

**CONTRACT FOR PURCHASE AND SALE
OF REAL ESTATE AT AUCTION**

This Contract for the Purchase and Sale of Real Estate at Auction ("Agreement") is made and entered into this 8th day of August 2019, by and between Seller and Purchaser as set forth herein:

SELLER: D B E FARMS, INC.
1279 565th Trail
Lovilia, IA 50150

PURCHASER: _____

Purchaser's Address: _____

Purchaser's Phone Number: _____

1. Subject Matter. **D B E FARMS, INC.**, an Illinois corporation, (hereinafter, the "Seller") have this day sold to Purchaser herein identified above, at public auction, all of Seller's right, title and interest in and to the real property, and all buildings and structures (the "Buildings"), parking areas, hydraulic working chutes, backup generators, improvements and fixtures now situated on thereon (the "Improvements") (the Improvements shall not include the fuel tanks and LP tanks on the Real Estate as of the date of this Agreements, which shall be retained by Seller), all easements, hereditaments and appurtenances belonging to or inuring to the benefit and pertaining thereto (the "Benefits"), if any, and any street, road or alley abutting the real property to the centerline thereof on the real property:

Short Legal Description: W 70 AC NW 1/4 SEC 29-9-5E 73.92 AC (EXC S 20' OF E 165' THEREOF); ALSO E 4 AC LOT 1 SUB OF N 1/2 NE 1/4 SEC 30

AND

NW 1/4 SEC 29-9-5E 2.00 AC COMG 811.2' N OF CEN SEC 29: TH W 190' N 458.5' E 190' 4 258.5' TO POB

Situated in the County of Peoria, State of Illinois.

Acres: 75.81

Real Estate Index No.: 11-29-100-005 and 11-29-100-003

Commonly known as: 23318 W Taggart Road, Elmwood, IL 61529 and
3913 N Wiley Road, Elmwood, IL 61529

(all such real property, Buildings, Improvements, and Benefits collectively referred to herein as the "Real Estate").

The sale and purchase of the Real Estate shall be subject to the following:

- (a) Real estate taxes for the year 2018 and subsequent years;
- (b) Unpaid installments of special assessments which fall due after date hereof;

- (c) Zoning ordinances affecting said Real Estate;
- (d) Easements of record or in place, if any;
- (e) Rights of the public, the State of Illinois and any municipality in and to any part of the land taken or used for road purposes;
- (f) Rights of way for drainage titles, ditches, feeders, laterals and underground pipes, if any;
- (g) Mineral exceptions and reservations of record, and oil and gas leases in place, if any;
- (h) Restrictive covenants and building restrictions of record, if any;
- (i) Any environmental condition existing on the Real Estate;
- (j) Rights of tenants in possession, if any; and
- (k) Lis Pendens Notices, if any.

2. Basic Terms.

Date of Sale: August 8, 2019

Closing Date: As mutually agreed by the parties within 45 days of this Agreement – Projected September 20, 2019 (“Closing”)

Bid Amount: \$ _____

Purchaser’s Premium
(5% of Bid Amount paid
by Purchaser): \$ _____

Total Purchase Price (Bid
Amount plus Purchaser’s
Premium): \$ _____

Earnest Money (10% of
Purchase Price - Due 8/8/19): \$ _____

Balance due at Closing
(Purchase Price minus
Earnest Money): \$ _____

Seller acknowledge receipt of the Earnest Money from Purchaser.

3. Agreement to Convey. Seller agrees to convey, and Purchaser agrees to accept, on the date of Closing good and merchantable fee simple title to the Real Estate by good and sufficient, subject only to the exceptions stated herein. Purchaser shall pay the Purchase Price, at Closing, less credit for any Earnest Money, credits for prorated taxes, and any other credit or deduction pursuant to this Agreement or any amendment thereof.

4. Failure to Perform. Should Purchaser fail to perform this Agreement promptly, at the time and in the manner herein specified, the Seller shall, at Seller’s election, have all rights and remedies for breach of this Agreement or for specific performance hereof as may be permitted in law or equity, including but not limited to, the right to retain the Earnest Money paid above as liquidated damages, and in the event of such retention, this Agreement thereupon shall become and be null and void, and the Seller shall then have the right to re-enter and take possession of the Real Estate.

5. Real Estate Tax Prorations. Seller agrees to pay those unpaid real estate taxes for 2018, if any, at or prior to the Closing Date. Taxes for 2019 (computed on the latest available information, including the most-recent assessment), shall be prorated between the parties as of the Closing Date. Seller shall pay at or before Closing Date any installments of special assessments that are due and owing prior to the Closing Date. Purchaser shall pay any real estate taxes or special assessments due and owing after the Closing Date. This Section 5 shall survive the Closing of the transaction contemplated hereby.

