

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

AGREEMENT TO PURCHASE

Date: **December 7, 2021**

I/We the undersigned Buyer(s) ("Buyer") offer to purchase Tract(s) \_\_\_\_\_, being approx. \_\_\_\_\_ (±) acres of land in Boone County, Illinois, as identified by reference to the same tract number(s) in the attached **Exhibit A** (the "Property"), and being one or more of the tracts put up for bids at the public auction conducted on this date by Schrader Real Estate and Auction Company, Inc. ("Auction Company") on behalf of Seller. "Seller" collectively refers to The Hardeman Company, aka Hardeman Company (if this purchase includes Tract 1 &/or Tract 2), and/or Verona Properties, LLC (if this purchase includes any of Tracts 3 - 10), whether one or both, as their interests appear with respect to the Property. This offer incorporates the terms and conditions set forth herein, the Revised Auction Tract Map attached as **Exhibit A** and the bid procedures and auction announcements attached as **Addendum A** (collectively, this "Agreement").

- PURCHASE PRICE.** The purchase price is \$ \_\_\_\_\_, to be paid via wired funds at closing (plus expenses charged to Buyer, less applied Earnest Money and any other credits due Buyer, as provided in this Agreement). The purchase price shall be adjusted at closing if and only if an adjustment is applicable in accordance with the terms of Addendum A.
- EARNEST MONEY.** Concurrently with this offer, Buyer shall deliver to Auction Company the sum of \$ \_\_\_\_\_ (the "Earnest Money"), to be held in escrow, delivered to the closing agent at or prior to closing, and applied to the purchase price at closing.
- TAXES.** All sums due for general property taxes (and any special assessments payable to the county treasurer) that have been or will be assessed against any tax parcel that includes any part of the Property ("Taxes") shall be withheld from Seller's proceeds at closing and paid directly to the county treasurer to the extent any such Taxes are due and payable and remain unpaid at the time of closing. The 2021 Taxes due in 2022 shall be estimated based on 100% of the 2020 Taxes due in 2021 and the amount thus estimated (to the extent attributed to the Property, as adjusted for any tax parcel split) shall be paid via credit against the sums due from Buyer at closing, with no further settlement or adjustment after closing; *provided, however*, if this purchase includes Tract 1 then, in lieu of a credit to Buyer at closing, Seller may elect to deliver to the closing agent the entire amount of the estimated Taxes for 2021 due in 2022 (including but not limited to the portion attributed to the Property) to be either: (a) paid immediately after closing to the county treasurer as an estimated prepayment of the 2021 Taxes; or (b) held pursuant to an escrow arrangement approved by Seller and applied towards payment of the 2021 Taxes when billed after closing. In any event, Buyer shall pay all Taxes when due after closing to the extent attributed to the Property and not paid via prepayment or escrow as described above.
- SURVEY.** A new survey shall be obtained if and only if obtained in accordance with the provisions of Addendum A.
- DEED; TITLE INSURANCE.** The Property shall be conveyed by **Warranty Deed** (subject to the Permitted Exceptions), to be furnished at Seller's expense. Seller shall furnish a commitment, updated to a date after the Auction and prior to closing, for the issuance of a standard coverage owner's title insurance policy in the amount of the purchase price insuring marketable title to the Property in Buyer's name, subject to standard exceptions, conditions and requirements and subject to the Permitted Exceptions (the "Final Title Commitment"). At closing, Seller shall pay for the cost of issuing a standard coverage owner's title insurance policy in accordance with the Final Title Commitment.
- PERMITTED EXCEPTIONS.** Buyer agrees to accept the title, deed, title insurance and any survey subject to and notwithstanding any of the following matters (collectively, the "Permitted Exceptions"): (a) existing roads, utilities and drains; (b) any visible or apparent use; (c) rights and/or claims relating to or arising from any variation between a deeded boundary line and a fence line, field line, ditch line or other visible or apparent occupancy or occupancy line; (d) any easement, condition, covenant, restriction or other matter appearing of record (except liens); (e) any outstanding right or severance as to minerals; (f) any recorded oil and gas lease, active or not; (g) a lien for property taxes or assessments not yet payable; (h) local ordinances and zoning laws; (i) the provisions of Addendum A and any matter disclosed in Addendum A; and/or (j) any matter (except liens) referenced or shown in the preliminary title insurance schedules &/or survey(s) described in Addendum A.
