

Prepared By and Return To: Michael S. Vervaecke, Hayek, Moreland, Smith & Bergus, L.L.P., 120 East Washington Street, Iowa City, IA 52240-3924; Phone: 319-337-9606; Email: mvervaecke@hmsblaw.com

CONTRACT FOR REAL ESTATE

1. **PARTIES IDENTIFIED.** This Contract for Real Estate is between:

“Seller” Collectively William R. Grey and Janet M. Grey, a married couple; and

“Buyer” As identified on page 8 to this Contract.

2. **REAL ESTATE DESCRIPTION.** Buyer agrees to buy and Seller agrees to sell “Real Estate” in Cerro Gordo County, Iowa locally described as 1552 270th Street, Ventura, Iowa 50482, and legally described as:

A PARCEL OF LAND DESIGNATED AS PARCEL ‘A’ BEING PART OF THE SOUTHWEST QUARTER (SW ¼) OF THE SOUTHEAST QUARTER (SE ¼) OF SECTION 6, TOWNSHIP 97 NORTH, RANGE 22 WEST OF THE 5TH P.M., CERRO GORDO COUNTY, IOWA, AS DESCRIBED AND DEPICTED IN PLAT OF SURVEY DATED AUGUST 11, 2023 AND FILED AUGUST 15, 2023 AS DOCUMENT NO. 2023-4086 IN THE OFFICE OF THE CERRO GORDO COUNTY IOWA RECORDER,

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;
- (d) the rights of the farm tenant;
- (e) the CRP contracts, if any; and
- (f) the fencing laws and rules of Iowa and the determination of boundaries.

The exact legal description shall be as set forth in the Abstract to be provided at Seller’s expense.

3. **PRICE, PAYMENT TERMS, PLACE AND DATE OF CLOSING.** The total purchase price shall be \$ _____, which includes \$ _____ (bid amount) plus \$ _____ (Buyer’s premium = 5% x \$ _____ bid amount).

The total purchase price shall be paid as follows:

\$ _____ (10% of the purchase price) shall be paid in trust at this time to Hayek, Moreland, Smith & Bergus, L.L.P. Trust Account, as earnest money, which is only refundable as set forth in Item 26 below, and the balance of \$ _____ shall be paid in cash at the time of closing with adjustment for closing costs to be added or deducted from this amount at 120 East Washington Street, Iowa City, Iowa (the offices of Hayek, Moreland, Smith & Bergus, L.L.P.) or at such other place as the parties may agree on the date of closing.

The closing shall be on or before **October 27, 2023**, or as soon as reasonably possible thereafter.

4. **REAL ESTATE TAXES.** Seller shall pay real estate taxes in the “customary fashion” and those which are attributable to Seller’s period of possession and any unpaid real estate taxes payable in prior years. By way of illustration, if Seller’s final possession date is October 1, 2023, Seller shall then pay that installment of real estate of real estate taxes that becomes delinquent if not timely paid October 1, 2023 (and which is due September 30, 2023), that installment that becomes delinquent if not timely paid April 1, 2024 (which is due March 31, 2024), and 3/6ths of that installment of real estate taxes that becomes delinquent if not timely paid October 1, 2024 (and which is due September 30, 2024) with Buyer receiving credit computed upon taxes presently known.

Buyer shall pay all subsequent real estate taxes. The parties shall “prorate” for those taxes not presently payable.

Any proration of real estate taxes shall be based on information available at the time of closing.

5. **SPECIAL ASSESSMENTS.** Seller shall pay all special assessments which are a lien as of the date of this Contract.

6. **INSURANCE.** The parties shall insure their respective interests in the Real Estate until the day of closing in such amounts and with such coverages as the parties deem appropriate.

7. **RISK OF LOSS.** All risk of loss shall remain with Seller until closing.

8. **CARE AND MAINTENANCE.** The Real Estate shall be preserved in its present condition and delivered intact at the time of closing.

9. **FIXTURES AND APPLIANCES.** All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as light fixtures, shades, rods, blinds, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners, automatic heating equipment, air conditioning equipment, wall to wall carpeting, built-in items and electrical service cable, outside television towers and antenna, fencing, gates, landscaping, refrigerator, stove, microwave, dishwasher, washer, dryer, sterling water softener system, window treatments, custom made rugs in living room, solar panel system, Generac backup generator, playground equipment, concrete pile behind building, and any item present on the day of final settlement/closing shall be considered a part of the Real Estate and included in the sale.

