of the 2023 real estate taxes at the time of closing this transaction and said amount shall be deducted from the proceeds receivable under this Agreement and result in a credit for Second Party on the purchase price at the closing of this transaction. The said pro rata share of the 2023 real estate taxes shall be calculated on the basis of the 2022 real estate taxes assessed and levied on said real estate. By reason of Second Party receiving a credit at closing for First Party's proportionate share of the 2023 real estate taxes based on the 2022 real estate taxes, Second Party agrees to pay the 2023 real estate taxes when assessed and levied by the Meade County Treasurer's Office, as well as all subsequent years' real estate taxes that may be assessed and levied on said real estate.

6. Condition of Property. In addition to all other agreements contained herein, Second Party further agrees that Second Party has inspected all of the real estate, including fixtures, improvements, water sources, the 1977 Liberty trailer house, and all fences situated upon and about the premises the subject of this Agreement, if any, and that upon execution hereof, Second Party accepts the same "as is" in their present condition. The parties hereto further expressly acknowledge that no statement or other representation is made hereunder, or has been previously made by First Party, or any agent of First Party, as to the physical condition of the property, the property lines, water rights and quality, noxious weeds, crop yields, operations, environmental matters, or any other matter affecting the subject property, and neither party hereunder is relying upon any statement or representation made by the other unless specifically set forth in this Agreement.

7. Cancellation. Second Party agrees that the aforesaid earnest money paid is a guarantee that the terms and conditions of this Agreement will be fulfilled, said payment to be applied on the purchase price at the time of closing this transaction. In the event Second Party shall fail to fulfill the obligations herein, First Party may at First Party's option cancel this Agreement, and thereupon the aforementioned earnest money payment shall become the property of First Party, not as a penalty but as liquidated damages, provided, however, that in the event First Party is unable to furnish a marketable title to the real estate the subject of this Agreement, the earnest money payment shall be returned to Second Party, and this Agreement shall be considered canceled, null and void, and of no further force and effect. It is mutually understood and agreed by the parties hereto that no matter shall be construed as an encumbrance or defect in title so long as the same is not so construed under the title examination standards of the Kansas Bar Association where applicable.

8. Evidence of Title and Closing. It is further agreed that First Party will furnish Second Party a commitment for title insurance and that furthermore, First Party will meet any requirements as reflected on said commitment form so as to show a good and marketable title in First Party, free and clear of all encumbrances **EXCEPT AND SUBJECT TO** existing easements, rights of way, oil and gas leases, and other restrictions of record, if any, provided, however, that First Party shall have a reasonable length of time to meet any requirements necessary to make such

title marketable. Upon satisfaction of all requirements, it is agreed that final payment shall be made by Second Party, and this transaction shall be closed on or before May 25, 2023, unless such date is mutually extended in writing by First Party and Second Party, and thereafter an owners title insurance policy in the amount of the purchase price for the real estate above described shall be issued to Second Party. Notwithstanding anything contained herein to the contrary, the parties hereto do hereby specifically understand and agree that the title insurance charges, as well as the escrow fee of the escrow agent hereinabove nominated shall be paid one-half (1/2) by First Party, and one-half (1/2) by Second Party, and that in the event Second Party finances the purchase of premises the subject of this agreement, and Second Party's lender requires a mortgage policy, that then and in such event Second Party shall be responsible for the entirety of the charges associated with the issuance of a mortgage policy in favor of Second Party's lender.

9. 1031 Exchange. First Party and Second Party agree that this transaction may be completed as a like-kind exchange and each party will cooperate with and assist the other party in completing the sale as a like-kind exchange, provided that the cooperating party's tax treatment remains unaffected and any additional costs incurred will be paid by the party requesting the exchange. Second Party has the right at any time prior to closing to assign all or a portion of its rights under this Agreement to a "Qualified Intermediary" (as that term is defined in Section 1.1031(k)-1(g)(4)(v) of the Treasury Regulations) in order to accomplish the transaction in a manner that will comply, either in whole or in part, with the requirements of a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). Likewise, First Party has the right at any time prior to closing to assign all or a portion of its rights under this Agreement to a Qualified Intermediary for the same purpose. In the event a party assigns its rights under this Agreement pursuant to this paragraph, such party agrees to notify the other party in writing of such assignment at or before closing. If First Party assigns its rights under this Agreement for this purpose, Second Party agrees to: (i) consent to First Party's assignment of its rights in this Agreement; and (ii) pay the Purchase Price into a qualified escrow or qualified trust account at closing as directed in writing. If Second Party assigns its rights under the Agreement for this purpose, First Party agrees to: (i) consent to Second Party's assignment of its rights in this Agreement; (ii) accept the Purchase Price from the qualified escrow or qualified trust account at closing; and (iii) at closing, convey and assign directly to Second Party the premises upon satisfaction of the other conditions to closing and other terms and conditions hereof. First Party and Second Party acknowledge and agree that any assignment of this Agreement to a Qualified Intermediary will not release a party from any of their respective liabilities and obligations to each other under this Agreement, and that neither party represents to the other that any particular tax treatment will be given to a party as a result thereof.

10. Broker/Auctioneer Disclosure. It is further agreed that pursuant to K.S.A. 58-3062(14), that all the parties to this Agreement have been notified by Mike Burkhart, Broker/Auctioneer of the following:

- A. Mike Burkhart, Broker/Auctioneer is acting as agent for First Party, with the duty to represent the interests of First Party.
- B. Mike Burkhart, Broker/Auctioneer will not be the agent for the undersigned Second Party; and

C. Information given to Mike Burkhart, Broker/Auctioneer will be disclosed to First Party.

11. Counterparts and Signatures. This Agreement may be executed originally or electronically and in any number of counterparts, each of which shall be deemed to be an original instrument, and each party executing a counterpart hereof shall be bound thereby in the same manner and with like effect as if every party executing a counterpart hereof had joined in and executed the same counterpart hereof.

12. Captions. The captions in this Agreement are for convenience only, and are not a part of this Agreement, and do not in any way limit or amplify the terms and provisions of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement by and between First Party and Second Party, and both parties expressly disclaim any interest in or rights under any other oral or side agreements by and between First Party and Second Party that may exist. This Agreement may not be modified or otherwise amended except in writing executed by the parties hereto.

14. Inurement. It is further agreed that all covenants and agreements herein contained shall extend to and bind the respective heirs, executors, administrators, successors or assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have hereto set their hands the date and year above stated.

JAMES D. TENNIS, Co-Executor of
the Estate of Dean E. Tennis, Deceased

BRENT E. TENNIS, Co-Executor of
the Estate of Dean E. Tennis, Deceased

“First Party”

“Second Party”