

THIS FORM OF AGREEMENT WHEN FILLED IN AND EXECUTED
BY BOTH BUYER AND SELLER IS INTENDED TO BECOME A BINDING REAL ESTATE CONTRACT

This agreement is entered into between:

Seller: **Drolsom Family Farm, LLC., Linda Drolsom, Mgr.**
Mailing Address _____

and

Buyer(s) _____
Mailing Address _____ Zip _____, who
agrees to purchase the following described real estate commonly known as the **Drolsom Family Farm** and legally described as:

[SEE ATTACHED LEGAL DESCRIPTION]

including any improvements and the following listed fixtures located thereon, if any:

_____ together herein referred to as the Property (the "Property").

1. CONTRACT SALES PRICE AND TERMS

Purchase Price _____
_____ surveyed acres at \$ _____ /acre \$ _____
Earnest Money Deposit **10%** \$ _____
Balance Due at Closing subject to adjustments provided herein \$ _____

2. METHOD OF PAYMENT: (Check Applicable Statements)

A. Cash

3. CLOSING AND POSSESSION

This Contract shall be closed on or before **October 28, 2022**, or at such other time as may be mutually agreed in writing. The closing shall take place at the offices of American Title Guaranty, Inc., 2045 Aberdeen Court, Sycamore, IL 60178. Purchaser and/or Seller may choose to close remotely by virtual means.

Possession is subject to the right of the tenant in possession. The parties agree that possession of said property is to be delivered to Buyer **at closing** subject to the right of the tenant in possession for the purpose of performing land husbandry, customary tillage, application of fertilizer and lime, soil conservation practices and soil testing.

4. CLOSING COSTS

- (a) Seller shall pay the following closing costs: (i) title search fees and title insurance premium for Buyer's owner's title insurance policy; (ii) preparation of Seller's deed and any form of assignment; (iii) its own attorney fees; (iv) all outgoing wiring fees; (v) the broker's commission owed to the listing brokerage and auction fees; (vi) real estate transfer taxes; (vii) one-half of the earnest money escrow fee, if any, and one-half of the title company closing fee for a cash closing; (viii) survey cost; and (ix) other customary miscellaneous closing fees paid by Sellers of real property.
- (b) Buyer shall pay the following closing costs: (i) all title insurance premiums for any lender title insurance policy, endorsements, or later date fees; (ii) recording fees for Seller's deed; (iii) Buyer's attorney fees; (iv) all incoming wiring fees; (v) one-half of the earnest money escrow fee, if any, and one-half of the title company closing fee for a cash closing and all of the closing fee if a mortgage lender is involved; and (vi) other customary miscellaneous closing fees paid by Buyers of real property.

5. REAL ESTATE TAXES - Drainage Taxes and Special Assessment

The **2022** real estate taxes, special assessments, and drainage taxes, if any, due and payable in **2023** shall be paid by **Seller**. The **2023** real estate taxes, special assessments, and drainage taxes, if any, due and payable in **2024** shall be paid by **Buyer**. If payment is the responsibility of the Seller, (a) _____ taxes will be paid at closing, or (b) Buyer shall be credited for the **2022** real estate taxes and assessments at closing, based upon the most current and available information, including confirmed multipliers. If Buyer receives a credit at closing, payment of said taxes and assessments for which the credit is applicable is now the responsibility of the Buyer.

6. CROPS AND EXPENSES

Seller shall receive the Landowner share of the crops or **100%** of the cash rent for the **2022** crop year.
Buyer shall receive the Landowner share of crops or **100%** of the cash rent for the **2023** crop year.

7. GOVERNMENT AGRICULTURAL PROGRAM PAYMENTS:

Buyer agrees to continue to honor any existing government agricultural program contracts affecting the Property and agrees to indemnify and hold harmless Seller for any damage Seller may sustain by reason of any failure of Buyer to keep or perform any of the covenants and obligations provided to be kept or performed under the terms and conditions of any such contracts by Seller.

