

OFFER TO BUY REAL ESTATE AND ACCEPTANCE

TO: City of Sully (SELLERS)

The undersigned BUYER hereby offers to buy and the undersigned SELLERS by their acceptance agree to sell the real property situated in Jasper County, Iowa, and described as:

Lot(s) _____ of Northridge Estates, a residential development of the City of Sully, Jasper County, Iowa

Subdivision of Parcel B of Lot 2 of the Southeast Quarter of the Southwest Quarter of Section 5 – Township 78 North – Range 17 West of the 5th P.M., of the City of Sully, Jasper County, Iowa according to the plat thereof recorded in Book 1154 at Page 8, Jasper County Records. Said Subdivision of Parcel B contains 12.43 acres.

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," upon the following terms and conditions provided BUYER, on possession, are permitted to use the Property for any purpose.

1. **PURCHASE PRICE.** The Purchase Price shall be \$_____ and the method of payment shall be as follows: \$_____ with this offer, to be deposited upon acceptance of this offer and held in trust by Escrow Agent, F&M Bank, 610 4th Street, Sully, Iowa, as earnest money, to be delivered to the SELLERS on performance of SELLERS' obligations and satisfaction of BUYER'S contingencies, if any; and the balance of the Purchase Price, as follows: \$_____ at the time of closing.

2. **REAL ESTATE TAXES.** SELLERS shall pay current real estate taxes and any unpaid real estate taxes payable in prior years. BUYER shall pay all subsequent real estate taxes.

Unless otherwise provided in this Agreement, at closing SELLERS shall pay BUYER, or BUYER shall be given a credit for, taxes from the first day of July prior to possession to the date of possession based upon the last known actual net real estate taxes payable according to public records. However, if such taxes are based upon a partial assessment of the present property improvements or a changed tax classification as of the date of possession, such proration shall be based on the current levy rate, assessed value, legislative tax rollbacks and real estate tax exemptions that will actually be applicable as shown by the assessor's records on the date of possession.

3. SPECIAL ASSESSMENTS.

A. SELLERS shall pay at time of closing all installments of special assessments which are a lien on the Property and, if not paid, would become delinquent during the calendar year this offer is accepted, and all prior installments thereof.

B. BUYER shall pay all other special assessments or installments not payable by SELLERS.

4. RISK OF LOSS AND INSURANCE. SELLERS shall bear the risk of loss or damage to the Property prior to closing or possession, whichever first occurs. SELLERS agree 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.

5. POSSESSION AND CLOSING. If BUYER timely performs all obligations, possession of the Property shall be delivered to BUYER on _____, 2007, and any adjustments of rent, insurance, interest and all charges attributable to the SELLERS' possession shall be made as of the date of possession. Closing shall occur after the approval of title by BUYER and vacation of the Property by SELLERS, but prior to possession by BUYER. SELLERS agree to permit BUYER to inspect the Property within 24 hours prior to closing to assure that the premises are in the condition required by this Agreement. If possession is given on a day other than closing, the parties shall make a separate agreement with adjustments as of the date of possession. This transaction shall be considered closed:

6. FIXTURES. Included with the Property shall be all fixtures that integrally belong to, are specifically adapted to or are a part of the real estate, whether attached or detached. Also included shall be the following: none

The following items shall not be included: N/A

7. CONDITION OF PROPERTY. The property as of the date of this Agreement, including buildings, grounds, and all improvements, will be preserved by the SELLERS in its present condition until possession, ordinary wear and tear excepted. SELLERS make no warranties, expressed or implied, as to the condition of the property.

Within 21 days after the acceptance of this Agreement, BUYER may, at their sole expense, have the property inspected by a person or persons of their choice to determine if there are any structural, mechanical, plumbing, electrical, environmental, or other deficiencies. Within this same period, the BUYER may notify in writing the SELLERS of any deficiency. The SELLERS shall immediately notify the BUYER in writing of what steps, if any, the SELLERS will take to correct any deficiencies before closing. The BUYER shall then immediately in writing notify the SELLERS that (1) such steps are acceptable, in which case this Agreement, as so modified, shall be binding upon all parties; or (2) that such steps are not acceptable, in which case this Agreement shall be null and void, and any earnest money shall be returned to BUYER.

8. ABSTRACT AND TITLE. SELLERS, at their 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' attorney for examination. It shall show marketable title in SELLERS in conformity with this

Agreement, Iowa law, and title standards of the Iowa State Bar Association. The SELLERS shall make every reasonable effort to promptly perfect title. If closing is delayed due to SELLERS' 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 BUYER 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. Unless stricken, the abstract shall be obtained from an abstracter qualified by the Guaranty Division of the Iowa Housing Finance Authority.

