



# buyer's PROSPECTUS

Monday, February 25 | 11AM 2019

Court Ordered Mower County, MN

# Land Auction

**183<sup>±</sup>**  
acres Selling in  
2 tracts



**AUCTIONEER'S NOTE:** Court ordered land auction of prime farmland in Mower county to be offered in two tracts at public auction.

**AUCTION LOCATION** | Leroy Community Center, 204 W Main St., Leroy, MN 55951

Steffes Group, Inc. | 24400 MN Hwy 22 S, Litchfield, MN 55355

**SteffesGroup.com**

**Steffes Group at 320.693.9371, Randy Kath 701.429.8894, or Shelly Weinzettl 763.300.5055.**

TERMS: Ten percent down upon signing purchase agreement with balance due at closing on or before April 18, 2019. This is a 5% buyer's premium auction.  
Randy Kath MN47-007, Shelly Weinzettl MN47-017, Ashley Huhn MN47-002, Eric Gabrielson MN47-006, Scott Steffes MN14-51

# TERMS & CONDITIONS.

The Terms and Conditions of Sale are set forth upon this page in this Buyer's Prospectus and the Earnest Money Receipt and Purchase Agreement.

The information set forth is believed to be accurate. However, the owner of the properties and Steffes Group make no warranties or guaranties expressed or implied. Information contained in this document was collected from sources deemed to be reliable and is true and correct to the best of the writer's knowledge. Auctioneers and owners will not be held responsible for advertising discrepancies or inaccuracies.

## ALL ANNOUNCEMENTS ON AUCTION DAY TAKE PRECEDENCE OVER PREVIOUSLY ADVERTISED INFORMATION.

Prospective buyers are advised to consult with an attorney of their choice with respect to the purchase of any real property including but not limited to, seeking legal advice from their own attorney regarding disclosures and disclaimers set forth below.



### TERMS & CONDITIONS

• All capitalized terms not defined herein shall have the meaning ascribed to them in the Purchase Agreement.

• Auction staff will be at the sale site approximately one hour prior to sale time.

• The successful bidder will be required to sign a Purchase Agreement at the close of the real estate auction.

• A total non-refundable deposit of **10%** of the Purchase Price (as defined in the Purchase Agreement) will be required. Those funds will be placed in the Steffes Group Auction Trust Account as good faith money until closing. The good faith money is fully earned by the Seller and non-refundable under all circumstances other than: (i) Seller's failure or refusal to tender to the successful bidder a Bankruptcy Local Form 6004-1(f) conveying the property to Buyer by which title in accordance with the terms and conditions of the Purchase Agreement could be conveyed to the successful bidder; (ii) failure of the Bankruptcy Court to approve the sale to the of the property to the Buyer; or (iii) the Debtor (as defined in the Purchase Agreement) has properly and timely exercised the ROFR (as defined below) with respect to the property.

• Purchasers who are unable to close, other than as a result of the Debtor's proper and timely exercise of the ROFR rights with respect to the property, will be in default and the deposit money will be forfeited.

• Balance of the purchase price must be paid in full in cash by certified or other immediately available funds at Closing (as defined in the Purchase Agreement).

• Within fifteen (15) business days of the auction date, the Seller shall cause a commitment for an A.L.T.A. owner's policy of title insurance to be issued at Closing (as defined in the Purchase Agreement), or as soon as possible thereafter, in the amount of the total Purchase Price, which commitment shall be issued by Old Republic National Title Insurance Company ("Title"), with an effective date no earlier than the date of auction date, wherein Title shall agree to insure the title in the condition required by these Terms and Conditions and the Purchase Agreement (the "Title Commitment") to be delivered to the Buyer. Together with the Title Commitment, Title shall deliver to the Buyer copies of all documents recorded in the chain of title which are disclosed by Title as exceptions to title. The Seller shall pay the cost of the Title Commitment, and Buyer shall pay the costs of issuance of any owner's or lender's title insurance policies.

• Seller will convey property by Bankruptcy Local Form 6004-1(f).

• Taxes and Installments of special assessments payable in 2018, and all prior years will be paid by Seller. Any taxes and installments of special assessments payable in any year subsequent to 2018, to be paid by Buyer. Real Estate Taxes are subject to reassessment under new owner.

• Closing Agent Fee will be shared equally between Buyer and Seller.

• **Please note the bidding will not close and property will not be sold until everyone has had the opportunity to make his or her highest and best bid.**

• The auction sale is for registered bidders and their guests. All bidding is open to the public and the property is offered for sale to qualified purchasers without regard to sex, race, color, religion, natural origin, or handicap.

**THIS IS A 5% BUYER'S PREMIUM AUCTION. FIVE PERCENT WILL BE ADDED TO THE FINAL BID TO ARRIVE AT THE CONTRACT SALE PRICE.**

**THE PROPERTY WILL BE SOLD "AS-IS", "WITH ALL FAULTS", WITH NO WARRANTIES EXPRESSED OR IMPLIED.**

The Property being purchased and sold "AS-IS," "WITH ALL FAULTS," and without any representations or warranties of any kind by the Seller, express or implied, and all such representations and warranties are expressly hereby disclaimed by Seller and hereby waived by the Buyer. The Buyer is purchasing the property based upon his/her/its own investigation and inquiry and is not relying on any representation of Seller or other person, and Buyer agrees to accept the property, including the property's extent, condition and completeness, and shall have no claim against Seller or the Debtor's bankruptcy estate on account of any of the foregoing.

**THE PROPERTY WILL BE SOLD FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES, AND OTHER INTERESTS, BUT SUBJECT TO THE RIGHT OF FIRST REFUSAL.**

The property will be sold free and clear of all liens, encumbrances, and other interests, but subject to easements of record and the Debtor's right of first refusal (the "ROFR") provided in that certain Memorandum of Understanding approved by the bankruptcy court on March 20, 2017 [Doc. No. 392]. In order to exercise the ROFR on any property, on or before fifteen (15) days following the filing of the auction report the Debtor shall (a) provide written notice to the Seller of his intention to exercise the ROFR on the specific property and (b) remit to the Seller a nonrefundable deposit of ten percent (10%) of the amount of the successful bid for the specific property in certified funds.

**THE PROPERTY WILL BE SOLD SUBJECT TO BANKRUPTCY COURT APPROVAL.**

Within five (5) business days following the expiration of the ROFR, the Seller shall file a motion with the bankruptcy court on an expedited basis seeking one or more orders of the court approving the sale of each property to the successful bidder for that property or, if the Debtor has properly and timely exercised the ROFR for a specific property, to the Debtor for that specific property, and authorizing the Seller to close all such sales (collectively, the "Sale Approval Orders").

**PROPERTY SOLD WITHOUT WARRANTY**

All dimensions and descriptions are approximations only based upon the best information available and are subject to possible variation. Sketches may not be drawn to scale and photographs may not depict the current condition of the property. Bidders

should inspect the property and review all the pertinent documents and information available, as each bidder is responsible for evaluation of the property and shall not rely upon the Seller, Broker or Auctioneer, their Employees or Agents. The property will be sold "AS-IS", "WITH ALL FAULTS", and without any warranties or representations, express or implied.

### SUCCESSFUL BIDDER

The successful bidder of the property shall be determined by competitive bidding. Should any dispute arise between bidders, the auctioneer shall have the right to make the final decision to either determine the successful bidder or to reoffer the property that is in dispute. The auction will be recorded and the auctioneer's records shall be conclusive in all respects.

### CLOSING

The successful bidder will be required, at the close of the auction, to complete the Purchase Agreement. A sample Purchase Agreement is included in this Prospectus. The balance of the Purchase Price is due in cash by certified or other immediately available funds at Closing (as defined in the Purchase Agreement). Closing will take place through Heartland Title which is mutually agreeable to buyer and seller.

### SELLER'S PERFORMANCE

The Seller has agreed to the terms of the sale as published. However, the Broker and Auctioneer make no warranties or guaranties as to the Seller's performance.

### AGENCY DISCLOSURE

**Steffes Group, Inc. is representing the Seller.**

### POSSESSION

Possession will be at Closing (as defined in the Purchase Agreement) unless otherwise agreed to in writing and agreeable by Buyer and Seller.

### ENVIRONMENTAL DISCLAIMER

The Seller, Broker and Auctioneers do not warrant with respect to the existence or nonexistence of any pollutants, contaminants or hazardous waste prohibited by federal, state or local law. Buyer is responsible for inspection of the property prior to purchase for conditions including but not limited to water quality, and environmental conditions that may affect the usability or value of the property. No warranties are made as to the existence or nonexistence of water wells on the property, or the condition of any wells.

### SELLER DISCLAIMER OF ALL REPRESENTATIONS AND WARRANTIES

The Seller makes no representations or warranties whatsoever regarding the property. By submitting a bid in this auction, Buyer acknowledges and agrees as follows: (i) the Seller is the court appointed chapter 11 trustee of the bankruptcy estate of Tracy J. Clement, In re Tracy J. Clement, United States Bankruptcy Court for the District of Minnesota, Bankruptcy Case No. 16-31189; (ii) the Seller has never been in possession of or occupied any of the property subject to this auction, and does not have any particular knowledge with respect to any property subject to this auction or its extent, condition or completeness; and (iii) the Seller has no knowledge of the extent and

ownership of the furniture, fixtures, equipment and other personal property located on any of the property subject to this auction, and the Seller, therefore, makes no representations, warranties or covenants of any kind, nature, or extent with regard to the furniture, fixtures, equipment and other personal property. The property subject to this auction being purchased and sold in accordance with these Terms and Conditions and the Purchase Agreement is being purchased and sold "AS-IS," "WITH ALL FAULTS," and without any representations or warranties of any kind by Seller, express or implied, and all such representations and warranties are expressly hereby disclaimed by Trustee and hereby waived by Buyer. The Buyer is purchasing the property based upon his/her/its own investigation and inquiry and is not relying on any representation of Seller or other person, and Buyer has agreed to accept the property, including the property's extent, condition and completeness, and shall have no claim against Seller or the Debtor's bankruptcy estate on account of any of the foregoing. The Seller hereby disclaims all warranties, express or implied, contractual, statutory or otherwise, and the Buyer hereby waives all such warranties and claims of warranty.

