



Agenda Item Report

City Commission - Mar 21 2023

Department	Staff Contact
City Attorney's Office	Toni R. Wheeler, City Attorney

Recommendations

Consider (1) approving the contract to purchase the real property at 256 North Michigan Street, and (2) authorizing the City Manager or designee to take all necessary actions to complete the purchase, including paying to the Seller the sum of \$725,000, as well as the City's share of the closing costs as set forth in the contract.

Executive Summary

The real estate contract provides for the City to purchase the property located at 256 North Michigan Street, including all buildings and improvements thereon, from Veritas Christian School Society for the purchase price of \$725,000.00. The three and one-half acre property is planned to be the location of a Pallet shelter village. A summary of the main contract terms follows:

- The purchase price is \$725,000.00 with a \$10,000.00 earnest money deposit held in escrow;
- The sale is contingent upon approval by the Governing Body in a public meeting. If the Governing Body does not approve the contract, then the contract is deemed terminated and the earnest money deposit will be returned to the City;
- The City has a due diligence period to perform any inspections it desires at the City's expense;
- Closing on the property is set to occur within thirty days following execution of the contract unless the parties agree otherwise to an earlier or later closing date;
- The City is accepting the property in its present condition, or "as is;"
- The City is acquiring only the property from the Seller and is not the successor of the Seller. The City is not assuming or agreeing to pay any liability, obligation or expense of the Seller relating to property except as expressly set forth in the contract.

The contract also contains other standard real estate contract provisions.

Staff recommends the City Commission approve the Contract to purchase 256 North Michigan Street and authorize the City Manager or designee to take all necessary steps to conclude the purchase, including paying to the Seller the sum of \$725,000, and the City's share of the

closing expenses as set forth in the contract. The City's share of the closing expenses are estimated to be approximately \$422.50.

Alignment to Strategic Plan

Strong, Welcoming Neighborhoods

Fiscal Impact

The fiscal impact of this action is \$725,000, plus the City's share of closing expenses. Funds sufficient to cover this expenditure were included in the FY 2023 Budget and are available in the amounts and accounts listed below.

Fund:	Program:	Line Item:	Project:	Amount:
802 (ARPA)	0604 (PDS Housing Initiatives)	303005 (Land)	PL1-0006 (Pallet Home Villiage)	\$725,000 + closing expenses

Action Requested

Approve the Contract to purchase 256 North Michigan Street in Lawrence, Kansas, and authorize the City Manager or designee to take all necessary steps to complete the purchase, including paying to the Seller the sum of \$725,000, and the City's share of the closing expenses as set forth in the contract.

Attachments

[Veritas Christian School Appraisal Excerpt Pages](#)
[2023-0310-Veritas Agreement](#)



An Appraisal Report

of:

**Veritas Christian School
256 North Michigan
Lawrence, Kansas 66044**

**Prepared For:
Mr. Scott Wagner
City of Lawrence
6 East 6th Street
Lawrence, Kansas 66044**

**Prepared By:
Ronald D. Aul, MAI
Aul Appraisals, L.C.**

**Date of Inspection:
December 27, 2022**

**Effective Date of Valuation:
December 27, 2022**

January 2, 2023

Mr. Scott Wagner
City of Lawrence
6 East 6th Street
Lawrence, Kansas 66044

RE: **Appraisal Report**
Veritas Christian School
256 North Michigan
Lawrence, Kansas 66044
File No. C-1856

Dear Mr. Wagner:

In accordance with your request, I have personally inspected the subject property identified above and prepared an **Appraisal Report** in compliance with the *2020-2022 Uniform Standards of Professional Appraisal Practice*, Copyright ©The Appraisal Foundation.

The subject property represents the Veritas Christian School located at 256 North Michigan, Lawrence, Kansas. The subject property has been improved with a school building facility which contains an estimated 12,762 square feet situated on a site of 3.506 acres, more or less. It should be noted, there are four modular classroom units which were not considered to be part of the real estate and were not included in this appraisal report. The reader is referred to the following report for more detailed information on the subject site and improvements.

The purpose and intended use of this appraisal is to provide my client, named above, with my opinion of the *Market Value* of the fee simple interest in the subject as of the effective date of this report for potential use in negotiations by the City of Lawrence to purchase the property.