6. Title Insurance. Seller shall furnish Purchaser with a binder or commitment of a title insurance company licensed to do business in the County in which the Real Estate is located, for an owner's title guaranty policy for the amount of the Purchase Price, and to cause such policy to be issued after the Real Estate is conveyed to Purchaser, on forms customarily furnished by the title insurer, and subject to the usual exceptions appearing on its printed forms, those set forth in this agreement, and those things done or caused by Purchaser.

7. Residential Disclosures and Waivers for Parcel 11-29-100-003 (3913 N Wiley Road). The following disclosures are made with respect to Parcel 11-29-100-003 (3913 N Wiley Road):

A. Lead Paint. Purchaser acknowledges that the residence was constructed prior to 1970. Seller has no records pertaining to lead paint or lead-based paint hazards on the Real Estate. Purchaser has received the pamphlet "Protect Your Family From Lead In Your Home" and the Disclosure of Information and Acknowledgement for Lead-Based Paint and/or Lead-Based Paint Hazards. Said disclosure is a part of this Contract and is incorporated herein by this reference. Purchaser has been advised of a 10-day opportunity (or other mutually agreed upon period) to conduct risk assessment or inspection for presence of lead-based paint or lead-based paint hazards, and hereby waives the opportunity to conduct any and all such risk assessments or inspections.

B. Real Property Disclosure Report. Seller has presented Purchaser with a Disclosure Report as required by the provisions of the Illinois Residential Real Property Disclosure Act. Seller certifies that there have been no material changes since the execution of said Disclosure Report. Said disclosure is a part of this Contract and is incorporated herein by this reference. Purchaser has been advised of an opportunity to conduct an inspection of the Real Estate, and hereby waives the opportunity to conduct any and all such inspections, including but not limited to inspections of structural damage and termite infestations.

C. Radon. Seller has no records pertaining radon hazards at, in, or on the Real Estate. Purchaser has received the document "Radon Testing Guidelines for Real Estate Transactions" and the Disclosure of Information on Radon Hazards executed by the Sellers. Said disclosure is a part of this Contract and is incorporated herein by this reference. Purchaser has been advised of a 10-day opportunity (or other mutually agreed upon period) to conduct risk assessment or inspection for presence of radon hazards, and hereby waives the opportunity to conduct any and all such risk assessments or inspections.

8. Conditions of Sale.

A. AS IS Sale. Except as otherwise expressly set forth in this Agreement, the Real Estate is conveyed in "AS IS" condition on a "WHERE IS" basis and "WITH ALL FAULTS", without representation or warranty, express or implied, whether statutory or otherwise, except as set forth in this Agreement, and without any warranties of merchantability or fitness for a particular, or Purchaser's intended, use or purposes, including, but not limited to, with respect to environmental matters. Purchaser hereby represents and warrants that it has carefully and thoroughly inspected the Real Estate, is familiar with the Real Estate, and agrees to take possession of the Real Estate in its present "AS IS" condition.

Any and all future mitigations, reclamations, clean-up, or other work required on the Real Estate of any type whatsoever by any law, government authority, or other party with jurisdiction over the Real Estate shall be the sole and exclusive obligation of Purchaser, and Purchaser agrees to indemnify and hold Seller harmless from and against any loss, damage or liability for any such work of any kind whatsoever.

B. Environmental.

(i) Seller and the operators of the Real Estate are defendants in a Complaint for Injunctive Relief, filed by the State of Illinois Office of Attorney General (“OAG”) on April 19, 2019 in the Tenth Judicial Circuit, Peoria County. See *People of the State of Illinois, ex rel. Kwame Raoul v. Elmwood Farms, LLC and DBE Farms Inc.*, No. 19-CH-165. The lawsuit alleges, *inter alia*, threat of water pollution from the Real Estate’s holding pond and other areas of the facility. Seller, through counsel and an environmental engineer, has been working with the OAG to resolve the issues and eliminate any threatened pollution.

(ii) If Purchaser intends to operate the facility as a livestock management facility or concentrated animal feedlot operation (“CAFO”), Purchaser will be required to and shall follow all applicable Illinois laws and regulations, as administered by the Illinois Environmental Protection Agency and the Illinois Department of Agriculture. Those regulations include a requirement, in addition to all other applicable laws, that the facility maintain the facility’s existing waste holding pond with at least 2 foot of available freeboard. If Purchaser does not intend to operate a livestock management facility or CAFO on the Real Estate will be subject to certain notification and closure requirements. See 51 ILCS 77/15(e), 8 Ill. Adm. Code 900.508, 8 Ill. Adm. Code 900.608.

