

**CONTRACT FOR SALE OF REAL ESTATE**

This contract is made this \_\_\_\_ day of September, 2021 between R.D. Hafner Farms, Inc., an Iowa corporation, as Seller, and \_\_\_\_\_, as Purchaser.

The Seller is selling to the Purchaser the following described real estate:

The West (W) Seven-tenths (7/10) of the Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4) and the West (W) Seven-tenths (7/10) of the Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) North (N) of the Railroad, all in Section One (1) Township Seventy-five (75), Range (4) Louisa County, Iowa, containing 51.6 acres, more or less. Also described as the West 56 acres of the East Half (E1/2) of the Southeast Quarter (SE1/4) lying North (N) of the Chicago, Rock Island and Pacific Railroad, all in said Section One, Township Seventy-five North, Range Four West of the 5<sup>th</sup> P.M.

Excepting therefrom the following described tract:

Commencing at the northwest corner of said NE ¼ of SE ¼ running thence South on the quarter section line a distance of 1108 feet; thence East on a line parallel with the half section line dividing said Section One into north and south halves a distance of 208 feet; thence North on a line parallel with the quarter section line aforesaid a distance of 1108 feet; thence West along the half section line a distance of 200 feet to the point of beginning, containing 5.004 acres, more or less, exclusive of public highways.

Subject to easement for public highway to Louisa County, Iowa, dated February 19, 1968 and recorded in Book 256, Page 285-286, records of the Recorder of Louisa County, Iowa.

The Purchaser agrees to pay to the Seller the sum of \_\_\_\_\_ (\$ \_\_\_\_\_) for the above described real estate and any improvements or fixtures located thereon.

Seller, at its expense, shall promptly obtain an abstract of title to the Property continued through the date of this Agreement and deliver it to Purchaser's attorney for examination. It shall show merchantable title in Sellers in conformity with this Agreement, Iowa law, and Title Standards of the Iowa State Bar Association. The Seller shall make every reasonable effort to promptly perfect title. If closing is delayed due to Seller's inability to provide marketable title, this Agreement shall continue in force and effect until either party rescinds the Agreement after giving ten days written notice to the other party. The abstract shall become the property of Purchaser 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.

The general real estate taxes, due and payable for the year beginning July 1, 2021, shall be paid by Seller. The prorated real estate taxes for the fiscal year beginning July 1, 2022, shall be paid

by Seller to Purchaser at closing as a credit with such credit to be based on the most recent tax information available. The general real estate taxes, due and payable in all subsequent years' taxes, shall be paid by Purchaser.

Possession shall be delivered by the Seller to the Purchaser at the time of closing subject however to the rights of the 2021 crop year tenant under the terms of a written cash farm lease between the Seller and Stout Farms, Inc. dated November 13, 2020 for the crop year beginning January 1, 2021 and ending December 31, 2021. A copy of the lease is attached.

The conveyance to be made by the Seller to the Purchaser shall be expressly subject to any and all existing easements of record for drainage, utilities and public highways and any other city, county, state or subdivision conditions or terms that are now currently existing of record in regard to the above said property.

Unless otherwise provided for herein, the Purchaser stipulates that a full inspection of the premises has been made and the Seller shall not be held to any covenant respecting the condition of the premises or to any agreement for alteration, improvement or repair, unless the covenant or agreement relied upon is in writing and attached to and made a part of this contract. Specifically, the Seller is selling the above-described real estate in its "as is/where is" condition and no warranties of any kind or nature shall apply to this conveyance unless such warranties are reduced to writing and attached to and incorporated by reference into this contract. The Seller and the Purchaser agree that the above described real estate is unimproved agricultural real estate.

In the event the Purchaser fails to complete this transaction, the Seller may elect to retain any down payment or earnest money as the Seller's liquidated damages for the Purchaser's default in completing this transaction.

Seller and Purchaser agree that should either of them default in their performance of any of the covenants, conditions, or agreements contained herein, or institute legal proceedings under this agreement that are unsuccessful, the non-prevailing party in any such action shall pay to the prevailing party all costs and expenses that may arise from any enforcement of this agreement, or successful defense for any legal action brought under this agreement, depending on whatever the case may be, either by suit, or otherwise, including a reasonable attorney's fee.

The purchase price for the real estate shall be paid as follows:

- a. \$ \_\_\_\_\_ paid as a down payment to the Nepple Law Trust Account, the receipt of which is hereby acknowledged by the Seller; and
- b. The balance of the purchase price shall be paid at closing to the Seller by the Purchaser on or before the 22nd day of October, 2021 and upon payment of the balance of the purchase price in full, the Seller shall deliver a good and sufficient warranty deed to the Purchaser along with proof of merchantable title.

The time of payment shall be of the essence of this agreement.

In the event that more than one person either as Seller or Purchaser enters into this agreement, the singular used herein shall be construed as plural and wherever the terms

"Seller" or "Purchaser" are used herein, this shall be construed to include the respective heirs, legal representative, successors, transferees or assigns of such party or parties.

This writing constitutes the entire agreement between the parties hereto.

Other provisions are:

1. The parties hereto agree that Steffes Group, Inc. is entitled to an auction fee because of the sale of this real estate.
2. This contract is not contingent upon the Purchaser obtaining financing for the purchase of this real estate, the appraisal of this real estate, the appraisal of this real estate by the Purchaser's lender, if any, or the sale of other real estate by the Purchaser.
3. The Seller relinquishes all rights to any and all federal farm program benefits now due or to become due in the future by reason for the Seller and its tenant having farmed this real estate for the 2021 crop year.
4. Seller reserves to itself and its 2021 farm tenant all 2021 crops that may now still be standing upon the above described real estate.
5. Seller warrants that no tenant rights exist as to the above described tract being sold for the 2022 and subsequent crop years and a copy of the written termination notice timely served upon the 2021 crop tenant for the 2022 crop year on August 15, 2021, is attached to this agreement.
6. The Seller is not providing a survey to the Purchaser for the above described real estate. The Seller is not guaranteeing the number of acres in the farm and the farm is being sold "in gross" for the above mentioned selling price.
7. Seller reserves all remaining unpaid 2021 cash rent from their Tenant. The terms, conditions and covenants of this contract shall survive the closing.
8. Notwithstanding any other provisions of this contract, the terms in Exhibit A, attached hereto, shall control regardless of any other provisions in the contract that may be inconsistent thereof.

This contract is executed the date and year first above written.

Purchaser:

Seller:

R.D. Hafner Farms, Inc.

\_\_\_\_\_  
Andrew C. Hafner, President

## **EXHIBIT "A"**

### **SPECIAL PROVISIONS**

- This online real estate auction will have a 5% buyer's premium. This means the buyer's premium in the amount of five percent (5%) of the bid amount shall be charged to the Buyer and added to the bid amount to arrive at the total contract purchase price.
- Bidding on the land will be by the acre. Taxable acres of 45.77 will be used as the multiplier to determine the total bid amount. Seller shall not be obligated to furnish a survey.
- Down payment is due on the day the bidding closes and signing of the real estate contracts will take place through email and electronic document signatures.
- If a bid is placed with less than 4 minutes left on the auction, the time on the auction will extend another 4 minutes. This will continue until no bids are placed within the last 4 minutes.
- Seller has served termination to the tenant and the land is selling free and clear for the 2022 farming season.
- It shall be the obligation of the Buyer to report to the appropriate County FSA office and show filed deed in order to receive the following if applicable: A. Allotted base acres. B. Any future government programs.
- This auction sale is not contingent upon Buyer's financing or any other Buyer contingencies.
- Purchasers who are unable to close due to insufficient funds or otherwise, will be in default and the deposit money will be forfeited.
- The Buyer shall be responsible for any fencing in accordance with state law.
- The Buyer will be responsible for installing his/her own entrance, if needed or desired.
- If in the future a site clean-up is required, it shall be at the expense of the Buyer.
- This real estate is selling subject to any and all covenants, restrictions, encroachments and easements, as well as all applicable zoning laws.
- The Buyer acknowledges that they have carefully and thoroughly inspected the real estate and are familiar with the premises. The Buyer is buying this real estate in its "as is" condition and there are no expressed or implied warranties pertaining to the real estate.
- Steffes Group, Inc. is representing the Seller.
- Any announcements made the day of sale take precedence over advertising. We would appreciate it if you would send us a copy of the real estate contract prior to the day of the auction so that we may post them on our website for potential buyers to view prior to the auction. If you have any questions let us know.\

## FARM CASH LEASE AGREEMENT

DATE: November 13 2020  
PROPERTY: 300 tillable acres  
LEGAL DESCRIPTION: Reference to the attached Exhibit A.

