

**REAL ESTATE CONTRACT (SHORT FORM)
AUCTION CONTRACT
Tract 1**

IT IS AGREED between
Lathol A. Guy Estate and Joyce Guy Trust
("Sellers"); and

("Buyers").

Sellers agree to sell and Buyers agree to buy real estate in Washington County, Iowa, described as:

197 acres, more or less, located in Sections 17 and 20, Brighton Township. Legal Description to be taken from the abstract.

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; and d. (consider: liens; mineral rights; other easements; interest of others.)

(the "Real Estate"), upon the following terms:

1. **PRICE.** The total purchase price for the Real Estate is _____ Dollars (\$ _____) of which (10%) _____ Dollars (\$ _____) has been paid.

Buyer shall pay the balance to Sellers at Washington, Iowa, or as directed by Sellers, as follows:

The buyer shall pay Sellers the balance of \$ _____ on the date of possession, and upon Sellers' delivery of an Abstract of Title showing merchantable title, and a Court Officer Deeds, and otherwise complying with the terms of this Contract.

2. **INTEREST.** Buyers shall pay interest at the rate of 6.0% 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.

3. **REAL ESTATE TAXES.** Sellers shall pay the March 2020 and September 2020 taxes and a pro rata share of the March 2021 taxes based upon the date of possession, and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes. Any proration of real estate taxes on the Real Estate shall be based upon such taxes for the years currently payable unless the parties state otherwise.

4. **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.

5. **POSSESSION & CLOSING.** Sellers shall give Buyers possession of the Real Estate on April 13, 2020, provided Buyers are not in default under this contract. Closing shall be on April 13, 2020, in the offices of Lloyd, McConnell, Davis & Lujan, L.L.P., 211 W. Washington, Washington, Iowa.

6. **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 improvement on the Real Estate insured against loss of 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. Buyers shall provide Sellers with evidence of such insurance.

7. **ABSTRACT AND TITLE.** Sellers, at their expense, shall 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.

8. **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.

9. **DEED.** Upon payment of purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by Court Officer Deeds, 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.

10. **REMEDIES OF THE PARTIES.** a. If Buyers fail to timely perform this contract, Sellers may, at Sellers' option, forfeit Buyers' rights in this contract as provided in the Iowa Code, and all payments made by Buyers shall be forfeited. 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 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 Section 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 owners 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.

b. 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.

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

d. 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.

11. **JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE.** If Sellers, immediately preceding this contract, hold title to the Real Estate in joint tenancy with full right of survivorship, and the joint tenancy is not later destroyed by operation of law or by acts of Sellers, then the proceeds of this sale, and any continuing or recaptured rights of Sellers in the Real Estate, shall belong to Sellers as joint tenants with full right of survivorship and not as tenants in common; and Buyers in the event of the death of either Seller, agree to pay any balance of the price due Sellers under this contract to the surviving Seller and to accept a deed from the surviving Seller consistent with paragraph 10.

12. **JOINDER BY SELLER'S SPOUSE.** Seller's spouse, if not a titleholder immediately preceding acceptance of this offer, executes this contract only for the purpose of relinquishing all rights of dower, homestead and distributive shares or in compliance with Section 561.13 of the Iowa Code and agrees to execute the deed for this purpose.

13. **TIME IS OF THE ESSENCE.** Time is of the essence in this contract.

14. **PERSONAL PROPERTY.** If this contract includes the sale of any personal property, Buyers grant the Sellers a security interest in the personal property and Buyers shall execute the necessary financing statements and deliver them to Sellers.

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. **RELEASE OF RIGHTS.** Each of the Buyers hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waives all rights of exemption as to any of the property.