My final opinion of value is based on the facts and circumstances pertinent to the analysis, the definition of value used, the purpose and intended use of the appraisal, the contingent and limiting conditions, and all aspects of the property and market information contained in the attached report. My opinion of the market value of the fee simple interest in the subject property as of the effective appraisal date of December 27, 2022, is as follows:

\$810,000

EIGHT HUNDRED TEN THOUSAND DOLLARS

The market value opinion above does not include an amount for the four modular classroom units of which are considered to be personal property and not a part of the real estate.



Mr. Scott Wagner
January 2, 2023
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Thank you for the opportunity to be of service. If you have any questions or require additional information please contact me at your convenience.

Respectfully submitted,
AUL APPRAISALS, L.C.

A handwritten signature in blue ink that reads 'Ronald D. Aul'.

Ronald D. Aul, MAI
Certified General Real Property Appraiser
Kansas No. G-1241

COMMERCIAL CONTRACT

THIS COMMERCIAL CONTRACT (this “**Contract**”) is made on 3/10/2023, by and between Veritas Christian School Society, a Kansas not for profit corporation (the “**Seller**”), and City of Lawrence, a municipal corporation, (the “**Buyer**”).

1. **SELLER’S AGREEMENT TO SELL AND PROPERTY DESCRIPTION:**
Subject to the terms and provisions of this Contract, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of the following described property (the “**Property**”):

(a) The land situated in Lawrence, Douglas County, Kansas, and legally described as follows (the “**Land**”):

VERITAS ADD REPLAT OF LOT ONE-BLOCK ONE FAITH ACRES & AN UNPLATTED TRACT OF LAND IN SE 1/424-12-19 BLK 1 LT 1, with a common address of 256 North Michigan Street, Lawrence, Douglas County, Kansas 66044 as generally outlined in the Exhibit “A” attached hereto.

(b) All buildings and improvements on the Land (the “**Improvements**”), including without limitation, all easements benefitting the Property, all mechanical systems, fixtures and equipment; heating, air-conditioning and ventilation fixtures and plumbing fixtures..

(c) All site plans, surveys, soil and substrata studies, architectural renderings, plans and specifications, engineering plans and studies, floor plans, landscape plans and other plans, diagrams or studies of any kind, if any, in Seller’s possession which relate to the Land, or the Improvements.

(d) All other rights, privileges and appurtenances owned by Seller and in any way related to the Property.

2. **CONSIDERATION:** Buyer agrees to pay Seller for the
property the sum of \$725,000
(the “**Purchase Price**”)

(a) “**Earnest Money Deposit**” to be held in escrow by
Security 1st Title, as the Escrow Agent,
which acknowledges receipt, in the amount of..... \$10,000

(b) Balance to close (certified or cashier’s check or wire transfer)
subject to adjustments, prorations, loan settlement
costs, and other costs agreed upon by Buyer and Seller..... \$715,000

3. **CONTRACT CONTINGENCIES AND DUE DILIGENCE PERIOD:** This Contract is contingent upon the approval of the Governing Body of the City of Lawrence,

Kansas, at a regular or special meeting of the Governing Body. If the Governing Body fails to approve this Contract, then this Contract shall be deemed terminated, null and void, and of no further force and effect. In that event, the Buyer shall give notice to the Seller and to the Escrow Agent or to the Title Company, and shall be entitled to a return of the Earnest Money. Upon such return neither the Seller nor the Buyer shall have any further rights or obligations under this Contract.

Buyer shall have a period of thirty (30) days commencing at the execution of this Contract to perform any inspections, at its expense; conduct Due Diligence to its satisfaction and obtain approvals required from the City Commission (the “**Due Diligence Period**”).

Buyer and its contractors and agents shall have full access to the Property to conduct all inspections as needed, to be coordinated with Seller. Buyer may elect to terminate this Contract at any time and for any reason prior to the expiration of the Due Diligence Period upon written notice to Seller without any recourse from Seller, at which point the Earnest Deposit shall be released from escrow and returned to Buyer.

4. CLOSING AND POSSESSION: The “**Closing Date**” shall be on or before thirty (30) days following the execution of this Contract at the office of the Escrow Agent, unless both parties agree in writing to advance or delay the Closing. “**Closing**” means the settlement of the obligations of Seller and Buyer to each other under this Contract, including the payment of the Purchase Price to Seller and the delivery of those certain deliverables described in Section 10 of this Contract. Possession of the Property shall be given to Buyer at closing.

