

**CONTRACT TO PURCHASE REAL ESTATE
AT PUBLIC AUCTION**

**Nebraska
Nov. 8**

THIS CONTRACT TO PURCHASE REAL ESTATE AT PUBLIC AUCTION ("Contract"), made and entered into as of this _____ day of _____, 20____, by and between **BUFFALO HILL FARM LLC**, a Delaware limited liability company, with address of 14301 Caliber Drive, Suite 300, Oklahoma City, Oklahoma 73134, hereinafter referred to as "Seller" and _____ ("Buyer"), as a bidder on the Property (as hereinafter defined) at the Auction this date, is made subject to the following terms, covenants and conditions:

1. **PROPERTY.** Seller agrees to sell and Buyer agrees to purchase the real estate designated in the auction brochure as Tracts(s) _____, the same being part of the real estate described on the attached Exhibit A, containing approximately _____ acres, together with all buildings, permanent improvements, fixtures attached thereto (unless otherwise EXCLUDED), all privileges and appurtenances pertaining thereto, including non-exclusive easement rights for purposes of ingress and egress, and utilities services to and from said property and the public road, leases, rents and security deposits, all of the above hereinafter collectively called "Property." Buyer hereby acknowledges and understands that the Property is being sold on an "AS-IS, WHERE-IS" basis.

Buyer further acknowledges that this Contract is not contingent upon financing and that failure to close this transaction on or before December 7, 2012 unless extended by consent of Seller, will constitute a breach of this agreement on the part of the Buyer. Upon such breach, Buyer shall forfeit to Seller the Earnest Money (as hereinafter defined).

2. **PURCHASE PRICE.**

BID PRICE: Buyer hereby submits a bid of \$ _____ (the "Bid Price") for the Property.

BUYER'S PREMIUM AND PURCHASE PRICE: A 2% Buyer's Premium is added to the "Bid Price" to determine the total contract "Purchase Price". The total contract "Purchase Price" is \$ _____.

If a new survey is used to provide the legal description for the Property and if the acreage in said surveyed description varies more than 1.0 acre from the acreage stated for the Property herein, then the Purchase Price shall be adjusted pro rata by multiplying the Purchase Price per acre (as determined on the basis of the acreage stated for the Property) times the total number of acres, to the nearest one one-hundredths (1/100ths) of an acre, of the Property as finally determined by such survey; provided, however, no adjustment of the Purchase Price shall be made on Tract 7 or any combination including Tract 7 due to the improvements.

EARNEST MONEY: Buyer hereby tenders \$ _____ (the "Earnest Money") (which shall be an amount equal to ten percent (10%) of the Purchase Price) payable to Title Services of The Plains, Inc., 220 North Dewey, North Platte, Nebraska 69101 (the "Escrow Agent"), to be held in escrow upon acceptance and applied to the Purchase Price at the time of closing or as otherwise provided herein. The balance of the Purchase Price shall be paid by Buyer to Seller at closing in cash or other such form of payment of immediately available funds that is acceptable to Seller.

3. **TITLE.** Seller has provided prior to the bidding at the auction a preliminary certificate of title for Buyer to review. Buyer will be purchasing the property free and clear of liens and in its current status as reflected in said preliminary certificate of title posted at the auction. Cost of Owner's Title Insurance Commitment ("Title Commitment") to be split 50:50 between Seller and Buyer in the customary form showing title to the Property in the name of Seller, subject to the following permitted exceptions: (i) rights or claims of parties in possession not shown by the public records; (ii) easements or claims of easements not shown by the public records; (iii) encroachments, overlaps, boundary line disputes or other matters which would be disclosed by an accurate survey or inspection of the Property; (iv) any lien or right of lien for services, labor or material heretofore or hereinafter furnished, imposed by law and not shown by the public record; (v) taxes or special assessments which are not shown as existing liens; (vi) any water, mineral or other rights already granted or reserved by other parties, including but not limited to any mineral leases; (vii) the rights of any current tenants in possession of the Property; (viii) any encroachments, easements, party walls or other facts which are not shown by the public records but which would be disclosed by an accurate survey or by an inspection of the land; and, (ix) such easements, covenants, restrictions, conditions and other matters, if any, identified in the Title Commitment.