IMPROVEMENTS: Bins and grain handling equipment are not included  
LANDLORD: R. D. Hafner Farms, Inc.  
TENANT: Stout Farms, Inc.

TERMS OF LEASE: January 1, 2021 to December 31, 2021  
RENTAL RATE: \$300.00 per tillable acre, 300 acres \$90,000.00 per year

PAYMENT DATES: Payment of \$45,000.00 on March 1, 2021 and \$45,000.00 on September 1, 2021.

GENERAL USE OF PROPERTY: This Lease is to permit Tenant to plant and harvest row and grain crops. Ordinary farm (non-exotic) livestock production is permitted. The premises shall not be used for any purposes in violation of the law, local regulations or zoning ordinances.

THE TENANT SHALL NOT APPLY HOG MANURE OR TURKEY MANURE ON THE LAND. TENANT SHALL USE TRADITIONAL/CONVENTIONAL FETILIZER AND CROP ADDITIVES. TENANT SHALL NOT GROW SEED CORN.

CONSERVATION: Tenant shall conserve the soil using minimum tillage and no tillage farm practices. The tillable land shall not be mold board plowed without written consent from the Landlord. Corn and soybean stubble shall not be removed from the surface of the crop land without written consent from Landlord.

Tenant shall maintain waterways.

GOVERNMENT PROGRAMS: Tenant must comply with all Natural Resources Conservation Service and Farm Service Agency programs. Tenant must notify Landlord of all new USDA programs that are beneficial to this property.

MINERAL RIGHTS: All mineral rights are excluded.

LIABILITY: Tenant shall be held liable for all damages to the property or for injuries to visitors, agents or employees of the Tenant. Tenant agrees to hold harmless and indemnify Landlord from all claims for damages and injuries, including injuries resulting in death.

ENVIRONMENT: Tenant shall comply with all laws regulating to the use of chemicals and the disposition of contaminated products. Tenant shall not dispose of any trash, refuse or hazardous waste on this property.

RIGHT OF ENTRY: Landlord or his agents reserve the right to enter this property at reasonable times.

SECURITY INTEREST: As security for sums due, Tenant grants to Landlord a security interest as provided in the Iowa Uniform Commercial Code and a contractual lien in all crops produces on the premises and the proceeds and products thereof, government payments received and insurance proceeds collected for crop losses.

TERMINATION: This Lease shall automatically renew from year to year unless either party gives written notice to the other not to renew. Said notice must be received prior to September 1<sup>st</sup> of the crop year that ends on December 31, 2021.

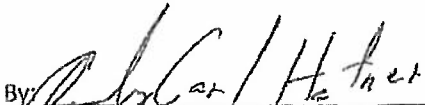
At the termination of this Lease, Tenant will relinquish possession of the premises to the Landlord or assignees, as the case may be. If Tenant fails to do so, Tenant agrees to pay Landlord or assignees One Hundred Dollars (\$100.00) per day, as liquidated damages until possession is delivered to Landlord or assignees. At the time of delivery of the premises, Tenant shall assure that the premises is in good order and condition, and substantially the same as it was when received by Tenant at the commencement of this Lease, excusable or insurable loss by fire, unavoidable accidents and ordinary wear, excepted.

In the event notice of termination of this Lease has been properly served, Landlord or assignees, as the case may be, may enter upon the premises or authorize someone else to enter upon the premises to conduct any normal tillage or fertilizer operation after Tenant has completed the harvesting of crops, even if this is prior to the date of termination of this Lease. Landlord or assignees may enter upon premises at any reasonable time for the purpose of viewing of seeding or making repairs, or for other reasonable purposes.

The notices contemplated in this Lease shall be made in writing and shall either be delivered in person, or be mailed in the U.S. Mail, priority mail with tracking number to the recipient's last known mailing address.


