

Commercial Real Estate Sales Contract

This contract is made and entered into this ____ day of _____, 2024 by and between Mainline Development Group, LLC and Mainline Printing, Inc. (Seller) and the City of Topeka, Kansas, a Kansas municipal corporation (Buyer).

1. Seller understands Buyer has the power of eminent domain and agrees to sell and agrees to convey title to Buyer to the following described commercial real estate, to wit:

[See Attached Joint Exhibit A]

together with all the improvements thereon and appurtenances thereto.

2. Buyer has the power of eminent domain but has elected to purchase the aforesaid real estate and pay for the same as provided below:
3. The purchase price of \$1,600,000 is to be paid in the following stages:
 - a. The sum of \$1,000 to be paid on execution of this Contract and its approval by Buyer's governing body to Eland Title of Lawrence, Lawrence, Kansas as escrow agent of both parties to be held and applied to the total purchase price.
 - b. The sum of \$1 and other good and valuable consideration to be paid to the escrow agent upon execution by Seller and delivery to Buyer of a Temporary Easement incorporating a liability waiver granting access to and authorization to conduct site investigation, preparation, demolition, construction, maintenance and operational activities on the property prior to closing.
 - c. The sum of \$1,598,999 to be paid at the time of closing, less any offsets as set out subsequently in this Contract.
4. Seller will take all administrative steps and incur all costs, including legal fees, necessary to replat the property and will accomplish subdivision of the property prior to closing. Seller acknowledges that this process is required to secure for Buyer the property tax exemption to which the property described in Joint Exhibit A will be entitled.
5. Seller will provide to Buyer prior to closing a quitclaim deed executed by Mainline Development Group, LLC transferring all its interest in the Joint Exhibit A property to Mainline Printing, Inc.
6. Seller shall convey title to said real estate to Buyer free of all encumbrances subject to easements and restrictions of record not timely challenged, by general warranty deed which shall be executed upon the execution of this Contract and deposited with the escrow agent designated above.
7. All money paid and to be paid and the deed and other papers to be delivered under this Contract shall be paid and delivered to the escrow agent, who shall hold and then pay and

deliver the same to the respective parties entitled thereto upon full performance by each party of the terms of this contract. The escrow fee shall be paid one-half by each of the parties hereto. This transaction shall be closed on or within thirty (30) days after the approval of the anticipated replat of the property pursuant to Paragraph 4 above. Possession shall be granted immediately upon the parties signing: 1) the Temporary Easement and 2) the Permanent Common Wall Agreement that, together with this 3) Commercial Real Estate Sales Contract, form the integrated Agreement between the parties. Each of these three agreements are contingent on the agreement to and closing of the others. Possession shall be continuous thereafter, subject to termination of this Contract and the terms under which that would be accomplished as set out below, the period of possession shall be known as the parcel replacement period.

8. Seller shall promptly furnish to Buyer a standard commitment for an owner's' policy of title insurance which will insure Buyer against loss or damage to the extent of the purchase price by reason of defects in Seller's title to said real estate, subject to the approved exceptions. Additionally, Seller shall indemnify and defend, and if necessary, procure for Buyer the right to continuous possession of the property until any title dispute is resolved in favor of Buyer's rights granted by this Contract. 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. Buyer shall have a reasonable time, not to exceed 30 days, to examine the same and to return it to Seller with any written objection relative to the marketability of the title. Any objections not so furnished shall be deemed to be waived by Buyer, in which event, Seller shall deliver the owners' title policy to Buyer promptly after closing. If valid objections are made to the marketability of the title, Seller shall have a reasonable time to satisfy any valid objections to the title and make the title marketable. If legal proceedings are necessary, such proceeding shall be begun promptly and diligently prosecuted to completion. In the event Seller is unable to furnish marketable title as provided, this Contract shall become null and void, save for Seller's obligation to secure for the Buyer the continued right to occupy the subject real estate until the earlier occurrence of the Buyer finding or developing a replacement parcel to the point at which it is ready for commencement of fleet maintenance operations or the passing of thirty (36) months from the date Seller declares the Contract to be void. In such event, Buyers shall pay \$2,500 per month gross rent plus utilities from the 1st day of the month following the Contract becoming null and void until Buyers vacate the property. Buyer may set off against this rent obligation all development costs of the failed project as described in Section 14 below. Upon the voiding of the Contract, the escrow agent shall return to Buyer all monies paid by them and to Seller the deed, and any other documents shall be returned to the party who deposited the same with the escrow agent, whereupon all parties shall be released from further liability hereunder, save for the parcel replacement period described in this paragraph.
9. Seller shall, along with title commitment, furnish Buyer an affidavit executed by Seller setting forth the name, address and telephone number of each person, or business entity

that has furnished labor, materials or equipment for repair, replacement or improvement of the subject property within the four (4) months next preceding the date of the title commitment. Proof that full payment of the same has been made or sufficient lien waivers executed by such potential claimants shall be provided at closing. This provision shall not be applicable to persons or business entities engaged by Buyer under authority described in paragraph twelve (12) below.