9. SURVEY. If a survey is required under Iowa Code Chapter 354, or city or county ordinances, SELLERS shall pay the costs thereof. BUYER may, at BUYER' expense prior to closing, have the property surveyed and certified by a registered land surveyor. If the survey shows an encroachment on the Property or if any improvements located on the Property encroach on lands of others, the encroachments shall be treated as a title defect.

10. ENVIRONMENTAL MATTERS.

A. SELLERS warrant to the best of their knowledge and belief that there are no abandoned wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks located on the Property, the Property does not contain levels of radon gas, asbestos, or urea-formaldehyde foam insulation which require remediation under current governmental standards, and SELLERS have done nothing to contaminate the Property with hazardous wastes or substances. SELLERS warrant 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. SELLERS shall also provide BUYER with a properly executed GROUNDWATER HAZARD STATEMENT showing no wells, solid waste disposal sites, hazardous wastes and underground storage tanks on the Property unless disclosed here:

B. BUYER may at their expense, within 21 days after the date of acceptance, obtain a report from a qualified engineer or other person qualified to analyze the existence or nature of any hazardous materials, substances, conditions or wastes located on the Property. In the event any hazardous materials, substances, conditions or wastes are discovered on the Property, BUYER' obligation hereunder shall be contingent upon the removal of such materials, substances, conditions or wastes or other resolution of the matter reasonably satisfactory to BUYER. However, in the event SELLERS are required to expend any sum in excess of zero dollars (\$0.00) to remove any hazardous materials, substances, conditions or wastes, SELLERS shall have the option to cancel this transaction and refund to BUYER all earnest money paid and declare this Agreement null and void. The expense of any inspection shall be paid by BUYER. The expense of any action necessary to remove or otherwise make safe any hazardous material, substances, conditions or waste shall be paid by SELLERS, subject to SELLERS' right to cancel this transaction as provided above.

11. DEED. Upon payment of the Purchase Price, SELLERS 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 the title shall extend to the time of delivery of the deed excepting liens and encumbrances suffered or permitted by BUYER.

12. STATEMENT AS TO LIENS. If BUYER intends to assume or take subject to a lien on the

Property, SELLERS shall furnish BUYER with a written statement prior to closing from the holder of such lien, showing the correct balance due.

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. REMEDIES OF THE PARTIES.

A. If BUYER fails to timely perform this Agreement, SELLERS may forfeit it as provided in the Iowa Code (Chapter 656), and all payments made shall be forfeited; or, at SELLERS' option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of BUYER' default (during which thirty days the default is not corrected), SELLERS may declare the entire balance immediately due and payable. Thereafter this Agreement may be foreclosed in equity and the Court may appoint a receiver.

B. If SELLERS fail to timely perform this Agreement; BUYER has the right to have all payments made returned to them.

C. BUYER and SELLERS are also entitled to utilize any and all other remedies or actions at law or in equity available to them, and the prevailing parties shall be entitled to obtain judgment for costs and attorney fees.

15. NOTICE. Any notice under this Agreement shall be in writing and be deemed served when it is delivered by personal delivery or mailed by certified mail, addressed to the parties at the addresses given below.

16. 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. This Agreement contains the entire agreement of the parties and shall not be amended except by a written instrument duly signed by SELLERS and BUYER. 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.

17. NO REAL ESTATE AGENT OR BROKER. Neither party has used the service of a real estate agent or broker in connection with this transaction.

18. ACCEPTANCE. When accepted, this Agreement shall become a binding contract, subject, however, to the provisions of Iowa Code § 364.7 requiring first that the city shall set forth its proposal to sell the subject lot(s) in a resolution and shall publish notice as provided in Iowa Code § 362.3, of the resolution and of a date, time and place of a public hearing on the proposal; and after public hearing, the Sully City Council may make a final determination on the proposal by resolution.

If not accepted and delivered to BUYER within thirty (30) days of the final determination on the proposal by resolution to sell the subject property, this Agreement shall be null and void and all payments made shall be returned immediately to BUYER. If accepted by SELLERS at a later date and acceptance is satisfied in writing; then this contract shall be valid and binding.

Accepted: _____, 2006

Dated: _____, 2006

SELLERS

BUYER

City of Sully
Gordon R. Yarrington, Mayor

TIN# 42-600-5267

TIN# _____

Address: 318 6th Avenue
Sully, Iowa 50251

Address: _____

Telephone: 641.594.3493

Telephone: _____

Buyer's attorney to review abstract:

Name of firm _____

Attorney's name _____

Mailing Address _____

City/State/Zip _____

Buyer's list of all names to be included in a lien search:
