

## REAL ESTATE CONTRACT

**IT IS AGREED** this Real Estate Contract is executed by and between Harry E. Hoenig and Linda Hoenig, husband and wife, and Terry E. Hoenig and Jennifer Hoenig, husband and wife, ("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 locally known as 1025 Avenue D, Fort Madison, Iowa and legally described as Lot Number Eight Hundred Seventy-Three (873) in the City of Fort Madison, Lee County, Iowa (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 of record;
- c. Any easements of record for public utilities, roads and highways;
- d. Rights of tenants occupying Apartment numbers 1, 2, and 3 on the Real Estate pursuant to month-to-month tenancies (the "Leases").

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.

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, 2019 real estate tax installment pays taxes to July 1, 2018, 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.

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, January 18, 2019. 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. The existing double oven, electric stove top, washer, dryer, deep freeze, and dehumidifier will be included with the property and transferred to Buyers at Closing. The grain bin on the property does not belong to Sellers and is not included in the transaction and shall not be considered part of the Real Estate.

**10. 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.

**11. 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.

**12. REVENUE STAMPS.** Sellers agree to pay the real estate transfer tax and to affix the stamps for said tax on a Warranty Deed to be delivered to Buyers at Closing.

13. **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. The property which is the subject has been sold through an auction. Any announcement made on the day of the auction regarding the property supersedes any conflicting information in the sale bill and any advertising regarding the property.

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

15. **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.

16. **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.

17. **SEPTIC.** Sellers represent and warrant to Buyers that the Real Estate is not served by a private sewage disposal system, and there is no known private sewage disposal system on the property.

18. **LEASES.** Sellers shall assign to Buyers and Buyers shall assume all Sellers' obligations, as landlord, under the Leases effective as of the date of Closing. All rents paid under the Leases shall be prorated to the date of Closing. At Closing, Sellers shall transfer security deposits, if any, related to the Leases to Buyers and Sellers shall give the tenants under the Leases any required notice associated with such transfer. Sellers shall indemnify and hold Buyers harmless from any claim arising out of the Leases at, or before, the time of Closing. Buyers shall indemnify and hold Sellers harmless from any claim arising out of the Leases after the time of Closing.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018

By: \_\_\_\_\_  
Harry E. Hoenig, Seller

By: \_\_\_\_\_  
Terry E. Hoenig, Seller

By: \_\_\_\_\_  
Linda Hoenig, Seller

By: \_\_\_\_\_  
Jennifer Hoenig, Seller

1907 Avenue J  
Fort Madison, IA 52627  
SELLER'S ADDRESS

1461 – 295<sup>th</sup> Avenue  
West Point, IA 52656  
SELLER'S ADDRESS

State of Iowa, County of Lee:

This instrument was acknowledged before me on \_\_\_\_\_ day of \_\_\_\_\_, 2018 by  
\_\_\_\_\_.

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

\_\_\_\_\_  
\_\_\_\_\_  
Buyer

\_\_\_\_\_  
\_\_\_\_\_  
Buyer

\_\_\_\_\_  
\_\_\_\_\_  
BUYERS' ADDRESS

State of Iowa, County of Lee:

This instrument was acknowledged before me on \_\_\_\_\_ day of \_\_\_\_\_, 2018 by  
\_\_\_\_\_.