10. Seller shall maintain their existing fire and extended coverage insurance on the property, and in the event of loss or damage to the improvements on the property, the proceeds of any fire or other insurance coverage pertaining to the same shall be used, at Buyer's election, to repair said damage and/or replace said improvements, or for the installation of alternative improvements of Buyer's design. However, if the insurance proceeds are inadequate to pay the cost of repair or replacement up to the pre-casualty appraised value of the improvements, Buyer may elect to terminate the Contract, whereupon the escrow agent shall, upon demand, return the earnest money and all papers deposited by Buyer to Buyer and all papers delivered by Seller returned to Seller. After the escrow distributions in accord with this contract, all parties shall be released from further liability hereunder, subject to Seller's obligation to provide the parcel replacement period of occupancy described in paragraph six (6) above. After closing, Buyer shall be responsible to obtain its own insurance coverage on the property.
11. Taxes and assessments for the calendar year next preceding the calendar year in which closing occurs and all preceding years shall be paid by Seller and the current year's taxes and assessments shall be prorated as of the date of closing. If the current year's taxes and assessments are not determinable at the time of closing, a proration of taxes and assessments shall be made and be based upon the next preceding year's taxes and assessments. Seller warrants that there are no special assessments on the parcel.
12. Buyer shall not sell, assign or transfer this Contract or any interest under it, including the anticipated Temporary Easement and the Permanent Common Wall Agreement, or any other interest in or to the property, without first obtaining the written consent of the Seller. Upon closing, Buyer shall have no restrictions upon disposal of its interest in the subject property as it sees fit, except as may be restricted in the Permanent Common Wall Agreement.
13. Buyer agrees to accommodate Seller in completing the sale of some or all of the property in a transaction which qualifies as a tax-deferred exchange under section 1031 of the Internal Revenue Code of 1986, as amended. Such accommodation shall include permitting Seller to assign its rights in other real estate contracts to Buyer or a Qualified Intermediary. Seller shall indemnify Buyer against any additional costs, fees, or liabilities sustained by Buyer which arise directly on account of the tax-deferred

exchange. Buyer shall bear no expense arising from any tax-deferred exchange, and Seller shall provide Buyer any additional funds necessary to consummate the assigned sales agreements.

14. In the event Buyer fails to comply with any of the terms of this Contract, and Seller wishes to terminate this Contract, Seller shall give Buyer written notice of any deficiency and allow Buyer a reasonable period of time not to exceed thirty (30) days in which to cure such defect. If such defect cannot be cured within this time period, but Buyer is diligently proceeding with curative measures, the time period for cure shall be extended from time to time to allow for reasonable curative efforts to be completed. Should Buyer declare it is unable to cure any identified deficiency and Seller desires to terminate the Contract, Seller may declare the Contract void, retaining the earnest money paid into escrow as rent and liquidated damages for Buyer's non-performance. Buyer shall still be allowed to remain in possession of the property for the parcel replacement period identified in paragraph 6, but Seller shall receive the above-stated rent from Buyer during the parcel replacement period. If Seller does not exercise its option to terminate this Contract, Seller may pursue such other rights as it may have and shall be entitled to whatever other legal or equitable remedies are available to it.
15. The parties acknowledge that Buyer intends to construct on the subject property critical infrastructure essential for the provision of municipal public services to serve the public welfare. The timeframe within which that work must be completed requires the Buyer to have unfettered access to the subject property allowing site investigation, preparation, demolition and construction work, and if necessary, the authority to operate from and maintain the constructed facilities. The consideration recited above includes good and sufficient consideration for that Temporary Easement set out in a companion document. Furthermore, the parties acknowledge that Buyer's commitment to this sale carries a substantial opportunity cost for Buyer – it precludes the use of alternative sites within the available timeframe. The provisions for securing Buyer's use of the property for the limited time sufficient to develop an alternative site (parcel replacement period) in the event of contract termination for any reason reflect protection of the public welfare for the City as a whole.
16. The parties also acknowledge that Buyer has already committed significant resources for planning and engineering of the property improvements needed to serve the public welfare, and will incur significant additional expenses for design work, site preparation, demolition and construction. These activities will create additional value for the subject property while Buyer has access to the property, but no titled interest. Seller hereby expressly grants Buyer full authority to make whatever property improvements it deems appropriate as more particularly permitted in the Temporary Easement. Seller agrees that should this Contract terminate for any reason, Seller will retain the value of these expenditures, and the Buyer shall have no duty to remove any of the improvements. In the event that the Seller terminates this Contract prior to closing through no fault of