4. **SURVEY.** If Seller elects, and said election shall be within its sole discretion, to obtain a new survey of the Property in order to facilitate the transfer of the Property, Seller and Buyer shall each pay one-half the cost of said survey. If Buyer does not serve written objection(s) to the survey upon Seller within five days after Buyer's receipt of said survey, said failure shall be deemed an election by the Buyer to approve the survey and to proceed to closing in accordance with the new survey. If Buyer does serve written objection(s) to the survey within said five day period and if said objection(s) relates to a material and substantial issue, then Seller shall thereafter have the right (but shall not be obligated) to satisfy, cure or remove Buyer's said survey objection(s) within a period of sixty (60) days after its receipt of Buyer's timely written objection(s) to the survey. Within fifteen (15) days of Seller's receipt of Buyer's said objections to the survey, Seller shall notify Buyer of any of those survey objection(s) which Seller determines that it is unwilling or unable to cure and of those survey objection(s) that it will seek to cure within the sixty (60) day period of time, then, if Seller cannot, or elects not, to cure an unacceptable material survey objection(s) of the Buyer, or, in the alternative, has been unable to satisfactorily cure any of Buyer's said survey objection(s), which Seller has undertaken to

Seller's Initials

Buyer's Initials

cure within the said sixty (60) day period, then, and in either event, Buyer's exclusive rights under this Contract shall be, at its sole option, to either (i) terminate this Contract, in which event the Earnest Money shall be returned to the Buyer, or (ii) waive the Buyer's said objection(s) to such survey matters and close this transaction without any adjustment with respect to such objectionable survey matter or any abatement or reduction of the Purchase Price. If Seller shall cure the Buyer's material objection(s) to the survey within the said sixty (60) day period, this Contract and Buyer's obligations hereunder to purchase the Property from Seller shall remain in full force and effect.

5. **CLOSING.** The closing shall take place on or before December 7, 2012, or as soon thereafter as applicable closing documents are completed by Seller, at or through the office of the Escrow Agent, at a time designated by Seller. Concurrently with the closing, Buyer shall pay to Seller the Purchase Price, less the Earnest Money plus or minus other items as required by this Contract as provided for herein.

Upon full receipt of the entire Purchase Price by Seller, Seller shall deliver to Buyer a Special Warranty Deed substantially in the form of Exhibit C to this Contract as prepared by Seller ("Deed"), in order to convey to purchaser a good title to the premises, free and clear of all liens and encumbrances except as set forth elsewhere in this agreement.

If any buildings or improvements located on the Property are materially damaged (as defined below) prior to the Closing, Buyer may, at its option, by written notice given to Seller within ten (10) days after Buyer is notified of such material damage (but in any event prior to the Closing or any extended Closing Date necessary to grant Buyer the foregoing notice period) either (i) unilaterally terminate this Contract and the Earnest Money shall be immediately returned to Buyer, or (ii) proceed under this Contract to consummate the purchase of the Property with no reduction in Purchase Price, receive any insurance proceeds due the Seller as a result of such material damage together with payment from Seller of the amount of any deductible, and assume responsibility post-closing for such repairs. If the Property is not materially damaged, then Buyer shall not have the right to terminate this Contract, but Seller shall (subject to Seller's receipt of sufficient insurance proceeds and Seller's payment of any deductible), at its sole cost, repair the damage before Closing in a manner reasonably satisfactory to Buyer, or, at Seller's election, credit Buyer at Closing for the reasonable cost to complete the repair and retain any such insurance proceeds. For purposes of this paragraph, "material damage" and "materially damaged" means damage reasonably exceeding \$200,000 to repair as determined by an independent insurance adjuster doing business in the county where the Property is located as mutually selected by Seller and Buyer.