- CLOSING.** Closing shall be held **on or before January 7, 2022** (or as soon as possible after said date upon completion of the survey, if applicable, the Final Title Commitment and Seller's closing documents) at the office of **Title Underwriters Agency, 1235 N. Mulford Rd., Rockford, IL (Tel: 815-227-9800)**, or otherwise as mutually agreed. If Seller is unable to convey the Property in conformance with the requirements of this Agreement, either party may terminate this Agreement by written notice to the other and, in the event of such termination by either party, Buyer shall receive the Earnest Money as Buyer's sole and exclusive remedy; *provided, however*, prior to any such termination by Buyer, Buyer must give Seller sufficient written notice of the nonconformity to enable Seller to cure the nonconformity and Seller shall have the right to extend the time for closing for a reasonable period of time in order to cure such nonconformity.
- POSSESSION.** Possession shall be delivered in accordance with Addendum A.
- THE PROPERTY IS SOLD "AS IS, WHERE IS", WITHOUT ANY WARRANTY OF ANY KIND AS TO ITS CHARACTER OR CONDITION OR ITS SUITABILITY FOR ANY PARTICULAR USE OR PURPOSE.**
- REMEDIES.** If the Earnest Money is not effectively paid in accordance with this Agreement *or* if this sale fails to close due to Buyer's default (each a "Buyer Default"), Seller shall have the right to recover 10% of the purchase price as liquidated damages and the right to give notice terminating Buyer's right to acquire the Property (without prejudice to the right to recover liquidated damages). Upon such termination, Seller shall have the absolute and unconditional right to re-sell the Property free and clear of any right or claim of Buyer. Buyer agrees that 10% of the purchase price is fairly proportionate to the amount of Seller's damages due to a Buyer Default, which damages would otherwise be uncertain and difficult to ascertain. If such liquidated damages are adjudicated as unenforceable, Seller may recover actual damages plus attorney fees and expenses. If this sale fails to close due to Seller's default: (a) Buyer shall have the right to demand and receive a refund of the Earnest Money and, upon such demand and receipt, this Agreement shall be terminated in all respects; or (b) at any time prior to such termination, Buyer may elect instead to seek specific performance. If this sale fails to close, the Earnest Money shall be retained in escrow pending disbursement instructions: (i) signed by both parties (or by one party authorizing disbursement to the other); or (ii) in a final court order. In the event of a Buyer Default, Buyer agrees to sign and deliver a release of the Earnest Money for payment of the liquidated damages due Seller and, if Buyer fails to do so, Seller shall have the right to recover (in addition to any other recovery) attorney's fees and other expenses thereafter incurred by Seller in seeking to enforce any right or remedy. In a lawsuit to enforce a right or remedy under this Agreement, the prevailing party shall recover attorneys' fees and expenses and **ANY RIGHT TO A TRIAL BY JURY IS WAIVED.**
- 1031 EXCHANGE.** Each party shall reasonably cooperate if another party intends to structure the transfer or acquisition of the Property as part of an exchange under 26 U.S.C. § 1031 ("Exchange"). This Agreement may be assigned for purposes of an Exchange, but the assignor shall not be released from any obligation. A party is not required to assume or incur any additional obligation in connection with another party's Exchange.
- GENERAL PROVISIONS.** Auction Company and its affiliated agents represent only Seller, not Buyer. This Agreement shall bind and benefit the parties and their respective heirs, personal representatives and successors. This Agreement constitutes the entire agreement between Buyer and Seller regarding the Property. Neither party is relying upon any other statement or promise and neither shall be bound by any purported oral modification or waiver. Time is of the essence. All terms of this Agreement shall be read and construed together as a harmonious whole and, unless otherwise provided or required by the express terms of this Agreement, shall survive closing. This Agreement may be executed in multiple counterparts, all of which together shall constitute the same instrument. The electronic transmission of a signed counterpart via email, fax or a commonly-used electronic signature service such as DocuSign® shall have the same effect as the delivery of an original signature.
- ACCEPTANCE DEADLINE.** This offer shall be deemed automatically withdrawn and the Earnest Money shall be returned to Buyer if this offer is not accepted by Seller in writing on or before 11:59 pm on **December 7, 2021**.

