

Land Bank

November 05, 2019

City Commission Room, 701 N. Jefferson, Junction City KS 66441

**Pat Landes
Jeff Underhill
Phyllis Fitzgerald
Tim Brown
Nicholas Allbritton**

1. 6:30 P.M. - CALL TO ORDER:

2. NEW BUSINESS:

- [a.](#) Consideration of Land Bank Minutes for October 1, 2019. (p.2)
- [b.](#) Consideration of the Extension of Exclusive Right to Sell Contract with Mowry Custer Realtors. (p.4)
- [c.](#) Consideration of Land Bank Policies. (p.13)
- [d.](#) Report and Discussion of Land Bank Concerns by Marissa Jones-Flaget, Planner of the Geary County GIS/Planning/Zoning. (p.17)
- [e.](#) Discuss the Real Estate Contract for Four Lots in the Olivia Farms Subdivision with Sage Homes LLC. (p.27)

3. ADJOURNMENT:

Item Attachment Documents:

- a. Consideration of Land Bank Minutes for October 1, 2019.

JUNCTION CITY LAND BANK BOARD OF TRUSTEES MINUTES

October 1, 2019

6:45 p.m.

CALL TO ORDER

A meeting of the Junction City Land Bank Board of Trustees was held on Tuesday, October 1, 2019 with Chairman Pat Landes presiding.

The following members of the Land Bank were present: Pat Landes, Jeff Underhill, Phyllis Fitzgerald and Tim Brown. Staff present was: Allen Dinkel, Tammy Melton, Britain Stites and Lindsay Miller.

NEW BUSINESS

Land Bank Minutes for September 17, 2019 Meeting was presented for consideration. Trustee Underhill moved to approve Land Bank Minutes for September 17, 2019 Meeting, seconded by Trustee Brown. Ayes: Landes, Underhill, Fitzgerald and Brown. Nays: None. Motion Carried.

There was discussion the Land Bank Lot Rebate upon Construction and Occupancy. City Manager Dinkel and City Attorney Stites gave details and answered questions.

ADJOURNMENT

Trustee Fitzgerald moved, seconded by Trustee Underhill to adjourn at 6:55 p.m. Ayes: Landes, Underhill, Fitzgerald and Brown. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 5TH DAY OF NOVEMBER AS THE OFFICIAL COPY OF THE JUNCTION CITY LAND BANK BOARD OF TRUSTEES MINUTES FOR OCTOBER 1ST, 2019.

Tammy Melton, Secretary

Pat Landes, Chairman

Item Attachment Documents:

- b. Consideration of the Extension of Exclusive Right to Sell Contract with Mowry Custer Realtors.

City of Junction City

Land Bank

Agenda Memo

10/31/2019

From: Allen J. Dinkel, City Manager

To: Land Bank Board

**Subject: Extension of Exclusive Right to Sell Contract with
Mowry Custer Realtors**

Explanation of Issue: At the June 5, 2018 meeting of the Land Bank, it was decided to enter an agreement with Mowry Custer Realtors to have the exclusive right to sell Land Bank lots. The initial agreement was for a period to end on December 31, 2019. The Request for Proposal allowed for an extension of two years. Lance Custer of Mowry Custer desires to continue in his role in marketing Land Bank Lots. As we all know we had some trial and error during the first push to market Land Bank lots.

Staff Recommendation: Extend contract with Mowry Custer Realtors to December 31, 2021.

Attachments: Portions of Agenda packet for Land Bank meeting of June 5, 2018 pertaining to this topic.

City of Junction City

Land Bank

Agenda Memo

05/30/2018

From: Allen J. Dinkel, City Manager

To: Land Bank Trustees

Subject: Marketing of Land Bank Lots

Objective: Three proposals have been received from local realtors for the marketing of Land Bank lots. These proposals need to be reviewed by the Land Bank Board. I think the following has already been decided.

1. Remove all Land Bank properties from the Neighborhood Revitalization Plan.
2. Eliminate the special assessments on all Land Bank properties.
3. The purchase price of each lot is \$5,000. However does this include the marketing fee paid to the realtor or should this be added to the amount?
4. Existing homeowners along Land Bank lots may purchase the lot adjacent to them (not behind their home) for \$5000 and will not pay special assessments on the newly purchased lot. The existing homeowner does not have to build another home.

Some other details that may be need to considered are:

1. If a person who now owns a house and buys a neighboring Land Bank lot(s) we will require to the lots joined into one lot?
2. If a person buys multiple lots, will they need to be joined into one lot as well?
3. Since this has already been requested, can a person buy a portion of a Land Bank lot? I have now had a second request for that.

I have been having discussions with a group of potential investors/builders regarding Olivia Farms. I would recommend keeping that subdivision off of the list to sell at this time.

This group is working through a number of details that are unique to this property.

Enclosures: Announcement for Proposals; Proposals received.

ATTENTION ALL JUNCTION CITY REAL ESTATE COMPANIES!

The City of Junction City Land Bank is accepting proposals from local real estate companies to serve as a listing agent for vacant residential lots held by the Land Bank.

The only requirement for a company planning to submit a proposal is as follows:

- The real estate company must have an office within the city limits of Junction City.

The City of Junction city is prepared to sign a listing agreement through 2019 with the chosen real estate firm. The City will also have the option to renew the listing agreement for an additional two years, through 2021, if so desired by City and real estate firm.

The Land Bank is considering selling the Land Bank lots in a price range between \$5,500-\$6,500 per lot. There will be **no special assessments** for the lots that are presently in the Land Bank.

The listing company will be responsible for:

- Marketing and advertising of properties owned by the Land Bank
- Advising the Land Bank Board of Trustees on various methods and strategies to successfully market the lots.
- Presenting any and all offers for the purchase of lots to the Secretary of the Land Bank (City Clerk)
- Contract preparation
- Facilitating the details of each contract to the closing date
- Acting as the day to day contact person for the marketing and sale of the Land Bank lots
- Provide the Land Bank Board with written monthly reports/updates

The Land Bank Board will make all final decisions regarding the acceptable terms of each contract. Due to Kansas State Statue regarding the sale of Land Bank property, all offers are to be approved by the Land Bank Board of Trustees (City Commission), and a public notice must be published for at least 30 days prior to closing. The City will pay for this publication cost.

Please send your proposal by 5:00 P.M., Friday May 18, 2018

Addressed to the **ATTENTION** of:

Shawna Settles
Land Bank Secretary
City of Junction City
PO Box 287
Junction City, KS 66441

Or by E-mail to:

shawna.settles@jcks.com

Your proposal must include fee per lot sold and information about your firm and the capabilities to serve the City Land Bank in the Capacity as Listing Agent.

