



October 23, 2013

Mr./Ms. Prospective Bidder

Re: Sealed Bid Auction of the Blackburne & Brown Equity Preservation Fund

Dear Mr./Ms. Bidder:

We are pleased to announce the opportunity to purchase a portion of the farm owned by Blackburne & Brown Equity Preservation Fund. They have authorized us to proceed with a sealed bid auction for the property. The property will be offered for sale as follows: The terms are 10% down upon acceptance of the bid with the balance due at closing.

Although Blackburne & Brown Equity Preservation Fund has decided to proceed with a sealed bid auction instead of some other form of auction, the process will be similar to our live auctions. Each property will be offered as one tract. All bids are due to Halderman Real Estate Services, at the address shown below, on or before **November 27, 2013**. This is the sealed bid auction process we will follow:

- 1) Interested bidders may view the property at any point prior to the bid deadline, complete any due diligence they desire, ask questions of the Halderman Real Estate representatives, seek financing, if necessary and prepare their best bid for the tract.
- 2) Sealed bids must be in the hands of Halderman Real Estate Services (HRES), Inc., at **PO Box 297 – Wabash, IN 46992 or via fax (260) 563-8889 on or before November 27, 2013 at 5 pm.** The bids must be in the form of the HRES purchase agreement included in the bid packet.
- 3) Bids will be reviewed by HRES and Blackburne & Brown Equity Preservation Fund on December 2, 2013. The seller reserves the right to accept or reject any and or all bids. HRES will contact the successful bidder, on or before December 4, 2013.
- 4) The closing process begins shortly after a successful bid is accepted by Blackburne & Brown Equity Preservation Fund; we intend to close the sale on December 30, 2013.

So if you are interested in placing a bid – what do you need to fill in on the enclosed purchase agreement? We've tried to make this very simple. The terms of the sale are preestablished as advertised in the brochure and outlined in the purchase agreement, therefore; the following steps should assist you in filling out the purchase agreement and submitting your bid.

Please follow these instructions in completing your portion of the Purchase Agreement. Beginning at the top of page one of the Purchase Agreement:

- 1) In the first line of Paragraph A, please fill in the total amount of your bid. Just like filling out a check – first write the amount alphabetically, for example, “Ten thousand and no/100,” and then second write the number numerically, for example, “10,000” in the second blank on the second line of Paragraph A. Please do not write in a per acre bid.
- 2) On page one, at the bottom, please sign your name under the circled paragraph two. You are hereby acknowledging that you are buying the property in an “AS IS” condition with this signature.
- 3) Initial page one at the bottom right hand corner on the line above “Purchaser’s Initials.” Feel free to make room for more than one set of initials, if necessary.
- 4) Initial page two at the bottom right hand corner on the line above “Purchaser’s Initials.” Feel free to make room for more than one set of initials, if necessary.
- 5) On page three, near the middle of the page, complete the section beginning with “Signed this _____ day of _____” by filling in the date you sign your bid.
- 6) Then sign your name(s) *above* the line entitled “PURCHASER’S SIGNATURE.”
- 7) On the next line, please print your name(s) in the manner you wish to have them written on the deed. This could be individual names (middle initial included), a corporate name, partnership, etc.
- 8) On the lines that follow below, please fill in the information requested using the example purchase agreement enclosed. Please let us know what phone number(s) are best for contacting you. If you plan to borrow the money to finance your purchase, please let us know the name of your lender--this will expedite the handling of your bid if it is successful.
- 9) An earnest money payment of 10% of the bid price will be collected upon acceptance of your bid. If your bid is accepted and you fail to close on December 30, 2013, due to no fault of the seller, your earnest money deposit will become the property of the seller December 30, 2013; your purchase agreement will subsequently be null and void and Blackburne & Brown Equity Preservation Fund can immediately sell the property to someone else.

The Purchase Agreement is a legal binding agreement, and you may wish to have your attorney review it before you sign and deliver it to HRES at PO Box 297 – Wabash, IN 46992

Please contact our office at (800) 424-2324 to discuss any questions you may have.