Printed Name(s) of Buyer(s): \_\_\_\_\_

Signature(s) of Buyer(s): \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Deed to: \_\_\_\_\_ Lender/Contact: \_\_\_\_\_

EARNEST MONEY in the amt. of \$ \_\_\_\_\_ received by: \_\_\_\_\_ on \_\_\_\_\_, 2021

ACCEPTED BY SELLER on this **7th** day of **December**, 2021:

*If this purchase includes **Tract 1 &/or Tract 2:***

THE HARDEMAN COMPANY, by its duly-authorized officer:

*If this purchase includes any of **Tracts 3-10:***

VERONA PROPERTIES, LLC, by its duly-authorized agent:

\_\_\_\_\_  
(Fred W. Shappert, President)

\_\_\_\_\_  
(Fred W. Shappert, Manager)

# EXHIBIT A

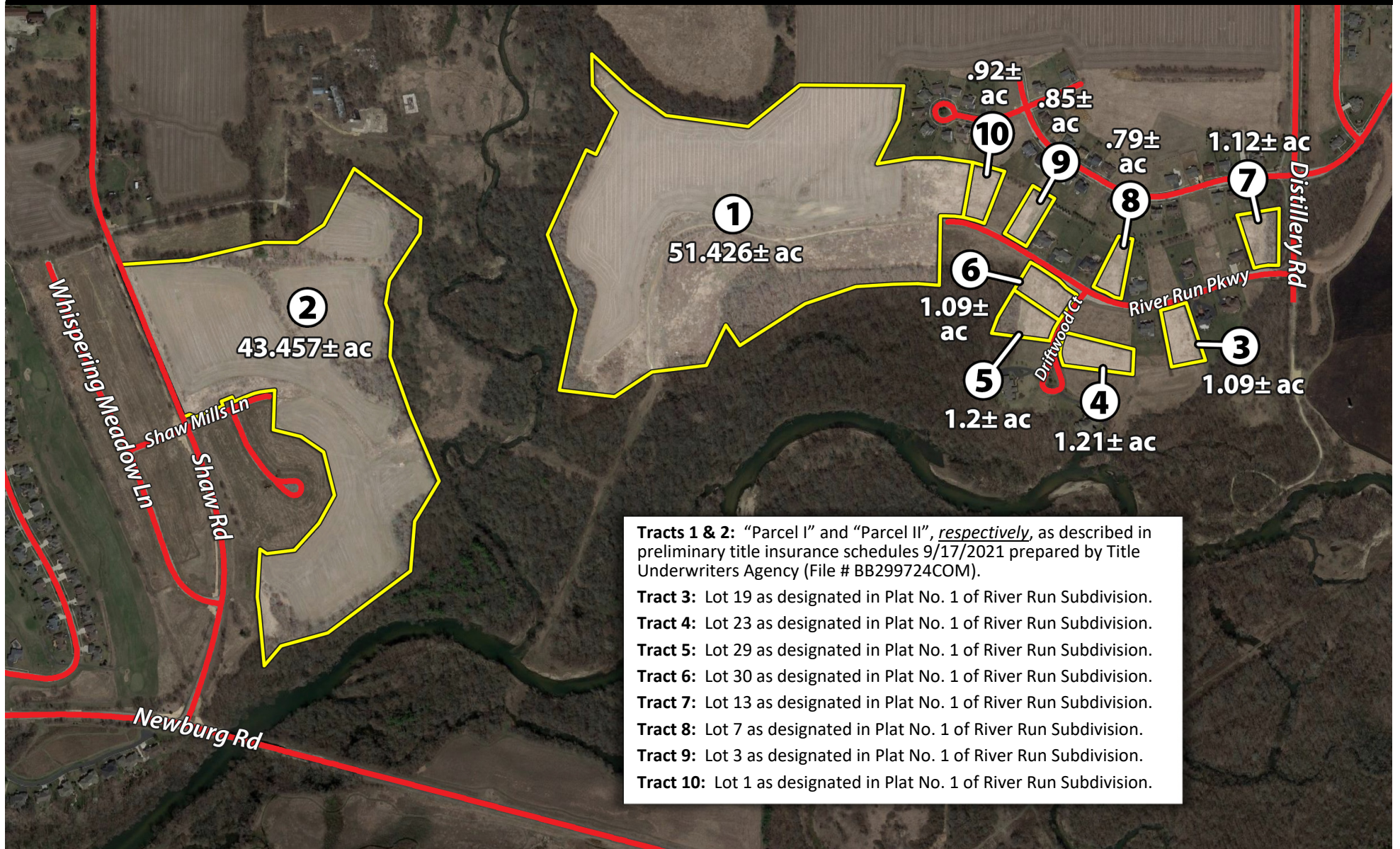
## Revised Auction Tract Map

Buyer(s): \_\_\_\_\_

Seller(s): \_\_\_\_\_

Auction Date: 12/7/2021

Approximate depictions of auction tracts in Sec. 29-T44N-R3E & Sec. 30-T44N-R3E (Belvidere Twp.) in Boone County, State of Illinois



**Tracts 1 & 2:** "Parcel I" and "Parcel II", *respectively*, as described in preliminary title insurance schedules 9/17/2021 prepared by Title Underwriters Agency (File # BB299724COM).