8. LEASE ASSIGNMENT / TERMINATION

- A. There **is currently** a tenant in possession of the Property under the terms of a farm lease which ends February 28, 2023. **Seller** shall be responsible for the assignment of the farm lease with the tenant in possession of the Property to the Buyer at closing.
- B. **Buyer** shall be responsible for observing the rights of the tenant in possession of the Property after closing and for securing possession of the Property, if necessary.

9. CONVEYANCE

- A. At closing Seller shall convey and transfer the Property to Buyer by Special Warranty Deed, which instrument shall be subject to the exceptions permitted herein, releasing all homestead. At the same time, the balance of the purchase price then due shall be paid and all documents relative to the transaction shall be signed and delivered.
- B. At Closing Seller shall deliver to Buyer a completed Real Estate Transfer Tax Declaration signed by Seller in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois. Any transfer tax imposed by the Real Estate Transfer Declaration shall be paid by Seller X / Buyer _____.
- C. Recording fees imposed on the recording of the deed shall be paid by Seller _____ / Buyer X .

10. ENVIRONMENTAL

Seller represents, to the best of Seller's knowledge, that during the period of Seller's ownership or control over the Property, Seller has no knowledge or, nor reason to suspect, that there has been any underground storage (or other) tank or any presence, disposal, release, or threatened release of hazardous substances or hazardous wastes on, from or under the Property, by or through Seller, or any other party whatsoever. Seller similarly represents that to the best of Seller's knowledge there was no underground storage (or other) tank, nor any presence, disposal, release or threatened release of hazardous substances or hazardous waste on, from or under the Property prior to Seller's acquisition or ownership or control of the Property. Seller similarly represents that to the best of Seller's knowledge the Property (including underlying soil and ground water conditions) is not in violation of any state, local, federal, municipal or other law, statute, regulation, code, ordinance, decree or order relating to hygienic or environmental conditions, and during Seller's ownership of the Property, no party has stored or disposed of any flammable explosives, radioactive materials, hazardous waste, toxic substances, or other released materials on, under or about the Property.

11. SURVEY (Check if applicable X)

Seller has secured a boundary survey prepared by a licensed land surveyor at **100%** Seller's expense, dated within six (6) months prior to Closing. Final Purchase Price **will be** based upon surveyed acres. If the survey shows other than the permissible exceptions described in Paragraph 14, encroachments from adjacent property, or that improvements are not located within the setback and lot lines, then these shall be considered defects in the title to the Property.

12. MINERAL RIGHTS (check if applicable X)

The Buyer will receive, and Seller will convey, all of Seller's water, oil, gas, coal, and other mineral rights not conveyed of record, and shall execute an appropriate assignment of any existing leases or contracts relating to those rights.

13. CARBON CREDIT RIGHTS

The Property **is not** currently subject to an existing carbon credit program.

14. TITLE EVIDENCE

Upon acceptance of this Contract, Seller shall within a reasonable period furnish at Seller's expense: **(Check appropriate statement)**.

- An abstract of title continued within 30 days before final payment hereunder, showing merchantable title of record to said Property in the Seller or the party who will execute the transactional instrument on Seller's behalf, according to the Rules and standards of the Bar of the County in which said Property is located, or
- A commitment and an Owners Title Guaranty Policy issued by a Company licensed to issue the same in the State of Illinois for the amount of the purchase price. Seller shall pay the initial title search charge and title insurance premium. Buyer shall pay the search charge as to Buyer, the cost of mortgagee's title insurance policy, if any, and the cost of all necessary endorsements to the title insurance policy. Buyer and Seller shall furnish immediately upon request all information legally required for financing or transfer of title.