Items NOT considered to be a part of the Real Estate and NOT included in the sale are two (2) lead glass pieces from kitchen, select boulder rocks, landscape river rock, pallet boxes and equipment marked “NOT FOR SALE- WILL BE REMOVED” in one of the outbuildings, and all personal property and equipment of Seller.

10. **CONDITION OF PROPERTY.**

A. The Real Estate as of the date of this Contract, including buildings, grounds, and all improvements, shall be preserved by the Sellers in its present condition until possession, ordinary wear and tear excepted.

- B. Buyer is purchasing the Real Estate "AS IS" and "WITH ALL FAULTS, and takes sole responsibility for the condition of the Real Estate, including but not limited to the well and on-site wastewater treatment system.
- C. Buyer, at their sole expense, may have the Real Estate inspected by a person or persons of their choice to determine if there are any structural, mechanical, plumbing, electrical, environmental, or other deficiencies.

Buyer is responsible for the septic inspection as described in Item 27 below.

However, this Contract is not contingent upon further inspections. Seller will have no obligations to make improvements or to remove any materials now on site.

- D. Buyer is responsible for removing any abandoned personal property.

11. **POSSESSION.**

- A. If Buyer timely performs all obligations, possession shall be delivered at the time of closing, subject to the terms that follow.
- B. Buyer acknowledges the present farm tenant has been terminated as of February 28, 2024, and has the right to continue to occupy the Real Estate until such date, including the right to remove crops. Seller has reached an agreement for the tenant to vacate the Real Estate as soon as possible after the fall harvest to allow Buyer to undertake fall tillage.
- C. Buyer is obligated to report to the Cerro Gordo County FSA office and to provide the filed Deed after closing in order to receive the following, if applicable: i) Allotted base acres; ii) Any future government programs; iii) Final tillable acres; iv) CRP proration.
- D. Buyer assumes all obligations under the terms of all CRP contracts, if any, and agrees to fulfill such contracts without default, and agrees to hold Seller and Seller's successors and assigns harmless and to indemnify them for all damages, claims and losses, of whatsoever type or nature, including attorney's fees and court costs, regarding such CRP contracts. Buyer acknowledges and agrees that all duties and obligations under this Contract are binding upon successors and assigns of Buyer.

12. **RENTS.** Seller retains the right to all farm rent payments for the farm fiscal year beginning March 1, 2023 and ending February 28, 2025, and all prior farm fiscal years.

If there are CRP contracts in place, then any payments due under such contract shall be prorated in the customary fashion.

13. **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.

14. **ABSTRACT AND TITLE.** Seller, at Seller's expense, shall promptly obtain an Abstract of Title to the Real Estate continued through the date of execution of this Contract and deliver the Abstract to Buyer for examination. The Abstract shall show merchantable title in Seller in conformity with this Contract, Iowa law and Title Standards of the Iowa State Bar Association. 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.

15. **DEED.** Upon payment of the purchase price, Seller shall convey the Real Estate to Buyer or their assignees, by Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provided in paragraphs 2(a) through 2(e). Any warranties of title shall extend only to the time of execution of this Contract, with special warranties as to acts of Seller continuing up to time of delivery of the Deed.

16. **TIME IS OF THE ESSENCE.** Time is of the essence in this Contract.

17. **REMEDIES OF THE PARTIES.**

- A. If Buyer fails to timely perform this Contract, Seller may forfeit this Contract as provided in the Iowa Code, 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 such failure (during which thirty days such failure is not corrected) Seller may declare the entire balance immediately due and payable. Thereafter this Contract may be foreclosed in equity and the Court may appoint a receiver.
- B. If Seller fails to timely perform this Contract, Buyer has the right to have all payments made returned to them.
- C. Buyer and Seller also are 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.

18. **LEAD WARNING STATEMENT.** Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment of inspection for possible lead-based paint hazards is recommended prior to purchase.

19. **WAIVER OF LEAD-BASED PAINT CONTINGENCY.** This Offer is not contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards. Buyer acknowledges receipt of a copy of the EPA pamphlet *Protect Your Family From Lead In Your Home* for more information.

20. **REAL ESTATE PROPERTY DISCLOSURE.** Buyer acknowledges receipt of a Residential Property Seller Disclosure Statement which includes a Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards. Buyer also acknowledges receipt of the "Iowa Radon Home-Buyers and Seller Fact Sheet" provided by the Iowa Department of Public Health.

21. **CONSTRUCTION.** Words and phrases shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

22. **NOTICE.** Any notice under this Contract 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 respective addresses given below.