**Tract 3:** Lot 19 as designated in Plat No. 1 of River Run Subdivision.

**Tract 4:** Lot 23 as designated in Plat No. 1 of River Run Subdivision.

**Tract 5:** Lot 29 as designated in Plat No. 1 of River Run Subdivision.

**Tract 6:** Lot 30 as designated in Plat No. 1 of River Run Subdivision.

**Tract 7:** Lot 13 as designated in Plat No. 1 of River Run Subdivision.

**Tract 8:** Lot 7 as designated in Plat No. 1 of River Run Subdivision.

**Tract 9:** Lot 3 as designated in Plat No. 1 of River Run Subdivision.

**Tract 10:** Lot 1 as designated in Plat No. 1 of River Run Subdivision.

Boundary lines and/or acreages depicted in the marketing materials and auction tract maps, including this Exhibit A, are approximations and are provided for identification and illustration purposes only. They are not provided or intended as survey products or as authoritative representations of property boundaries and/or acreages.

I/We have read this Addendum and agree to these auction conditions.

Buyer(s): \_\_\_\_\_

Seller(s): \_\_\_\_\_

## ADDENDUM A

### SCHRADER REAL ESTATE AND AUCTION COMPANY, INC.

Auction Marketing Specialists Nationwide

**Date:** December 7, 2021

**Owners:** The Hardeman Company, aka Hardeman Company (as to Tracts 1 & 2), and Verona Properties, LLC (as to Tracts 3-10), hereinafter called "Seller", whether one or both, as their interests appear with respect to the purchased tract(s).

**Sale Managers:** Matt Wiseman and Jason Minnaert

SCHRADER REAL ESTATE AND AUCTION COMPANY, INC. welcomes you to bid YOUR price on the real estate offered at this auction.

#### **PART A - BIDDING PROCEDURES TO KEEP IN MIND:**

1. All bidding is open to the public. You will need to raise your hand or call out your bid as the auctioneer asks for bids. It is easy! Don't be bashful! This is a one-time opportunity. Watch the auctioneer and his bid assistants. They will take your bid and will assist you with any questions.
2. A revised auction tract map with updated acre estimates is included in your Bidder's Packet as **Exhibit A**. You may bid on any tract or combination of tracts or the entire property. Bidding will remain open on individual tracts and combinations until the close of the auction.
3. Bidding will be on a lump sum basis. Minimum bids are at the auctioneer's discretion.
4. Bids are not contingent on financing, so be sure you have arranged financing, if needed, and are able to pay cash at closing.
5. The authorized representative of each Seller is present and we anticipate that the top bid(s) at the close of the auction will be accepted. The final bid(s), however, are subject to the Seller's acceptance or rejection.

#### **PART B - TERMS OF SALE OUTLINED:**

6. 10% of the purchase price is due as an earnest money deposit at the close of auction. A cashier's check or a personal or corporate check immediately negotiable is satisfactory for the earnest money. The balance of the purchase price is due in cash at closing.
7. The closing will be scheduled in accordance with the Agreement to Purchase in your Bidder's Packet. The targeted closing period is on or before January 7, 2022.

