

DREAMDIRT FARM & RANCH REAL ESTATE, LLC

IOWA FARM REAL ESTATE AUCTION PURCHASE AGREEMENT

Seller: _____

Buyer: _____

Address: _____

Address: _____

City: _____ State/Zip: _____

City: _____ State/Zip: _____

This transaction and agreement ☐ IS ☐ IS NOT subject to court approval.

1. **Mutual Covenants.** Seller agrees to sell and Buyer agrees to purchase the following described real estate, together with all improvements and rights that pertain to such real estate, upon the terms set forth in this contract:

2070 Quail Ave, Arthur, IA

2. **Purchase Price.** Buyer agrees to pay Seller \$ _____. Buyer to pay Seller \$ 10,000.00 as a **non-refundable earnest money** to be held for the mutual benefit of Buyer and Seller in the trust account of DreamDirt Farm & Ranch Real Estate LLC for delivery to Seller at time of closing. The balance, adjusted prorations and/or credits (if any), shall be paid to Seller at closing in cash. If the buyer fails to perform on this agreement all earnest funds will be forfeited to the seller.

Calculation of Price if Buyers Premium is being paid: All Buyers Premium becomes a part of the purchase price. The contract price was calculated with a high bid of NA and a NA % Buyers Premium was added to the high bid to arrive at the per acre price of _____ and multiplied by _____ (multiplier)

3. **Possession and Closing.** Seller shall deliver possession of the premises to Buyer at time of closing, which shall be held on or before (☒ See section a. Below) _____ at the office of Buyer's lender, Seller's attorney, or such other place at the parties may agree. All prorations including rents, insurance, and general taxes shall be made as of closing. Possession at closing will be immediate possession. Full possession will occur on the day of closing.

- a. **Seller Elected Closing Date.** Seller may elect to conduct the closing with the buyer during the period of March 31-July 1, 2023 but no later than July 1, 2023. The seller shall give the buyer 7 days notice of closing.

b. **Closing Credits and Income Splits.** The buyer will receive the following income or credits if any:

None

4. Lease Termination. Buyer and Seller agree the tenancy of the current tenant will be terminated by

☐ Buyer ☐ Seller prior to the nearest upcoming legal termination date of _____.

Tenancy was legally terminated on _____ by _____

and evidence of the termination has been provided to the buyer.

5. Personal Property Included. Refrigerator, Stove, washer and dryer are included in the sale. _____

6. Terms and Conditions of Bidding. This property was sold using the auction method and the Buyer and Seller are bound by the Terms and Conditions of this sale which were stated as follows:

VERY IMPORTANT BIDDING NOTICE: As an online bidder you consent to phone calls, text messages or emails from us. Internet latency can result in your bids not being accepted. The timer on online auctions can vary by a few seconds for each bidder depending and how secure and stable your own Internet connection is. EVERY internet connection will have multiple disconnects per day. Some are very short, some can be 10-15 seconds. We want to give you notice that bidding in the last few seconds is a very risky tactic. Using our Max Bidding function in our software prior to the end of the auction is the most secure way to ensure your bid is accepted. If you use Max Bidding the computer will place bids for you. The computer will place your bids in a way that it only uses enough money as is necessary to make you the high bidder. Any remaining max bid will only be used when other bids are placed against you. The software will spend your money the same way you do, one bid at a time and just enough to put you in the lead.

We are not responsible for technology failures. You agree to indemnify and hold DreamDirt Farm and Ranch Real Estate, LLC harmless as well as the Seller(s) of the property who cannot be held liable if your bids are not received or accepted. It is best practice to log into the software just before bidding ends with 2 devices on different internet connections. Some computers have settings to log you out of the software and you may not realize you are logged out until you try to bid. In the event of a technology failure or Internet outage on our part we reserve the right to extend the auction ending time. Take note of the emergency phone number should you find yourself unable to bid for any reason: 641-423-6400. We cannot guarantee your call can be taken but this is your best option to reach us.

ONLINE BIDDING METHODS: Our platform is built to be simple and mimic a live in person auction. You will see all bids in real time as they are placed. When the screen displays "WINNING" in green, you are the lead bidder at that time. When the screen in the bidding box displays "LOSING" in red, you are not the highest bidder. As bids are placed you will notice the bidding box will flash. If you place the highest bid so far, your bidding box will flash green to show you that you successfully placed a current high bid. If you place a bid and the screen flashes red you are bidding against a bidder that has placed a MAX BID and you are NOT the highest bidder. You will have to bid again to try to defeat their max bid if you wish to bid higher.