City of Junction City

City Clerk's Office

May 18, 2018



~~Parks & Recreation~~ Land Bank

Closing Time: 5:00pm

RFP-Land Bank Listing Agent

No.	Direct Solicited	Bidder	Local Vendor	Bid Bond	Performance Bond	Addendum	Signed Bid	Bid Amount	Bid Rank
1.		Mathis Weker						\$1,500 per lot	
2.		RE/max Signature Properties						\$1,000 per lot	
3.		Coldwell Banker						\$1,000 per lot	
4.									
5.									
6.									
7.									
8.									
9.									
10.									

Settles, Shawna

From: Lance Custer <lance.custer@coldwellbanker.com>
Sent: Friday, May 18, 2018 3:09 PM
To: Settles, Shawna
Cc: lance.custer@coldwellbanker.com; michelle.custer@coldwellbanker.com
Subject: Residential lots proposal
Attachments: Coldwell Banker.pdf

Dear Shawna,

Please find attached a proposal to market the city's residential lots. Could you please confirm that you received this email? Thank you in advance. Lance Custer





**MOWRY CLUSTER,
REALTORS®**

522 N. EISENHOWER DR.
JUNCTION CITY, KS 66441
BUS. (785) 762-4663

May 18, 2018

To Whom It May Concern:

Coldwell Banker Mowry Cluster, Realtors currently maintains a primary office at 522 N. Eisenhower Dr. and has owned this building since it was built in 2007. Our company is the longest successfully operating real estate franchise in Junction City. Our Coldwell Banker roots in Junction City reach back to 1983. Our sole and total focus is on residential real estate. According to our local MLS data, our company has historically been the number one company in residential property sales in Geary County for the last 3 years, 5 years, 10 years and 15 years. In fact, over the last 17 years, our company sold 2740 homes compared to the number 2 company which sold 1724. We have represented more than 10 builders in the area since 2006 and have listed more than 70 newly constructed homes during the same time period. Consequently, we still maintain contact with several of these builders who are currently constructing homes in other cities in Kansas. The supervising broker, Lance Custer, volunteered as an advisor to the Land Bank Committee after its inception in 2015, and is aware of the challenges and is very familiar with the current subdivisions and the available lots.

As a highly successful local real estate firm, we would like to share our proposed plan for marketing the lots.

Marketing Plan

Advertise on our local company website as well as our national brand website

Create a website which uniquely advertises only the lots for sale www.junctioncityhomesitesforsale.com

Attend home builder functions to attract builders to the area

Provide professional photography of the lots

Provide a professional overhead drone video of the subdivisions and lots

Provide a plat map of each subdivision

Create and assemble marketing packets to distribute to potential builders and individual owners

*to include plat maps, regional information, demographics and building code information

Market the lots to other real estate agents in the state of Kansas through direct mail

Create targeted social media advertising for Facebook and Instagram locally and across the region

Regional advertising in the soon to be named Flint Hills Multiple Listing Service (currently the MAR)

*includes a 9 county area comprised of Geary, Dickinson, Riley, Wabaunsee, Pottawatomie, +4 more

**COLDWELL
BANKER**

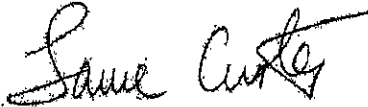
**MOWRY CUSTER,
REALTORS®**

922 N. EISENHOWER DR.
JUNCTION CITY, KS 66441
BUS. (785) 762-4663

Fee Schedule

As a result of our marketing efforts, Coldwell Banker Mowry Custer, Realtors would be paid a fee of \$1000 for each lot sold. From this \$1000 brokerage fee we would offer \$500 to the selling real estate company. Because of the very low demand for lots and the significant lack of building permits in the past 4 years, our company would request an initial allowance of up to \$3500 from the City of Junction City for the hiring of a professional photography, drone photography, information packets and a website. Written approval for each expenditure along with an exact cost would be requested from Junction City prior to incurring the cost. Junction City would be able to retain the rights to the domain name after the expiration of the listing agreement and would retain possession of the photography and videography.

Respectfully Submitted,



Lance Custer
Broker/Owner

Item Attachment Documents:

- c. Consideration of Land Bank Policies.

City of Junction City
Land Bank Agenda Memo

November 1, 2019

From: Britain D. Stites, City Attorney

To: Land Bank

Subject: Land Bank Policies

Background: The Land Bank previously wished to establish particular policies (the condition sold as “as is” and a rebate policy). I reached out to former City Attorney Logan because of her knowledge and extensive experience with real estate issues on top of municipal. She indicated that a mere motion could be used to establish policies for the Land Bank; however, she favorably agreed with establishing a policy book for the Land Bank.

Discussion of Issue: By statute, the Land Bank is purposed with disposing of lots for their effective reutilization in the community. Policies allow for the public to be aware of the options available. In addition, it gives institutional history and awareness to future Land Bank trustees. I recommend that the Land Bank decide if it wants to do a \$4,000 or \$3,000 (or other valued) rebate. The Land Bank should only consider one policy at a time.

Alternatives: It appears that the Land Bank has the following alternatives concerning the issue at hand. The Land Bank may:

1. Approve the policy; or,
2. Disapprove of the policy.

Recommendation: I recommend that the governing body approve the policies.

Possible Motions:

1. Approve and adopt the proposed policy.
2. Disapprove the proposed policy.

Land Bank, City of Junction City, Kansas

POLICY: PRICING OF LOTS IN LAND BANK

POLICY NUMBER: 001

REVISED: NOVEMBER 5, 2019

- I. **General:** The City of Junction City Land Bank (“Land Bank”) offers lots in its possession for \$5,000.00 (five thousand dollars) per lot.
- II. **Rebate:** Land Bank offers a rebate on lots purchased through the Land Bank. If a buyer (individual, married couple, or developer) purchases more than one lot that are contiguous, then the rebate shall only be applied to one of the lots.
 - a. **Build home AND obtain Certificate of Occupancy within one year (12 months) of closing:** The Land Bank will give a rebate of \$4,000 to the buyer.
 - b. **Build home AND obtain Certificate of Occupancy within two years (24 months) of closing:** The Land Bank will give a rebate of \$3,000 to the buyer.
- III. **School District Employees:** The Land Bank will reduce the price of one lot to \$1,000 (one thousand dollars) if an individual buyer or married couple buys a lot from the Land Bank. If the buyer purchases more than one (1) contiguous lot, then the price reduction will only apply to one lot.
- IV. **Ineligible for Rebate:** If a buyer purchases a lot from the Land Bank for a price other than \$5,000 per lot, then the buyer is ineligible for the rebate listed in II.
- V. **Individual Evaluation:** The Land Bank will evaluate each and every offer on land bank lot(s) purchases in light of K.S.A. 12-5907(c) and 12-5908 regarding the effective reutilization of the property in the Land Bank.