### EASEMENTS AND SURVEY

The property to be sold is subject to any restrictive covenants or easements of record and any results that an accurate survey may show.

### BIDDING PROCEDURE

**As a buyer you have two objectives to accomplish:**

1. Purchasing the property.
2. Purchasing the property at a price you can afford.

### How is this accomplished?

1. Estimate comparative value
2. Experienced buyers always decide what to pay before the bidding begins.
3. Inspect the property carefully.
4. Compare with other properties available in the area.
5. Check the selling price of previously sold properties.
6. Discuss your buying plans with a lender. Have your financing arrangements made in advance.
7. **This sale is not subject to financing.**

### AVOID OVER OR UNDER BIDDING

- Always bid on a property toward a price.

• Establish that price before the bidding begins. By doing this you will avoid getting caught up in the auction excitement and pay a price that is too high for the market or one that you cannot afford. It will also make you confident to bid to your established fair market value. Many bidders who do not plan ahead end up with regrets after the auction because they were too nervous or uncertain about their judgment to bid.

### THE BIDDING STRATEGY

- Research and know the value of the property.
- Have your financing arranged before the auction.
- Establish your highest and best bid **before** the bidding begins.
- Make your bids promptly to force other bidders up or out without delay.

# Selling Choice with the Privilege

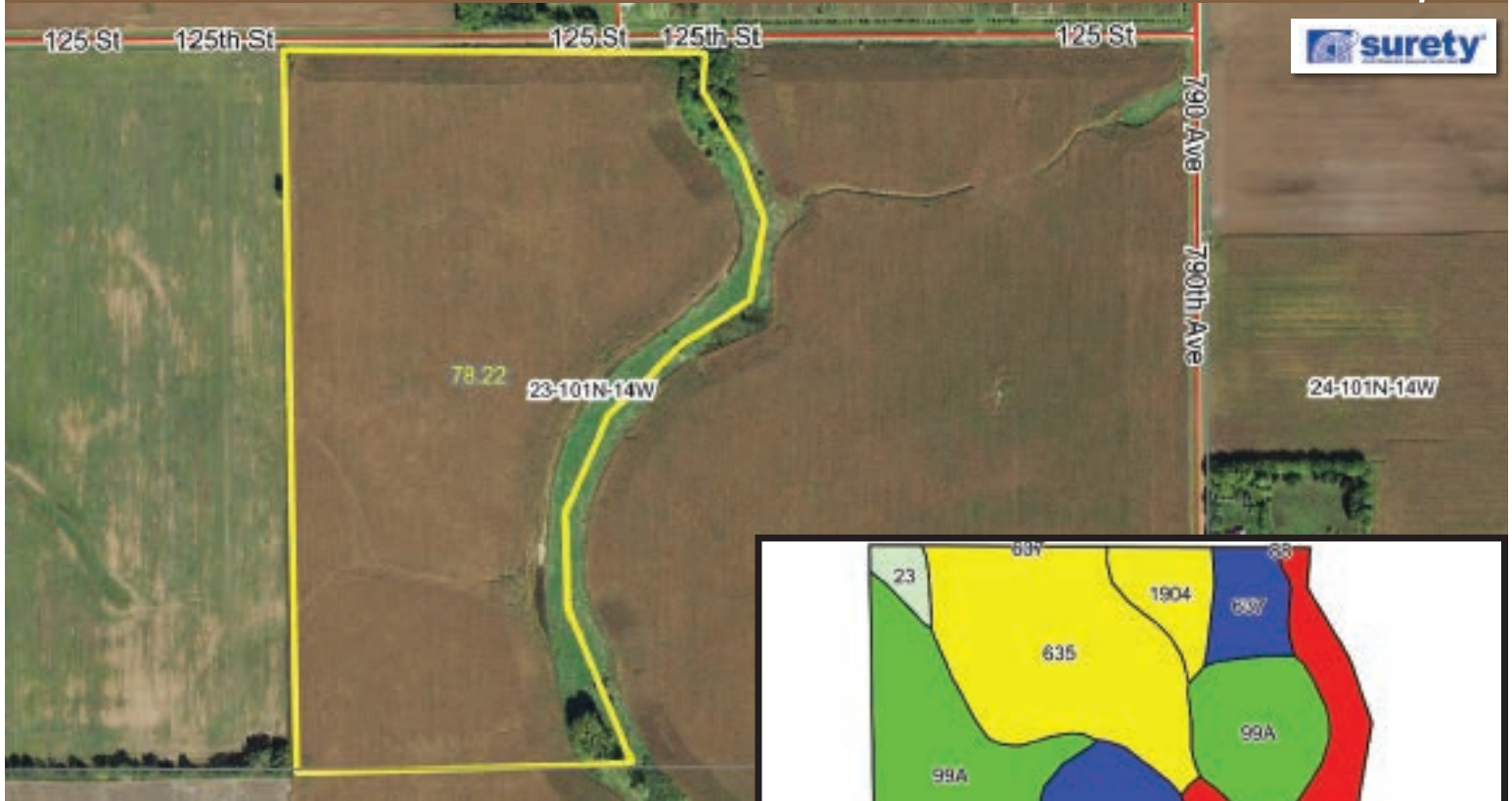
Tracts #1&2 will be sold so much an acre X the multiplier (acres) for each tract and will be sold Choice with the Privilege, whereas the high bidder may take any or all tracts or any combination of tracts, in any order, for their high bid. This will continue until all tracts are sold.

The bidding will continue at the auctioneer's discretion and only one break will be taken unless another break is requested by interested parties or if the auctioneer deems necessary.

**Sample Multi-Tract Bidding Grid. This is an AUCTION! To the Highest Bidder.**

	Multiplier (Acres)	High Bidder Price	Purchase Price
Tract #1	Multiplier 78.22	TBD	TBD
Tract #2	Multiplier 105.34	TBD	TBD



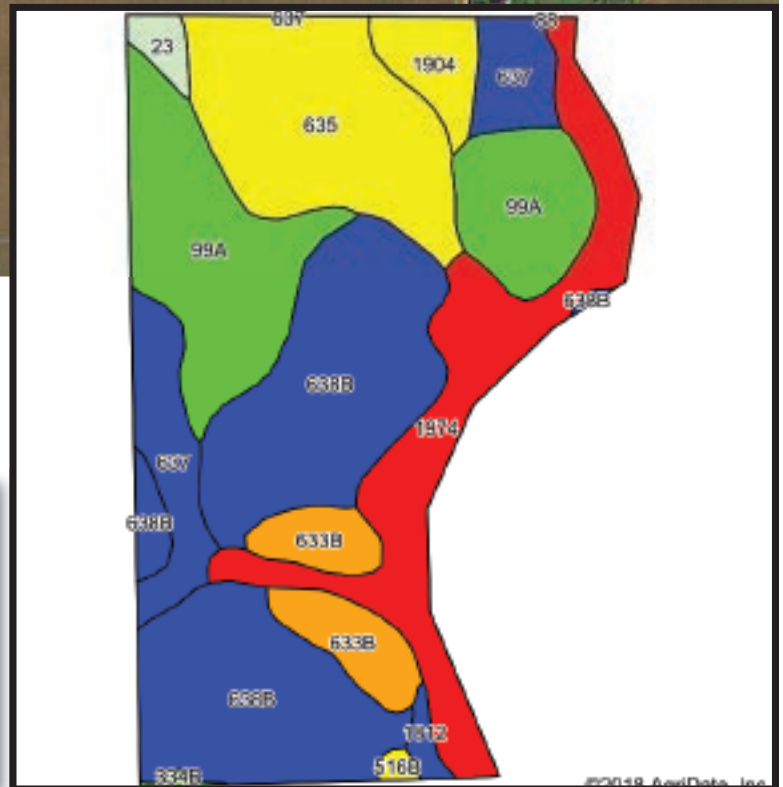


**Tract 1 – 78.22± Acres - Tillable Land**

Shown on the survey as parcel A

Location: From LeRoy, MN, 1.5 miles east on Highway 56, 2 miles north on 790th Ave., .5 miles on 125th St., land on south side of the road.