TERMS AND CONDITIONS of this auction are as follows: The sale of this property may be subject to court approval, and should it be required, the legal counsel for the seller will immediately seek the court's approval of the sale. Restrictions may exist on the purchase of farmland by nonresident aliens, foreign businesses, foreign governments or others in certain jurisdictions. It is your responsibility to ensure you are legally able to buy farmland prior to placing bids. In the event you are deemed ineligible to purchase farmland prior to closing you will forfeit your earnest deposit to the seller.

By bidding on this auction you agree to abide by the Terms and Conditions of this auction which will follow. You must satisfy us of your identity to be authorized to bid. We reserve the right to deny you the ability to place bids on our system for any reason we deem necessary. We reserve the right to require you to satisfy us of your financial ability to perform on this transaction prior to, or after, bidding has occurred. We may require you to have a valid credit card on file with us to bid if you are bidding online. The card is used to evidence your identity and cannot be used as a payment method for the earnest deposit.

BIDDING INCREMENTS: Bidding increments are at the sole discretion of the Auctioneer who may accept or reject any bid for any reason.

PURCHASE AGREEMENT: You must request to review the purchase agreement prior to bidding if you wish to review it. You consent to the purchase agreement form by bidding and waive any legal review of the purchase agreement once you have placed bids or the auction has ended. Your bidding is not contingent upon your review of the purchase agreement.

Immediately upon the conclusion of the auction the high bidder(s) will enter into a real estate purchase agreement which is a legally binding contract and deposit with DreamDirt Farm and Ranch Real Estate, LLC, or other designated holding account, the proper non-refundable earnest deposit. The location of your earnest funds will be noted in the purchase agreement.

EARNEST FUNDS ON DEFAULT: If you fail to perform or close on this transaction after becoming the high bidder at the end of the auction, your earnest deposit will NOT be refunded to you and is forfeited to the seller. All earnest funds become the property of the seller(s) upon acceptance of your bid. You agree to sign a release of earnest funds to the seller upon default of the purchase agreement. Buyer(s) agrees to sign all documents immediately using electronic means, and in a reasonable amount of time wire any necessary earnest funds using bank wire. All earnest funds must reach us in 24 hours unless other arrangements have been made or communicated to you. If a seller fails to perform on the purchase agreement or is unable to legally sell the property, the earnest deposit becomes refundable to the buyer.

Buyers that fail to close on or before the closing date will be subject to paying any sellers interest payments or a daily penalty of \$500 per day at the sellers election. The seller may also elect other legal options including requesting the earnest deposit and selling the property to another party.

ASSIGNMENT: The buyer shall not assign the purchase agreement without the written consent of the seller prior to the end of bidding. This will not prohibit one bidder from bidding for another bidder. For example: If son bids for father, but father intends to take title to the property. This is acceptable, however the person bidding is responsible for any bidding they do if the other party was to break their agreement. Using your account to bid for somebody else should be a very serious consideration as you will be responsible.

TITLE: The Seller(s) will provide a current abstract or other title conveyance instrument at their own expense unless otherwise noted. Any expenses for title insurance will be split 50% to the buyer and 50% to the seller.

CONTINGENCIES: You cannot create any contingencies for your bidding.

FINANCING: Financing is welcome however, the sale is not contingent upon buyer obtaining financing. All bids are cash bids and the buyer should bid as if they are spending cash even the purchase of the property will be financed with a bank loan.

APPRAISAL: Your bidding is not contingent upon the appraisal value of the asset. You are responsible for your high bid regardless of what any future or past appraisal may have concluded.

BUYER DUE DILIGENCE: This sale is subject to all easements, covenants, leases, and restrictions of record. Buyers must do their due diligence prior to bidding. It is possible we are unaware of any existing encumbrance and have not disclosed it in our advertising. All acreage figures are from sources we believe to be accurate but we do not guarantee them to be accurate. You must satisfy yourself of acreage figures prior to bidding and bid according to your own findings.

PRORATIONS: Taxes are prorated to the date of closing. You are not entitled to, or responsible for any other proration that was not expressly stated on this auction page at

7. Additional Terms. Any Terms of this agreement not covered above.

Property is sold AS IS WHERE IS. A survey will be ordered by the seller to determine the boundary lines of the acreage. The seller, at their expense, will order a septic inspection. The seller will not be responsible for any costs for repairs or maintenance required as a result of the septic inspection.

8. Groundwater Hazard Statement. 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 Purchasers with a properly executed Groundwater Hazard Statement showing no wells, solid waste disposal sites, hazardous wastes and underground storage tanks on the Property.