CITY OF JUNCTION CITY, KANSAS

Pat Landes
Chairman of the Land Bank

ATTEST:

Tammy Melton, City Clerk

Land Bank, City of Junction City, Kansas

POLICY: CONDITION OF LOTS IN LAND BANK

POLICY NUMBER: 002

REVISED: NOVEMBER 5, 2019

- I. **General:** The Land Bank of the City of Junction City will sell lots in an “as is” condition and make no guarantees as to the availability of utilities which are not provided by the City of Junction City, Kansas.
- II. **Individual Evaluation:** The Land Bank will evaluate each and every offer on land bank lot(s) purchases in light of K.S.A. 12-5907(c) and 12-5908 regarding the effective reutilization of the property in the Land Bank.

CITY OF JUNCTION CITY, KANSAS

Pat Landes
Chairman of the Land Bank

ATTEST:

Tammy Melton, City Clerk

Item Attachment Documents:

- d. Report and Discussion of Land Bank Concerns by Marissa Jones-Flaget, Planner of the Geary County GIS/Planning/Zoning.

City of Junction City

Land Bank

Agenda Memo

10/31/2019

From: Allen J. Dinkel, City Manager

To: Land Bank Board

Subject: Report and Discussion of Land Bank concerns by Marissa Jones-Flaget, Planner of the Geary County GIS/Planning /Zoning

Explanation of Issue: Marissa Jones-Flaget, Planner for the Geary County GIS/Planning/Zoning will discuss pulling 8 Land Bank lots in Prairie Ridge Addition Unit 1 to reserve for future use of a neighborhood park.

Marissa will also briefly discuss new Land Bank Utility map.

Staff Recommendation: At this time funding is not planned, but have no issue with saving an area for a park.

Attachments: Materials regarding the area and this topic.

Patriot Pointe

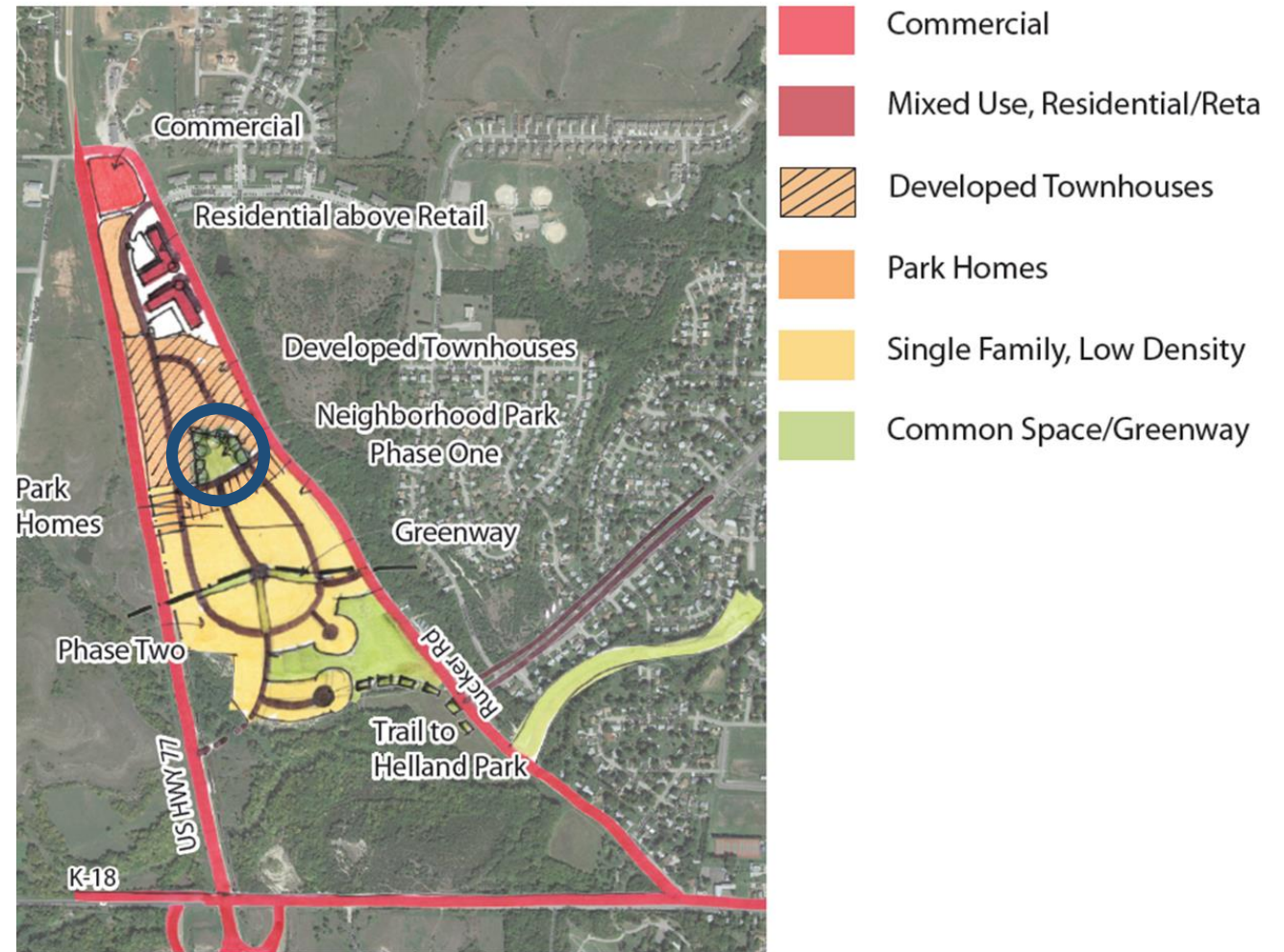
Subdivision to Neighborhood

Presented by
Marissa Jones-Flaget, Planner

Geary County GIS Department
Office of Planning & Zoning

Subdivision to Neighborhood

- New mixed use buildings and commercial development at the northern entrance to the neighborhood and visible from Rucker Road
- A mix of housing including mixed use buildings, townhomes, and single-family attached units
- Additional park land and greenspace that connects to the city's park and trail system to the south



Neighborhood Park Overview



Size

- Approximately 2 acres

Activities/Uses

- Open space areas for picnicking, relaxing and playing
- Playground equipment for use by neighborhood children

Design

- Recreation facilities are not lighted
- Informal
- Parking on street

Source:
https://sustainability.ucdavis.edu/local_resources/docs/onlinedocs/nmp/nmp5_d.pdf