5. COMMITMENT FOR TITLE INSURANCE:

(a) Within seven (7) days following the Effective Date, Seller shall deliver to Buyer a commitment for an owner’s title insurance policy (the “**Commitment**”), issued to Buyer, in the amount of the Purchase Price. The Commitment shall describe the Land, name Buyer as the party to be insured, and commit to insure Buyer with a marketable fee simple title, except and subject, however, to (1) the general exceptions contained in the Commitment, (2) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at closing and which Seller may so remove at that time by using the funds to be paid upon closing, and (3) easements, reservations, and restrictions of record that shall not materially interfere with Buyer’s use of the Property.

(b) Buyer shall have seven (7) business days (the “**Review Period**”) following receipt of the Commitment, in which to review and to deliver to Seller and Escrow Agent written objections to any matters shown on the Commitment which are unacceptable to Buyer. Seller shall have until before the Closing to eliminate any title matters to which written objection has been properly delivered, or to obtain title insurance endorsements satisfactory to Buyer. If Seller is unwilling or unable to remove such objectionable matters or to obtain title insurance endorsements satisfactory to Buyer on or before the Closing, Buyer may at Buyer’s option waive the objections not removed or cancel this Contract by giving written notice of cancellation to Seller and Escrow Agent on or before

the Closing. Any title exceptions which are set forth in the 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**").

(c) Buyer's failure to disapprove any exceptions or to specify Buyer's objections to the contents of the Commitment during the Review Period shall be deemed an acceptance of title as described in the Commitment, and a waiver of Buyer's right to cancel this Contract pursuant to Section 5(b). If an amended or supplemental commitment for title insurance on the Property shall be issued, Buyer shall have a period equal to the Review Period in which to give written notice of Buyer's objections to Seller and Escrow Agent as to any additional exceptions to title shown by such amended or supplemental commitment for title insurance along with the same cancellation rights described above.

(d) Upon cancellation in accordance with this paragraph, the Earnest Money Deposit shall be refunded to Buyer, together with all documents deposited in escrow by Buyer. All documents deposited in escrow by Seller shall be returned to Seller, and this Contract shall thereafter terminate.

6. **TITLE POLICY**: At the Closing, or as soon thereafter as may reasonably be possible, Seller shall cause the Escrow Agent to issue Buyer an ALTA owner's policy of title insurance in the full amount of the Purchase Price (the "**Policy**"), effective as of the Closing, insuring marketable fee simple title in Buyer, subject to all permitted exceptions, the general exceptions as contained in the Commitment, and to easements, reservations, and restrictions of record that shall not materially interfere with Buyer's use of the Property.

7. **SELLER'S REPRESENTATIONS**: Seller makes each of the following representations to the best of Seller's knowledge, each of which shall constitute a material part of the consideration for this Contract, be accurate and true as of the date of this Contract and as of the Closing, and survive the Closing:

(a) The Property is in compliance with applicable zoning and use laws, ordinances, and regulations of governmental agencies having jurisdiction over the Property. Except as expressly provided in this Contract, Seller makes no additional representations with respect to any environmental laws, regulations, or ordinances, nor the Americans with Disabilities Act of 1990, as amended.

(b) There are no written or oral leases or rights of occupancy in force relating to the Property, no person other than Seller has any right of possession or occupancy in the Property, and there are no trespassers or adverse possessors.

(c) Seller has full right, title, authority and capacity to execute and perform this Contract and to consummate all of the transactions contemplated in this Contract, and the person who executes and delivers this Contract and all documents to be delivered to Buyer under this Contract is and shall be duly authorized to do so.

(d) The Property has free, uninterrupted access to and from one or more publicly dedicated streets, rights-of-way, highways or roads, and public utilities providing services to the Property are adequate for the existing use of the Property.

(e) Conveyance of the Property to Buyer and the consummation of the transaction described in this Contract in accordance with its terms will not breach any agreement, written or oral, to which Seller is a party.

(f) No work has been performed on or about the Property or to the Improvements prior to the date of this Contract that could give rise to any mechanics' or materialmen's liens.

(g) Seller has good, marketable and insurable fee simple title to the Property.

(h) There are no actions, suits, proceedings, investigations or audits pending or threatened against Seller related to the Property at law or in equity or before any federal, state, county, municipal, or other court, department or agencies.

(i) To the best of Seller's knowledge, (1) there are no "wetlands," burial grounds, cemeteries, archeology site or landfills on the Property; (2) no portion of the Property consists of filled ground or contains any underground storage tanks for gasoline or other substances, and (3) no portion of the Property has been used for the production, generation, treatment, storage, or disposal of any hazardous wastes, substances, materials, pollutants or contaminants which are subject to regulation under the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C §9601, *et seq.*, as amended ("CERCLA") or the Resource Conservation and Recovery Act, 42 U.S.C §6901, *et seq.* as amended, ("RCRA"), or any other currently applicable local, state or federal environmental statute or regulation. Nor, to the best of Seller's knowledge, is any portion of the Property located on or over a sanitary landfill or an "open dump".