Sincerely yours,

HALDERMAN REAL ESTATE SERVICES

**PURCHASE AGREEMENT
FOR REAL ESTATE**

(Agreement for land only)

Date: November 27, 2013Purchaser agrees to purchase real estate (the "Property") known as the Blackburne & Brown Equity Preservation Fund PropertyFarm #2007-10 in Wayne Township, Huntington County, State of Indianawhich is legally described as 95 acres, more or less, located in a part of Section 23, Township 26 North, Range 8 East, Wayne Township, Huntington County, Indianaand is generally located approximately 4½ miles southwest of Mount Etna and 1½ miles southeast of Banquo, IN, east of State Road 9 on CR 1000 S

in accordance with the terms and conditions set forth below:

A. PURCHASE PRICE: Purchaser agrees to pay _____ Dollars (\$ _____) for the above property, subject to the adjustments and prorations hereinafter described. If a survey is completed, the final purchase price will be calculated using the bid price of \$ _____ per acre times the final surveyed acres.

B. METHOD OF PAYMENT:

Cash: The entire purchase price shall be paid in cash at closing and the purchase is not contingent upon the Purchaser being able to obtain financing.

C. CLOSING DATE: Closing date shall be within 15 days after mortgage proceeds are ready to be paid out and/or all legal documents necessary for the closing have been prepared and approved **OR** December 30, 2013, whichever occurs first. In no event shall the closing be later than December 30, 20 13, unless an extension is agreed to in writing by both parties.

D. POSSESSION: Possession of the farmland shall be at closing subject to the following: tenant's rights to the 2013 crop harvest.

E. INSPECTIONS:

PURCHASER HAS BEEN MADE AWARE THAT INDEPENDENT INSPECTIONS DISCLOSING THE CONDITION OF THE PROPERTY ARE AVAILABLE AND HAS BEEN AFFORDED THE OPPORTUNITY TO REQUIRE AS A CONDITION OF THE AGREEMENT THE ABOVE MENTIONED INSPECTIONS. HOWEVER, PURCHASER HEREBY WAIVES INSPECTIONS AND RELIES UPON THE CONDITION OF THE PROPERTY BASED UPON HIS OWN EXAMINATION AND RELEASES THE SELLER, BROKER AND SALESPERSONS FROM ANY AND ALL LIABILITY RELATING TO ANY DEFECT OR DEFICIENCY AFFECTING THE PROPERTY, WHICH WAIVER SHALL SURVIVE THE CLOSING.

X _____ X _____
REQUIRED FHA/VA OR LENDER INSPECTIONS ARE NOT INCLUDED IN THIS WAIVER.

F. REAL ESTATE TAX: Real estate taxes and any special assessments to be payable in accordance with Paragraph 2 below:

1. prorated to day of closing.

2. Seller shall pay all real estate property taxes for 2013 due and payable in 2014. The purchaser shall receive credit for the 2013 due and payable in 2014 and therefore be responsible beginning with the Spring 2014 installment and thereafter. Purchaser shall pay any and all real estate assessments for 2014 beginning with the Spring 2014 installment..

G. TITLE EVIDENCE: Said real estate shall be conveyed to Purchaser by one of the following: **circle one** general warranty deed [special warranty deed] [quit claim deed] [personal representative's deed] [trustee's deed] [administrator's deed] in the same condition as it now is, ordinary wear and tear excepted, subject to all covenants, easements, restrictions, right-of-way, and limitations now of record, and subject to the provisions of applicable zoning laws, and free and clear of all other liens and encumbrances except as stated in this Purchase Agreement.

Prior to closing, Purchaser shall be furnished at Seller's expense, a commitment for an ALTA approved owner's title insurance policy in the amount of purchase price. A mortgagee's title insurance policy, if required by Purchaser, may be ordered at the Purchaser's expense. Any encumbrances or defects in title must be removed from said commitment and subsequent title insurance policy issued free and clear of said encumbrances and title defects. The final policy shall be subject only to standard exceptions, taxes, easements, restrictive covenants and encumbrances of Purchaser. The commitment shall be ordered: **circle one** - immediately [after mortgage approval] [other _____]

Purchaser's Initials

Seller's Initials

H. SURVEY: A staked survey _____ will or X will not be completed. If a survey is completed for title purposes, the cost of the survey will be circle one:
(Shared equally) [Seller's] [Purchaser's] expense. If any other survey is required by the Purchaser, the Purchaser will pay for the expense of such survey.

