

## REAL ESTATE CONTRACT

**IT IS AGREED** between Robert Harmon and Marlene Harmon, husband and wife, ("Sellers"); and \_\_\_\_\_ ("Buyers").

Sellers agree to sell and Buyers agree to buy real estate in Franklin County, Iowa, locally known as Ward's Welding at 917 6<sup>th</sup> Street SW in Hampton, Iowa (the legal description will be determined by the abstract to the property – Seller is not required to furnish a survey) with any easements and appurtenant servient estates, but subject to any zoning and other ordinances; any covenants of record; any encroachments; and any easements of record for public utilities, roads and highways, (the "Real Estate"), upon the following terms:

- 1. PRICE.** The total purchase price for the Real Estate is \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) of which \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) has been paid. Buyers shall pay the balance to Sellers in good funds at closing. The purchase price is determined by taking the highest bid obtained by auction bidding and adding a \$1,000 Buyers premium to said high bid amount. The high bid amount and the \$1,000 Buyers premium taken together shall constitute the purchase price.
- 2. REAL ESTATE TAXES.** Sellers shall pay the real estate taxes which become delinquent April 1, 2022 and all prior delinquent real estate taxes. Sellers shall give Buyers credit at closing for the real estate taxes which become delinquent October 1, 2022, and for a pro-rated portion of the real estate taxes which become delinquent April 1, 2023. Buyers shall pay all subsequent real estate taxes. The credit for Fall 2022 taxes and for the pro-ration of the Spring 2023 taxes 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 this contract. All other special assessments shall be paid by Buyers.
- 4. POSSESSION CLOSING.** Sellers shall give Buyers possession of the Real Estate simultaneously with closing, which closing shall be as soon as reasonably practical after conclusion of the auction sale.
- 5. DAMAGE BEFORE CLOSING AND INSURANCE.** Sellers shall maintain existing insurance upon the Real Estate until the closing. In the event of damage or destruction to the Real Estate which cannot reasonably be repaired prior to closing Buyers shall have the option to accept the existing insurance and close the transaction, or cancel the transaction and receive a refund of the down payment.
- 6. ABSTRACT AND TITLE.** Sellers, at their expense, shall promptly after all necessary signatures are obtained on this contract obtain an abstract of title to the Real Estate continued through the date of this contract and deliver it to Buyers for examination. Such abstract shall be procured from an abstract company having a complete set of tract idicies

for Franklin County, and 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. 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.

7. **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.

**8. 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.

**9. 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.

- 10. JOINDER BY SELLER'S SPOUSE.** Seller's spouse, if not a titleholder immediately preceding the signing of this contract, 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.
- 11. TIME IS OF THE ESSENCE.** Time is of the essence in this contract.
- 12. FIXTURES AND PERSONAL PROPERTY.** The sale of the Real Estate includes the following, whether or not they are considered fixtures: (1) mounted jib crane, (2) exhaust fan system and (3) any item present on the day of closing. In the event that Buyers do not want any of the items present on the day of closing it shall be up to Buyers to dispose of said item(s) at Buyers expense. The following items are specifically excluded from the sale of the Real Estate, whether or not they are considered fixtures: (1) air compressor, (2) refrigerator, (3) wood burning stove, (4) all attached and unattached work benches, shelving and equipment. These items excluded from the sale shall be removed by Sellers at Sellers expense prior to closing. Sellers shall use best efforts to remove any of the items which are fixtures in a manner that will minimize the harm done to the Real Estate. Other than as set forth above in this paragraph all remaining attached fixtures shall be considered a part of Real Estate and included in the sale.
- 13. 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.
- 14. 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.
- 15. 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.

**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 the \_\_\_\_ day of \_\_\_\_\_, 2022 \_\_\_\_\_  
(Signature of Buyers)

- 16. "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. Buyers shall bear full responsibility and expense to have the septic system pumped, if required, and inspected prior to closing as required by the Iowa DNR. It is also Buyers responsibility and expense to upgrade, repair, or replace the septic system in accordance with any and all applicable laws and regulations. Prior to closing Buyers shall obtain all necessary paperwork required by the Franklin County Sanitarian such that the deed from Sellers to Buyers can be recorded.
- 17. COUNTERPARTS.** This Real Estate Contract may be executed in counterparts with all 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.
- 18. NO BUYER CONTINGENCIES.** Buyers' performance under this Real Estate Contract is not contingent upon Buyers receiving financing, or on any other fact or circumstance.
- 19. COMMISSION AND AGENCY.** Steffes Group, Inc. is representing the Sellers. Sellers are 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. Nothing in this paragraph shall relieve Buyers from paying the \$1,000 buyer's premium which makes up a part of the purchase price as set forth above. Buyers acknowledge that any announcements made on the day of sale take precedence over the advertising materials.
- 20. 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 the \_\_\_\_ day of \_\_\_\_\_, 2022.

SELLERS:

BUYERS:

\_\_\_\_\_  
Robert Harmon, Seller

\_\_\_\_\_  
Marlene Harmon, Spouse of Seller