8. BUYER'S REPRESENTATIONS: Buyer makes each of the following representations to the best of Buyer's knowledge, each of which shall constitute a material part of the consideration for this Contract, be accurate and true as of the date of this Contract and as of the Closing, and survive the Closing:

(a) Buyer has full right, title, authority and capacity to execute and perform this Contract and to consummate all of the transactions contemplated in this Contract, and the person who executes and delivers this Contract and all documents to be delivered to Seller under this Contract is and shall be duly authorized to do so.

(b) Other than as expressly provided in this Contract and except as provided in any document at Closing, as of the Closing Date, Buyer shall have inspected the Property to Buyer's satisfaction, and Buyer acknowledges that the Property is sold and conveyed by Seller, and purchased and accepted by Buyer, in its present condition, "As Is." Except as expressly provided in this Contract and except as provided in any document at Closing, Buyer shall forever release Seller from any claims, demands, or right of

contribution which Buyer has or may have against Seller with respect to the physical condition of the Property, including, without limitation, environmental or subsurface conditions, solid or hazardous waste, and hazardous substances in, on, under, or related to, the Property and compliance or non-compliance with the Americans with Disabilities Act of 1990, as amended.

(c) Except as expressly provided in this Contract and except as provided in any document at Closing, no representations have been made by Seller, or anyone in Seller's behalf, to Buyer as to the condition of the Property; and as of the Closing Date, Buyer shall have had a full and complete opportunity to inspect the Property, to observe its physical characteristics and existing conditions, and to have conducted such investigations and studies on the Property as Buyer deems necessary; Buyer waives, from and after Closing, any and all objections to or complaints about physical characteristics and existing conditions of the Property.

(d) Except as expressly provided in this Contract and except as provided in any document at Closing, Buyer shall assume, and shall covenant to undertake and discharge, from and after the Closing, all liabilities and obligations arising from (i) any condition which now exists and may hereafter be found to exist in, on, under or about the Property; or (ii) determination that the Property, or any portion of the Property, violates any applicable law, ordinance, regulation, or ruling relating to the structural or physical condition of the Property.

9. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE: Each of the following conditions precedent must be satisfied in full, on or before the Closing Date, unless waived by Buyer in writing:

(a) The Property shall be in the same condition as on the Effective Date, reasonable wear and tear excepted.

(b) Seller shall not have failed materially to perform any of Seller's agreements or obligations under this Contract.

(c) All matters with respect to title to the Property, as required under this Contract, shall be completed and approved by Buyer.

(d) The Seller agrees that the premises, in its entirety, shall be delivered to the Buyer in "broom clean" condition. The Buyer shall have the right to inspect the Property, including the interiors of any structures thereon, for compliance with this provision prior to delivery of the Deed upon reasonable notice to Seller's agent, J. Taylor.

(e) All of Seller's representations shall be true and correct as of the Closing Date.

If any of these conditions precedent have not been satisfied or waived in writing by Buyer on or before the Closing Date, Buyer may give to Seller written notice of any unsatisfied conditions precedent, and Seller shall have until Closing to satisfy such conditions precedent,

and the Closing Date shall be extended up to ten (10) days to allow for said conditions to be satisfied. If Seller shall fail to satisfy such conditions precedent within such ten (10) day period, Buyer may immediately terminate Buyer's obligations under this Contract by giving written notice of cancellation to Seller and Escrow Agent, and neither Buyer nor Seller shall have any further obligation or liability to the other under this Contract, other than Seller shall have the right to keep the Earnest Money Deposit and all other non-refundable payments made to Seller.

10. CLOSING DELIVERABLES:

(a) On the Closing Date, Seller shall be obligated to deliver, or cause to be delivered, the following:

(i) a Warranty Deed, in a form reasonably acceptable to Buyer and the Escrow Agent, properly executed and conveying good and marketable fee simple title to the Property free and clear of all liens and encumbrances created or suffered by Seller except as otherwise permitted hereunder. (the "**Deed**").

(ii) An owner's affidavit in a form reasonably satisfactory to the Escrow Agent to allow Buyer to obtain the Policy with extended coverage.

(iii) A closing statement for this transaction in a form approved by Seller and Buyer (the "**Closing Statement**").