If before Closing any threatened, contemplated, commenced or consummated proceeding in eminent domain occurs (respecting at least five percent (5%) of the total acreage of the Property), the Buyer may, at its option, by notice given to Seller within fifteen (15) days after Buyer has received notice of such actual or possible condemnation, elect to unilaterally terminate this Contract and receive the return of its Earnest Money. If any such proposed or actual condemnation is for less than five percent (5%) of the Property acreage, or Buyer has not timely elected to unilaterally terminate the Contract, then, and in either such event, this Contract shall proceed to Closing without any reduction in the Purchase Price and Seller will assign to Buyer at Closing all of Seller's right, title and interest in and to any such condemnation awards.

Buyer and Seller shall each pay one-half (1/2) of the cash Closing Fee charged by closing agent, if any. Additional cost for a mortgage closing will be paid entirely by the Buyer.

6. **POSSESSION.** The possession of the property shall be delivered to Buyer at closing subject to (i) the right of Seller to have such access to and entry on the Property to harvest and remove any of its 2012 crops that remain thereon from and after the Closing of this sale without any obligation of Seller to pay Buyer any rent or other fees for such right of access for that purpose, and (ii) the rights of the operator under that certain Pasture Rent Farm Lease made and entered into by and between Seller's parent, Redwolf Farms LLC, as Owner, and Cory Parr, as Operator ("Pasture Lease") dated January 7, 2011, which said Pasture Lease terminates on February 28, 2013. There shall not be any proration at Closing of the pasture rent paid to the Owner by the Operator under the Pasture Lease.

7. **WARRANTIES.** Buyer acknowledges that a full inspection of the Property and all related information was made including this Contract, and that Buyer is satisfied in all respects with the condition of the Property and all matters pertaining thereto. Buyer accepts the Property "AS-IS, WHERE-IS" and in its present condition with Buyer assuming all risks thereof. Buyer understands that Seller makes no warranty or representation of any kind, either express or implied or arising by operation of law, as to the condition, quality, serviceability or merchantability of fitness for a particular purpose of the Property or any portion thereof, and in no event shall Seller be liable for special, punitive or consequential damages. Buyer acknowledges that Seller has not agreed to perform any work on or about the Property as a condition of Buyer's purchase of the same. Buyer understands that by entering into this Contract and agreeing to accept the Property and pertinent structures in an "AS-IS, WHERE-IS" condition, that Buyer is buying the Property subject to any and all recorded easements, leases, covenants and restrictions of record.

8. **INSURANCE.** All of the Seller's property insurance shall be canceled as of the date of closing.

9. **REAL ESTATE TAXES AND ASSESSMENTS.**

- A. Seller shall pay County real estate taxes, if any on the Property for the year 2012, said taxes to be due in 2012 and delinquent in 2013. Buyer shall pay all real estate taxes, if any, on the property beginning with the year 2013 taxes, to be due in 2013 and delinquent in 2014. Seller will pay said 2012 taxes directly to the county treasurer.

B. Any special assessments applicable to the Property for improvements previously made to benefit the Property shall be paid by Seller. Buyer will assume and agree to pay all special assessments for improvements which are completed after the date of this Purchase Agreement.

10. **SALES EXPENSES.** Seller and Buyer agree that all sales expenses are to be paid in cash prior to or at the closing.

A. **SELLER'S EXPENSES:** Seller agrees to pay all costs of releasing existing loans and recording the releases; county auditor's conveyance fee; one-half of the closing fee charged by closing agent (cash closing only), if any; one-half the cost of any survey; one-half the cost of Owner's title insurance policy premium; Seller's attorney fees with regard to this Contract and the consummation of this transaction; preparation of Deed and Seller's affidavit; the professional fee to the broker in this transaction; any applicable deed transfer tax; and any other expenses stipulated to be paid by Seller under other provisions of this Contract.

B. **BUYER'S EXPENSES:** Buyer agrees to pay all expenses incident to any loan (e.g., loan commitment fees, preparation of note, mortgage, and other loan documents, recording fees, title examinations, mortgage title insurance policy premium, prepayable interest, credit reports); one-half of the closing fee charged by closing agent, if any; one-half the cost of any survey; one-half the cost of Owner's title insurance policy premium; Buyer's attorney fees with regard to this Contract and the consummation of this transaction; copies of documents pertaining to restriction, easements, or conditions affecting the Property; and expenses stipulated to be paid by Buyer under other provisions of this contract.