ASSIGNMENT: Tenant shall not assign this Lease or sublet the property without written consent from Landlord.

R. D. Hafner Farms, Inc.

By:   
Andy Hafner, President

7-21-21  
Date

Stout Farms, Inc.

By:   
Mark A. Stout, President (Tenant)

11-13-20  
Date

## EXHIBIT A

The North Half of the Northeast Quarter of Section 36, and the Southwest Quarter of the Northeast Quarter of Section 36 except a part of the Southwest Quarter of the Northeast Quarter of Section 36, in Township 76 North, Range 4 West of the 5<sup>th</sup> Principal Meridian, in Muscatine County, Iowa, described as follows: Commencing at a concrete monument marking the East ¼ corner of said Section 36; thence North 90° 00' West along the ¼ section line 1574.87 feet to the point of beginning; thence continuing North 90° 00' West along said ¼ section line 315.25 feet to an iron pin; thence North 00° 38' East 276.36 feet to an iron pin, the point of beginning, containing 2.00 acres, more or less.

AND

The North Half of the Northeast Quarter and the South Half of the Northwest Quarter of Section 1, Township 75 North, Range 4 West of the 5<sup>th</sup> P.M., Louisa County, Iowa.

EXCEPTING therefrom the following tracts:

Commencing at the Southeast corner of the Southwest quarter of Northwest Quarter of Section 1, Township 75 North, Range 4 West of the 5<sup>th</sup> P.M.,  
thence West along the South line of said acre tract 60 feet to the point of beginning;  
thence continuing West along said South line a distance of 199 feet;  
thence North on a line parallel with the East line of said tract a distance of 263 feet;  
thence East on a line parallel with the South line of said tract a distance of 199 feet;  
thence South on a line parallel with the East line of said tract a distance of 263 feet to the point of beginning.

ALSO EXCEPTING a part of the Southwest Quarter of the Northwest Quarter of Section 1, Township 75 North, Range 4 West of the 5<sup>th</sup> P.M., more particularly described as follows:

Beginning at the West quarter corner of said Section 1;  
thence N90°00'00" East (an assumed bearing) 471.04 feet along the quarter section line; thence North 00°21'54" East 557.34 feet;  
thence South 90°00'00" West 470.97 feet to a point in the center of the public highway and the apparent West line of said Section 1;  
thence South 00°21'54" West 557.34 feet along the apparent West line of said Section 1 to the point of beginning.  
Containing 6.03 acres, more or less, subject to a public highway right-of-way along the Southerly and Westerly sides of the above described tract.

AND ALSO EXCEPTING

Lot 1 of Stout Acres Subdivision being a part of the Southwest Quarter of the Northwest Quarter of Section 1, Township 75 North, Range 4 West of the 5<sup>th</sup> P.M., Louisa County, Iowa, as exemplified by plat of survey recorded in Surveyor's Record Book 20, page 107, as Instrument #2020-0888, records of the Recorder of Louisa County, Iowa

## NOTICE OF TERMINATION OF FARM TENANCY

TO: Mark A. Stout  
Stout Farms, Inc.  
1649 275th Street  
Letts, IA 52754

You and each of you are hereby notified that the farm tenancy of the following described real estate situated in Muscatine and Louisa County, Iowa, to-wit:

See attached EXHIBIT A

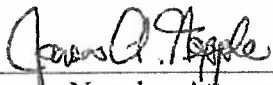
will terminate and expire on December 31, 2021, and such tenancy will not continue after said date.

This notice is given to you in accordance with the provisions of Chapter 562 of the Code of Iowa.

If this notice is directed to a person in possession of the real estate, you are further notified that the undersigned demand that you vacate, surrender, and deliver possession of said real estate on said date.

You will therefore take notice and govern yourselves accordingly.


Andrew C. Hafner, R. D. Hafner Farms, Inc.

By   
James A. Nepple, Attorney  
ICIS PIN: AT0005819  
Nepple Law, PLC  
615 Cedar Street  
Muscatine, Iowa 52761

## ACCEPTANCE OF SERVICE

The undersigned accept and acknowledge due, timely and legal service of the foregoing notice and acknowledge receipt of a copy thereof on this date.

Dated: August 15, 2021.

  
Mark A. Stout

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