Neighborhood Park Expansion

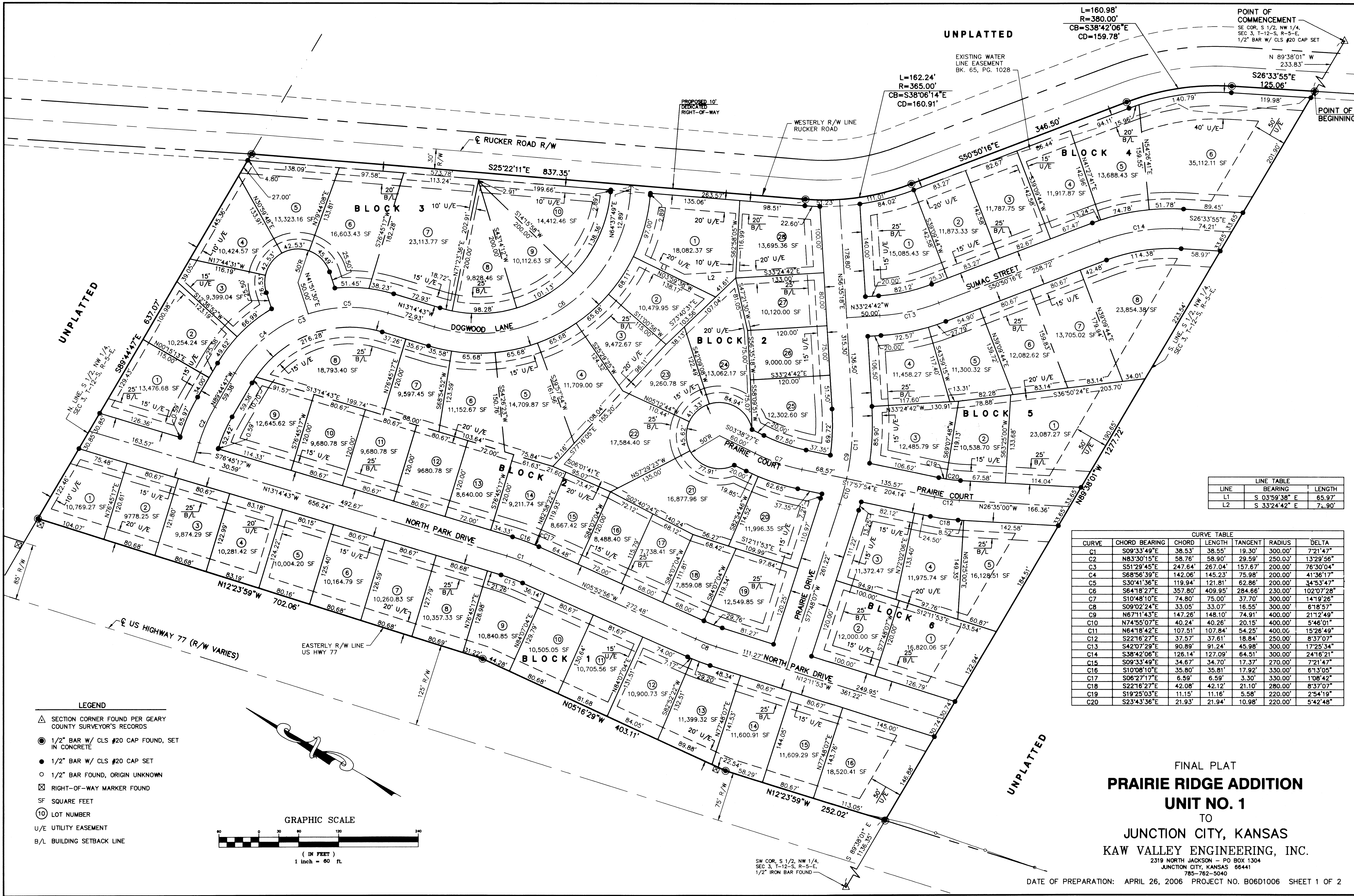




Phase 1 Proposal: Land Acquisition

- Pull eight lots owned by the Junction City Land Bank off the market
 - Lots 20-27, Block 2, Prairie Ridge Addition Unit No. 1
- Reserve said lots for a future neighborhood park to adhere to the spirit and intent of the Comprehensive Plan

Questions?



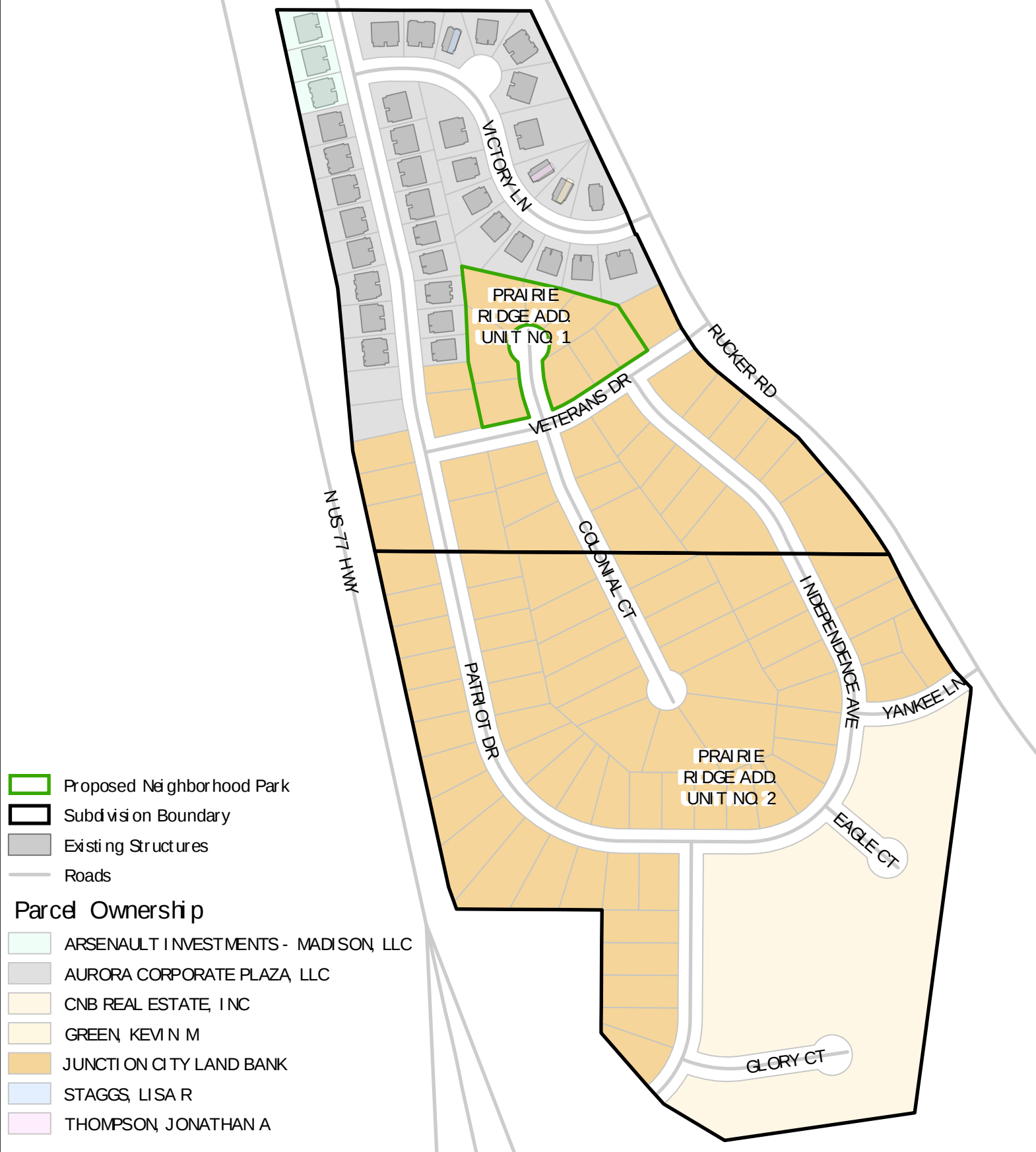
LINE TABLE		
LINE	BEARING	LENGTH
L1	S 03°59'38" E	65.97'
L2	S 33°24'42" E	74.90'