11. **DEFAULT.** In the event of a failure or refusal of the Buyer to comply with the terms and conditions of this Contract or its other breach or default hereunder, the Buyer and Seller agree that Seller will incur expenses related to the transaction contemplated by this Contract, and that the Property will be removed from the market and that it would be impractical and extremely difficult to estimate the damages which Seller may suffer by reason of Buyer's breach or default or failure to consummate the purchase of the Property hereunder. Therefore, Buyer and Seller do hereby agree that a reasonable estimate of the total net economic detriment that Seller would suffer in the event that Buyer defaults and fails to complete this purchase of the Property is an amount equal to the Earnest Money. Said amount of the Earnest Money shall be the full, agreed and liquidated monetary damages payable to Seller for the breach of this Contract by Buyer, and not a forfeiture or penalty, all other claims to monetary damages being herein expressly waived by Seller, and, in the event Seller elects to accept such Earnest Money as its damages hereunder, then, and in such event, this Contract shall be completely terminated in all respects at such time. At Seller's option, in lieu of accepting the Earnest Money as liquidated damages for Buyer's breach or default of this Contract, Seller may elect as its remedy, instead, to enforce the specific performance of this Contract by Buyer, in which latter event, Buyer agrees that Seller would have no adequate remedy at law by reason of Buyer's breach of this Contract and that such equitable action is necessary and appropriate under the circumstances. The foregoing remedy shall be the sole and exclusive remedies of Seller in the event of a default by Buyer under this Contract, provided, however, that Seller shall not, in any event, be entitled to recover from Buyer, under any circumstances, any special, consequential or punitive damages by reason of any breach or default by Buyer under this Contract.

In the event of a failure or refusal of the Seller to comply with the terms and conditions of this Contract, or its other breach or default hereunder, other than as a result of a failure or refusal of the Buyer to comply with the terms and conditions hereof, the Buyer, as its sole and exclusive remedies for such default by the Seller hereunder, shall be entitled to either: (i) completely terminate this Contract, and, in such event, shall receive a prompt refund or return of the Earnest Money from the Escrow Agent; or (ii) enforce the specific performance of this Contract by Seller, in which latter event, Seller agrees that Buyer would have no adequate remedy at law by reason of Seller's breach or default of this Contract, and that such equitable action is necessary and appropriate under the circumstances. The foregoing remedies shall be the sole and exclusive remedies of Buyer in the event of a default by Seller under this Contract, provided, however, that Buyer shall not, in any event, be entitled to recover from Seller, under any circumstances, any actual, special, consequential or punitive damages by reason of any breach or default by Seller under this Contract. The provisions of this Section 11 shall expressly survive the Closing hereunder and the delivery of the Deed by Seller to Buyer.

12. **ENTIRE AGREEMENT; AMENDMENT.** The terms and conditions of this Contract (i) constitute the entire agreement and understanding between the Seller and the Buyer, (ii) supersede all prior agreements and understandings, written or oral, between the Seller and Buyer, and (iii) may not be modified except by a written instrument mutually executed and delivered by the Seller and the Buyer which states that it is their express intention to amend and modify this Contract thereby and specifically identifies the provision or provisions of the Contract to be so amended or modified thereby.

13. **HEIRS, SUCCESSORS AND ASSIGNS.** This Contract shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, successors and permitted assigns, provided, however, that Buyer may not assign its rights or obligations hereunder without the prior written consent of the Seller.

14. **TIME IS OF THE ESSENCE.** The time for performance of the obligations of the parties is of the essence of this Contract.