**LeRoy Township / Mower County, MN**

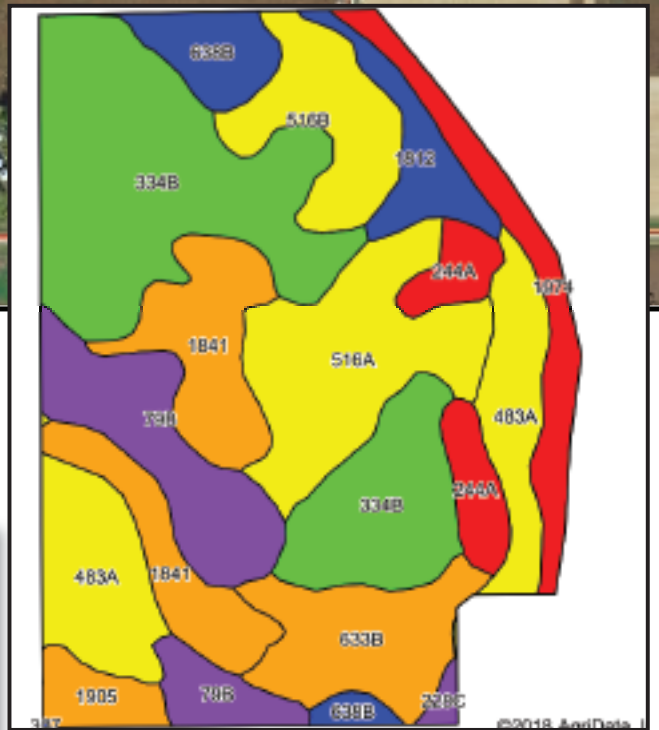


Area Symbol: MN099, Soil Area Version: 14

Code	Soil Description	Acres	Percent of field	PI Legend	Non-Irr Class *c	Productivity Index
638B	Taopi silt loam, 1 to 6 percent slopes	23.72	30.3%	[Blue]	Ile	90
99A	Racine silt loam, 0 to 2 percent slopes	15.10	19.3%	[Green]	Iw	98
1974	Coland-Spillville loams, frequently flooded	12.50	16.0%	[Red]	Vw	20
635	Riceville silt loam	11.97	15.3%	[Yellow]	Ilw	66
637	Schley silt loam	6.36	8.1%	[Blue]	Ilw	84
633B	Nordness variant loam, 2 to 6 percent slopes	4.38	5.6%	[Orange]	Ille	79
1904	Udolpho silt loam, loamy substratum	2.35	3.0%	[Yellow]	Ilw	70
23	Skyberg silt loam, 0 to 3 percent slopes	0.85	1.1%	[Light Green]	Iw	
1812	Terril silt loam	0.55	0.7%	[Blue]	Iw	90
516B	Dowagiac loam, 2 to 6 percent slopes	0.27	0.3%	[Yellow]	Ile	64
334B	Vlasaty silt loam, 1 to 4 percent slopes	0.17	0.2%	[Green]	Ile	95
<b>Weighted Average</b>						<b>73.9</b>

\*c: Using Capabilities Class Dominant Condition Aggregation Method

Soils data provided by USDA and NRCS.



**Tract 2 -105.34 ± Acres – Tillable Land**

Shown on the survey as parcel C

Location: From LeRoy, MN, 1.5 miles east on Highway 56, 1 mile north on 790th Ave., .5 miles west on 115th St., land on north side of the road.

**LeRoy Township / Mower County, MN**



Area Symbol: MN099, Soil Area Version: 14

Code	Soil Description	Acres	Percent of field	PI Legend	Non-Irr Class *c	Productivity Index
334B	Vlasaty silt loam, 1 to 4 percent slopes	26.64	25.3%		Ile	95
483A	Waukee loam, 0 to 2 percent slopes	11.68	11.1%		Ils	69
516A	Dowagiac loam, 0 to 2 percent slopes	11.56	11.0%		Ils	66
1841	Hayfield loam, loamy substratum	11.37	10.8%		Ils	79
79B	Billett fine sandy loam, 2 to 6 percent slopes	10.36	9.8%		IIIs	60
633B	Nordness variant loam, 2 to 6 percent slopes	7.39	7.0%		IIIe	79
516B	Dowagiac loam, 2 to 6 percent slopes	6.57	6.2%		Ile	64
1974	Coland-Spillville loams, frequently flooded	5.57	5.3%		Vw	20
244A	Lilah sandy loam, 0 to 2 percent slopes	4.12	3.9%		IVs	43
638B	Taopi silt loam, 1 to 6 percent slopes	3.89	3.7%		Ile	90
1812	Terril silt loam	3.49	3.3%		Iw	90
1905	Brownsdale silt loam	2.25	2.1%		IIIw	77
228C	Mottland loam, 6 to 12 percent slopes	0.45	0.4%		IIIe	56
<b>Weighted Average</b>						<b>73.8</b>

\*c: Using Capabilities Class Dominant Condition Aggregation Method



October 23, 2018  
REVISED  
LEGAL DESCRIPTION  
IN SW $\frac{1}{4}$  & SE $\frac{1}{4}$  SECTION 23-T101N-R14W  
MOWER COUNTY, MINNESOTA

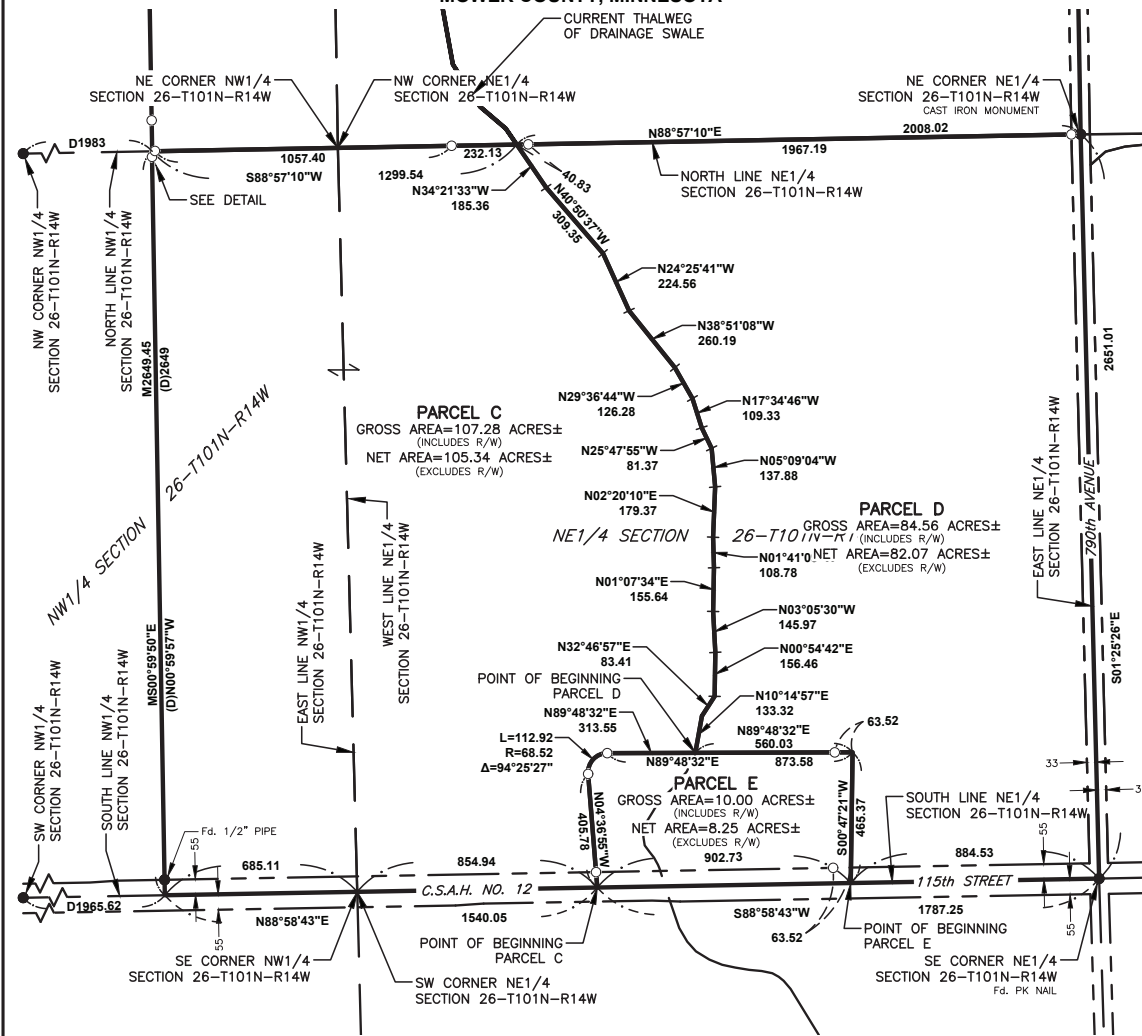
**TRACY CLEMENT LIVING TRUST**  
**PARCEL A**

All that part of the SW $\frac{1}{4}$  & SE $\frac{1}{4}$  Section 23-T101N-R14W, Mower County, Minnesota; described as follows:

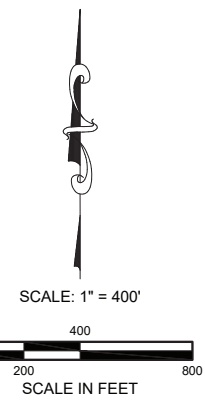
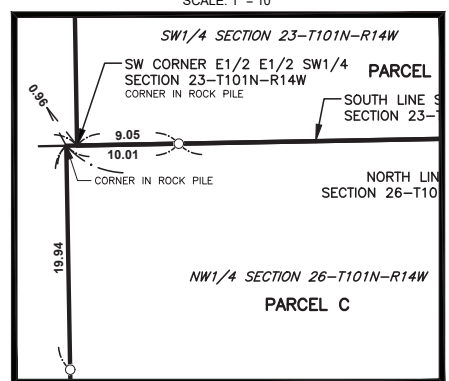
Beginning at the northwest corner of said SE $\frac{1}{4}$ ;  
thence North 89°03'26" East a distance of 853.21 feet on an assumed bearing on the north line of said SE $\frac{1}{4}$ ;  
thence South 08°03'36" East a distance of 323.02 feet;  
thence South 21°02'11" East a distance of 277.74 feet;  
thence South a distance of 201.50 feet on a tangential curve concave to the West with a radius of 457.15 feet and a central angle of 25°15'16";  
thence South 21°32'53" West a distance of 81.23 feet on a nontangential line;  
thence South 32°08'58" West a distance of 150.84 feet;  
thence South 54°55'12" West a distance of 259.05 feet;  
thence South 45°42'33" West a distance of 144.87 feet;  
thence South 24°18'48" West a distance of 166.33 feet;  
  
thence Southwest a distance of 371.74 feet, on a nontangential curve, concave to the Southeast with a central angle of 40°20'40", a radius of 527.93 feet, a chord bearing of South 23°58'12" West, and a chord length of 364.11 feet;  
  
thence South 03°47'52" West a distance of 129.00 feet on a nontangential line;  
thence South 07°14'42" East a distance of 318.75 feet;  
thence South 10°19'24" East a distance of 205.77 feet;  
thence South 32°46'09" East a distance of 178.85 feet;  
thence South 49°37'33" East a distance of 120.43 feet;  
thence South 34°21'33" East a distance of 69.31 feet, to the south line of said SE $\frac{1}{4}$ ;  
  
thence South 88°57'10" West a distance of 1298.58 feet on the south line of said SW $\frac{1}{4}$  and SE $\frac{1}{4}$ , to the southwest corner of the E $\frac{1}{2}$  E $\frac{1}{2}$  SW $\frac{1}{4}$  of said Section 23;  
  
thence North 00°58'28" West a distance of 2646.54 feet on the west line of said E $\frac{1}{2}$  E $\frac{1}{2}$  SW $\frac{1}{4}$ , to the northwest corner of said E $\frac{1}{2}$  E $\frac{1}{2}$  SW $\frac{1}{4}$ ;  
  
thence North 89°03'26" East a distance of 662.16 feet on said north line, to the point of beginning; subject to highway easement on the north side thereof.