CURVE TABLE						
CURVE	CHORD BEARING	CHORD	LENGTH	TANGENT	RADIUS	DELTA
C1	S09°33'49"E	38.53'	38.55'	19.30'	300.00'	7°21'47"
C2	N83°30'15"E	58.76'	58.90'	29.59'	250.00'	13°29'56"
C3	S51°29'45"E	247.64'	267.04'	157.67'	200.00'	76°30'04"
C4	S68°56'39"E	142.06'	145.23'	75.98'	200.00'	41°36'17"
C5	S30°41'36"E	119.94'	121.81'	62.86'	200.00'	34°53'47"
C6	S64°18'27"E	357.80'	409.95'	284.66'	230.00'	102°07'28"
C7	S10°48'10"E	74.80'	75.00'	37.70'	300.00'	14°19'26"
C8	S09°02'24"E	33.05'	33.07'	16.55'	300.00'	6°18'57"
C9	N67°11'43"E	147.26'	148.10'	74.91'	400.00'	21°12'49"
C10	N74°55'07"E	40.24'	40.26'	20.15'	400.00'	5°46'01"
C11	N64°18'42"E	107.51'	107.84'	54.25'	400.00'	15°26'49"
C12	S22°16'27"E	37.57'	37.61'	18.84'	250.00'	8°37'07"
C13	S42°07'29"E	90.89'	91.24'	45.98'	300.00'	17°25'34"
C14	S38°42'06"E	126.14'	127.09'	64.51'	300.00'	24°16'21"
C15	S09°33'49"E	34.67'	34.70'	17.37'	270.00'	7°21'47"
C16	S10°08'10"E	35.80'	35.81'	17.92'	330.00'	6°13'05"
C17	S06°27'17"E	6.59'	6.59'	3.30'	330.00'	1°08'42"
C18	S22°16'27"E	42.08'	42.12'	21.10'	280.00'	8°37'07"
C19	S19°25'03"E	11.15'	11.16'	5.58'	220.00'	2°54'19"
C20	S23°43'36"E	21.93'	21.94'	10.98'	220.00'	5°42'48"

FINAL PLAT
PRAIRIE RIDGE ADDITION
UNIT NO. 1
TO
JUNCTION CITY, KANSAS
KAW VALLEY ENGINEERING, INC.
2319 NORTH JACKSON - PO BOX 1304
JUNCTION CITY, KANSAS 66441
785-762-5040

DATE OF PREPARATION: APRIL 26, 2006 PROJECT NO. B06D1006 SHEET 1 OF 2

Proposed Patriot Pointe Neighborhood Park



Item Attachment Documents:

- e. Discuss the Real Estate Contract for Four Lots in the Olivia Farms Subdivision with Sage Homes LLC.

City of Junction City

Land Bank

Agenda Memo

11/01/2019

From: Allen J. Dinkel, City Manager

To: Land Bank Board

**Subject: Discussion of the Real Estate Contract for Four Lots
in the Olivia Farms Subdivision with Sage Home LLC**

Explanation of Issue: At the May 7, 2019 meeting of the Land Bank, an agreement was approved with Sage Homes LLC to sell four lots in the Olivia Farms Subdivision at a price of \$,1000 per lot. The contract was contingent on them purchasing the common areas owned by Fort Development.

Sage Homes is wanting to drop contingency 5b regarding the closing of the Fort Development Contract. The Land Bank will have ensure and provide in writing to Buyer that Seller has the legal right to modify and amend the current restrictive covenants as mentioned in 5c.

Sage Homes will also still be required to pay for all costs in extending electric utilities to these lots.

Staff Recommendation: Even though the Fort Development piece has to be removed from the contract, I have not changed my opinion that these lots could be sold at that price.

Attachments: Contract with Sage Homes

REAL ESTATE CONTRACT

THIS REAL ESTATE CONTRACT (the "Contract") is made and entered into as of the 20th day of June, 2019 (the "Effective Date") by and between **THE CITY OF JUNCTION CITY, KANSAS**, a Kansas municipal corporation with a mailing address of 700 N. Jefferson, Junction City, Kansas 66441 (the "Seller"), and **SAGE HOMES, LLC**, a Kansas limited liability company with a mailing address of 3571 Alicia Circle, Wamego, Kansas 66547 (the "Buyer").

RECITALS

A. Seller is the owner of certain residential real estate lots located in the Olivia Farms Subdivision to the City of Junction City, Geary County, Kansas (the "Olivia Farms Subdivision"), and legally described as

Lots Eighteen (18), Nineteen (19), and Twenty-Two (22), Block Twelve (12) of the Olivia Farms Subdivision to Junction City, Geary County, Kansas, and

Lot Twenty-Three (23), Block Twelve (12), Olivia Farms 2nd Plat, a replat of a portion of Olivia Farms in the City of Junction City, Geary County, Kansas

together with all right, title and interest, if any, of Seller in and to any land lying in the bed of any street, road, avenue or alley open or closed, in front of or adjoining the foregoing real estate, including the public street known as "Cinder Lane", to the center line thereof; and all easements, rights-of-way, covenants and other rights appurtenant owned by Seller and in any way related thereto (collectively, the "Real Estate").

B. Seller desires to sell, and Buyer desires to purchase the Real Estate on the terms and conditions set forth in this Contract.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, it is agreed by and between the parties as follows:

1. **Recitals**: The foregoing Recitals are a part of this Contract.
2. **Sale**. Subject to satisfaction of all of the contingencies under this Contract, Buyer agrees to buy, and Seller agrees to sell and convey by good and sufficient general warranty deed (Mayor's Deed) to Buyer the Real Estate.
3. **Purchase Price**. The purchase price to be paid by Buyer to Seller for the Real Estate is the sum of Four Thousand Dollars (\$4,000.00) (the "Purchase Price"), which is based on One Thousand Dollar for each lot comprising the Real Estate. The Purchase Price shall be payable in certified or otherwise immediately available funds at the Closing.
4. **Deed**. At Closing, Seller shall deliver to the Closing Agent a duly executed Mayor's Deed (the "Deed"), conveying the Real Estate to Buyer in fee simple, free and clear of all liens, claims and encumbrances, subject only to the Permitted Title Exceptions.