8. The closing agent's fee to administer the closing will be shared equally (50:50) between Buyer and Seller. Buyer will pay all costs of any loan obtained by Buyer.
9. At closing, Seller will pay the real estate taxes for the calendar year 2021 due in 2022 (or the estimated amount thereof) in accordance with the Agreement to Purchase. Buyer will pay all 2022 taxes due in 2023 regardless of the closing date.
10. Seller shall pay any state and county real estate transfer stamps. Any municipal real estate transfer tax shall be paid by Seller unless the applicable municipal ordinance designates the Buyer as the party responsible for such payment.
11. At closing, Seller will furnish the deed and owner's title insurance at Seller's expense in accordance with the terms of Section 5 of the Agreement to Purchase.
12. Preliminary title insurance schedules dated September 17, 2021 have been prepared by Title Underwriters Agency and posted to the auction website prior to the auction, along with copies of the recorded documents listed as exceptions. Printed copies are available to review in the auction display area.
13. Buyer agrees to accept title and acquire the property subject to all easements and other "Permitted Exceptions" as defined in Section 6 of the Agreement to Purchase, including but not limited to the exceptions listed in the preliminary title insurance schedules.
14. Possession shall be delivered at closing, except that possession of the cropland shall be delivered subject to the rights of the farm tenant for the remainder of the current lease year ending February 28, 2022.
15. A 51.426-acre parcel comprising Tract 1 is shown in a certified boundary survey dated December 1, 2021 prepared by Heritage Engineering. A 43.457-acre parcel comprising Tract 2 is depicted in a drawing dated January 6, 2016 prepared by Heritage Engineering. Both of these documents have been posted to the auction website and printed copies are available to review in the auction display area.
16. Tract 1 will be conveyed as described in the December 1, 2021 survey.
17. It is expected that Tracts 2 thru 10 will be conveyed using existing legal descriptions, without obtaining a new survey. A new survey of any of these tracts shall be obtained if and only if: (a) the official(s) responsible for recording the deed will not accept the conveyance for recording without a new survey; or (b) Seller elects to obtain a new survey for any other reason in Seller's sole discretion.
18. Any new survey obtained in accordance with the foregoing provision shall be ordered by an agent of the Seller and shall be sufficient for the purpose of recording the conveyance, but the type of survey shall otherwise be determined solely by the Seller. Any survey shall identify the perimeter boundaries of the surveyed land, but a more detailed ALTA survey shall not be required or obtained unless otherwise agreed by Seller in its sole discretion.

19. Seller will pay for the Tract 1 survey. The cost of any other survey obtained in accordance with this Addendum A shall be shared equally (50:50) by Seller and Buyer.
20. If a post-auction survey of Tract 2 is obtained in accordance with this Addendum A, the purchase price shall be adjusted proportionately to reflect the difference, if any, between the acre estimate shown in Exhibit A and the gross acres shown in the survey unless the purchase includes any of Tracts 3 thru 10.
21. As shown in Exhibit A, the acre estimates have been revised for purposes of the auction as follows:

<b>ACRE ESTIMATES (±)</b>	<b>Tract 1:</b>	<b>Tract 2:</b>	Tracts 3-10:	<b>Total:</b>
Advertised / Brochure (±)	51	43	8.27	102.27
<b>Revised / Exhibit A (±)</b>	<b>51.426</b>	<b>43.457</b>	8.27	<b>103.153</b>

22. In Exhibit A, the acre estimates shown for Tracts 1 and 2 are based on the acres shown in the Heritage Engineering drawings described above and the acre estimates shown for Tracts 3 thru 10 are based on the square footages shown in the subdivision plat. No promise or warranty is made as to the number of acres included with any tract or set of tracts.
23. Boundary lines and auction tract maps depicted in Exhibit A and the auction marketing materials are approximations provided for identification and illustration purposes only. They are not provided as survey products and are not intended to depict or establish authoritative boundaries or locations.
24. If a dispute arises prior to closing as to the location of any boundary, the Auction Company may (but need not) terminate the purchase contract by giving written notice of termination to Buyer, but only with the Seller's consent. Upon such termination, the earnest money will be returned to Buyer and the property may be re-sold free of any claim of Buyer. In lieu of consenting to such termination, Seller may elect instead to enforce the purchase contract according to its terms.
25. **Tract 1:** Tract 1 is subject to a Preservation Covenant recorded on September 16, 2003 regarding certain archaeological sites. A copy of this document has been posted to the auction website and is available to review in the auction display area. The restricted areas are shown as "conservation" easements in the Heritage Engineering drawing dated July 30, 2021. They comprise about 8± total acres located mostly within the west part of Tract 1 and partly on other property. According to the terms of the Preservation Covenant, the restrictions and covenants contained therein should be included or referenced in the deed to Buyer.
26. **Tract 2:** Two areas are depicted and described as archaeological sites (including an old cemetery) in drawings prepared by Heritage Engineering dated 01-06-16 and 12-06-06, both of which have been posted to the auction website and are available to review in the auction display area. These two sites, each comprising about 0.45± acres in the southeast part of Tract 2, are labeled as "easements" in the Heritage Engineering drawings, but the title company reports that no such easements were found of record.