# CERTIFICATE OF SURVEY

IN NW1/4 & NE1/4 SECTION 26-T101N-R14W  
MOWER COUNTY, MINNESOTA

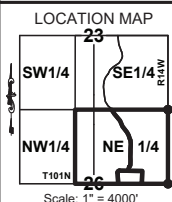


**DETAIL:**  
SCALE: 1" = 10'



**LEGEND:**  
○ = 5/8" x 16" iron stake monument (Capped SUT 22705)-Placed  
● = Iron stake monument-Found

**FOR: TRACY CLEMENT LIVING TRUST**



Date: 9/26/2018  
Revised date: 10/23/18  
Drawn by: ADM  
Survey: SUT  
Coord-System: MNDOT CO. NAD83 1996  
Page 2 of 11  
Job No: 18-317A REV.DWG  
PARCELS C, D & E

**COPYRIGHT**  
This document is the property of Jones, Haugh & Smith Inc. and may not be used, copied or duplicated without prior written consent.



**JONES HAUGH SMITH**  
Engineers + Surveyors

515 South Washington Ave.  
Albert Lea, MN 56007  
507-373-4876  
415 West North Street  
Owatonna, MN 55060  
507-451-4598



LEGAL DESCRIPTION  
 IN NW¼ & NE¼ SECTION 26-T101N-R14W  
 MOWER COUNTY, MINNESOTA

**TRACY CLEMENT LIVING TRUST**

**PARCEL C**

All that part of the NW1/4 & NE1/4 Section 26-T101N-R14W, Mower County, Minnesota; described as follows:

Commencing at the southeast corner of said NE1/4; thence South 88°58'43" West a distance of 1787.25 feet on an assumed bearing on the south line of said NE1/4, to the point of beginning; thence North 04°36'55" West a distance of 405.78 feet;

thence Northeasterly a distance of 112.92 feet on a tangential curve concave to the Southeast with a radius of 68.52 feet and a central angle of 94°25'27";

thence North 89°48'32" East a distance of 313.55 feet;  
 thence North 10°14'57" East a distance of 133.32 feet;  
 thence North 32°46'57" East a distance of 83.41 feet;  
 thence North 00°54'42" East a distance of 156.46 feet;  
 thence North 03°05'30" West a distance of 145.97 feet;  
 thence North 01°07'34" East a distance of 155.64 feet;  
 thence North 01°41'09" West a distance of 108.78 feet;  
 thence North 02°20'10" East a distance of 179.37 feet;  
 thence North 05°09'04" West a distance of 137.88 feet;  
 thence North 25°47'55" West a distance of 81.37 feet;  
 thence North 17°34'46" West a distance of 109.33 feet;  
 thence North 29°36'44" West a distance of 126.28 feet;  
 thence North 38°51'08" West a distance of 260.19 feet;  
 thence North 24°25'41" West a distance of 224.56 feet;  
 thence North 40°50'37" West a distance of 309.35 feet;  
 thence North 34°21'33" West a distance of 185.36 feet, to the north line of said NE1/4;

thence South 88°57'10" West a distance of 1299.54 feet on the north line said NW/14 & NE1/4, to a point which is North 00°59'50" West from a point on the south line of said NW1/4 which is 1965.62 feet east of the southwest corner of said NW1/4;

thence South 00°59'50" East a distance of 2649.45 feet, to a point on the south line of said NW1/4, which is 1965.62 feet east of the southwest corner of said NW1/4;

thence North 88°58'43" East a distance of 1540.05 feet on the south line of said NW1/4 & NE1/4, to the point of beginning;

subject to highway easement on the south side thereof.



Public Works / Environmental Services  
1105 8th Avenue NE,  
Austin, Minnesota 55912  
Phone: (507) 437-7718 Fax: (507) 437-7609

November 7, 2018

RE: parent parcel(s) PIN: 09.023.0010 – currently a 120-ac parcel & 09.023.0031-currently an 80-acre parcel  
09.026.0010 – currently a 199.90-acre parcel  
Resulting parcels: (current) 09.023.0010 & 09.023.0031 – Parcel A – 79.37 ac; Parcel B-121.25 ac.  
(current) 09-026-0010: Parcel C – 107.28 ac; Parcel D – 84.56 ac; Parcel E – 10.00 ac

Dear landowner(s);

I have reviewed the attached division of real estate in Mower County to determine if the division meets or exceeds the requirements of Mower County’s Zoning, Subdivision and Subsurface Sewage Treatment Ordinances.

**FINDINGS: The division (or combining) of real estate meets and exceeds all ordinance requirements.**

**New Individual PID #'s to be assigned for parcels A-E**

**ITEMS REVIEWED:**

*Minimum Lot Size met: Yes*

*Minimum Lot Width met: Yes*

*Minimum Lot Depth met: Yes*

*Road frontage or proper easement access met: Yes*

*Secondary Septic Site identified: Not applicable. Per Attorney – site is not being subdivided for development purposes.*

*Division of land by plat required: No*

*Setbacks from existing structures to newly created property lines met: not applicable to this split or parcel combining*

**CORRECTIONS NEEDED: None**

If you have any questions, please feel free to contact me.

Sincerely,

*Angela M. Lipelt*

Angela M. Lipelt  
Environmental Services Supervisor

The seller has paid the “estimated” taxes payable in 2019 which will be reimbursed by the buyer; (ii) this estimated amount is subject to change upon the final determination of the county; and (iii) to the extent additional taxes are owed which are payable in 2019, they will be the responsibility of the buyer.

- Parcel A - \$3,406
- Parcel B - \$5,398
- Parcel C - \$4,202
- Parcel D - \$3,160
- Parcel E – \$700

**MOWER COUNTY**  
 201 1st Street N.E. - Suite # 7  
 Austin, MN 55912  
 507-437-9535  
 www.co.mower.mn.us

**BILL: 575016**

**Property ID#: 09.023.0031**  
 Taxpayer:



**TAXPAYER ID: 9705041**  
**TRACY J CLEMENT REVOCABLE LIVING TRUST**  
 12515 CTY RD 3  
 SPRING VALLEY MN 55975

C 37  
 S 14571

**\$\$\$**  
**REFUNDS?**

You may be eligible for one or even two refunds to reduce your property tax. Read the back of this statement to find out how to apply.

**PROPERTY ADDRESS:**

**DESCRIPTION:**

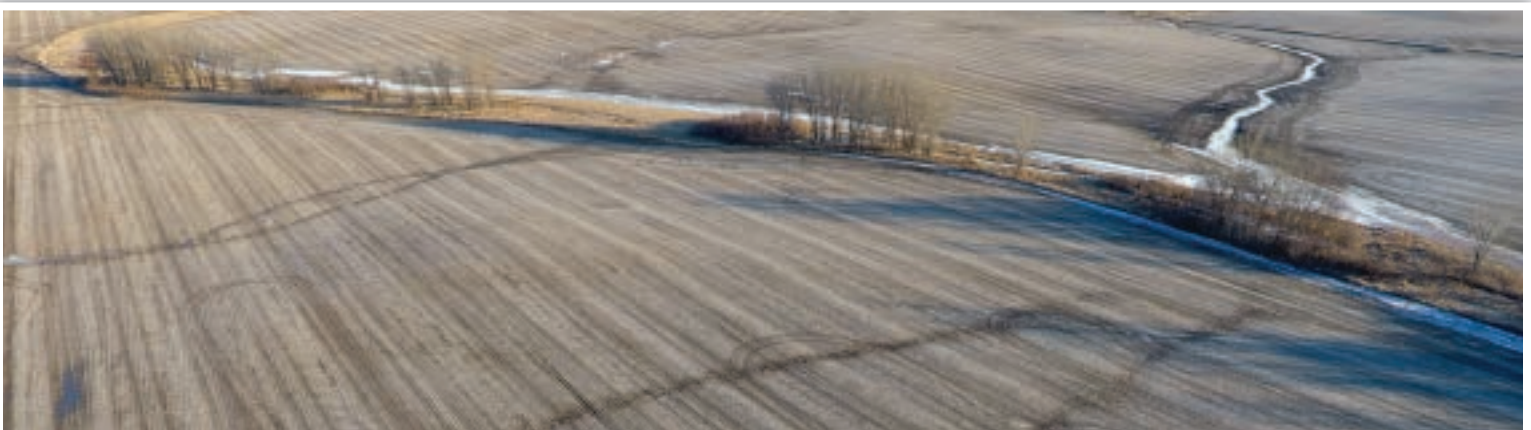
80.00 Acres. Section 23 Township 101 Range 014  
 W40AC SE1/4 & E40AC SW1/4