5. **Contingencies.** The obligations of Buyer pursuant to this Contract are expressly conditioned and contingent upon Buyer's satisfaction, in Buyer's complete discretion, with the following:

(a) **Inspections.** Following the Effective Date of this Contract, Buyer, Buyer's agents and representatives shall have the right to enter upon the Real Estate to make such surveys, tests and inspections, at Buyer's sole expense, as Buyer may require in its sole discretion. Buyer may, at Buyer's expense, arrange for inspections of all physical aspects of the Real Estate and substrata to determine the existence of any defects or deficiencies. The inspections may cover without limitation: Soil tests, soil borings, bedrock and ground water table tests, topography, drainage and diversion of surface water, engineering, and any of the other physical aspects or structural condition of the Real Estate. Buyer shall, however, give to Seller at least twenty-four (24) hours advance notice of such entry, and shall pay for any damage caused to the Real Estate, and shall indemnify, defend, and hold harmless Seller from all loss or damage resulting from such right of entry. Such inspections shall be completed by the Closing Date.

(b) **Closing of Fort Development Contract.** Seller acknowledges that Buyer is negotiating and intends to enter into a contract to purchase the common areas and certain other lots in the Olivia Farm Subdivision from the original developer, Fort Development, L.L.C. of Lawrence, Kansas (the "Fort Development Contract"). If for any reason Buyer is unable to close its purchase of the real estate under the Fort Development Contract or the Fort Development Contract is not entered into, cancelled or otherwise terminated, then unless Buyer agrees otherwise in writing, Buyer may elect to cancel and terminate this Contract.

(c) **Olivia Farms Subdivision Restrictive Covenants.** Seller will ensure and provide in writing to Buyer that Seller has the legal right and ability to modify and amend the current restrictive covenants to the Olivia Farms Subdivision and otherwise encumbers the Real Estate (the "Restrictive Covenants"). Seller agrees to adopt a valid change or amendment to the Restrictive Covenants to provide for the formation of a homeowner's association and such other related terms, in a form and content as approved by Buyer and its legal counsel, in their sole discretion.

(d) **Homeowners' Association.** The formation of a homeowners' association for the Olivia Farms Subdivision as of the Closing Date as set forth in the amendment to the Restrictive Covenants referenced in Subsection (c) above. The parties acknowledge the formation of such legal entity, including bylaws for such entity, will be at the sole cost and expense of Buyer and contingent on an amendment to the Restrictive Covenants referenced in Subsection (c) above.

6. **Title Insurance.** Within ten (10) days of the Effective Date, Seller shall furnish Buyer with a commitment for a ALTA current form policy of owner's title insurance in the amount of the Purchase Price insuring the title of Buyer to the Real Estate in fee simple, free and clear of all liens, claims and encumbrances, with the only exceptions from coverage being for (i) any easements, reservations, and restrictions of record, (ii) existing zoning ordinances, (iii) future taxes and special assessments, and (iv) matters which a survey would disclose. Buyer shall have ten (10) days after receipt of the title commitment and the Survey to verify that the Real Estate is not encumbered by or subject to any easements, use restrictions or covenants which would impair, limit or restrict the ability of Buyer to improve and use the Real Estate for a residential development in the manner which Buyer desires and intends, and to

assert in writing to Seller any reasonable title objections or requirements based upon the title commitment and Survey. If by the Closing, Seller is unable to cure or satisfy Buyer's reasonable title requirements or objections, Buyer may thereafter cancel and terminate this Contract by delivering written notice to Seller and the Closing Agent, in which case neither party shall have any further obligation under this Contract.

If after Buyer's approval of the title commitment and prior to Closing there are liens, encumbrances or other adverse title matters filed or appearing of record which materially and adversely affect the title to the Real Estate, Buyer may thereafter cancel and terminate this Contract by delivering written notice to Seller and the Closing Agent, in which case neither party shall have any further obligation under this Contract.

On or prior to the Closing, Seller agrees to provide all affidavits and indemnity agreements to the title insurer so that the standard exceptions from coverage for unfilled mechanic's liens and rights of parties in possession will be deleted from the final owner's policy to be issued to Buyer. Buyer shall provide at its expense any Survey which the title insurer may require in order to delete the matters of survey exception from the final owner's title policy to be issued to Buyer, and shall pay any surcharges or additional premiums to obtain any special endorsements or other coverages under such policy.

Any other easements, reservations, restrictions of record or other title matters (other than mortgages, taxes, or other liens to be paid and satisfied by the Closing Agent at Closing) which appear as exceptions from coverage on the title commitment and which, in Buyer's reasonable judgment, do not materially affect the value of the Real Estate or its reasonable suitability for residential development in the manner which Buyer desires and intends, and as to which Buyer asserts no objections or requirements, shall be deemed to be accepted by Buyer and are referred to herein as the "Permitted Title Exceptions".

7. **Taxes.** Seller agrees to be responsible for all taxes and assessments, general and special, imposed and levied against the Real Estate and payable for the year 2018 and all prior years. All of such taxes and assessments for the year 2019 shall be prorated between the Buyer and Seller as of the Closing Date, on a per diem basis, based upon the tax mill levy applicable to the Real Estate for the year 2018 and the assessed valuation of the Real Estate for the year 2019 tax purposes as determined by the Office of the Geary County, Kansas Appraiser. Seller's prorated share of the 2019 taxes shall be credited against the Purchase Price in favor of Buyer at Closing, and Buyer shall then be responsible for payment of all of such taxes for the year 2019 and subsequent years, as the same become due and payable.

8. **Closing.** This transaction shall proceed to Closing within ten (10) days after Buyer's satisfactory completion, or waiver thereof, of the contingencies pursuant to Section 5, and simultaneously with the closing under the Fort Development Contract, but in no event later than August 1, 2019.

At the Closing, Buyer shall cause the Purchase Price plus any of Buyer's closing expenses to be delivered in certified or wire-transferred funds to the Closing Agent, and the Closing Agent shall then disburse the Purchase Price to Seller, net of all costs and expenses and prorations to be borne by or chargeable to Seller under the terms of this Contract. The Closing Agent shall immediately thereafter cause the Deed to be recorded. Buyer shall be entitled to possession of the Real Estate immediately following the Closing, free of any and all tenancies.

9. **Costs and Expenses.** Each party agrees to pay the costs of their own legal counsel in connection with the transaction contemplated by this Contract. Buyer shall pay all of the fees of the Closing Agent. Seller shall pay the cost of the issuance of an owner's policy of title insurance in favor of Buyer pursuant to Section 6. Buyer shall pay the cost of recording the Deed. Buyer shall be responsible for payment of all fees, costs and expenses in connection with the performance of its due diligence inspections and evaluations of the Real Estate under Section 5.