27. **Tracts 1 & 2:** Buyer agrees to acquire the property subject to and notwithstanding any easements, rights or obligations that may exist or any covenants or restrictions that may apply with respect to any archaeological sites or burial grounds on Tract 1 and/or Tract 2.
28. **Tracts 3 – 10:** The Auction Company is informed that the property taxes for Tracts 3 thru 10 are currently based on preferential assessments which will no longer apply after these tracts are conveyed and that, assuming the conveyance occurs after January 1, 2022, this change will affect the 2023 taxes (due in 2024).
29. **Tracts 3 – 10:** Tracts 3 thru 10 are subject to all easements, building set back lines and other matters shown in the Plat No. 1 of River Run Subdivision, a copy of which has been posted to the auction website and is available to review in the auction display area.
30. **Tracts 3 – 10:** Tracts 3 thru 10 are subject to a Declaration of Covenants and Restrictions recorded on June 17, 2004 and re-recorded on July 22, 2004. This document has been posted to the auction website and is available to review in the auction display area.
31. **Tracts 3 – 10:** After the conveyance to Buyer, Tracts 3 thru 10 will become subject to all charges and assessments due or becoming due from the owners of lots and dwellings in the River Run Subdivision pursuant to the terms of the Declaration of Covenants and Restrictions described above. Buyer agrees to pay all such charges and assessments with respect to the purchased tract(s). The annual assessments are currently \$375. The association also bills for mowing services unless the association receives notice by the end of January that the lot owner intends to maintain the lot. For 2021, the annual mowing charge was \$165 per lot.
32. **Tracts 3 – 10:** Prior to closing, Seller may transfer (or cause or request the transfer of) certain rights to the homeowners association, including the rights of the Architectural Review Agent and/or the right to appoint the Architectural Review Agent. No obligation or condition to closing is created by the foregoing provision.
33. **Tracts 1 – 10:** All tracts are subject to an Annexation Agreement recorded on June 18, 2003 containing various covenants and obligations which run with the land. The Annexation Agreement was modified by an amendment recorded on December 27, 2019. Copies of the original agreement and amendment have been posted to the auction website and printed copies are available to review in the auction display area.
34. **Tracts 1 – 10:** Buyer assumes all responsibility, cost and risk related to any future construction and/or development plans, including the satisfaction of any applicable requirements or conditions. Buyer is responsible for having completed all due diligence and investigations prior to bidding, including but not limited to appropriate inquiry with the local planning authorities and review of existing covenants and restrictions that may affect future construction and/or development.

35. At closing, it may be necessary to allocate the purchase price between separately-owned parcels. Any such allocation shall be determined solely by Seller.
36. Information booklets have been provided to prospective buyers in printed form and/or via download from the auction website and are available for further review in the auction information area. The information booklets include information obtained or derived from third-party sources, including: soils, topography, wetlands and flood zone maps; FSA information; surveys and plats; archaeological sites exhibit; preferential assessment note; property assessment records; property tax bills; and preliminary title insurance schedules. Such information has been provided subject to (and not as a substitute for) a prospective buyer's independent investigation and verification. Although believed to be from reliable sources, the Auction Company disclaims any warranty or liability for the information provided.
37. The information book contains a preliminary version of the Tract 1 survey dated July 30, 2021. The final version, dated December 1, 2021, is posted for your review.
38. Your bids are to be based solely upon your inspection. All property is sold "AS IS" without any warranty. Without limiting the foregoing provisions, Seller and Auction Company and their respective agents and representatives make no warranty or authoritative representation as to: (a) zoning matters; (b) whether or not the property qualifies for any particular use; (c) the availability or location of utilities; (d) the availability of any permit or approval that Buyer may need in connection with any prospective use, improvement or development; or (e) the accuracy of any materials or information prepared or provided by any third party regarding the auction and/or the property.
39. At the close of the auction, each high bidder shall execute a purchase contract in the form provided in each Bidder's Packet, consisting of the Agreement to Purchase, Exhibit A and this Addendum A. The terms of these documents are non-negotiable.
40. You will be closing on the tract or combination of tracts on which you are the successful bidder in the manner in which you bid at the auction.
41. Schrader Real Estate and Auction Company, Inc. and its agents and representatives are exclusively the agents of the Seller and are not acting as the agent of any Buyer.

Thank you for your interest in this offering. If you have any questions, please feel free to talk to one of our representatives.

ANY ANNOUNCEMENTS MADE BY THE AUCTIONEER  
TAKE PRECEDENCE OVER THIS PRINTED MATERIAL.