<b>Line 13 Special Assessment Detail:</b>	
S-RECYCLE2018-RP	2.50
Principal:	2.50
Interest:	

**2018 Property Tax Statement**

		<b>VALUES AND CLASSIFICATION</b>		
		<b>Taxes Payable Year:</b>	<b>2017</b>	<b>2018</b>
<b>Step 1</b>	Estimated Market Value:		470,600	432,300
	Improvements Excluded:			
	Homestead Exclusion:			
	Taxable Market Value:		470,600	432,300
	New Improvements/ Expired Exclusions:			
Property Classification:			Ag Non-Hstd	Ag Non-Hstd
<i>Sent in March 2017</i>				
<b>Step 2</b>	<b>PROPOSED TAX</b>			
	Proposed Tax:			3,638.00
<i>Sent in November 2017</i>				
<b>Step 3</b>	<b>PROPERTY TAX STATEMENT</b>			
	First-half Taxes:	May 15		1,615.00
	Second-half Taxes:	November 15		1,615.00
Total Taxes Due in 2018:				3,230.00

		<b>Tax Detail for Your Property</b>		
		<b>Taxes Payable Year</b>	<b>2017</b>	<b>2018</b>
1. Use this amount on Form M1PR to see if you are eligible for a homestead credit refund.			\$	0.00
File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. <input checked="" type="checkbox"/>				
2. Use these amounts on Form M1PR to see if you are eligible for a special refund.			\$	0.00
<b>Tax and Credits</b>	3. Property taxes before credits		\$ 3,905.50	\$ 3,227.50
	4. Credits that reduce property taxes.	A. Agricultural and rural land credits	0.00	0.00
		B. Other Credits	0.00	0.00
	5. Property taxes after credits		3,905.50	3,227.50
<b>Property Tax by Jurisdiction</b>	6. <b>MOWER COUNTY</b>	A. County General	\$ 2,269.11	\$ 2,213.94
		B. County Regional Rail Authority		
	7. <b>LEROY TOWNSHIP</b>		745.28	622.94
	8. State General Tax		0.00	0.00
	9. School District <b>SCHOOL DISTRICT 499</b>	A. Voter approved levies	205.31	0.00
		B. Other local levies	668.22	372.77
	10. Special Taxing Districts	A. <b>CITY HOUSING</b>	0.00	0.00
		B. <b>CEDAR RIVER WATERSHED</b>	0.00	0.00
		C. <b>COUNTY HRA</b>	17.58	17.85
		D. <b>TURTLE CREEK WATERSHED</b>	0.00	0.00
	11. Non-school voter-approved referenda levies		0.00	0.00
	12. Total property tax before special assessments		\$ 3,905.50	\$ 3,227.50
	13. Special Assessments		2.50	2.50
	Contamination Tax			
	<b>14. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS</b>		\$ 3,908.00	\$ 3,230.00



**MOWER COUNTY**  
 201 1st Street N.E. - Suite # 7  
 Austin, MN 55912  
 507-437-9535  
 www.co.mower.mn.us

**BILL: 575548**

**Property ID#: 09.023.0010**  
 Taxpayer:



TAXPAYER ID: 9705041  
 TRACY J CLEMENT REVOCABLE LIVING TRUST  
 12515 CTY RD 3  
 SPRING VALLEY MN 55975

C 37  
 S 14571

**\$\$\$**  
**REFUNDS?**

You may be eligible for one or even two refunds to reduce your property tax. Read the back of this statement to find out how to apply.

PROPERTY ADDRESS:

**DESCRIPTION:**

120.00 Acres. Section 23 Township 101 Range 014 E120AC SE1/4

<b>Line 13 Special Assessment Detail:</b>	
S-RECYCLE2018-RP	2.50
Principal:	2.50
Interest:	

**2018 Property Tax Statement**

VALUES AND CLASSIFICATION			
Taxes Payable Year:		2017	2018
<b>Step 1</b>	Estimated Market Value:	745,300	684,900
	Improvements Excluded:		
	Homestead Exclusion:		
	Taxable Market Value:	745,300	684,900
	New Improvements/ Expired Exclusions:		
Property Classification:		Ag Non-Hstd	Ag Non-Hstd
<i>Sent in March 2017</i>			
<b>Step 2</b>	<b>PROPOSED TAX</b>		
	Proposed Tax:		5,766.00
<i>Sent in November 2017</i>			
<b>Step 3</b>	<b>PROPERTY TAX STATEMENT</b>		
	First-half Taxes:	May 15	2,558.00
	Second-half Taxes:	November 15	2,558.00
Total Taxes Due in 2018:			5,116.00

Tax Detail for Your Property			
Taxes Payable Year		2017	2018
1. Use this amount on Form M1PR to see if you are eligible for a homestead credit refund. \$ 0.00			
File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. <input checked="" type="checkbox"/>			
2. Use these amounts on Form M1PR to see if you are eligible for a special refund. \$ 0.00			
<b>Tax and Credits</b>	3. Property taxes before credits		\$ 6,183.50 \$ 5,113.50
	4. Credits that reduce property taxes.	A. Agricultural and rural land credits	0.00 0.00
		B. Other Credits	0.00 0.00
5. Property taxes after credits		6,183.50	5,113.50
<b>Property Tax by Jurisdiction</b>	6. <b>MOWER COUNTY</b>		\$ 3,591.93 \$ 3,507.71
	A. County General		
	B. County Regional Rail Authority		
	7. <b>LEROY TOWNSHIP</b>		1,180.31 986.93
	8. State General Tax		0.00 0.00
	9. School District <b>SCHOOL DISTRICT 499</b>		
	A. Voter approved levies		325.16 0.00
	B. Other local levies		1,058.26 590.58
	10. Special Taxing Districts		
	A. <b>CITY HOUSING</b>		0.00 0.00
B. <b>CEDAR RIVER WATERSHED</b>		0.00 0.00	
C. <b>COUNTY HRA</b>		27.84 28.28	
D. <b>TURTLE CREEK WATERSHED</b>		0.00 0.00	
11. Non-school voter-approved referenda levies		0.00 0.00	
12. Total property tax before special assessments		\$ 6,183.50 \$ 5,113.50	
13. Special Assessments		2.50 2.50	
Contamination Tax			
<b>14. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS</b>		\$ 6,186.00 \$ 5,116.00	



 **MOWER COUNTY**  
 201 1st Street N.E. - Suite # 7  
 Austin, MN 55912  
 507-437-9535  
 www.co.mower.mn.us

**BILL: 575039**

**Property ID#: 09.026.0010**  
 Taxpayer:



**TAXPAYER ID: 9705041**  
**TRACY J CLEMENT REVOCABLE LIVING TRUST**  
 12515 CTY RD 3  
 SPRING VALLEY MN 55975



C 37  
 S 14571



**2018 Property Tax Statement**

VALUES AND CLASSIFICATION			
Taxes Payable Year:		2017	2018
<b>Step 1</b>	Estimated Market Value:	1,105,100	1,023,300
	Improvements Excluded:		
	Homestead Exclusion:		
	Taxable Market Value:	1,105,100	1,023,300
	New Improvements/ Expired Exclusions:		
Property Classification:		Ag Non-Hstd	Ag Non-Hstd
<i>Sent in March 2017</i>			
<b>Step 2</b>	<b>PROPOSED TAX</b>		
	Proposed Tax:		<b>8,614.00</b>
<i>Sent in November 2017</i>			
<b>Step 3</b>	<b>PROPERTY TAX STATEMENT</b>		
	First-half Taxes:	May 15	3,821.00
	Second-half Taxes:	November 15	3,821.00
	Total Taxes Due in 2018:		<b>7,642.00</b>

**\$\$\$**  
**REFUNDS?**

You may be eligible for one or even two refunds to reduce your property tax. Read the back of this statement to find out how to apply.

PROPERTY ADDRESS:

DESCRIPTION:

199.90 Acres. Section 26 Township 101 Range 014 NE1/4 & E657FT NW1/4

<b>Line 13 Special Assessment Detail:</b>	
S-RECYCLE2018-RP	2.50
Principal:	2.50
Interest:	

Tax Detail for Your Property				
Taxes Payable Year		2017	2018	
1. Use this amount on Form M1PR to see if you are eligible for a homestead credit refund. \$ 0.00				
File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. <input checked="" type="checkbox"/>				
2. Use these amounts on Form M1PR to see if you are eligible for a special refund. \$ 0.00				
<b>Tax and Credits</b>	3. Property taxes before credits		\$ 9,169.50	
	4. Credits that reduce property taxes.			
	A. Agricultural and rural land credits	0.00	0.00	
	B. Other Credits	0.00	0.00	
5. Property taxes after credits		9,169.50	7,639.50	
<b>Property Tax by Jurisdiction</b>	6. <b>MOWER COUNTY</b>			
		A. County General	\$ 5,326.83	
		B. County Regional Rail Authority	\$ 5,240.31	
	7. <b>LEROY TOWNSHIP</b>		1,750.11	1,474.56
	8. State General Tax		0.00	0.00
	9. School District <b>SCHOOL DISTRICT 499</b>			
		A. Voter approved levies	482.14	0.00
		B. Other local levies	1,569.14	882.37
	10. Special Taxing Districts			
		A. <b>CITY HOUSING</b>	0.00	0.00
	B. <b>CEDAR RIVER WATERSHED</b>	0.00	0.00	
	C. <b>COUNTY HRA</b>	41.28	42.26	
	D. <b>TURTLE CREEK WATERSHED</b>	0.00	0.00	
11. Non-school voter-approved referenda levies		0.00	0.00	
12. Total property tax before special assessments		\$ 9,169.50	\$ 7,639.50	
13. Special Assessments		2.50	2.50	
Contamination Tax				
<b>14. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS</b>		<b>\$ 9,172.00</b>	<b>\$ 7,642.00</b>	



FARM: 6952

Minnesota

U.S. Department of Agriculture

Prepared: 10/2/18 8:45 AM

Mower

Farm Service Agency

Crop Year: 2019

Report ID: FSA-156EZ

Abbreviated 156 Farm Record

Page: 1 of 1

DISCLAIMER: This is data extracted from the web farm database. Because of potential messaging failures in MIDAS, this data is not guaranteed to be an accurate and complete representation of data contained in the MIDAS system, which is the system of record for Farm Records.