15. **GOVERNING LAW.** This Contract shall, for all purposes, be deemed to have been negotiated and executed by the parties in the State of Nebraska. The terms and conditions of this Contract shall be governed by and construed in accordance with the laws and decisions of the State of Nebraska. All claims, disputes, and other matters in question, or pertaining to the interpretation or enforcement of this Contract, shall be decided by proceedings instituted and litigated in a federal or state court having jurisdiction over the parties sitting in Adams County, Nebraska, and the parties hereto stipulate and agree to the exclusive jurisdiction of such courts, and that they will not assert a plea of forum non conveniens, as to the bringing of any action in such

courts. Should either the Buyer or Seller employ an attorney or attorneys to enforce any of the terms and conditions of this Contract, or to protect any right, title or interest created or evidenced hereby, the non-prevailing party in any action pursued in courts of competent jurisdiction shall pay to the prevailing party in such action all reasonable costs, damages and expenses, including attorneys' fees, expended or incurred by the prevailing party. The provisions of this Section 15 shall expressly survive the Closing hereunder and the delivery of the Deed by Seller to Buyer.

16. **TERMINATION OF BID OFFER.** This bid offer is irrevocable until midnight on the 8th day of November, 2012. Unless accepted by Seller by midnight on the 8th day of November, 2012 and delivered or mailed to Buyer postmarked on the 9th day of November, 2012, this offer to purchase shall be null and void and all parties hereto shall stand relieved and released of any and all liability or obligations hereunder. A copy of the accepted offer to purchase shall be deemed delivered if faxed to the fax number provided by Buyer to auction company.
17. **1031 EXCHANGE.** If Buyer elects to avail itself of the terms afforded by Internal Revenue Code Section 1031 for a like kind tax deferred exchange, the following shall apply.

Seller agrees that Buyer may assign its rights under this contract to a qualified intermediary and that the purchase price may be paid to Seller in whole or in part from an escrow account which has been established by Buyer with a qualified intermediary to facilitate Buyer's exchange.

Seller agrees to cooperate with Buyer in accomplishing such exchange, provided that such exchange does not cause a delay in the date of closing or create any actual or potential liability or obligation on Seller, which are in addition to Seller's obligations under the other provision of this contract. All cost and expenses associated with Buyer's exchange, including but not limited to all costs of such escrow, shall be paid by the sole responsibility of Buyer.

Buyer covenants and agrees to indemnify and hold Seller wholly harmless from any and all costs, expenses, liabilities or damages arising out of or in any connection related to Buyer's preparation or consummation of a Code Section 1031 exchange, which is being done hereunder solely as an accommodation by Seller to Buyer. It is expressly provided, however, that any such assignment made by Buyer pursuant to this Section 17 in order to effectuate a Section 1031 exchange, shall not release the Buyer herein named from the full payment and performance of all of Buyer's obligations and liabilities under this Contract. The provisions of this Section 17 shall be deemed to survive the Closing hereunder and the delivery of the Deed by Seller.

18. **ENVIRONMENTAL.** The Buyer acknowledges that the Seller has not made, will not make and hereby disclaims any and all representations and warranties concerning the environmental condition of the property. Buyer acknowledges that, if applicable, it has reviewed any environmental disclosure documents prior to bidding and that the information provided and in the form provided is acceptable to the Buyer.
19. **SELLING AGENT.** This agreement is solely between Buyer and Seller. The auctioneer(s)/broker(s)/ sales agent(s) shall not be liable for any existing or arising defects or deficiencies in the Property, improvements or other appurtenant structure thereon, nor for any information provided to the Buyer from sources deemed reliable. The Buyer acknowledges that it has conducted its own independent investigations, inspections, inquiries and due diligence concerning the Property. Schrader Real Estate & Auction Company, Inc., Lund Company, and their respective agents and representatives (collectively, "Brokers"), are acting exclusively as the Seller's agent.
20. **SALES FEE.** Seller and Buyer warrant and represent each to the other that Schrader Real Estate & Auction Company, Inc. and the Lund Company are the only brokers involved with the sale of the Property and that the commission shall be paid by the Seller. In the event that any other broker or other parties are entitled to commission, fee or other compensation relating to the sale of the Property as a result of Buyer's dealings with such broker or other party, Buyer shall pay the same and hereby agrees to indemnify and hold Seller and Auction Company harmless from the payment of any such commission, fee or compensation which obligation of Buyer shall survive closing.
21. **FAIR HOUSING STATEMENT.** It is illegal, pursuant to the State Fair Housing Law and the Federal Fair Housing Law, 42 U.S.C.A. 3601, to refuse to sell, transfer, assign, rent, lease, sublease, or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status, ancestry, handicap or national origin; or to discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services.