9. Abstract and Title. Seller, at their expense, shall promptly obtain an abstract of title to the real estate continued through the date of this contract and deliver it to buyers for examination. It shall show merchantable title in Seller 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 Purchaser when the purchase price is paid in full; however, Purchaser reserves the right to occasionally use the abstract prior to full payment of the purchase price. 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 assigns. The Purchaser shall provide, at its expense, all policies of title insurance required by its lender. If title insurance is required, the owner's title policy shall be split 50/50 between Sellers and Buyers.

10. Deed of Conveyance. At the time of closing, Seller shall deliver to Buyer an executed recordable Warranty Deed sufficient to convey the real estate to Buyer or his nominee, in fee simple, subject only to title exceptions permitted herein.

11. Earnest Money on Default. If the Buyer defaults, the earnest money paid under the terms of the Contract shall be forfeited and paid to Seller, or at Seller's election, Seller may proceed in law or equity. If this Contract fails to close through no fault of the Buyer, the earnest money shall be returned to the Buyer. Provided however, if such failure is due to default by Seller, such return to Buyer shall not release Seller from their obligations under this Contract. In the event a dispute arises between Seller and Buyer as to who is entitled to the earnest money, DreamDirt Farm & Ranch Real Estate shall continue to hold the same until such dispute is resolved.

12. Survey. Buyer may, prior to closing, have the property surveyed at the Buyers expense for their own purposes. The results of the buyer's survey will have no affect on this agreement. The seller will be responsible for any survey costs where survey is required for the legal transfer of the property or to mark boundaries between tracts where no current delineation exists.

13. Destruction of Premises. If before the earlier of the delivery of the deed, or the transfer of possession, the improvements on the subject property shall be destroyed by fire or other casualty, Buyer shall have the option of declaring this Contract null and void and of receiving his earnest money, or of accepting the subject property as damaged or destroyed and the proceeds of any insurance payable as a result of such destruction or damage, which proceeds Seller agrees to assign to Buyer. In no event shall Seller be obligated to repair or replace damaged improvements.

14. Miscellaneous. Time shall be of the essence of this Contract. Those provisions of this Contract which by their terms necessarily continue beyond the closing of this Contract shall survive the closing. If any of the subject real estate is enrolled in the Conservation Reserve Program (CRP) Buyer agrees to fulfill the Conservation Reserve Program (CRP) contract terms for any of the subject property currently enrolled in the program, and, within a reasonable time after closing, to execute a successor CRP1 contract with the Department of Agriculture.

15. Exchange. Buyer(s) and Seller(s) understand and agree that the Buyer(s) and/or Seller(s) may elect to exchange the property for other real property in a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended. Buyer(s) and Seller(s) shall cooperate with each other to facilitate said exchange.

16. Entire Agreement. This document contains the entire agreement of the parties and supersedes all prior Offers with respect to the property. This purchase agreement may be modified only with the written agreement signed and dated by both parties. This purchase agreement shall not be assigned by Buyer with the written consent of the Seller.

17. Mediation. In the event of a dispute, Buyer and Seller agree to consider mediation as an alternative to initiating legal action. The mediation will be conducted in accordance with the rules and procedures of a mutually agreed mediation service. Even when utilizing mediation, parties may still seek legal remedies.

18. Signatures. This contract may be executed in one or more counterparts and delivered by facsimile or electronically, each of which shall be considered an original, but which, taken together, shall be deemed one and the same instrument.

THIS WILL BE A LEGALLY BINDING CONTRACT WHEN FULLY SIGNED. IF YOU DO NOT UNDERSTAND ALL OF THE TERMS, SEEK LEGAL COUNSEL FROM YOUR ATTORNEY BEFORE SIGNING.

Buyer's signature

Buyer's signature _____

Seller's signature

Seller's signature

Seller's signature _____

Seller's signature _____

Purchase Agreement Contacts

Sellers Attorney:

Name _____ Phone _____

Email _____ City _____ State _____

Buyers Attorney:

Name _____ Phone _____

Email _____ City _____ State _____

Auctioneers Company Contacts:

Stephanie Lee, Closings & Transaction Manager: stephanie@dreamdirt.com Phone: 515-380-1385

Jason Smith, Broker: jason@dreamdirt.com Phone: 515-537-6633

DreamDirt Farm Real Estate & Auction

AUCTION AGENCY DISCLOSURE AND ACKNOWLEDGEMENT

TO: BUYER/WINNING BIDDER

When you enter into a discussion with a real estate licensee regarding a real estate transaction, you should understand who the licensee is representing in the transaction. More importantly, you should understand how that agency relationship impacts on your relationship with the licensee. The term "Broker" shall hereinafter refer to: (Brokerage/firm) DreamDirt Farm and Ranch Real Estate, and Broker's affiliated licensees (brokers and salespersons). The term "Owner" and/or "Seller" shall hereinafter refer to seller, landlord or optionor. The term "Buyer" shall hereinafter refer to buyer, tenant or optionee. A "Client" is a party to a transaction who has an agency agreement with a broker for brokerage services. A "Customer" means a consumer who is not being represented by a licensee but for whom the licensee may perform ministerial acts, which are acts informative in nature.