I. PUBLIC IMPROVEMENT ASSESSMENTS: Seller warrants that he has no knowledge of any planned improvements which may result in assessments and that no governmental or private agency has served notice requiring repairs, alterations or corrections of any existing conditions. Public or municipal improvements which are not completed as of the date hereof but which will result in a lien or charge shall be paid by Purchaser.

J. MAINTENANCE OF PROPERTY: Seller shall maintain the Property and related equipment so as to preserve the status quo until time of possession by Purchaser.

K. RENTS (Complete, if applicable.) Rents shall be handled in accordance with Paragraph 2 below:

1. prorated to the date of closing, or

2. Seller will retain the 2013 cash rent income.

L. TIME: Time is of the essence in this Purchase Agreement. Time periods specified in this Agreement shall expire at midnight on the date stated unless the parties agree in writing to a different date or time.

M. EARNEST MONEY: Purchaser submits herewith \$ _____ as earnest money with this Purchase Agreement. Upon acceptance of this Purchase Agreement Purchaser submits an additional \$ _____ as earnest money deposit. All earnest money deposits shall be applied to the purchase price. Earnest money shall be deposited in the listing BROKER'S Escrow Account, immediately upon receipt of it, and held until time of closing the transaction or termination of this Purchase Agreement. Earnest money shall be returned promptly in the event this Purchase Agreement is not accepted.

N. REMEDIES OF SELLER, PURCHASER, AND BROKER: In the event SELLERS breach the accepted Purchase Agreement and fail or refuse to close PURCHASER shall be entitled to sue SELLERS either for specific performance, rescission, or for damages. In any claim or suit by PURCHASERS for rescission or damages, the Broker shall only be liable to PURCHASER for return of the earnest money deposit; and SELLERS shall be liable to Broker for the commission Broker would have earned had the sale been consummated. In the event PURCHASERS breach the accepted Purchase Agreement and fail or refuse to close, the earnest money deposit shall be forfeited by PURCHASERS and disbursed by Broker in accordance with the terms of the listing contract executed by SELLER. In addition, SELLER may pursue all legal or equitable remedies including a suit for specific performance. ANY JUDGMENTS resulting from any above listed actions shall include reasonable attorneys fees and costs for the prevailing party. Any disputes arising involving the disposition of the earnest money shall be settled by the parties or by a court of competent jurisdiction prior to Broker disbursing said funds, and Broker is authorized to retain the earnest money deposit in escrow until such settlement has been reached. Broker's sole liability in any dispute shall be for proper disbursement of the earnest money deposit.

O. MISCELLANEOUS PROVISIONS: The transaction shall be closed in accordance with the following:

1. If taxes are not yet established and must be computed the most recent tax rate and the most recent assessed valuation at time of closing shall be used.
2. If a party to this Agreement, by himself or through his agent, requires that this transaction is to be closed by a title company, mortgage company, attorney, etc., with a fee for the service, such fee shall be paid by the circle one (Shared) [Seller] [Purchaser]
3. Seller agrees to pay the cost of obtaining all documents necessary to perfect title so that marketable title can be conveyed.

P. CONSERVATION RESERVE PROGRAM (IF APPLICABLE): The Purchaser of any tract(s) that include land enrolled in the Conservation Reserve Program (CRP) agrees to accept the assignment of those contract(s) from the Seller along with all associated benefits and requirements. The purchaser will receive their prorated share of the 20 14 CRP income to the date of deed recording. The Huntington County Farm Service Agency will divide it between the Purchaser(s). Purchaser(s) shall the day after deed recording, present themselves to the Huntington County FSA office in Huntington, IN and cause the proper paperwork, and assignments to occur in connection with the CRP contract(s) associated with their parcel. Purchaser and Seller agree to cooperate in all fashions in immediately facilitating the assignment/transfer of the CRP contract(s).