17. **INSPECTION OF PROPERTY:**

a. The BUYERS must choose one of the two following alternatives relative to the condition of the property (which are in addition to BUYERS right to a pre-closing inspection as described in paragraph (b) below):

1. Within _____ days after the final acceptance date BUYER may, at their sole expense, have the property inspected by a person or persons of their choice to determine if there are any structural, mechanical, plumbing, electrical, environmental or other deficiencies. The SELLER shall immediately notify the BUYER in writing of what steps, if any, the SELLER will take to correct any deficiencies before closing. The BUYER shall then immediately in writing, notify the SELLER and Agent that (1) such steps are acceptable, in which case this Agreement, as so modified, shall be binding upon all parties; or (2) such steps are not acceptable, in which case this Agreement shall be null and void, and any earnest money shall be returned to BUYERS.

2. BUYER acknowledges that BUYER has made a satisfactory inspection of the property and Buyer is purchasing the property in its existing condition.

b. BUYER or BUYER'S representative has the right to enter and inspect the property within forty-eight (48) hours prior to closing, and BUYER acknowledges by deposit of final funds, that the property is acceptable and all equipment is in working order except as noted on the Seller Property Condition Disclosure Form.

18. **ADDITIONAL PROVISIONS.**

a. Tract #1 is selling subject to Tenant's rights on the tillable for the 2020 crop year, as follows: $\$185 \times 186.87 \text{ acres} = \$34,570.95$. This will be paid to the Buyer at closing.

It shall be the obligation of the buyer(s) of Tract 1 to serve termination to the Tenant prior to September 1, 2020, if so desired.

b. It shall be the obligation of the buyer(s) to report to the Washington County FSA office and show filed deeds in order to receive the following, if applicable:

1. Allotted base acres.

- 2. Any future government programs.
- 3. CRP Prorate.
- c. Buyer agrees to follow all requirements of conservation plans and practices required by the FSA to maintain eligibility in the Conservation Reserve Program. Buyer agrees to accept responsibility and liability for any actions by the buyer which would endanger eligibility for the CRP or actions that would require repayment of the CRP payment or payments. Buyer further agree to indemnify and hold harmless the sellers for any recovery sought by the FSA due to actions of buyer, which would violate the requirements of the CRP. In the event the buyer elects to take the ground out of CRP, the buyer will be responsible to the seller for any prorate of the CRP payment that the seller would have received.
- d. All tracts will be surveyed by a licensed surveyor and surveyed acres will be the multiplier for said tracts. If the recorded survey is different than the announced surveyed acres, adjustments to the final contract price will be made accordingly at closing.
- e. A Well Agreement will be established for the two properties across the road.
- f. This auction sale is not contingent upon Buyer's financing or any other Buyer contingencies.
- g. Purchasers who are unable to close due to insufficient funds or otherwise, will be in default and the deposit money will be forfeited.
- h. The buyer(s) shall be responsible for any fencing in accordance with Iowa state law.
- i. If one buyer purchases more than one tract, the seller shall only be obligated to furnish one abstract and deed. (husband & wife constitute one buyer).
- j. The buyer(s) shall be responsible for installing his/her own entrances if needed or desired.
- k. If in the future a site clean-up is required it shall be at the expense of the buyer(s).
- l. This real estate is selling subject to any and all covenants, restrictions, encroachments and easements, as well as all applicable zoning laws.
- m. The buyer(s) acknowledge that they have carefully and thoroughly inspected the real estate and are familiar with the premises. The buyer(s) are buying this real estate in its "as is" condition and there are no expressed or implied warranties pertaining to the same.
- n. Steffes Group is representing the Seller and any announcements the day of sale take precedence over advertising.

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: _____, 2020.

LATHOL A. GUY ESTATE

By: _____
Philip Guy Seller

_____ Buyers

By _____
Mary Denise Guy-Himes Seller

Address: _____

Attorney: _____

Lender: _____

JOYCE GUY TRUST

By: _____
Phil Guy Seller

By: _____
Mary Denise Guy-Himes Seller

JLM:ac
Guy Lathol Est/2020 01 27 Contract #1