<b>Operator Name</b>	<b>Farm Identifier</b>	<b>Recon Number</b>
DEREK JOSEPH CLEMENT	09D 6244	2009 27099 158

**Farms Associated with Operator:**  
8184, 8263, 8574, 8659, 8663

CRP Contract Number(s): ??2709900069522019

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP	Farm Status	Number of Tracts
390.84	362.82	362.82	0.0	0.0	0.0	0.0	Active	1
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	MPL/FWP	Native Sod			
0.0	0.0	362.82	0.0	0.0	0.0			

ARC/PLC

ARC-IC  
NONE

ARC-CO  
CORN

PLC  
NONE

PLC-Default  
NONE

Crop	Base Acreage	CTAP Tran Yield	PLC Yield	CCC-505 CRP Reduction
CORN	362.8		137	0.0
<b>Total Base Acres:</b>	362.8			

Tract Number: 6288      Description: SE4 S23 & NE4 S26 LEROY

BIA Range Unit Number:

HEL Status: NHEL: no agricultural commodity planted on undetermined fields

Wetland Status: Tract contains a wetland or farmed wetland

WL Violations: None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
390.84	362.82	362.82	0.0	0.0	0.0	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	MPL/FWP	Native Sod	
0.0	0.0	362.82	0.0	0.0	0.0	

Crop	Base Acreage	CTAP Tran Yield	PLC Yield	CCC-505 CRP Reduction
CORN	362.8		137	0.0
<b>Total Base Acres:</b>	362.8			

Owners: TRACY J CLEMENT      CONRAD D CLEMENT

Other Producers: CLEMENT ENTERPRISES INC



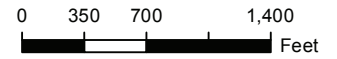
Mower County, Minnesota

Farm 6952

Tract 6288

2018 Program Year

Map Created May 24, 2018



- Unless otherwise noted:
- Shares are 100% operator
- Crops are non-irrigated
- Corn = yellow for grain
- Soybeans = common soybeans for grain
- Wheat = HRS, HRW = Grain
- Sunflower = Oil, Non-Oil = Grain
- Oats and Barley = Spring for grain
- Rye = for grain
- Peas = process
- Alfalfa, Mixed Forage AGM, GMA, IGS = for forage
- Beans = Dry Edible
- NAG = for GZ
- Canola = Spring for seed

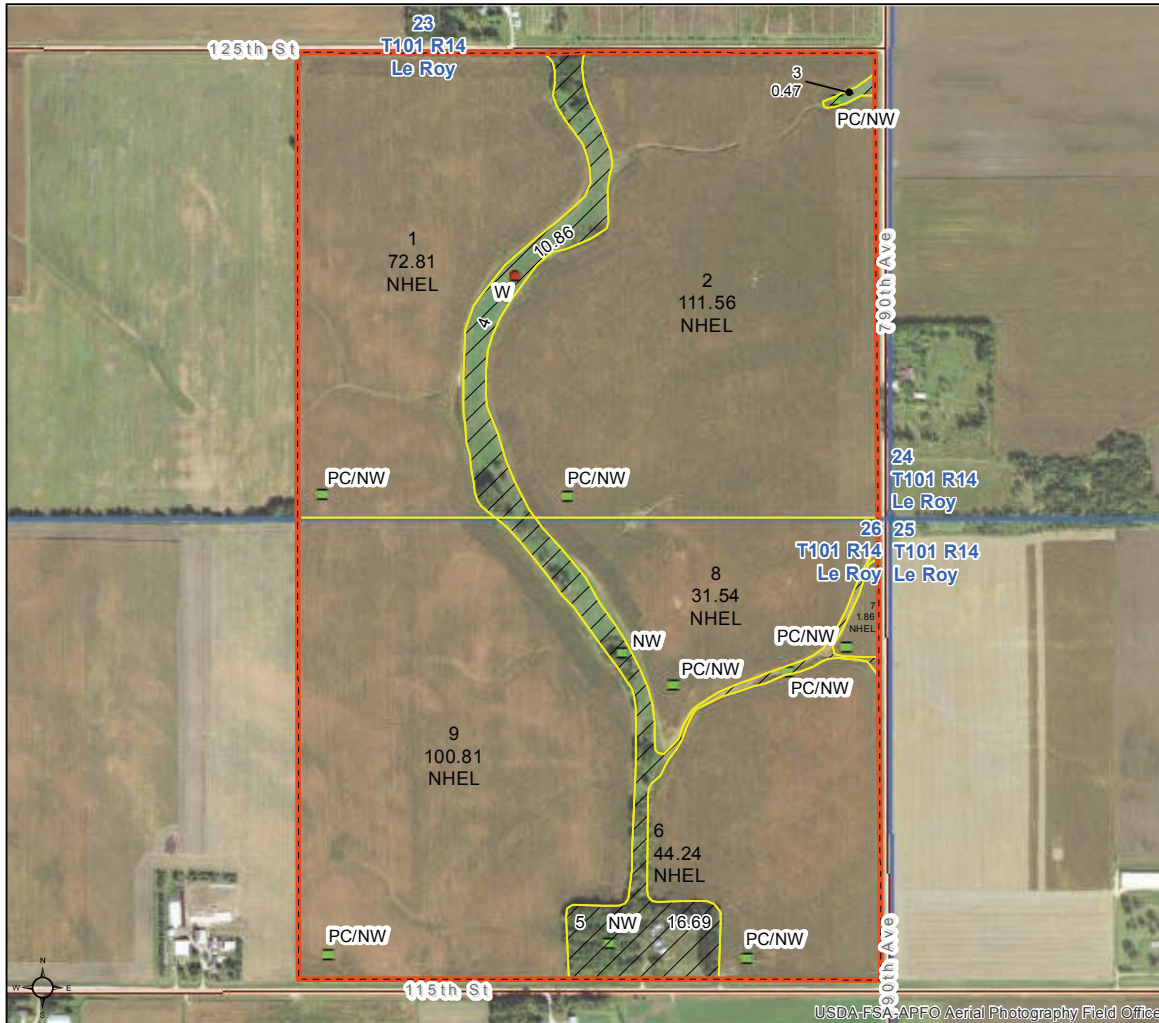
Common Land Unit

- Non\_Cropland
- Cropland
- Tract Boundary
- PLSS

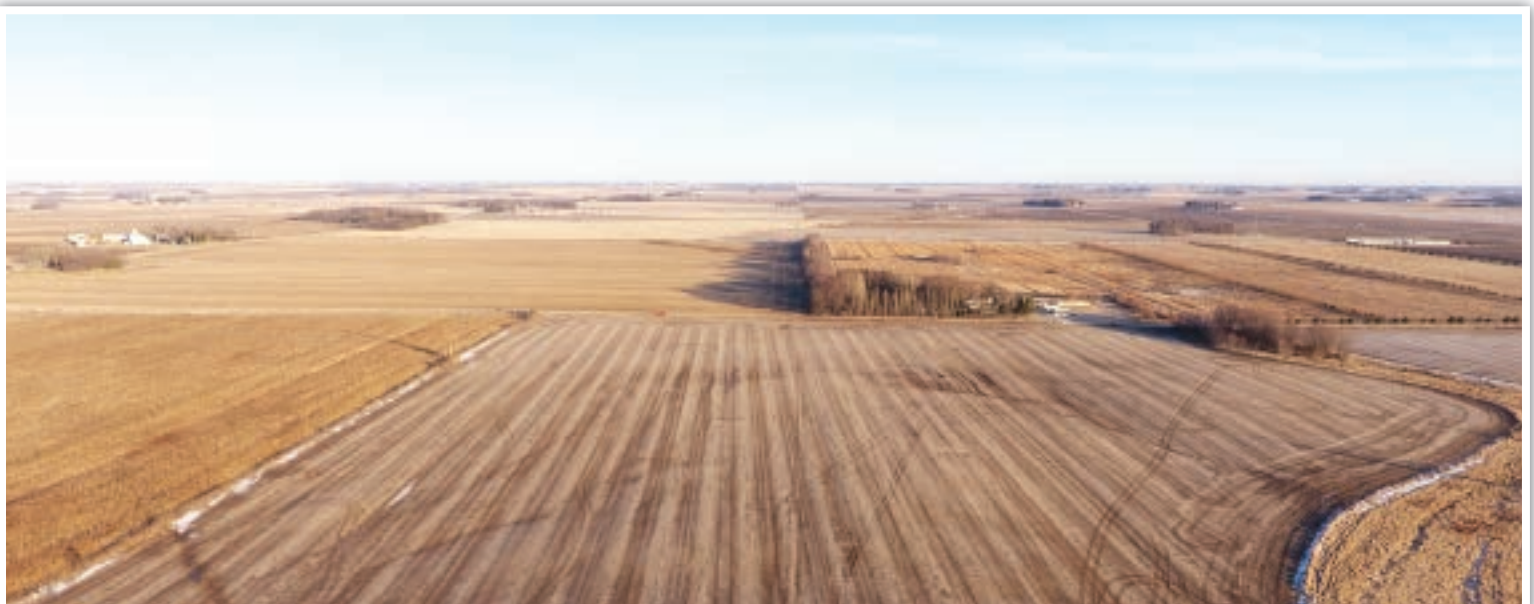
Wetland Determination Identifiers

- Restricted Use
- Limited Restrictions
- Exempt from Conservation
- Compliance Provisions

Tract Cropland Total: 362.82 acres



United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). This map displays the 2017 NAIP Imagery.