Buyer, Seller agrees that they will reimburse Buyer in full for all its expenses incurred for the services and materials as described above (development costs). This obligation shall be first satisfied by funds paid into the escrow agent, and to the extent that Buyer's expenses are not fully satisfied, shall be paid by Seller directly to Buyer within 30 days of Buyer submitting to Seller evidence of such expenses incurred and paid. Buyer agrees to deliver to Seller all plans, specifications, bids, reports, surveys, inspections and other construction documents for which it has been reimbursed. As an alternative exercisable at Buyer's option, Buyer may offset its rent obligation during the parcel replacement period with unreimbursed development costs.

Seller hereby agrees to indemnify, protect and hold harmless Buyer from and against any and all claims, demands, liabilities and costs, including attorney's fees, arising from any actual or alleged violation of any law, statute, ordinance, rule or regulation relating to the Joint Exhibit A property or the actions of itself or its agents. This indemnification obligation extends to any laws related to environmental protection, toxic waste or hazardous substance handling, treatment, storage or disposal, or concerning any hazardous materials or other products or materials previously or currently located upon, delivered to, or in transit to or from the subject property. Buyer agrees to be responsible for mitigation of any Recognized Environmental Concerns identified during its due diligence investigations engaged preparatory to purchase of the Joint Exhibit A property. Buyer shall also be responsible for negligent activities in which its agents and contractors may engage during construction activities or other permissible uses of the site.

17. BROKERAGE RELATIONSHIPS DISCLOSURE:

- a. SELLER and BUYER acknowledge that the real estate licensees involved in this transaction may be functioning as agents of the SELLER, agents of the BUYER or transaction brokers. Real estate licensees functioning as an agent of the SELLER have a duty to represent the SELLER'S interests and will not be the agent of the BUYER. INFORMATION GIVEN BY THE BUYER TO AN AGENT FOR THE SELLER WILL BE DISCLOSED TO THE SELLER. Real estate licensees functioning as an agent of the BUYER have a duty to represent the BUYER'S interests and will not be an agent of the SELLER. INFORMATION GIVEN BY THE SELLER TO AN AGENT FOR THE BUYER WILL BE DISCLOSED TO THE BUYER. Real estate licensees functioning in the capacity of a transaction broker are not agents for either party and do not advocate the interest of either party. SELLER AND BUYER ACKNOWLEDGE THAT THE REAL ESTATE BROKERAGE RELATIONSHIPS BROCHURE (Exhibit B attached) HAS BEEN FURNISHED TO THEM.
- b. Listing licensees, Scott Boling and Bryon Schlosser, with Coldwell Banker Commercial – Griffith & Blair are functioning as: (Check applicable) Seller's Agent or Designated Seller's Agents (Supervising Broker acts as Transaction Broker) or Transaction Broker, or Seller(s) is/are representing themselves.

c. Selling Licensee: (XX) Buyer is representing itself.

18. 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.

In witness whereof, the parties have signed their names as of the date and year noted next to their respective signatures.

BUYER

CITY OF TOPEKA, KANSAS

BY: Robert M. Perez, PhD. _____, City
Manager _____
(Printed)

Attest:

BY: Brenda Younger, City Clerk

SELLER

MAINLINE PRINTING, INC.

BY: John Parker, Jr., President

MAINLINE DEVELOPMENT GROUP, LLC

By: John Parker, Jr., Manager

ESCROW AGENT RECEIPT AND ACKNOWLEDGEMENT

The undersigned hereby acknowledges receipt of \$1,000.00 as earnest money and a copy of the foregoing Commercial Real Estate Contract, and agrees to act as Escrow Agent. In the event Seller executes and delivers a deed prior to closing, said deed shall be delivered to said Buyer by the Escrow Agent upon the closing of this Contract, pursuant to its terms.

This receipt is executed this _____ day of _____, 2024

Eland Title of Lawrence

By: _____

Seller Initials: KRG