(iii) Purchaser agrees to accept title to the Real Estate subject to the LIS PENDENS NOTICE filed with respect to the Real Estate in Peoria County Circuit Court Case Number 19-CH-165, even if such matter is not resolved prior to Closing.

(iv) Purchaser agree to be responsible for and defend and indemnify and hold Seller harmless with respect to any and all future mitigations, reclamations, clean-up, or other work required on the Real Estate arising from any allegation, action, proceeding, demand, notice, claim, suit, investigation or study based on or related to the manufacturing, processing, distribution, use, treatment, storage, disposal, transport, or handling or the emission, discharge, release, or threatened release into the environment of any substances or any violation of environmental laws existing on the Real Estate as of the date hereof or at any time thereafter.

C. Termination of Farm Lease. As of the date hereof, the Real Estate is subject to a farm lease agreement wherein the tillable acreage of the Real Estate is rented to a tenant farmer. If Purchaser desires to terminate said farm lease, it shall be the obligation of the Purchaser to serve notice of such termination to the tenant prior to September 1, 2019.

D. Home and Office Septic Transfer. Prior to Closing, Purchaser shall, at Purchaser’s expense, inspect, repair and/or update, if needed, the home & office septic systems and acquire the DNR Time of Transfer certificate for the home & office septic systems.

E. FSA Reporting. Upon Closing, Purchaser shall report to the applicable County FSA office, and provide a copy of the recorded deed, to receive the following, as may be applicable: (i) allotted base acres; (ii) participation in any future government programs; (iii) the amount of final tillable acres as determined by the applicable County FSA office; and (iv) any other related matters address by the applicable County FSA office.

F. Real Estate Legal Description. The Parties agree and acknowledge that the legal description of the Real Estate used herein is the short legal description of the property as found on the Peoria County Assessor's Office website, and the conveyance documents to close this transaction shall utilize the legal description of the Real Estate provided by the title insurance company issuing the title insurance policy relative to the Real Estate.

G. Survival. This Section 8 shall survive the Closing of the transaction contemplated hereby.

9. Condemnation. If any of the Real Estate is taken by Eminent Domain proceedings before the Closing date or if any Eminent Domain proceedings against the Real Estate are pending on the Closing date, then Purchaser may terminate this Agreement by written notice to Seller, and any Earnest Money shall be returned to Purchaser.

10. Purchaser's Representations and Warranties. Purchaser hereby represents and warrants to Seller as to the following matters, each of which is warranted to be true and correct as of the date hereof: there are no matters of litigation, administrative actions or arbitration pending or threatened against Purchaser with respect to the subject matter of this Agreement. This Section 10 shall survive the Closing of the transaction contemplated hereby.

11. Destruction or Damage. Destruction or damage to any portion of the Real Estate in excess of \$25,000.00 for any cause whatsoever, including but not limited to fire, casualty, structural defects, mechanical defects, acts of God, acts of third persons, subsidence, or condemnation of any portion of the Real Estate, shall, at Purchaser's sole and absolute discretion and election, relieve Purchaser of any duty, obligation, or liability arising hereunder, and in which case Purchaser will be entitled to return of any Earnest Money. It is expressly agreed and understood that Seller shall be solely responsible for maintaining any and all insurance policies, insurance coverages, and insurance agreements which Seller deems appropriate for Seller's own benefit up to and including the time of the Closing. Purchaser has no responsibility to insure, or in any other manner, protect any of the Seller's interest(s) or potential interest(s) regarding the Real Estate until it acquires title to the Real Estate at Closing. In the event the Real Estate is damaged or destroyed and Purchaser elects to complete the purchase of the Real Estate hereunder, Seller agrees to assign to Purchaser any and all insurance proceeds payable to Seller with respect to such damage or destruction.

12. Notices. Unless expressly otherwise provided elsewhere in this Agreement, any election, notice, demand, or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if and when delivered personally (with receipt acknowledged), if and when emailed to the addresses provided below, or when mailed by Certified Mail, Return Receipt Requested, with proper postage prepaid, or when sent by a national commercial courier service, such as Federal Express, for expedited delivery, to be confirmed in writing by such courier to the addresses first stated above herein.