Policy subject only to the following: (a) all taxes and special assessments now a lien, levied, or confirmed after the date hereof, (b) building, use and occupancy or restrictions, if any, which do not unreasonably interfere with Buyer's intended use of the property, (c) zoning laws and ordinances, (d) easements and options for easements of record or in place affecting the Property, if any, which do not unreasonably interfere with Buyer's intended use of the property, (e) drainage ditches, feeders and laterals, if any, (f) conveyances or reservations of coal, minerals and mining rights, if any, of record, (g) mortgage or other lien that may be eliminated at closing by application of the purchase price, (h) rights of tenants in possession if any, and (i) matters which can only be discovered by a survey of the Property.

Buyer or its attorney shall within five (5) business days after receiving such title evidence, deliver to Seller or its attorney, together with such evidence, a report in writing specifying any objections made to the title. In case such title evidence is not delivered to Buyer or its attorney within a reasonable time, or material objections made to the title in such report are not cured within sixty (60) days after such report is so delivered, this Contract shall, at Buyer's option, be void and all earnest money shall be returned to Buyer. Buyer may, nevertheless, elect to take such title as it then is, and may deduct from the purchase price the amounts of liens and encumbrances and, in such case, the Seller shall convey the Property as agreed.

15. PERFORMANCE

In the event of default by either party under the terms of the Contract, the non-defaulting party shall have all rights and remedies available in law and equity; provided, however, if Buyer defaults in the performance of this Contract, Seller shall be entitled, at Seller's election and as Seller's sole and exclusive remedy, to terminate this Contract by written notice to the Buyer and retain the Earnest Money Deposit as liquidated damages. If either Buyer or Seller brings an action against the other with the respect to the Contract, the prevailing party shall be entitled to recover reasonable attorney fees, costs, and expenses from the non-prevailing party.

16. COMMISSION

Seller shall be responsible for any real estate brokerage commission owed to a listing broker utilized by Seller.

17. EARNEST MONEY ESCROW

The earnest money shall be held in escrow for the mutual benefit of the Parties by **American Guaranty Title, Inc.**, as "Escrowee" pursuant to the attached Earnest Money Escrow Agreement. The Earnest Money equal to ten percent (10%) of the Purchase Price shall be tendered to Escrowee on or before **two (2) business days** after Date of Acceptance for the mutual benefit of the parties and shall be disbursed according to the terms of the Earnest Money Escrow Agreement.

18. TAX DEFERRED EXCHANGE (check if applicable ___)

Seller___ and/or Buyer___ may elect to perform an Internal Revenue code Section 1031 tax deferred exchange with respect to the transfer of the Property, and in such event, each party agrees to cooperate in such exchange and take all steps reasonably necessary to allow its completion; provided, however, the party electing such exchange shall hold the other party harmless from and against any claims, costs, liabilities, expense, or delays in time resulting from such an exchange.

19. GENERAL CONDITIONS AND STIPULATIONS

- A. Time is of the essence of this Contract. The warranties and agreement herein contained shall extend to and be obligatory upon the heirs, executors, administrators, successors and assigns of the parties hereto. If there be more than one Seller or Buyer, the word "Seller" or "Buyer" wherever used herein shall, respectively, be construed to mean Sellers and Buyers, and the necessary grammatical plural changes shall in all cases be assumed as though in each case fully expressed.
- B. All notices and demands herein required or given hereunder shall be in writing. The mailing of any such notice or demand by mail to the Seller or to the Buyer at their respective addresses hereinbefore set forth shall be considered sufficient service as of three (3) days after mailing. If there is more than one Seller or Buyer hereunder, the mailing of such notice or demand to any one Seller or Buyer at said respective addresses shall be sufficient service on all such Sellers and Buyers respectively. Notice may also be sent by facsimile to the Seller or Buyer at the facsimile number indicated on the signature page of this Contract.
- C. THE UNDERSIGNED ACKNOWLEDGE THAT IT IS ILLEGAL TO REFUSE TO SELL REAL ESTATE BECAUSE OF RACE, COLOR, AGE, RELIGION, SEX, SEXUAL ORIENTATION, CREED, PHYSICAL OR MENTAL HANDICAP, NATIONAL ORIGIN, ANCESTRY, MARITAL OR FAMILIAL STATUS, UNFAVORABLE MILITARY DISCHARGE OR DISCHARGE STATUS, ORDER OF PROTECTION STATUS, OR OTHER CLASS PROTECTED BY ARTICLE 3 OF THE ILLINOIS HUMAN RIGHTS ACT
- D. This Contract contains all the terms and conditions agreed upon by the parties hereof and supersedes all oral agreement regarding the subject matter of this Contract and may only be amended or altered in writing signed by all parties.
- E. Seller and Buyer agree to provide all information necessary to complete and execute all documents and perform all actions necessary to comply with the following: (a) Real Estate Settlement Procedures Act of 1974; (b) Internal Revenue Service Form 1099S; (c) Section 445 of the Internal Revenue Code as amended (which deals with the citizenship of the Seller); (d) a mutually agreeable summary of the closing transaction and (e) all laws, statutes, ordinances and regulations applicable to the transaction.
- F. Facsimile copies, electronic copies and signatures on this Contract shall be as valid as an originally signed Contract.