Additionally, if the Purchaser removes any or a part of the land enrolled in the CRP prior to the expiration of the current contracts or if the Purchaser breaches the current contracts, any costs, liquidated damages, refunds of payments received, interest due, costs, penalties, attorney's fees or other associated fees for the removal or breach will be completely the responsibility of the Purchaser and paid immediately by the Purchaser. Purchaser agrees to indemnify the Seller for any and all removal costs, breach, penalties, fees, including reasonable attorney's fees, or any damages whatsoever of any nature associated with the CRP contracts. If the Purchaser removes land from CRP, Purchaser agrees to reimburse Seller for any and all income Seller would have received if the CRP contract had remained in full force. This provision relating to the CRP contracts shall survive the closing.

Q. FURTHER CONDITIONS: _____

R. EXPIRATION AND APPROVAL: This Purchase Agreement is void if not accepted in writing on or before 5:00 [AM] (PM)
[Noon] [Midnight] December 3 20 13

S. TERMS BINDING/ASSIGNMENT: This is a legal and binding contract. If not fully understood, seek competent advice. All terms and conditions are included herein and no verbal agreements shall be binding. This Purchase Agreement will inure to the benefit of and bind the respective successors and assigns of the parties hereto. The rights of Purchaser and Seller under this Purchase Agreement cannot be assigned in whole or in part without the prior written consent of the other.

T. TAX DEFERRED EXCHANGE: Notwithstanding anything herein to the contrary, Seller may assign this Agreement to a qualified intermediary, as that term is defined by the IRC Section 1031, without the consent or approval of Purchaser. Purchaser further agrees to comply with Seller's reasonable requests to accomplish a like-kind exchange at no additional cost to the Purchaser.

U. DISCLAIMER OF WARRANTY: Purchaser agrees that the brokers and salespersons have not and cannot make any warranties or guarantees about the real estate and improvements or any fixtures, equipment or systems on or about the real estate and improvements. Purchaser and Sellers agree not to bring any claims against brokers and salespersons with respect to any problem concerning the condition of the real estate.

V. NOTICE: Any notice required or permitted to be given to the parties shall be given to Seller at Listing Broker's Office and to Purchaser at Selling Broker's Office.

W. Selling Broker acknowledges receipt of \$ _____, earnest money in the form of Ck #,
From: _____

X. AGENCY RELATIONSHIP: The Purchaser(s) hereby acknowledge that, unless otherwise agreed, the Selling Broker/Salesperson, including a Listing Broker/Salesperson selling their own listing, is exclusively the agent of the Seller, and not the agent of the Purchaser.

Y. ACKNOWLEDGMENT: By signature the parties verify that they have read, fully understood, and approve the Purchase Agreement and acknowledge receipt of a signed copy.

This PURCHASE AGREEMENT was prepared by _____ F. Howard Halderman _____, Real Estate
[Broker] [Salesperson] with Halderman Real Estate Services Inc.

Signed this _____ day of November 20 13 at _____ [AM] [PM] [Noon] [Midnight]

PURCHASER'S SIGNATURE

PURCHASER'S SIGNATURE

PRINTED NAME FOR DEED

PRINTED NAME FOR DEED

EMAIL ADDRESS

ATTORNEY'S NAME & PHONE NUMBER

PURCHASER'S ADDRESS:

PURCHASER'S PHONE NUMBER

CITY, STATE & ZIP CODE

CASH OR INTENDED LENDER

ACCEPTANCE OF PURCHASE AGREEMENT

The above terms and conditions are accepted this _____ day of _____, 20 13 at _____ [AM] [PM]
[Noon] [Midnight]

SELLER'S SIGNATURE

BlackBurne & Brown Equity Preservation Fund, LLC
by George Blackburne, III, Manager

PRINTED NAME FOR DEED

SELLER'S SIGNATURE

PRINTED NAME FOR DEED