(iv) The following items: (a) all keys or fobs for all entrance doors and spaces which may be locked (whether occupied or not) in the Improvements; (b) all plans and specifications and other materials reasonably necessary to the continuity of operation of the Property.

(v) Other documents or instruments reasonably required by Buyer or Escrow Agent in order to close the contemplated transaction.

(b) On the Closing Date, Buyer shall be obligated to deliver, or cause to be delivered, the following:

(i) The Closing Statement.

(ii) The Purchase Price proceeds in immediately available funds wired to the Escrow Agent.

(iii) Other documents or instruments reasonably required by Seller or Escrow Agent in order to close the contemplated transaction.

11. UTILITIES: Buyer shall cause all utilities to be changed to Buyer's name as of the Closing Date, and Seller shall be entitled to all utility deposits made by Seller in connection with the use and occupancy of the Property. Seller shall pay all utility charges through the Closing Date in accordance with final readings to be promptly requested by Seller.

12. **DAMAGE TO PROPERTY AND CONDEMNATION:** Seller shall give Buyer prompt notice of any fire or other casualty affecting the Land, Improvements or Personalty before the Closing Date or of any actual or threatened taking or condemnation of all or any portion of the Land or Improvements. If prior to the Closing there shall occur: Damage to the Property caused by fire or other casualty which would cost \$5,000.00 or more to repair; or the taking or condemnation of all or any portion of the Land and Improvements; then in either such event either Buyer or Seller may terminate this Contract by notice to the other (i) within twenty (20) days after Buyer has received the notice in the case of Buyer, or within twenty (20) days after the determination of the cost of repairs or after any such taking or condemnation in the case of Seller; or (ii) at the Closing, whichever is earlier. If neither party elects to terminate this Contract, then the Closing shall take place as provided in this Contract, and may be extended up to twenty (20) days to allow for said determinations to be made, and in that event the Closing shall take place without abatement of the Purchase Price, and there shall be assigned to Buyer at the Closing all of Seller's interest in and to all insurance proceeds or condemnation awards. Buyer shall be entitled to reasonable information pertaining to any insurance coverage or condemnation award, including the status of negotiations for the payment of insurance proceeds or a condemnation award. If prior to the Closing there shall occur damage to the Property caused by fire or other casualty which would cost less than \$5,000.00 to repair then, in any such event, Buyer shall have no right to terminate Buyer's obligations under this Contract, but there shall be assigned to Buyer at Closing all interest of Seller in and to any insurance proceeds which may be payable to Seller on account of any such occurrence; provided, however, Seller shall reimburse Buyer for the excess, if any, of the cost of bona fide repairs over the insurance proceeds actually received by Buyer.

13. **TERMINATION, DEFAULT AND REMEDIES:**

(a) Permitted Termination. If this Contract is terminated by either party pursuant to a right expressly provided for under this Contract (a "**Permitted Termination**"), the Earnest Money Deposit shall immediately be refunded to Buyer and neither party shall have any further rights or obligations under this Contract.

(b) Default by Seller. Seller shall be in default under this Contract if any of Seller's representations set forth in this Contract are untrue or inaccurate in any material respect or Seller shall fail to meet, comply with, or perform any material covenant, agreement, or obligation on Seller's part required, within the time limits and in the manner required in this Contract, for any reason other than a Permitted Termination. If Seller defaults under this Contract, Buyer may either (a) enforce specific performance of this Contract and seek such other relief as may be provided by law, or (b) terminate this Contract by notice to Seller and obtain a refund of Buyer's Earnest Money deposit, thereby releasing Seller from all obligations under this Contract.

(c) Default by Buyer. Buyer shall be in default under this Contract if any of Buyer's representations set forth in this Contract are untrue or inaccurate in any material respect or Buyer fails to meet, comply with or perform any material covenant, agreement,

or obligation on Buyer's part required, within the time limits and in the manner required in this Contract, for any reason other than a Permitted Termination. Notwithstanding the foregoing, however, Buyer shall not be in default or failure to perform any covenant, agreement, or obligation required of Buyer under this Contract, the benefit of which accrues primarily to Buyer. If Buyer defaults under this Contract, Seller may terminate this Contract by notice to Buyer and retain Buyer's Earnest Money Deposit as liquidated damages for Buyer's default due to the difficulty, inconvenience, and the uncertainty of ascertaining actual damages for such default.

14. **SELLER'S RESPONSIBILITIES:** During the period between the Effective Date and the Closing, Seller shall:

(a) Manage or cause the Property to be managed in its current condition and in accordance with Seller's current management of the Property.