- G. Counterpart Signatures: This Agreement may be signed in counterparts, which together shall constitute one agreement. If the Agreement is signed in counterparts, no signatory hereto shall be bound until all parties named below have duly executed, or caused to be duly executed, a counterpart of this Agreement.
- H. The parties intend this Contract to be governed by the laws of the State of Illinois.

20. CONTRACT ACCEPTANCE PERIOD

This Contract shall be deemed accepted by the parties at the conclusion of the auction on September 29, 2022 (herein the “Date of Acceptance”).

[SEE ATTACHED SIGNATURE PAGES]

DRAFT: Non-Executable

BUYER(S):

Buyer Signature Date

Buyer Signature Date

Buyer Fax Number

Buyer Email Address

Attorney Name

Attorney Address

Attorney Phone #

Attorney Email Address

DRAFT: Non-Executable

SELLER:

Drolsom Family Farm, LLC

By : _____
Linda Drolsom, Mgr.

SELLER'S ATTORNEY:

Charles G. Brown
Brown Law Group, LLC
301 Lincoln Hwy, DeKalb, IL 60115
Phone: 815-756-6328
cbrown@brownlawdekalb.com

DRAFT: Non-Executable

Real Estate Broker for this transaction is:

Hertz Real Estate Service Inc.

Listing Broker

By Agent _____

PO Box 907

Address

DeKalb, IL 60115

Address

815-748-4440

Phone #/Fax #

RichG@Hertz.ag

Email Address

THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK LEGAL ADVICE. IT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY THEIR WRITTEN CONSENT BY BOTH PARTIES.

DRAFT: Non-Executable

EARNEST MONEY ESCROW AGREEMENT

Do not alter agreement unless otherwise specified by American Title Guaranty, Inc.

TO: AMERICAN TITLE GUARANTY, INC.

RE: _____

DATE: **September 29, 2022**

I. PARTIES

A. SELLER: **Drolsom Family Farm, LLC, a Delaware limited liability company**

B. PURCHASER:

C. ESCROW HOLDER: American Title Guaranty, Inc.
2045 Aberdeen Ct.
Sycamore, IL 60178
815-756-3611

II. PRELIMINARY STATEMENTS

A. Seller and Purchaser have executed and delivered a certain Purchase and Sale Agreement ("Agreement"). Under the terms of the Agreement, Seller has agreed to sell to Purchaser that certain parcel of land and improvements located at _____

- B. Purchaser is required to deposit pursuant to the Agreement with American Title Guaranty, Inc. the sum of \$_____ to be held by American Title Guaranty, Inc. pursuant to the terms and provisions of this Money Escrow Agreement.