13. Merger of Covenants. Except as otherwise expressly set forth in this Agreement, none of the representations, agreements, or warranties made herein shall survive Closing, and Purchaser shall be deemed to have accepted the Real Estate unconditionally and with any and all (none being so implied) rights to rescind, set aside or avoid the transactions contemplated hereby waived and relinquished. This Agreement shall be merged as of the Closing and delivery of the deed.

14. Purchaser's Premium; Broker Representation. At Closing, Purchaser shall pay the Purchaser's Premium as indicated in Section 2 hereof, which shall be an amount equal to 5% of the Purchaser's bid amount as of the day of the auction. Purchaser has not employed any broker or finder or

incurred any liability for any brokerage fee, commission, or finder's fee or similar fees or commissions in connection with the transaction contemplated by this Agreement. Purchaser agrees to hold Seller harmless from and against all claims by third parties based upon a relationship or alleged relationship with Purchaser for brokerage or finders' fees or commissions in connection with the execution of this Agreement or the consummation of the transactions contemplated hereby. Seller is represented in this transaction by its broker, Steffes Group, Inc.

15. No Third-Party Beneficiary. This Agreement is intended solely for the benefit of the Parties hereto, and it is not the intention of the Parties to confer third-party beneficiary rights upon employees, officers, directors or policyholders of any other person, firm, or corporation.

16. Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement, or condition.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and assigns.

18. Entire Agreement. This document constitutes the entire agreement between the Parties, and there are no oral agreements or other written agreements. This Agreement and any announcements as of the date of the auction shall supersede and constitute actual notice of Purchaser of any modifications to the marketing materials utilized to promote the auction. If there should be any conflict between the marketing materials, announcements at auction, or this Agreement, the terms and conditions of this Agreement shall control. This Agreement may be modified only by a writing executed by both Purchaser and Seller.

19. Time. Time shall be of the essence of this Agreement. Dates and time frames herein are explicitly agreed to by the Parties. By executing this Agreement, Seller confirms that the time to fully perform this Agreement is reasonable.

20. Days. The term "day" shall mean a calendar day herein, unless otherwise provided. If any of the dates or time periods in this Agreement fall or end on a Saturday, Sunday, or United States bank holiday, then such date or time period shall be extended until the next business day other than a Saturday, Sunday, or United States bank holiday.

21. Construction. Each Party has had the opportunity to review this Agreement and consult with legal counsel prior to execution hereof. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The headings contained in this Agreement are for convenience of reference only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof. Seller and Purchaser are also referred to herein individually as a "Party" and collectively as the "Parties." If there be more than one Purchaser, the word "Purchaser" wherever used herein shall be construed to mean "Purchasers", and if there is more than one Seller, the word "Seller" wherever used shall be construed to mean "Seller", and the necessary grammatical plural changes shall in all cases be assumed as though in each case fully expressed.

22. Terms of Art. Terms of art shall have the meaning so ascribed herein.

23. Relationship of Parties. For the purposes of this Agreement, no Party shall be deemed to be an independent contractor, agent, or employee of the other Party. No Party shall have authority to make any statements, representations or commitments of any kind, or to take any action that is binding on the other Party, except as explicitly authorized herein.

24. Further Assurances. Each Party hereto agrees: (a) to furnish upon request to each other Party such further information as reasonably requested; (b) to execute and deliver to each other Party such other documents reasonably requested; and (c) to do such other acts and things, as the other Party may reasonably request for the purposes of carrying out the intent and purposes of this Agreement.

25. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to the conflicts of law rules thereof. The Parties agree that all actions or proceedings arising directly, indirectly or otherwise in connection with this Agreement and the transactions contemplated hereby shall be litigated only in courts having a situs in Peoria County, Illinois, and hereby consent and submit to the jurisdiction of state Circuit Court located within said county and state.

26. Attorney Fees. In the event of any litigation between the Parties relative to this Agreement, the prevailing Party shall be entitled to recover reasonable attorney fees and expenses in addition to all legal and equitable remedies and damages.

27. Counterparts. This Agreement and any amendment hereto may be executed in any number of counterparts by each Party, each of which when so executed and delivered shall be an original, and all of which together shall constitute one document. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the Party against whom enforcement is sought. The Parties may execute this Agreement by facsimile, scanned Portable Document Format ("PDF") or other electronically transmitted signature, and such facsimile, scanned PDF, or other electronically transmitted document, including the signatures thereon, shall be treated in all respects as an original instrument bearing an original signature.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written, each Party being authorized thereunto.

SELLER:

D B E FARMS, INC., an Illinois
corporation

Don Etcher, its President

PURCHASER:

Printed Name: _____

(ADDITIONAL PURCHASER):

Printed Name: _____