10. **Closing Agent.** Junction City Title & Abstract Co, Inc. of Junction City Kansas shall be the closing agent under this Contract ("Closing Agent"). The Closing Agent is hereby authorized to do whatever is necessary to close the sale under this Contract and deliver the Deed, such as paying the obligations of the parties hereto out of their share of any money in possession of the Closing Agent, prorating and paying taxes and insurance premiums, paying the expenses of recording the Deed and any title insurance, and paying and satisfying any liens, mortgages or judgments against the Real Estate.

11. **Condition of Real Estate.** Seller agrees, at its sole expense, to repair, replace and/or otherwise maintain the City streetlights in the Olivia Farms Subdivision where the Real Estate is located at the same or greater standards than was imposed by the Seller on the original developer to the Olivia Farms Subdivision as part of its development process. BY THE CLOSING DATE, BUYER WILL HAVE HAD A FULL AND COMPLETE OPPORTUNITY TO INSPECT THE REAL ESTATE, TO OBSERVE ITS PHYSICAL CHARACTERISTICS AND EXISTING CONDITIONS, AND TO HAVE CONDUCTED SUCH INVESTIGATIONS AND INSPECTIONS ON THE REAL ESTATE AS BUYER DEEMS NECESSARY. BUYER ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING THE REAL ESTATE IN ITS PRESENT "AS-IS" CONDITION, SUBJECT TO ANY AND ALL DEFECTS AND DEFICIENCIES AND WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND WHATSOEVER FROM SELLER AS TO THE QUALITY, TOTAL ACREAGE, OR PHYSICAL CONDITION OF THE REAL ESTATE, OR THE SUITABILITY OF THE REAL ESTATE FOR RESIDENTIAL USE OR ANY OTHER USE OR PURPOSE, EXCEPT AS SPECIFICALLY PROVIDED IN THIS CONTRACT. Buyer specifically acknowledges that it, at its expense, shall complete any remaining electrical infrastructure necessary in its development of the Real Estate for residential purposes.

12. **Option to Purchase Other Lots.** In consideration of the covenants and agreements set forth in this Contract, Seller grants Buyer the exclusive right and option, for a 15-month period beginning on the Closing Date (the "Option Period"), to elect to purchase, any or all, of the following described real estate:

Lots Fifteen (15), Sixteen (16), Seventeen (17), Twenty (20), Twenty-one (21), Twenty-four (24), Twenty-five (25), and Twenty-six (26), of Block Twelve (12) of the Olivia Farms Subdivision to Junction City, Geary County, Kansas,

(together, the "Lots") based on One Thousand Dollars (\$1,000.00) per Lot (the "Option Price"). The option granted to Buyer by this Contract shall be deemed fully exercised if written notice of election to purchase such Lot or Lots is delivered by Buyer to Seller, on or before the expiration of the Option Period. The closing for the purchase of the Lots to be so acquired by the Buyer shall be paid no later than 30 days after Buyer has exercised its option and the purchase price for the Lots being purchased will be payable in full at such closing. The parties agree to execute a real estate contract on terms and conditions substantially similar to this Contract (the "Lot Sale Contract"), which, upon exercise of this option, and the parties agree to execute such

contract in good faith. Following the Closing Date of this Contract and until either the Option Period shall expire or the date of closing of the sale of the Lots, as described in the Lot Sale Contract, Buyer, its agents, and employees, upon notice to Seller, shall have the right to enter upon the Lots to make surveys, take soil tests and core samples, and make such other reasonable tests and investigations as Buyer may deem necessary or expedient. The obligations of Seller and Buyer under this Section shall survive the Closing of the sale of the Real Estate.

13. **Default**

(a) **Seller's Remedies.** Time shall be of the essence of this Contract, and if the Buyer shall fail to pay the Purchase Price within fourteen (14) days after the date the same shall become due and payable hereunder, or fails to perform any other term or condition of this Contract, strictly and literally at the times when the same should be performed, then this Contract shall cease and wholly terminate at the option of Seller, and if so terminated. Failure to terminate this Contract on account of any default shall not waive Seller's right to terminate this Contract on account of any future default.

(b) **Buyer's Remedies.** In the event of a refusal or failure by Seller to close this transaction or otherwise perform all or any of its obligations under this Contract, Buyer's exclusive remedies shall be to seek specific performance of Seller's obligations under this Contract, or cancel and terminate this Contract.

14. **Cancellation.** Whenever pursuant to Sections 5 or 6 of this Contract, if Buyer exercises its rights to cancel and terminate this Contract, such party shall so notify the other party and the Closing Agent in writing, no later than the date by which such cancellation is to be elected as specified in the applicable section of this Contract. Unless the other party disputes the validity of the election of cancellation by a written response delivered to the canceling party and the Closing Agent within five (5) days of the receipt of the notice of cancellation, this Contract shall be deemed to be properly cancelled, terminated and rescinded, and the Closing Agent shall return the Deed to Seller. If the other party does so properly and timely dispute in writing the attempted cancellation by the canceling party, then the Closing Agent shall retain the Deed until both parties jointly direct or a court of competent jurisdiction orders otherwise.

15. **Brokerage.**

(a) **Real Estate Broker:** Seller and Buyer agree that Coldwell Banker Mowry Custer Realtors, LLC the only real estate broker involved in this transaction and that a sales commission of \$1,000 per each lot which comprises the Real Estate shall be disbursed to such real estate licensee upon the Closing of the sale of the Real Estate under this Contract. 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, 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 shall survive Closing or termination of this Contract.

(b) **Agency Disclosure.** Seller and Buyer acknowledge that the real estate licensee involved in this transaction is functioning as agents of the Seller. Licensees functioning as an agent of the Seller have a duty to represent the Seller's interest and

will not be an agent of the Buyer. INFORMATION GIVEN BY THE BUYER TO AN AGENT FOR THE SELLER WILL BE DISCLOSED TO THE SELLER. SELLER AND BUYER ACKNOWLEDGE THAT THE REAL ESTATE BROKERAGE RELATIONSHIPS BROCHURES HAVE BEEN FURNISHED TO THEM.

16. **Prior Agreements.** This Contract represents the entire agreement between the parties as to the sale and purchase of the Real Estate, and any and all other agreements previously entered into by the parties regarding the sale of the Real Estate are superseded by this Contract and of no further force or effect.

17. **Notices.** Notices, demands, or other communications under this Contract shall be in writing and shall be deemed to have been given or submitted upon personal delivery or upon deposit in the United States mail by certified or registered mail, postage prepaid, with return receipt requested, addressed to Buyer or Seller, as the case may be, at the Buyer's or Seller's mailing address as set forth in this Contract. Notices shall be deemed received upon personal delivery or three (3) days following deposit in the mail, if mailed in accordance with this Section 17.