III DEPOSIT OR EARNEST MONEY; INVESTMENT DIRECTIONS

- A. In accordance with the terms of the Agreement, Purchaser will be depositing the earnest money with American Title Guaranty, Inc.
- B. American Title Guaranty, Inc. shall be under no duty to invest or reinvest any cash at any time held by it hereunder. The American Title Guaranty, Inc. shall have the full right, power and authority to commingle any and all cash at any time constituting said deposit or part thereof with its other escrow funds and all income, if any, derived from any use which the American Title Guaranty, Inc. may make of any deposits hereunder shall belong to the American Title Guaranty, Inc..

IV INSTRUCTIONS

- A. American Title Guaranty, Inc. is instructed to hold and/or invest the money, until American Title Guaranty, Inc. is in receipt of (I) a joint written direction from Seller (or Seller's Counsel) and Purchaser (or Purchaser's Counsel) or (ii) an order, judgment or decree addressed to American Title Guaranty, Inc. which shall be entered or issued by any court and which shall determine the disposition of the money and all interest earned thereon.
- B. Any party delivering a notice required or permitted hereunder shall simultaneously deliver copies of such notice to all parties listed in Section I of this Earnest Money Escrow Agreement. All notices required herein shall be either personally delivered, sent by certified or registered mail, postage prepaid, return receipt requested, or sent by overnight courier and shall, in all instances, be deemed to have been received upon delivery thereof.
- C. Except as otherwise expressly set forth in this Earnest Money Escrow Agreement, Escrow Holder shall disregard any and all notices or warnings given by any of the parties thereto.
- D. In case American Title Guaranty, Inc. obeys or complies with any order, judgment or decree of any court with respect to the earnest money, American Title Guaranty, Inc. shall not be liable to any of the parties hereto or any other person, firm or corporation by reason of such compliance, notwithstanding

any such order, judgment or decree be entered without jurisdiction or be subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding this Money Escrow Agreement to which American Title Guaranty, Inc. is or may be at any time a party, Seller and Purchaser shall each be liable for one-half of all such costs, fees and expenses incurred or sustained by American Title Guaranty, Inc. and shall forthwith pay the same to American Title Guaranty, Inc. upon demand; provided, however, that in the event American Title Guaranty, Inc. is made a part to any suit or proceeding between Seller and Purchaser, the prevailing party in such suit or proceeding shall have no liability for the payment of American Title Guaranty, Inc. costs, fees and expenses.

- E. American Title Guaranty, Inc. is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of this Earnest Money Escrow Agreement.
- F. In no case shall the above mentioned deposits be surrendered except (I) in the manner specifically described in this Earnest Money Escrow Agreement; (ii) or an order signed by the seller (or Seller's Counsel) and Purchaser (or Purchaser's Counsel); or (iii) in obedience to the process or order of a court as aforesaid.
- G. All fees of American Title Guaranty, Inc. shall be charged one-half to Seller and one-half to Purchaser.
- H. Except as to deposits of funds for which American Title Guaranty, Inc. has received express written direction for Purchaser (or Purchaser's Counsel) concerning investment or other handling, the parties hereto agree that the Escrow Holder shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and, further, that American Title Guaranty, Inc. may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of funds under Section 2-8 of the Illinois Corporation Fiduciary Act 205 ILCS 620/2-8 and may use any part or all such funds for its benefit without obligation to any party for interest or earnings derived thereby, if any, provided, however, nothing herein shall diminish American Title Guaranty, Inc's obligation to apply the fully amount of the deposits in accordance with the terms of this Earnest Money Escrow Agreement.
- I. Any order, judgment or decree requiring the American Title Guaranty, Inc. to disburse the money shall not be binding upon Purchaser or Seller as to the ultimate disposition of the earnest money unless and until a final, non-appealable order, judgment or decree is entered by a court having jurisdiction thereof.

- J. This Earnest Money Escrow Agreement and all provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

Drolsom Family Farm, LLC

By: Linda Drolsom, Manager
SELLER

PURCHASER

Accepted this _____ day of _____, **2022**

AMERICAN TITLE GUARANTY, INC.
Escrow Holder

By: _____