(b) Maintain all Improvements to be purchased by Buyer under this Contract in as good condition and state of repair as that existing on the Effective Date, reasonable wear and tear excepted, exercising the same degree of care in such matters as Seller previously exercised

(c) Enter into no agreement with respect to the operation or maintenance of any portion of the Property, without the prior written consent of Buyer.

(d) Maintain Seller's existing insurance coverage with respect to the Property from the Effective Date through the Closing Date or earlier termination of this Contract, and all risk of loss shall be borne by Seller until the Closing.

(e) Enter into no lease in connection with the Property, without Buyer's prior written consent.

(f) Grant no easement, license, or other right with respect to the Property following the Effective Date and take no action to change the plat, land use condition, or any restrictive covenants pertaining to the Property, without Buyer's prior written consent.

15. **RIGHT OF ENTRY:** Following the Effective Date of this Contract, and until the Date of Closing, Buyer, Buyer's agents, representatives, and employees shall have the right to enter upon the Property to make such surveys, tests and inspections as may be expressly provided for in this Contract. 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 Property, and shall indemnify, defend, and hold harmless Seller from all loss or damage resulting from such right of entry.

16. **NO ASSUMPTION OF SELLER'S LIABILITIES:** Buyer is acquiring only the Property from Seller and is not the successor of Seller. Buyer does not assume or agree to pay any liability, obligation or expense of Seller relating to the Property except to the extent, if any,

provided in this Contract. Notwithstanding the foregoing, Buyer agrees that after the Closing Buyer shall have responsibility for and shall discharge any and all obligations under all ordinances, laws, agreements, contracts, regulations and other such matters affecting the Property and any further improvement of the Property, and Buyer shall defend and indemnify Seller against the same.

17. **EXPENSES**: At Closing, Seller shall pay one-half (1/2) of the closing fee, and the entire cost of the title insurance Commitment and Policy. At Closing, Buyer shall pay one-half (1/2) of the closing fee and the lender's policy, if any. All closing costs payable by Seller shall be deducted from Seller's proceeds at the Closing. Seller shall pay real estate commission outlined in a separate agreement at closing. On or before the Closing, Buyer shall deposit with Escrow Agent cash in an amount sufficient to pay all closing costs payable by Buyer. If the Closing shall not occur, because of Seller's default, Seller shall be liable for all customary escrow cancellation charges. If the Closing shall not occur, because of Buyer's default, Buyer shall be liable for all customary escrow cancellation charges. If the Closing fails to occur for any other reason, Seller and Buyer shall each be liable for one-half (1/2) of all customary escrow cancellation charges.

18. **CONSTRUCTION OF TERMS, WAIVERS AND AMENDMENTS**:

(a) Paragraph headings are for convenience and shall not be used for interpretation or construction of this Contract.

(b) Feminine or neuter pronouns shall be substituted for masculine pronouns or vice-versa, and the plural shall be substituted for the singular or vice-versa in any place in which the context may require.

(c) No waiver of any breach of any provision of this Contract shall be construed to be a waiver of any subsequent breach of such provision or any other provision.

(d) This Contract may be modified or amended only in writing, signed by both Seller and Buyer.

(e) If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

(f) This Contract may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

(g) The laws of the State of Kansas shall govern the validity, enforcement, and interpretation of this Contract.

(h) This Contract may not be assigned by either party without the prior written consent of the other party.

19. **NOTICES:** Notices, demands, or other communications under this Contract shall be in writing. Notice will be deemed to have been given upon receipt of said notice. 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, via email with confirmation of receipt by the receiving party, or three (3) days following deposit in the mail, if mailed in accordance with this paragraph.

SELLER:
Veritas Christian School Society
c/o Carl Huslig
3001 Lawrence Ave.

Lawrence, KS 66047
chuslig@veritaschristianschool.org

BUYER:
City of Lawrence
c/o Toni Wheeler
6 East 6th Street
twheeler@lawrenceks.org

Lawrence, KS 66044

Copy to:
Colliers International
c/o J. Taylor
3705 Clinton Pky, Suite 201
Lawrence, KS 66047
j.taylor@colliers.com

20. **SURVIVAL:** All representations, warranties, terms, indemnifications, and agreements of Buyer and Seller contained or made in this Contract or any attachment or exhibit to this Contract shall survive delivery of the Deed and the Closing of this Contract.

21. **INTEGRATION:** This Contract constitutes the complete and final expression of the agreement of the parties relating to the Property, and supersedes all previous contracts, agreements, and understandings of the parties, either oral or written, relating to the Property.