It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.

22. **WAIVER OF JURY TRIAL.** BUYER AND SELLER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY OF ANY ISSUE TRIABLE BY A JURY FULLY TO THE EXTENT THAT SUCH RIGHT NOW OR HEREAFTER EXISTS WITH REGARD TO THIS CONTRACT OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH, TO THE EXTENT PERMITTED BY APPLICABLE LAW. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BUYER AND SELLER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE TRIAL BY JURY MAY OTHERWISE ACCRUE WITH REGARD TO THE INTERPRETATION OR ENFORCEMENT OF THIS CONTRACT. BUYER AND SELLER ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION 22 IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THEIR RESPECTIVE WAIVER OF A TRIAL BY JURY. The provisions of this Section 22 shall expressly survive the Closing hereunder and the delivery by Seller of the Deed.

- 23. SURVIVAL OF PROVISIONS; SEVERABILITY.** Except as otherwise expressly provided in this Contract, any warranties, representations, covenants and agreements contained in this Contract shall not survive the Closing hereunder, and the delivery of the Deed by Seller for any reason or purpose; provided, however, the foregoing shall not apply to the special warranty of title contained in the Deed. If any of the terms and conditions of this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other of the terms and conditions hereof and the terms and conditions hereof shall be thereafter construed as if such invalid, illegal or unenforceable term or condition had never been contained herein.
- 24. ADDENDA AND EXHIBITS.** The following addenda and exhibits are attached to this Agreement and are made a part hereof.
 Exhibit A – Legal Description and/or Auction Tract Map
 Exhibit B – Auction Announcements
 Exhibit C – Form of Special Warranty Deed
- 25. EXECUTION; AUTHORITY.** The individual(s) signing this Contract on behalf of Buyer represent and warrant that either: (a) he or she is (or they are) the same person(s) named as Buyer on Page 1 of this Contract; OR (b) he or she has (or they have) full authority to execute this Contract on behalf of the Buyer named on Page 1 of this Contract.
- 26. CONVEYANCE INSTRUCTIONS.** The Property shall be conveyed to (and Buyer hereby directs Seller to execute and deliver the deed to) the party(ies) identified below Buyer's signature under "Exact name(s) to appear on deed" (the "Deed Grantee"). If the Deed Grantee is different than the party executing this Contract as Buyer, then: (a) if requested by Seller, Buyer will, prior to closing, execute and deliver an appropriate instrument prepared or approved by Seller assigning Buyer's rights to acquire the Property to the Deed Grantee; and (b) the Buyer shall nevertheless be bound by all of the terms of the Contract and to perform all of its obligations hereunder unless Seller hereafter otherwise expressly agrees in writing to release Buyer from this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract in two counterparts, each of which shall be deemed an original instrument.

SELLER:

BUYER:

 (Signature)

 (Signature)

Date: _____

Date: _____

 (Signature)

 (Signature)

Date: _____

Date: _____

 (Signature)

Name: _____

Date: _____

Address: _____

 (Signature)

Date: _____

Phone #: _____

Fax #: _____

Seller's Attorney: Michael R. Ford, Esq.

Buyer's Attorney: _____

Address: 100 N. Broadway, Suite 1700
 Oklahoma City, OK 73102

Address: _____

Phone: 405.232.0621

Phone: _____

Fax #: 405.232.6959

Fax #: _____

Send Deed to: _____

Contact: _____

Financed by: _____

Exact names to appear on deed:

Form of ownership:
 (check one)

Tenants in common _____

Survivorship tenancy _____

Sole ownership _____

 Seller's Initials

 Buyer's Initials

DRAFT