

PURCHASE AGREEMENT

IT IS AGREED, between Reliance State Bank, an Iowa Corporation, hereinafter referred to as the "SELLER", and _____, hereinafter referred to as the "BUYER".

SELLER agrees to sell and BUYER agrees to buy real estate in Hamilton County, Iowa, described as follows:

Northeast Quarter (NE 1/4) of Northwest Quarter (NW 1/4), lying West of I-35, Section 31, Township 86 North, Range 23 West of the 5th P.M., Hamilton County, Iowa, subject to road.

together with any easements and appurtenant servient estates, but subject to any reasonable easements of record for public utilities or roads, any zoning restrictions, customary restrictive covenants and mineral reservations of record, if any, herein referred to as the "Property" under the following terms and conditions:

1. **PURCHASE PRICE.** The Purchase Price for the Property is _____ (\$ _____) of which _____ (\$ _____) has been paid. The balance of the purchase price shall be paid in cash at the time of closing with adjustment for closing costs to be added or deducted from this amount. This sale is NOT contingent upon BUYER obtaining financing or any other BUYER contingency.

2. **FARM LEASE.** The Property is under a farm cash lease with a current lease year that ends on February 28, 2022. The tenant of the farm has been terminated and the Property will be free of any farm tenancy effective March 1, 2022. SELLER shall retain 100% of the cash rent for the current lease year and there will be NO proration of the rent to BUYER.

3. **INTEREST.** BUYER shall pay interest at the rate of 6% per annum on all delinquent amounts and any sum reasonably advanced by SELLER to protect its interest in this purchase agreement, computed from the date of the delinquency or advance.

4. **REAL ESTATE TAXES.** SELLER shall pay the property taxes for the 2019/2020 tax year and any unpaid real estate taxes payable in prior years. SELLER shall also pay its prorated share, based upon the closing date, of the real estate taxes for the fiscal year in which the closing date occurs. BUYER shall pay all subsequent real estate taxes. Any proration of real estate taxes on the Property shall be based upon such taxes for the year currently payable unless the parties state otherwise.

5. **SPECIAL ASSESSMENTS.** SELLER shall pay all installments of special assessments which are a lien on the Property as of the date of closing. Any preliminary or deficiency assessment which cannot be discharged by payment shall be paid by SELLER through an escrow account with sufficient funds to pay such liens when payable, with any unused funds returned to the SELLER. BUYER shall pay all other special assessments.

6. **RISK OF LOSS AND INSURANCE.** SELLER shall bear the risk of loss or damage to the Property prior to the closing date. SELLER agrees to maintain existing insurance and BUYER may purchase additional insurance. In the event of substantial damage or destruction prior to closing, this Agreement shall be null and void; provided, however, BUYER shall have the option to complete the closing and receive insurance proceeds regardless of the extent of damages. The property shall be deemed substantially damaged or destroyed if it cannot be restored to its present condition on or before the closing date.

7. **POSSESSION AND CLOSING.** If BUYER timely performs all obligations herein, the closing shall occur and legal title to the Property shall be delivered to BUYER on October 1, 2021, and any adjustments of insurance, taxes, interest and all charges attributable to the pre-closing time period shall be made as of the closing date. Closing shall occur after approval of title by BUYER'S attorney. Unless mutually agreed to otherwise between the parties, Closing shall take place at the office of Brekken, Wynia & Hyland, P.C., 523 Broad St, Story City, IA 50248.

8. **CONDITION OF PROPERTY.** The Property as of the date of this Agreement including buildings, grounds, and all improvements located on the Property, is being sold "AS IS" and SELLER makes no expressed or implied warranties pertaining to the Property. BUYER acknowledges that it has carefully and thoroughly inspected the Property and is familiar with the premises.

9. **ABSTRACT AND TITLE.** SELLER, at its expense, shall promptly obtain an abstract of title to the Property continued through the date of acceptance of this Agreement, and deliver it to BUYER'S attorney for examination. It shall show merchantable title in conformity with this Agreement, Iowa law, and Title Standards of the Iowa State Bar Association. SELLER shall make every reasonable effort to promptly perfect title. If closing is delayed due to the SELLER' inability to provide marketable title, this Agreement shall continue in force and effect until any party rescinds the Agreement after giving ten days written notice to the other party. The abstract shall become the property of BUYER when the purchase price is paid in full. SELLER shall pay the costs of any additional abstracting and title work due to any act or omission of SELLER, including transfers by or the death of SELLER or their assignees.