22. **INVALID PROVISIONS:** If any one or more of the provisions of this Contract, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Contract and all other applications of any such provision shall not be affected thereby.

23. **REPRESENTATIONS CONCERNING THE PROPERTY:** The parties acknowledge that the broker and/or real estate agent involved in this transaction has made no representations, has given no express or implied warranty, and has assumed no responsibility, directly or indirectly, with respect to (1) the condition or operability of the appliances, heating, ventilation, air conditioning, plumbing, sewage system, water system, electrical system, mechanical system, foundation, roof, or structural condition on or about the Property; (2) zoning, surveys, property line locations, or any components of the Property; or (3) compliance with

federal, state, or local laws, regulations, or ordinances, including, without limitation, environmental laws and the Americans with Disabilities Act of 1990. Any recommendation by the broker or real estate agent of any person to provide mechanical or physical inspection of the Property is a recommendation only, and should not be construed as a warranty by such broker or real estate agent or as the participation by such broker or real estate agent in any inspection or the findings made thereby.

24. **FURTHER AGREEMENTS:**

This Contract shall be contingent upon the following:

- a. Buyer receiving City Commission Approval in a regular or Special public meeting of the City Commission to close on the Property.

25. **AGENCY DISCLOSURE:** (Applicable sections must be checked): Seller and Buyer acknowledge that the real estate licensees involved in this transaction may be functioning as Seller's agents, Buyer's agents, Designated agents, or Transaction Brokers. Pursuant to the following disclosure:

LISTING COMPANY: Winbury Realty of K.C., LLC d/b/a Colliers International
 NAME OF LICENSEE: J. Taylor
 is functioning as () Seller's Agent (X) Designated Seller's Agent () Transaction Broker

Seller's Agent: Licensees functioning as Seller's Agents have a duty to act as agent for the Seller's interest and will not be the agent of the Buyer. Information given by the Buyer to a Seller's agent will be disclosed to Seller. If checked above, undersigned Buyer acknowledges that this disclosure was given orally or in writing.

Buyer's Agent: Licensees functioning as an agent of the Buyer have a duty to act as agent for the Buyer's interest and will not be the agent of the undersigned Seller. Information given to the licensee will be disclosed to the Buyer. If checked above, undersigned Seller, or Seller's agent, acknowledges that this disclosure was made either orally or in writing no later than the first showing of this property.

Designated Agent: A designated agent has all of the duties and obligations of a Seller's or Buyer's agent and acts for the client to the exclusion of all other affiliated licensees. The appointment of a designated agent is made in a written agency agreement with the Seller or Buyer. A designated agent may disclose confidential information, for the purpose of seeking advice or assistance for the benefit of the client, to the Supervising Broker or the affiliated licensee who has assumed the role to Transaction Broker.

Transaction Broker: A Transaction Broker assists with a real estate transaction without being an agent of either the Buyer or the Seller. If checked above, this disclosure was made to both Seller and Buyer immediately in writing as shown on the required disclosure forms attached hereto. All material facts and information given to a Transaction Broker will be disclosed to both Buyer and Seller.

26. **FURTHER ACTS**: In addition to the acts recited in this Contract, Seller and Buyer agree to perform or cause to be performed at or after the Closing all such further acts as may be reasonably necessary to consummate the transactions contemplated by this Contract.

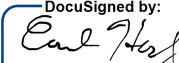
27. **TIME OF THE ESSENCE**: Time is of the essence with regard to the parties' performance under this Contract.

28. **CONTRACT BINDING**: It is mutually agreed that all of the covenants and agreements in this Contract shall extend to and be obligatory upon the heirs, executors, administrators, successors, legal representatives, and assigns (if approved) of the Buyer and Seller.


IN WITNESS WHEREOF, this Contract shall be effective from and after the Effective Date. The "Effective Date" being the last date this contract was mutually agreed to by all parties.