**EARNEST MONEY RECEIPT AND PURCHASE AGREEMENT**

THIS EARNEST MONEY RECEIPT AND PURCHASE AGREEMENT (collectively, the "Purchase Agreement") is made and executed effective as of the \_\_\_\_ day of \_\_\_\_\_, 2019 (the "Effective Date").

**RECITALS**

1. On April 11, 2016, Tracy J. Clement d/b/a Clement Farms (the "Debtor"), filed a petition under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Minnesota (the "Bankruptcy Court"), thereby commencing the chapter 11 bankruptcy case captioned as *In re Tracy J. Clement*, which case is currently pending as Bankruptcy Case No. 16-31189.

2. By order dated September 19, 2017, Phillip L. Kunkel (the "Trustee" or the "Seller") was appointed as the chapter 11 trustee for the bankruptcy estate of the Debtor.

3. The Trustee is authorized, subject to the approval of the Bankruptcy Court, to dispose of the real property assets of the Debtor's bankruptcy estate, including that certain real property legally described on Exhibit A to this Purchase Agreement, and all buildings located thereon, and all tenements, hereditaments, easements, improvements, and rights benefiting or appurtenant to the property (collectively, the "Property"), in accordance with terms and conditions of this Purchase Agreement.

**EARNEST MONEY RECEIPT**

\_\_\_\_\_  
(the "Buyer"),  
whose Address is \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SS# \_\_\_\_\_ Phone # \_\_\_\_\_ has deposited the sum of \$\_\_\_\_\_ in certified funds as nonrefundable earnest money (the "Earnest Money") with, and to be held under the terms of this Purchase Agreement by, Steffes Auctioneers, Inc. The Earnest Money represents ten (10%) percent of the total Purchase Price (as defined below) of the Property. The Earnest Money is fully earned by Seller, shall be distributed to Seller, and is nonrefundable to the Buyer under all circumstances other than: (i) Seller's failure or refusal to tender to the Buyer a Bankruptcy Local Form 6004-1(f) conveying the property to Buyer by which title in accordance with the terms and conditions of this Purchase Agreement could be conveyed to the Buyer; (ii) failure of the Bankruptcy Court to approve the sale of the property to the Buyer; or (iii) the Debtor has properly and timely exercised the ROFR (as defined below) with respect to any Property.

**AGREEMENT**

IN CONSIDERATION of the foregoing premises and the mutual covenants contained in this Purchase Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and Buyer agree as follows:

1. **Sale of Property.** The Seller, solely in his capacity as the chapter 11 trustee of the Debtor's bankruptcy estate, agrees to sell to Buyer, and Buyer agrees to buy from the Debtor's bankruptcy estate, all of the bankruptcy estate's right, title and interest in the Property, free and clear of liens, encumbrances, and other interests, but subject to easements of record and the ROFR (as defined below), for the total sum of \$\_\_\_\_\_, plus five percent



(5%) of the foregoing amount as an auction fee (collectively, the "Purchase Price").

**2. Debtor's Right of First Refusal.** The property will be sold free and clear of all liens, encumbrances, and other interests, but subject to the following: (a) easements of record; and (b) the Debtor's right of first refusal (the "ROFR") provided in that certain Memorandum of Understanding approved by the bankruptcy court on March 20, 2017 [Doc. No. 392]. In order to exercise the ROFR on any Property, on or before fifteen (15) days following the filing of the auction report, the Debtor shall (a) provide written notice to the Seller of his intention to exercise the ROFR on the specific property and (b) remit to the Seller a nonrefundable deposit of ten percent (10%) of the amount of the successful bid for the Property in certified funds.

**3. Payment of Purchase Price.** The Purchase Price shall be paid via wire transfer, or shall be payable in cash by certified or other immediately available funds.

**4. Closing.** The closing of the purchase and sale of the Property as contemplated by this Purchase Agreement (the "Closing") shall occur at a mutually agreeable time on or before April 15, 2019 (the "Closing Date"). The Closing shall be conducted through Heartland Title, LLC (the "Title Agent") and shall take place via facsimile, electronic mail, U.S. Mail and courier service.

a. **Seller's Closing Documents.** On the Closing Date, Seller shall execute and deliver to Buyer the following (collectively, "Seller's Closing Documents"):

(i) **Conveyance of Property.** Bankruptcy Local Form 6004-1(f) conveying the Property to Buyer (the "Conveyance Instrument"). The parties acknowledge and agree that Seller shall not be obligated to remedy or remove any defects or encumbrances affecting the Property and that the sale of the Property by the Seller to the Buyer is "AS-IS" "WHERE IS" and "WITH ALL FAULTS."

(ii) **Title Documents.** Such affidavits or other documents as may be reasonably required by the Title Agent in order to record the Closing Documents.

(iii) **Other Documents.** All other documents reasonably necessary to affect the sale of the Property.

b. **Buyer's Closing Documents.** On the Closing Date, Buyer will execute, as applicable, and deliver to Seller the following (collectively, "Buyer's Closing Documents"):

(i) **Purchase Price.** The Purchase Price by wire transfer or other immediately available funds of United States currency on or before the Closing Date.

(ii) **Title Documents.** Such affidavits or other documents as may be reasonably required by the Title Agent in order to record the Closing Documents.

(iii) **Other Documents.** All other documents reasonably necessary to affect the sale of the Real Property.

**5. Allocation of Closing Costs.** Seller and Buyer agree to the following allocation of costs regarding this Agreement:

a. **Closing Fee.** The fees charged by the Title Agent for closing shall be paid one-half by Seller and one-half by Buyer.

- b. Conveyance Tax, Recording Costs. Buyer shall pay any conveyance taxes payable in connection with the recording of the Conveyance Instrument, and the other costs of recording the Conveyance Instrument and any mortgages or other documents pertaining to Buyer's financing.
  - c. Real Estate Taxes and Special Assessments. General real estate taxes and installments of special assessments payable in 2018 and all prior years will be paid by Seller. General real estate taxes and installments of special assessments payable in any year subsequent to 2018 shall be paid by Buyer. The estimated real estate taxes for 2019 in the amount of \$\_\_\_\_\_ have been paid as of the Effective Date ("2019 Estimated Taxes"). Buyer shall reimburse Seller for the 2019 Estimated Taxes at the Closing. The 2019 Estimated Taxes are an estimate of the taxes and assessments to be assessed or levied against the Property during 2019 and are subject to change upon the final determination by the relevant taxing and assessing authorities. Buyer shall be responsible for any additional taxes or assessments due, owing, and payable for 2019, if any. Real estate taxes are subject to reassessment under the new owner.
6. Title Examination. Title examination will be conducted as follows:
- a. Seller's Title Evidence. Within fifteen (15) business days of the Effective Date, Seller shall furnish a Commitment for an A.L.T.A. owner's policy of title insurance (the "Title Policy") issued for the amount of the total Purchase Price, which Commitment shall be issued by the Title Agent, with an effective date no earlier than the date of this Agreement, wherein the Title Policy shall insure the title in the condition required by this Agreement (the "Title Commitment") to be delivered to the Buyer. Seller shall pay the cost of the Title Commitment, and Buyer shall pay the costs of issuance of any owner's or lender's title insurance policies.
  - b. Buyer's Objections. Buyer shall have twenty (20) business days from the Effective Date (the "Title Objection Period") to provide Seller with notice of a written objection to the condition of title to the Property (the "Objections"). In the event of Objections, Seller shall have fifteen (15) business days (the "Response Period") from the date it is notified in writing of the particular Objections, at Seller's sole discretion, to: (i) remedy the title, (ii) obtain title insurance to insure over such Objections, subject to Buyer's written approval, or (iii) identify those Objections that Seller is unable or unwilling to remedy or obtain the title insurance to insure over (the "Uncured Objections"). If Seller does not timely remedy or obtain a commitment of title insurance to insure over such Objections in accordance with the foregoing provisions, then Buyer may at its sole discretion: (i) waive such Objections and proceed to Closing, or (ii) terminate this Purchase Agreement by written notice to Seller within five (5) business days of the earlier of the expiration of the Response Period or the Seller's identification of Uncured Objections (the "Termination Period"). In the event Buyer terminates this Purchase Agreement as provided above during the Termination Period, the Earnest Money shall be returned to Buyer. Buyer's failure to deliver the Objections to Seller on or before the expiration of the Title Objection Period and Buyer's failure to terminate the Purchase Agreement as provided above on or before the Termination Period will constitute a waiver of the Objections, and any matter shown on the Title Commitment and not so objected to by Buyer shall be deemed a "Permitted Encumbrance." Notwithstanding the above, the Buyer acknowledges and agrees the only Objections that may be raised by Buyer to the condition of title are liens or encumbrances against the interest of the Debtor's bankruptcy estate in the Property, that would not otherwise be set aside under 11 U.S.C. § 363(f) pursuant to an Order entered by the Bankruptcy Court approving the purchase and sale of the Property as contemplated by this Purchase Agreement, including the ROFR.