23. **GENERAL PROVISIONS.** In the performance of each part of this Contract, 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 Contract shall apply to and bind the successors in interest of the parties. This Contract shall survive the closing. Paragraph headings are for convenience of reference and shall not limit or affect the

meaning of this Contract. 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.

24. **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.

25. **CONTRACT BINDING ON SUCCESSORS IN INTEREST/NOTICE OF BUYER'S INTENT TO EXECUTE A SECTION 1031 TAX-DEFERRED EXCHANGE**.

- A. This Contract shall apply to and bind the successors in interest of the parties.
- B. The parties acknowledge that Buyer may purchase 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 Buyer to a qualified intermediary or an EAT for purposes of facilitating said tax-deferred exchange in accordance with Internal Revenue Code and the Internal Revenue Service regulations.

Seller agrees to cooperate with Buyer and with the qualified intermediary or EAT by executing any documentation reasonably necessary to effect said exchange. In doing so, Seller will bear no additional cost or liabilities as a result of Sellers' intent to engage in a tax-deferred exchange.

Any assignment by Buyer will not release Buyer from Buyer's duty to perform under this Contract until specifically stated in writing by Seller.

Buyer's performance under this Contract is not conditioned upon Buyer's ability to effect said exchange.

26. **NONREFUNDABLE EARNEST MONEY**. The earnest monies paid by Buyer on this Contract are nonrefundable, except if title cannot be made marketable in accordance with the terms of this Contract and closing does not occur due to the failure of unmarketable title or other reasons attributed to Seller.

In the event title cannot be made marketable and closing does not occur due to the failure of unmarketable title or other reasons attributed to Seller, then the earnest money shall be automatically refunded to Buyer without further action or approval by Seller required.

27. **INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM**. The Real Estate is served by a private sewage disposal system, or there is a private sewage disposal system on the Real Estate. Buyer shall obtain at Buyer's expense within 30 days a certified inspector's report which documents the condition of the private sewage disposal system, that it is of sufficient capacity to serve the Real Estate, that the continued use of the system is permitted, and whether any modifications are required to conform to standards adopted by the Department of Natural Resources. Buyer shall attach the inspection report to the Groundwater Hazard Statement to be filed at closing.

Buyer shall be responsible for all costs required to bring the septic system into compliance.

28. **ADDITIONAL TERMS.**

- A. Buyer shall be responsible for any fencing in accordance with Iowa law.
- B. Buyer shall be responsible for installing entrances to the Real Estate, if needed or desired.

29. **CLOSING FEES AND EXPENSES.** Notwithstanding anything in this Contract to the contrary, the parties agree that regarding closing fees and expenses, the following shall apply:

ITEM #	DESCRIPTION	SELLER'S %	BUYER'S %
1.	Contract preparation	100	0
2.	Abstracting (pre-closing)	100	0
3.	Abstracting (post-closing)	0	100
4.	Deed preparation	100	0
5.	Transfer tax	100	0
6.	Fee to record Deed	0	100
7.	Title examination	0	100
8.	Closing services	50	50
9.	Title clearing expenses, if any	100	0
10.	Survey expense	100	0

30. **EXECUTION.** This Contract may be executed upon counterparts and becomes effective when all parties have signed, whether on the same or separate copies of this Contract. Further, a signature which has been photocopied, or a signature which has been sent by facsimile, or a signature which has been scanned and sent electronically, shall have the same force and effect as an original signature.

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**COUNTERPART SIGNATURE PAGE TO
CONTRACT FOR REAL ESTATE**

“SELLER”

Dated: _____

William R. Grey

Dated: _____

Janet M. Grey

**Address: 34 Venetian Drive
Ventura, IA 50482**

Phone: 641-529-1045

**Email: randy@nlandcdl.com
janet@nlandcdl.com**

**Attorney: Michael S. Vervaecke
Hayek, Moreland, Smith & Bergus, L.L.P.
120 East Washington Street
Iowa City, IA 52240-3924
Phone: 319-337-9606
Email: mvervaecke@hmsblaw.com**

COUNTERPART SIGNATURE PAGE TO CONTRACT FOR REAL ESTATE

“BUYER”

Dated: _____

(Print or type name)

Dated: _____

(Print or type name)

Address: _____

Home Phone: _____

Cell Phone: _____

Email: _____

Attorney Name: _____

Attorney Address: _____

Attorney Phone: _____

Attorney Email: _____

Lender Name: _____

Lender Address: _____

Lender Phone: _____

Lender Email: _____