SELLER: Veritas Christian School Society

BUYER: City of Lawrence, KS

DocuSigned by:


Carl Hustig, Board President



Craig S. Owens, City Manager

DATE: 3/10/2023

DATE: 3/10/23

Exhibit "A"
Visual representation of property



COMMERCIAL AGENCY AND BROKERAGE DISCLOSURE ADDENDUM

SELLER/LANDLORD: Veritas Christian School Society
BUYER/TENANT: City of Lawrence
PROPERTY ADDRESS, CITY, COUNTY, STATE, ZIP: 256 N. Michigan, Lawrence, KS 66044
DATE OF CONTRACT: 3/10/2023

THE FOLLOWING DISCLOSURE IS MADE IN COMPLIANCE WITH MISSOURI AND KANSAS REAL ESTATE LAWS AND RULES AND REGULATIONS. APPLICABLE SECTIONS BELOW MUST BE CHECKED, COMPLETED, SIGNED AND DATED FOR BOTH SELLER AND BUYER

Seller/Landlord and Buyer/Tenant acknowledge that the real estate Licensee involved in this transaction may be acting as agents of the Seller/Landlord, agents of the Buyer/Tenant, Transaction Brokers or (in Missouri only) Disclosed Dual Agents. **LICENSEES ACTING AS AN AGENT OF THE SELLER/LANDLORD HAVE A DUTY TO REPRESENT THE SELLER'S/LANDLORD'S INTEREST AND WILL NOT BE THE AGENT OF THE BUYER/TENANT. INFORMATION GIVEN BY THE BUYER/TENANT TO A LICENSEE ACTING AS AN AGENT OF THE SELLER/LANDLORD WILL BE DISCLOSED TO THE SELLER/LANDLORD. LICENSEES ACTING AS AN AGENT OF THE BUYER/TENANT HAVE A DUTY TO REPRESENT THE BUYER'S/TENANT'S INTEREST AND WILL NOT BE AN AGENT OF THE SELLER/LANDLORD. INFORMATION GIVEN BY THE SELLER/LANDLORD TO A LICENSEE ACTING AS AN AGENT OF THE BUYER/TENANT WILL BE DISCLOSED TO THE BUYER/TENANT. LICENSEES ACTING IN THE CAPACITY OF A TRANSACTION BROKER ARE NOT AGENTS FOR EITHER PARTY AND DO NOT ADVOCATE THE INTERESTS OF EITHER PARTY. LICENSEES ACTING AS DISCLOSED DUAL AGENTS ARE ACTING AS AGENTS FOR BOTH THE SELLER/LANDLORD AND THE BUYER/TENANT. (Note: A separate Dual Agency Disclosure Addendum is required).**

Licensee Assisting Seller/Landlord is acting as: (Check applicable)

- ☐ Seller's/Landlord's Agent
- ☒ Designated Seller's/Landlord's Agent (Supervising Broker acts as Transaction Broker)
- ☐ Transaction Broker
- ☐ Disclosed Dual Agent *(Missouri only-Disclosed Dual Agency Addendum is required)*
- ☐ N/A-Seller(s) is not represented
- ☐ Sub Agent

Licensee Assisting Buyer/Tenant is acting as: (Check applicable)

- ☐ Seller's/Landlord's Agent
- ☐ Buyer's/Tenant's Agent
- ☐ Designated Seller's/Landlord's Agent (Supervising Broker acts as Transaction Broker)
- ☐ Designated Buyer's/Tenant's Agent (Supervising Broker acts as Transaction Broker)
- ☐ Transaction Broker
- ☐ Disclosed Dual Agent *(Missouri only-Disclosed Dual Agency Addendum is required)*
- ☒ N/A, Buyer(s) is not represented
- ☐ Sub Agent

PAYMENT OF COMMISSION: All licensees(s) indicated above will be paid a commission at closing of the sale of the property as follows: (check applicable paragraph)

- ☒ **Seller/Landlord to Pay all Licensees.** All Licensees(s) will be paid from the Seller's funds at closing according to the terms of the Listing or other Commission Agreement.
- ☐ **Buyer/Tenant to Pay Buyer's Agent.** Seller/Landlord's Licensee, if any, will be paid from the Seller's funds at closing according to the terms of the Listing Agreement. Buyer/Tenant's Agent will be paid from the Buyer's funds according to the terms of the Buyer/Tenant Agency Agreement.

CAREFULLY READ THE TERMS HEREOF BEFORE SIGNING. WHEN SIGNED BY ALL PARTIES, THIS DOCUMENT BECOMES PART OF A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING. THE PARTIES EXECUTING THIS CONTRACT REPRESENT AND WARRANT THAT THEY ARE LEGALLY AUTHORIZED TO DO SO.

Licensees hereby certify that they are licensed to sell real estate in the state in which the Property is located.

DocuSigned by:

 Veritas Christian School Society
 SELLER
 3/10/2023
 DATE


 City of Lawrence
 BUYER
 3/10/23
 DATE

DocuSigned by:

 J. Taylor
 LICENSEE ASSISTING SELLER
 3/10/2023
 DATE