

REAL ESTATE CONTRACT – TRACT 2

IT IS AGREED between GNB Bank, as Executor of the Estate of Clinton D. Poley ("Sellers"); and _____ ("Buyers").

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

38.5 Acres, more or less, located in Section Thirteen (13) of Geneva Township, Franklin County, Iowa (the exact legal description shall be determined by abstract, and the abstract description shall replace this general description)

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;
- d. any restrictions of record;
- e. any reservations of mineral rights of record; and
- f. any encroachments,

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

1. **PRICE.** The total purchase price for the Real Estate is _____ Dollars (\$ _____) of which a ten (10) percent down payment of _____ Dollars (\$ _____) is required to be paid on the day the bidding closes. Said down payment shall be paid to and deposited in the Coonley Trust Account. Buyers shall pay the balance in full at closing to the Coonley Trust Account in good funds at Hampton, Iowa. The purchase price as set forth above in this paragraph will be adjusted to conform to the number of taxable acres as shown by the tax receipts. If the acres shown on the tax receipts are different than the number of acres announced then the purchase price shall be changed accordingly. For example, if this tract is announced to be 79 gross acres and the sale price is \$700,000 then the per acre price is \$8,860.76 ($\$700,000 / 79 = \$8,860.76$). If the tax receipts come back showing 78 gross acres then the purchase price shall be reduced by \$8,860.76. Conversely, if the tax receipts come back showing 80 acres then the purchase price shall be increased by \$8,860.76. The above purchase price includes a \$1,000 buyer's premium, which has been added to the bid amount to arrive at the total contract price.
2. **REAL ESTATE TAXES.** Sellers shall pay the real estate taxes becoming delinquent on April 1, 2021 and any prior real estate taxes. Sellers shall give Buyers a credit at closing for the real estate taxes becoming delinquent on October 1, 2021 and for a pro-rated portion of the real estate taxes becoming delinquent on April 1, 2022. 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.

3. **SPECIAL ASSESSMENTS.** Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of closing.
4. **POSSESSION CLOSING.** Sellers shall give Buyers possession of the Real Estate simultaneous with closing, provided Buyers are not in default under this contract. Closing shall be as soon as reasonably practical after merchantable title has been established, with a tentative closing date of January 21, 2021. Buyers shall receive Landlord's possession at closing, and full possession on March 1, 2021 at the termination of the existing farm tenancy.
5. **ABSTRACT AND TITLE.** Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through a then current date and deliver it to Buyers for examination. Such abstract shall be continued by an abstract company having a complete tract index. The abstract 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.
6. **FIXTURES.** All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as antenna, fencing, and gates shall be considered a part of Real Estate and included in the sale.
7. **CARE OF PROPERTY.** Buyers shall take good care of the Real Estate during the period of time between contract signing and closing, and shall deliver the Real Estate to the Sellers in no worse condition than it was in at the time of contract signing.
8. **DEED.** Upon payment of purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by Court Officer 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.
9. **REMEDIES OF THE PARTIES.**
 - a. If Buyers fail to perform any of the agreements as herein made or required; 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.

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

11. **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.

12. **RELEASE OF RIGHTS.** Each of the Sellers 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.

13. **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.

14. **HOMESTEAD WAIVER CLAUSE.**

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

Buyer

Dated _____, 2020

Buyer

15. **CURRENT FARM TENANCY.** The Seller has properly served the current farm tenant with notice of termination of the existing farm tenancy. Accordingly, the Real Estate will be available for Buyer to farm starting with the 2021 farm year.
16. **NO BUYER CONTINGENCIES.** Buyers' performance under this Real Estate Contract is not contingent upon Buyers receiving financing, or on any other fact or circumstance.
17. **REPORT OF SALE TO FSA OFFICE.** It is the obligation of Buyer to report to the appropriate county FSA office information regarding the completion of the sale in order to make any adjustments and/ receive any benefits related to any government programs. In the event of an acreage discrepancy between this Real Estate Contract and the number of acres determined by the FSA office, this Real Estate Contract shall govern.
18. **FENCING AND ENTRANCES.** The Buyer shall be responsible for providing or maintaining any required fencing in accordance with state law. Further, Buyer shall be responsible for installing any entrances needed or desired.
19. **COMMISSION AND AGENCY.** Steffes Group, Inc. is representing the Seller. Seller is solely responsible for any compensation due to Steffes Group, Inc. because of the sale of the Real Estate, unless Buyer has made direct written arrangements with Steffes Group, Inc., in which case Buyer is responsible in accordance with those direct written arrangements. Buyer acknowledges that any announcements made on the day of sale take precedence over the advertising materials.
20. **1031 EXCHANGE.** The parties acknowledge that the Buyers may acquire the Real Estate as replacement property as part of a tax deferred exchange as defined in Internal Revenue Code Section 1031. Further, the parties acknowledge all right, title, and interest in this Contract may be assigned by Buyers to a Qualified Intermediary or an EAT for the purpose of facilitating said tax deferred exchange in accordance with the Internal Revenue Code and the Internal Revenue Service Regulations. Sellers agree to cooperate with Buyers and with the Qualified Intermediary or EAT by executing any documentation reasonably necessary to effect said exchange. In doing so, Sellers will bear no additional costs or liabilities as a result of Buyer's intent to engage in a tax deferred exchange. Any assignment by Buyers will not release Buyers from Buyers' duty to perform under this Real Estate Contract unless specifically stated in writing by Sellers. Buyer's performance under this Real Estate Contract is not conditional upon Buyers' ability to effect said exchange.
21. **"AS IS" CONDITION.** Buyers are taking the property in its "AS IS" condition. Buyers acknowledge that they have fully and carefully inspected the Real Estate and are familiar with the Real Estate. Buyers are purchasing the Real Estate in its "AS IS" condition and

acknowledge that Sellers are providing no warranty of any kind, either expressed or implied, and that the sale and purchase of the Real Estate is on an “AS IS” basis, including as to any environmental conditions. Buyer specifically acknowledges that the Seller is exempt from the Time of Transfer inspection of any septic system and, accordingly, any future inspections, upgrades, repairs, maintenance or other matters to the septic system will be at the Buyer’s expense. If any future site clean-up is requires, it shall be at the expense of Buyer.

- 22. **MULTIPLE TRACTS.** In the event that Buyer also purchases an adjoining tract being sold at the same auction, then Seller will provide one abstract and one deed to both tracts. For this purpose, a husband and wife shall constitute one buyer.
- 23. **COUNTERPARTS.** This Real Estate Contract may be executed in counterparts with all counterparts taken together to form the original agreement, just as if all parties had signed the same document. Signatures which have been photocopied or sent by facsimile or “scanned” and sent by electronic delivery shall have the same force and effect as original signatures.
- 24. **SURVIVAL OF CLOSING.** The provisions of this Real Estate Contract shall survive the closing.
- 25. **COURT APPROVAL.** This sale is subject to Court approval in the Estate of Clinton D. Poley. In the event such Court approval is not obtained the parties shall be returned to their original positions just as if no real estate contract existed.
- 26. **HEADINGS.** The use of headings is for convenience only. Headings are not intended to modify the content of any wording contained in the body.

Dated: _____, 2020.

SELLERS:

BUYERS:

GNB Bank, Executor of the Estate of Clinton D. Poley

Jason Kirkpatrick, Director of Trust Services

