

## REAL ESTATE SALES CONTRACT

The **PATRICIA J. REYNOLDS REVOCABLE TRUST, dated May 6, 2021**, by its Trustees identified below, hereinafter referred to as Seller, and \_\_\_\_\_, hereinafter referred to as Buyer, agree to enter into this real estate sales contract pursuant to the following terms and conditions:

1. Mutual Covenants. Seller agrees to sell and Buyer agrees to purchase approximately 64.67 acres, more or less, of farmland real estate which is legally described as follows:

### TRACT II

**The East 1/3 of the following described real estate:**

**The East Half of all of that part of the Southwest Quarter of Section 36, Township 16 North, Range 8 East of the Third Principal Meridian lying South of the right of way of the B & O Railroad, Situated in Douglas County, Illinois  
(PIN: 09-02-36-300-010)**

2. Purchase Price. Buyer agrees to pay to Seller the total sum of \_\_\_\_\_ (\$ \_\_\_\_\_) for the Premises. The purchase price shall be paid as follows: 10% upon execution of the contract as earnest money payable to First Mid Ag Services to hold in escrow and paid to Seller at closing or as otherwise set forth in this contract, with the balance, adjusted by prorations and credits allowed the parties by this contract, paid to Seller at closing in cash, by cashier's check, by check issued by a lending institution, or other form of payment acceptable to Seller.
3. Possession and Closing. Closing of this transaction shall be held on or before November 1, 2022 at the offices of Buyer's lender, Chicago Title, Champaign, Illinois, or at such other place as the parties may agree. This closing shall be subject to the tenancy referenced in paragraph 12 below.
4. Deed of Conveyance. As soon as practicable, Seller shall execute a recordable trustee's warranty deed sufficient to convey the real estate, including all mineral interests owned by Seller, to Buyer in fee simple absolute, subject only to the exceptions permitted herein, to be held by Seller's attorney or agent, and delivered to Buyer at the closing of this transaction upon Buyer's compliance with the terms of this contract.
5. Taxes and Assessments. Seller has paid or will pay the 2021 real estate taxes due in 2022. Seller shall pay the 2022 real estate taxes due in 2023. Buyer shall pay all subsequent taxes following closing. This shall be a final settlement as to the real estate taxes.
6. Evidence of Title. Within a reasonable time, Seller shall deliver to Buyer a Commitment for Title Insurance issued by a title insurance company regularly doing business in the

county where the premises are located, committing the company to issue a policy in the usual form insuring title to the real estate to Buyer for the amount of the purchase price. Permissible exceptions to title shall include only the lien of general taxes not yet due and payable, and covenants, conditions, restrictions and easements of record or apparent, which do not limit reasonable use of the property.

7. Default. If Buyer fails to make any payment or to perform any obligation imposed upon him by this contract, Seller may serve written notice of default upon Buyer and if such default is not corrected within 10 days thereafter, Seller may elect to terminate the contract. In the event of the failure of Seller to perform the obligations imposed upon him by this contract, Buyer may terminate this contract upon similar ten-day notice served upon Seller. The foregoing remedies of both Buyer and Seller in the event of a default are not intended to be exclusive and the parties shall have the right to all other lawful remedies, including specific performance, and an action for money damages.
8. Notices. Any notice required under this contract to be served upon Seller or Buyer shall be personally delivered or shall be mailed by certified mail to such parties at the addresses shown in the first paragraph herein, unless subsequently changed by prior written notice from on party to the other.
9. Seller Warranties. Seller hereby represents, warrants, covenants and agrees to and with Buyer as to the following matters, each of which is so warranted to be true and correct as of the date of this contract, and also to be true and correct as of the closing date: (a) Seller owns good and marketable fee simple title in the property and has full right, title, authority and capacity to execute and to perform this contract and to convey title to the property, subject to the permitted exceptions herein; (b) no contracts for the furnishing of any labor or material to the land or the improvements thereon, and no security agreements or leases in respect to any goods or chattels that have been or are to become attached to the land or any improvements thereon as fixtures, will at the time of closing be outstanding and not fully performed and satisfied; (c) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code, and no portion of the purchase price is required to be withheld by Buyer pursuant to Section 1445 of such Code and the regulations promulgated thereunder; (d) there is no lease in place for the property. Seller further represents and warrants that there are no contracts or agreements related to the use, ownership or operation of the property which would be binding upon Buyer on and after the closing; (e) property is not located in a flood plain and that there are no condemnations, assessments, suits, judicial or administrative actions or proceedings affecting, pending, or threatened against the property; (f) 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 premises prior to Seller's acquisition or ownership or control of the premises. 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; and (g) neither Seller nor any authorized agent or representative of Seller has received any notice from any municipal, county or other governmental body or authority of any proposed change in the zoning of the property or in the assessed valuation of the property for property tax purposes. This Section 9 shall survive the closing and shall not be merged with the deed.

10. Property Documents. Within ten (10) days from the date of this contract, Seller shall deliver to Buyer all relevant documents and reports related to the property, including but not limited to soil investigations, tile maps, surveys and other information affecting the property, to the extent such materials are in Seller's possession or subject to Seller's reasonable control.

11. General Conditions and Stipulations.

- a. Time shall be considered to be of the essence in this contract. The warranties and agreements 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 or Buyers and the necessary grammatical plural changes shall in all cases be assumed as though in each case fully expressed.
- b. Seller agrees to cooperate and sign any necessary documents to assist the purchasers in this 1031 exchange, so long as no liability or expense is incurred by Seller.
- c. All notices and demand herein required or given hereunder shall be in writing. The mailing of any such notice or demand to the Seller or to the Buyer at their respective addresses hereinbefore set forth, shall be considered sufficient service thereof. 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 considered to be sufficient service on all such Sellers and Buyers respectively.
- d. The undersigned acknowledge that it is illegal to refuse to sell real estate because of race, color, religion, sex, creed, physical or mental handicap, or national origin.
- e. This contract contains all the terms and conditions agreed upon by the parties hereof, and supersedes all oral agreements, regarding the subject matter of this contract and may only be amended or altered in writing signed by all parties.
- f. It is further agreed that this agreement shall be obligatory upon the parties hereto, and upon their respective heirs, administrators, executors and assigns.
- g. Buyer and Seller each warrant to the other that no real estate broker or agent has been used or consulted in connection with the purchase and sale of the Property other than First Mid Ag Services for Seller ("Broker"), whose commission shall be

paid by Seller at Closing pursuant to a separate agreement between the Broker and Seller. Buyer and Seller respectively (respectively, "Indemnifying Party") each covenant and agree to defend, indemnify and save the other harmless from and against any actions, damages, real estate commissions, fees, costs and expenses (including reasonable attorneys' fees and costs of tribunals at all levels), resulting or arising from any commissions, fees, costs and expenses due any real estate broker or agent other than the Broker because the purchase and sale of the Property and the execution and delivery of this Contract, due to the acts of the Indemnifying Party.

12. Existing Tenancy. The parties acknowledge that the real estate is subject to a cash rent lease, with Mike Pflum as tenant for the 2022 crop year ("Farm Lease"). The Seller shall retain 100% of the landlord's rent for the 2022 crop year. The Seller shall be responsible for the landlord's share of 2022 costs, and the Buyer shall be responsible for all future landlord costs. Seller represents and warrants to Buyer the Farm Lease has been or will be terminated as of the conclusion of the 2022 crop year in accordance with Illinois law, and a copy of such termination notice and acknowledgment by farm tenant shall be provided to Buyer prior to closing. Buyer acknowledges that inclement weather or other factors beyond the tenant's control may require continued possession of the Premises by Mike Pflum beyond November 30, 2022 to complete the 2022 crop harvest.
13. Assignment. Buyer shall be authorized to assign this contract or any portion thereof to another party in Buyer's sole discretion. Upon such assignment, Buyer shall notify Seller in writing and Buyer shall have no further obligations or liabilities under this contract or any portion thereof arising after the effective date of the assignment or transfer.

*[signatures on following page]*

IN WITNESS WHEREOF, this contract has been signed by the parties as of September \_\_\_\_, 2022.

**SELLER:**

\_\_\_\_\_  
JAMES D. REYNOLDS, as Successor Trustee of  
the PATRICIA J. REYNOLDS REVOCABLE TRUST,  
dated May 6, 2021

**BUYER:**

\_\_\_\_\_

**Prepared by:**

**CHAD S. BECKETT**

**BECKETT LAW OFFICE, P.C.**

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