

## REAL ESTATE CONTRACT

**IT IS AGREED** this Real Estate Contract is executed by and between Clarence Grossman, single ("Sellers"); and \_\_\_\_\_ ("Buyers") on the date set forth below and upon the following terms:

1. **PROPERTY.** Sellers agree to sell and Buyers agree to buy real estate legally described on attached Exhibit A (the "Real Estate") together with any easements and appurtenant servient estates, but subject to the following:

- a. Any zoning and other ordinances;
- b. Any covenants restrictions, encroachments, and easements.

2. **PRICE.** The total purchase price for the Real Estate is \$ \_\_\_\_\_ of which 10% thereof (\$ \_\_\_\_\_) has been paid contemporaneously with the execution of this Contract. The entire balance shall be paid at closing.

3. **DEFAULT INTEREST.** Buyers shall pay interest at the rate of 10 percent per annum on all delinquent amounts and any sum reasonably advanced by Sellers to protect their interest in this Contract, computed from the date of the delinquency or advance.

4. **REAL ESTATE TAXES.** Sellers shall pay real estate taxes prorated to the date of Possession, it being understood the March, 2014 real estate tax installment pays taxes to July 1, 2013, and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes. The proration of real estate taxes on the Real Estate shall be based upon such taxes for the year currently payable. If said real estate taxes are not assessed separately for the Real Estate which is the subject of this transaction, Sellers will contact the Lee County Assessor to determine the estimated taxes for said Real Estate. The Assessor's estimate shall apply to this paragraph and shall be binding upon all parties.

5. **SPECIAL ASSESSMENTS.** Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of this Contract. All other special assessments shall be paid by Buyers.

6. **POSSESSION CLOSING.** Sellers shall give Buyers possession of the Real Estate at Closing, provided Buyers are not in default under this Contract. Closing shall be on, or about, September 16, 2014. The Closing shall occur at a place mutually acceptable to the parties and, in the absence of such an agreement, at Fehseke & Gray Law Offices in Fort Madison, Iowa.

7. **INSURANCE.** Sellers shall maintain existing insurance upon the Real Estate until the date of possession. Buyers shall accept insurance proceeds instead of Sellers replacing or repairing damaged improvements. After possession and until full payment of the purchase price, Buyers shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 80 percent of full insurable value payable to the Sellers and Buyers as their interests may appear. As often as reasonably requested, Buyers shall provide Sellers with evidence of such insurance.

8. **ABSTRACT AND TITLE.** Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of this Contract and deliver it to Buyers for examination. It shall show merchantable title in Sellers in conformity with this Contract, Iowa law and the Title Standards of the Iowa State Bar Association. The abstract shall become the property of the

Buyers when the purchase price is paid in full, however, Buyers reserve the right to occasionally use the abstract prior to full payment of the purchase price. Sellers shall pay the costs of any additional abstracting and title work due to any act or omission of Sellers, including transfers by or the death of Sellers or their assignees.

**9. FIXTURES.** All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as light fixtures, shades, rods, blinds, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners, automatic heating equipment, air conditioning equipment, wall to wall carpeting, built-in items and electrical service cable, outside television towers and antenna, fencing, gates and landscaping shall be considered a part of Real Estate and included in the sale.

**10. CARE OF PROPERTY.** Buyers shall take good care of the property; shall keep the buildings and other improvements now or later placed on the Real Estate in good and reasonable repair and shall not injure, destroy or remove the property during the term of this Contract. Buyers shall not make any material alteration to the Real Estate without the written consent of the Sellers.

**11. DEED.** Upon payment of purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provided herein. Any general warranties of title shall extend only to the date of this Contract, with special warranties as to acts of Sellers continuing up to time of delivery of the deed.

**12. REMEDIES OF THE PARTIES.** a. If Buyers fail to perform any of their obligations under the terms of this Contract, then Sellers, in addition to any and all other legal and equitable remedies which they may have, at their option, may proceed to forfeit and cancel this Contract as provided by law (Chapter 656 Code of Iowa). Upon completion of such forfeiture Buyers shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and/or improvements if any shall be retained and kept by Sellers as compensation for the use of said property, and/or as liquidated damages for breach of this Contract ; and upon completion of such forfeiture, if the Buyers, or any other person or persons shall be in possession of said real estate or any part thereof, such party or parties in possession shall at once peacefully remove therefrom, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of lease, and may accordingly be ousted and removed as such as provided by law.

b. If Buyers fail to timely perform this Contract, Sellers, at their option, may elect to declare the entire balance immediately due and payable after such notice, if any, as may be required by Chapter 654, The Code. Thereafter this Contract may be foreclosed in equity and the court may appoint a receiver to take immediate possession of the property and of the revenues and income accruing therefrom and to rent or cultivate the same as the receiver may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Buyers only for the net profits, after application of rents, issues and profits from the costs and expenses of the receivership and foreclosure and upon the Contract obligation.

It is agreed that if this Contract covers less than ten (10) acres of land, and in the event of the foreclosure of this Contract and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Sellers, in such action file an election to waive any deficiency judgment against Buyers which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Buyers, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Contract shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the said real estate has been abandoned

by the owners and those persons personally liable under this Contract at the time of such foreclosure; and (3) Sellers in such action file an election to waive any deficiency judgment against Buyers or their successor in interest in such action. If the redemption period is so reduced, Buyers or their successors in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Buyers shall be presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code. Upon completion of such forfeiture Buyers shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and for improvements if any shall be retained and kept by Sellers as compensation for the use of said property, and/or as liquidated damages for breach of this Contract; and upon completion of such forfeiture, if Buyers, or any other person or persons shall be in possession of said real estate or any part thereof, such party or parties in possession shall at once peacefully remove therefrom, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of a lease, and may accordingly be ousted and removed as such as provided by law.

c. If Sellers fail to timely perform their obligations under this Contract, Buyers shall have the right to terminate this Contract and have all payments made returned to them.

d. Buyers and Sellers are also entitled to utilize any and all other remedies or actions at law or in equity available to them.

e. In any action or proceeding relating to this Contract the successful party shall be entitled to receive reasonable attorney's fees and costs as permitted by law.

**13. REVENUE STAMPS.** Sellers agree to pay the real estate transfer tax and to affix the stamps for said tax on a Court Officer Deed to be delivered to Buyers when all the terms of this Contract are fully satisfied.

**14. PROPERTY CONVEYED AS IS.** Buyers acknowledge that the improvements and fixtures on said Real Estate have been inspected by Buyers and that Buyers are relying wholly upon their knowledge and investigation of the same and not upon any statement or representation made by Sellers, or by any other person representing or purporting to represent Sellers. Buyers accept the property, including all improvements and fixtures, in its present condition and "as is" and "where is". Buyers acknowledge that neither Sellers nor any agent of Sellers has made or is making any express or implied warranty as to the condition of the property and any improvements and/or fixtures thereon. Sellers shall not have any responsibility to remove debris, trash, refuse, or other similar material from the Real Estate and all costs associated with any site cleanup shall be paid by Buyers .

**15. TIME IS OF THE ESSENCE.** Time is of the essence in this Contract.

**16. CONSTRUCTION.** Words and phrases in this Contract shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

**17. CERTIFICATION.** Buyers and Sellers each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all

claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

18. **FENCING.** Buyers shall be responsible for all fencing, including maintenance thereof.

19. **SEPTIC SYSTEM.** Sellers disclaim any warranty on the septic system. It shall be the Buyers' obligation to inspect and determine if the septic system complies with state and county septic Code and whether it can be operational as installed. Any inspections, upgrades, repairs, maintenance, or other matters pertaining to the septic system will be at the Buyers' expense and in accordance with Lee County and Iowa laws and regulations will be at Buyers' expense.

20. **LP GAS.** Buyers shall reimburse Sellers for the remaining gas in the LP gas tank at the current rate on the day of closing.

21. **SITE CLEANUP.** The cost and expense of any site cleanup or other action necessary to remove or otherwise make safe a hazardous material, substance, conditions or waste discovered to be or alleged to be on the real estate shall be paid by Buyers.

22. **PERSONAL PROPERTY.** The following items of personal property are included: Refrigerator, stove, dishwasher and LP gas tank. All other personal property, including farm equipment is not included.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_  
Clarence Grossman, single, by Randy Grossman, his attorney-in-fact, Seller

State of Iowa, County of Lee:

This instrument was acknowledged before me on \_\_\_\_\_ day of \_\_\_\_\_, 2014 by Randy Grossman, attorney-in-fact for Clarence Grossman, single.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Buyer

State of Iowa, County of Lee:

This instrument was acknowledged before me on \_\_\_\_\_ day of \_\_\_\_\_, 2014 by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public