18. **Survival:** All representations, covenants and warranties made by the parties herein are intended to and shall remain true and correct as of the Closing Date, shall be deemed to be material, and shall survive the execution and delivery of this Contract and the delivery of the Deed and transfer of title.

19. **Kansas Law Applies:** This Contract and its validity, construction and performance shall be governed by the laws of the State of Kansas.

20. **Time:** Time is the essence of this Contract. No extension will be granted unless in writing and signed by the parties.

21. **Due Authorization: Binding Effect: Assignment.** Seller represents that it has acquired and is the lawful owner of the Real Estate, and it has conducted all acts and proceedings necessary for it to lawfully enter into and perform this Contract. All covenants and agreements herein contained shall extend to and bind the successors and assigns of the respective parties hereto. Seller acknowledges and agrees that Buyer may assign this Contract to any other party for performance, but such assignment shall not relieve Buyer of its primary obligation for performance of its obligations under this Contract.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF, the parties, by each of their duly authorized representatives, have executed this Contract as of the Effective Date.

THE CITY OF JUNCTION CITY, KANSAS,
a Kansas municipal corporation

By: _____

Pat Landes, Mayor

Attest:

Tammy DeHaven, City Clerk

"SELLER"

SAGE HOMES, LLC, as Kansas limited
liability company

By: _____

Ryan McDonald, Manager

"BUYER"



REQUIRED STATUTORY DISCLOSURES ADDENDUM

SELLER: Junction City Land Bank

BUYER: Sage Homes, LLC

PROPERTY: Lots 18, 19, 22, 23, Block 12, Olivia Farms Subdiv, KS

CONTRACT DATE: June 20, 2019

1. 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 interests of either party. **SELLER AND BUYER ACKNOWLEDGE THAT THE REAL ESTATE BROKERAGE RELATIONSHIPS BROCHURE HAS BEEN FURNISHED TO THEM.**
- b. Listing Licensee is functioning as a: (Check Applicable) ☐ Seller's Agent or ☐ Designated Seller's Agent (Supervising Broker acts as Transaction Broker) or ☒ Transaction Broker, or ☐ Seller(s) is/are representing themselves.
- c. Selling Licensee is functioning as a: (Check Applicable) ☐ Seller's Agent or ☐ Buyer's Agent or ☐ Designated Seller's Agent (Supervising Broker acts as Transaction Broker) or ☒ Transaction Broker, or ☐ Buyer(s) is/are representing themselves.

2. POTENTIAL PROXIMITY OF REGISTERED OFFENDERS TO PROPERTY:

- a. 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.

3. RADON NOTICE:

- a. Every buyer of residential real property is notified that the property may present exposure to dangerous concentrations of indoor radon gas that may place occupants at risk of developing radon-induced lung cancer. Radon, a class-A human carcinogen, is the leading cause of lung cancer in non-smokers and the second leading cause overall. Kansas law requires sellers to disclose any information known to the seller that shows elevated concentrations of radon gas in residential real property. The Kansas department of health and environment recommends all home-buyers have an indoor radon test performed prior to purchasing or taking occupancy of residential real property. All testing for radon should be conducted by a radon measurement technician. Elevated radon concentrations can be easily reduced by a radon mitigation technician. For additional information, go to www.kansasradonprogram.org.

CAREFULLY READ THE TERMS BEFORE SIGNING. WHEN SIGNED BY ALL PARTIES, THIS DOCUMENT BECOMES PART OF A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING.

SELLER Junction City Land Bank

06/20/2019
DATE

BUYER Sage Homes, LLC

06/20/2019
DATE

SELLER

DATE

BUYER

DATE

PRESENTED TO SELLER'S REPRESENTATIVE FOR SIGNATURE AND NO SIGNATURE WAS PROVIDED ON THIS DATE: _____

SIGNATURE OF SELLING LICENSEE WHO HAS BEEN UNABLE TO OBTAIN SELLER'S SIGNATURE _____

Approved 7/17

Chadwick Baskin, Member, Kansas Real Estate, 223 N. Blenheim Dr., Junction City, KS 66441
Lene Center

Page 1 of 2

Phone: 765/4344661

Fax: 765/622791

Approved by KAR Legal Counsel
Sage Homes

Produced with zipForms by zipLogix 19070 Fifteen Mile Road, Fraser, Michigan 48434 www.zipLogix.com

Coldwell Banker Mowry Custer Realtors

Name of Listing Broker (Please Print)

Lance A. Custer

Name of Licensee Assisting Seller (Please Print)

(785) 762-4663

Listing Licensee Phone # / Fax #

lance.custer@gmail.com

Listing Licensee Email Address

Br00052930

Listing Agent License #

BR00052930

Supervising Broker License #

Coldwell Banker Mowry Custer Realtors®

Name of Selling Broker (Please Print)

Lance Custer

Name of Licensee Assisting Buyer (Please Print)

(785) 762-4663

Selling Licensee Phone # / **(785) 762-2292**
Fax #

lance.custer@coldwellbanker.com

Selling Licensee Email Address

BR00052930

Selling Agent License #

BR0052930

Supervising Broker License #

AMENDMENT

THIS AMENDMENT FORM IS FOR USE IN CHANGING THE TERMS OF AN EXISTING CONTRACT.
IT IS NOT INTENDED FOR USE AS PART OF AN OFFER OR COUNTER OFFER DURING NEGOTIATIONS.

1 SELLER: Junction City Land Bank

2 BUYER: Sage Homes, LLC

3 PROPERTY: Lots 18, 19, 22, 23, Block 12, Olivia Farms Subdiv, KS

4 This amendment modifies the terms of the above referenced contract. Except for the changes
5 noted below, all of the other provisions of the contract shall remain in full effect.

7 1. ☒ BASE CONTRACT - Paragraph # or ☐
8 ADDENDUM - Paragraph # is changed as follows: There shall be no earnest
9 deposit.

12 2. ☒ BASE CONTRACT - Paragraph # or ☐
13 ADDENDUM - Paragraph # is changed as follows: Both parties acknowledge that
14 listing & selling licensee, Lance Custer, is functioning as a
15 transaction broker.

17 3. ☐ BASE CONTRACT - Paragraph # or ☐
18 ADDENDUM - Paragraph # is changed as follows:

22 4. ADDITIONAL TERMS:

26 5. ☐ ADDITIONAL PAGES. (Check if Applicable). The additional pages attached to this Amendment
27 contain terms which are an integral part of this Contract.

IF NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING.

31	<u>[Signature]</u>	<u>06/20/2019</u>	<u>[Signature]</u>	<u>06/20/2019</u>
32	SELLER	DATE	BUYER	DATE
33	Junction City Land Bank		Sage Homes, LLC	
34				
35	SELLER	DATE	BUYER	DATE

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Amendment 2011
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Phone: 7857624663 Fax: 7857622292 Lance Custer

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Sage Homes