7. **Representations and Warranties by Seller.** Seller makes the following representations to Buyer:

- a. **AS-IS, WHERE IS, WITH ALL FAULTS.** The Seller makes absolutely no representations or warranties whatsoever regarding the Property. The Property being purchased and sold in accordance with this Purchase Agreement is being purchased and sold “**AS-IS,**” “**WITH ALL FAULTS,**” and without any representations or warranties of any kind by Seller. The Seller hereby disclaims all representations and warranties, express or implied, contractual, statutory or otherwise, and the Buyer hereby waives all such warranties and claims of warranty. The Seller makes no representations, warranties or covenants of any kind, nature, or extent with regard to the furniture, fixtures, equipment and other personal property located on the Property.
- b. **Authority.** The Seller is the court appointed chapter 11 trustee of the Debtor's bankruptcy estate.

8. **Representations and Warranties by Buyer.** Buyer represents and warrants to Seller as follows:

- a. **Authority.** Buyer has the requisite power and authority to enter into this Purchase Agreement and the related documents signed by it; such documents have been duly authorized by all necessary action on the part of Buyer and have been duly executed and delivered; that the execution, delivery and performance by Buyer of such documents do not conflict with or result in violation of, as applicable, any judgment, order or decree of any court or arbiter to which the Buyer is a party; such documents are valid and binding obligations of Buyer, and are enforceable in accordance with their terms.
- b. **Financial Ability.** Buyer has the present ability to fully pay the Purchase Price in accordance with this Purchase Agreement, and that there is no financing contingency to Buyer's obligation to proceed to Closing and consummate the purchase of the Property. Buyer acknowledges that Buyer's ability to secure the Purchase Price is not a condition precedent to this Purchase Agreement or Buyer's duty to complete the purchase of the Property in accordance with this Purchase Agreement.
- c. **Acknowledgments Concerning Property.** Buyer acknowledges the following with respect to the Property, and Buyer waives any and all claims against Seller and the Debtor's bankruptcy estate relating thereto: (i) the Seller is the court appointed chapter 11 trustee of the Debtor's bankruptcy estate; (ii) the Seller has never been in physical possession of, and never occupied, the Property; (iii) the Seller has no special knowledge of the condition of the Property; (iv) the Buyer is not relying upon the Seller in any way or to any degree concerning the nature, condition, completeness or extent of the Property; (v) the Property is being purchased by Buyer “**AS-IS,**” “**WHERE IS,**” “**WITH ALL FAULTS,**” and without any representations or warranties of any kind by Seller, express or implied, and all such representations and warranties are expressly hereby disclaimed by Seller and hereby waived by Buyer; and (vi) the Buyer is purchasing the Property based upon Buyer's own investigation and inquiry and is not relying on any representation of Seller or other person, and Buyer has accepted the Property, including the Property's extent, condition and completeness, and shall have no claim against Seller or the Debtor's bankruptcy estate on account of any of the foregoing

Buyer will indemnify Seller and the Debtor's bankruptcy estate, and will hold Seller and the Debtor's bankruptcy estate harmless from any expenses or damages, including reasonable attorneys' fees, which the Seller or the Debtor's bankruptcy estate incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after closing.

**9. Post-Auction Court Approval.** Notwithstanding anything to the contrary in this Purchase Agreement, the sale of the Property to the Buyer is subject to the approval of the United States Bankruptcy Court for the District of Minnesota. Within five (5) business days following the expiration of the ROFR, the Seller shall file a motion with the bankruptcy court on an expedited basis seeking an order of the court: (i) approving the sale of the Property to Buyer, or to the Debtor if the Debtor has properly and timely exercised his right of first refusal for the Property; and (ii) authorizing the Seller to close all such court approved sale (the "Sale Approval Order"). In the event the sale of the Property is not approved by the court, the Earnest Money paid by Buyer shall be refunded to Buyer, and this Purchase Agreement shall automatically terminate and the parties shall thereafter have no obligations under the Purchase Agreement.

**10. Assignment.** Buyer may assign its rights under this Agreement to an entity directly affiliated with the Buyer.

**11. Miscellaneous.**

a. Survival. Except as specifically provided herein, all of the terms of this Purchase Agreement will survive and be enforceable after the Closing.

b. Notices. Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement if it is directed to Seller by delivering it personally to an officer of Seller; or if it is directed to Buyer, by delivering it personally to Buyer; or if mailed in a sealed envelope by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted by facsimile, copy followed by mailed notice as above required; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

**If to Seller:** Phillip L. Kunkel, Chapter 11 Trustee  
c/o Gray Plant Mooty  
1010 West St. Germain Street  
Suite 500  
St. Cloud, Minnesota 56301

**If to Buyer:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, the time for response to any notice by the other party shall commence to run one (1) business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change.

c. Captions. The paragraph headings or captions appearing in this Purchase Agreement are for convenience only, are not a part of this Purchase Agreement and are not to be considered in interpreting this Agreement.

d. Entire Agreement; Modification. This written Purchase Agreement, together with

the Terms and Conditions of the Buyer's Prospectus, constitute the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Purchase Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties. **This Purchase Agreement shall control with respect to any provision that conflicts or that is inconsistent with the Terms and Condition and Buyer's Prospectus, or any announcements made at auction.**

- e. Binding Effect. This Agreement shall bind and benefit the Buyer on the Effective Date and the Seller upon approval hereof by the Bankruptcy Court.
- f. Time is of Essence. Time is of the essence in the payment and performance of the parties' covenants, agreements, duties and obligations hereunder.
- g. Controlling Law. This Purchase Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.
- h. Counterparts; Facsimile/Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. Copies of signature received by facsimile or electronic means shall be deemed originals for all purposes.
- i. Steffes Auctioneers. Steffes Auctioneers, Inc. represents the Seller in this transaction.

WHEREFORE, the parties have executed this Purchase Agreement as of the date first set forth above.

**SELLER:**

**BUYER:**

\_\_\_\_\_  
Phillip L. Kunkel, the chapter 11 trustee of the  
Tracy L. Clement dba Clement Farms  
bankruptcy estate

\_\_\_\_\_  
\_\_\_\_\_

**AUCTIONEER:**

**STEFFES AUCTIONEERS, INC.**

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT A**

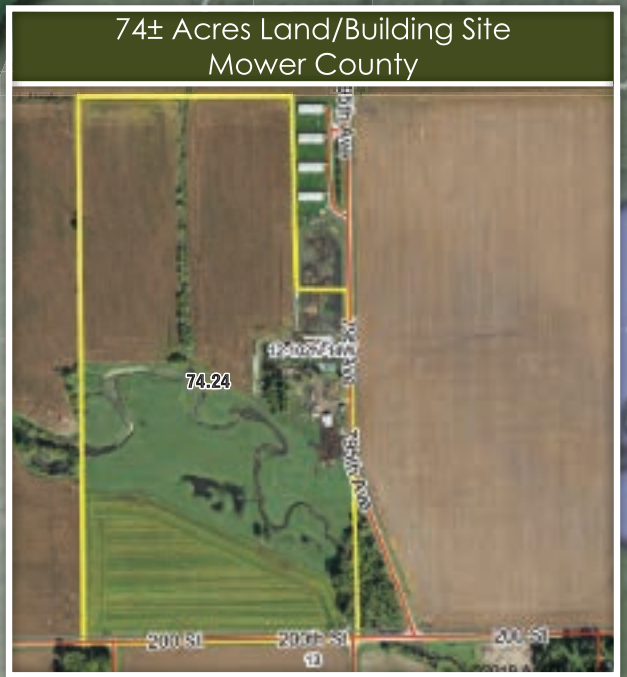
*Legal Description of Property*

# 3

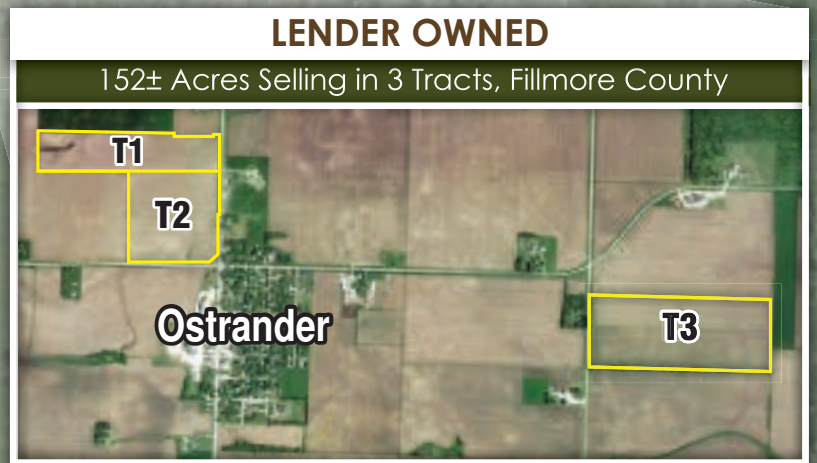
## Land Auctions being held Monday, February 25th

Auction Location: Leroy Community Center, 204 W Main St., Leroy, MN 55951

For Auction Details, Visit [SteffesGroup.com](http://SteffesGroup.com)



Spring Valley  
Ostrander  
Leroy







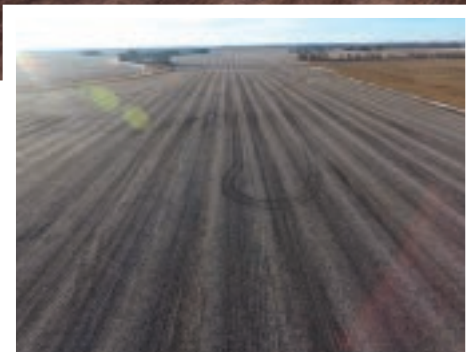
Court Ordered Mower County, MN

# Land Auction

Monday, February 25 | 11AM 2019



**183+**  
acres Selling in  
2 tracts



SteffesGroup.com