10. **SURVEY.** BUYER may, at BUYER'S expense and prior to closing, have the Property surveyed and certified by a Registered Land Surveyor. SELLER shall have no requirement to provide a survey of the Property.

11. **ENVIRONMENTAL MATTERS.** SELLER makes no warranties against claims of environmental matters. All parties herein have equal knowledge to the Property and acknowledge and believe that there are no abandoned wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks located on the Property, that the Property does not contain levels of radon gas, asbestos or urea-formaldehyde foam insulation which require remediation under current governmental standards, and that no party has done anything to contaminate the Property with hazardous wastes or substances. All parties to this agreement acknowledge that the Property is not subject to any local, state, or federal judicial or administrative action, investigation or order, as the case may be, regarding wells, solid waste

disposal sites, hazardous wastes or substances, or underground storage tanks. As such, BUYER agrees that it alone will be responsible for any required clean-up costs and agrees to indemnify, defend and hold harmless SELLER from all claims resulting from, arising out of, or based upon the Property violating any Environmental Laws.

12. **DEED.** Upon payment of the purchase price, SELLER shall convey the Property to BUYER by Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provided in this agreement. General warranties of title shall extend to the time of delivery of the deed excepting liens or encumbrances allowed by BUYER.

13. **ASSIGNMENT.** This Agreement is personal to the parties hereto, and accordingly neither the Agreement nor any right hereunder or interest herein may be assigned or transferred or charged or otherwise dealt with by either party without the express written consent of the other.

14. **STATEMENT AS TO LIENS.** SELLER represents and warrants to BUYER that there are no unpaid claims for unpaid labor, materials or equipment against the Property arising out of any actions taken by the Seller for which a claim for a mechanic's lien may arise.

15. **USE OF PURCHASE PRICE.** At time of settlement, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.

16. **REMEDIES OF THE PARTIES.** If BUYER fail to timely perform this Agreement, SELLER may forfeit it as provided in the Iowa Code (Chapter 656), and all payments made shall be forfeited; or, at SELLER'S option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of BUYER'S default (during which thirty days the default is not corrected), SELLER may declare the entire balance immediately due and payable. Thereafter this agreement may be foreclosed in equity and the Court may appoint a receiver. If SELLER fails to timely perform this Agreement, BUYER has the right to have all payments made returned to them. BUYER and SELLER are also entitled to utilize any and all other remedies or actions at law or in equity available to them and shall be entitled to obtain judgment for costs and attorney fees as permitted by law.

17. **NOTICE.** Any notice under this Agreement shall be in writing and be deemed served when it is delivered by personal delivery or by certified mail return receipt requested, addressed to the parties at the address given below.

18. **CERTIFICATION.** BUYER and SELLER 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.

19. **GENERAL PROVISIONS.** In the performance of each part of this Agreement, time shall be of the essence. Failure to promptly assert rights herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default. This Agreement shall apply to and bind the successors in interest of the parties. This Agreement shall survive the closing. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

20. **SELLER REAL ESTATE AGENT OR BROKER.** SELLER is being represented by Steffes Group, Inc.

21. **INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM.** The property is NOT served by a private sewage disposal system, or there is NOT a private sewage disposal system on the property.

22. **ADDITIONAL PROVISIONS.**

- A. For purposes of BUYER receiving allotted base acres and any future government program payments, it is the obligation of BUYER to report BUYER'S purchase of the Property with the Hamilton County FSA Office.
- B. BUYER shall maintain and be responsible for any fencing requirements under state law.
- C. BUYER is responsible for installing any desired entrances.
- D. BUYER acknowledges that the Property is subject to a recorded easement for ingress and egress purposes.

Dated this ____ day of August, 2021.

SELLER

BUYER

Reliance State Bank, an Iowa Corporation

By: Richard J. Schreier, President