For this auction transaction, Brokerage firm represents the Seller/Owner as a single Seller Agency. Single Seller Agency exists when Broker and Owner enter into a real estate "Exclusive Listing Agreement" or Auction Agreement and the property is sold to Buyer/Winning Bidder, who may be represented by a different real estate company. Broker and Broker's affiliated licensees' policy is to represent the Owner as a "Client." In Single Seller Agency, Broker does not also represent the Buyer in the transaction. Buyer shall represent themselves in this auction transaction and it is the policy of Broker to treat that Buyer as a "Customer" and not as a "Client."

Buyer may request Dual Agency, whereby Broker provides Brokerage services to both Seller and Buyer on their behalf. However, Broker is not obligated to agree to Dual Agency and must have the Seller/Owner's consent to provide Dual Agency.

BUYER HAS ONE OF THE FOLLOWING TWO OPTIONS:

1. ☐ **Initial: WINNING BIDDER ACKNOWLEDGES THAT THEY ARE REPRESENTING THEMSELVES IN COMPLETING THE AUCTION SALES TRANSACTION.**

OR

2. If Buyer/Winning Bidder desires to have Auction/Brokerage Firm, provide services beyond ministerial acts, then Buyer may request dual agency. If Broker and Seller agree, both Seller and Buyer shall read and consent to dual agency and sign the separate Dual Agency Policy and Acknowledgement Form for the specific auctioned property.

_____ **Initial: CONSENSUAL DUAL AGENCY.**

- a. When Broker both lists and sells the property, it is the policy of Broker and Broker's affiliated salespersons to represent both Owner and Buyer as a Consensual Dual Agency. Under this circumstance, before signing an offer to buy or accepting an offer to buy, please see the "Dual Agency Consent

Agreement" for detailed information as to the duties of Broker to both Owner and Buyer, as well as procedures to be followed.

b. Representing more than one party to a transaction can create a conflict of interest since both "Clients" may rely on the Licensee's advice. If Buyer opts for dual agency, Buyer must fill out and complete a Dual Agency Agreement with Brokerage.

Buyer and Owner are not required to consent to dual agency.

A. DUTIES OF A REAL ESTATE LICENSEE TO ALL PARTIES TO THE TRANSACTION

In providing brokerage services to all parties to a transaction, "Client" and "Customer" alike, a licensee (the Broker and its broker associates and salespersons), regardless of the type of agency representation agreed to, shall do all of the following:

1. Provide brokerage services to all parties to the transaction honestly and in good faith.
2. Diligently exercise reasonable skill and care in providing brokerage services to all parties.
3. Disclose to each party all material adverse facts (i.e. significant defects or negative circumstances) that the licensee knows except:
 - Material adverse facts known by the party.
 - Material adverse facts the party could discover through a reasonably diligent inspection and which would be discovered by a reasonably prudent person under like or similar circumstances.
 - Material adverse facts the disclosure of which is prohibited by law.
 - Material adverse facts that are known to a person who conducts an inspection on behalf of the party.
4. Account for all property coming into the possession of a licensee that belongs to any party within a reasonable time of receiving the property.

B. DUTIES OF A REAL ESTATE LICENSEE TO A CLIENT

A licensee providing brokerage services to a client, regardless of the type of agency representation agreed to, shall do all of the following:

1. Place the client's interests ahead of the interests of any other party, unless loyalty to a client violates the licensee's duties under provisions of the Iowa Code (such as with Appointed Agency or Consensual Dual Agency) or any other applicable law.
2. Disclose to the client all information known by the licensee that is material to the transaction and that is not known by the client or could not be discovered by the client through a reasonably diligent inspection.
3. Fulfill any obligation that is within the scope of this Agency Disclosure, except those obligations that are inconsistent with other duties that the licensee has under the Real Estate Brokers and Salespersons provisions of the Iowa Code or any other law.
4. Disclose to a client any financial interests the licensee or the brokerage has in any company or business entity to which the licensee or brokerage refers a client for any service or product related to the transaction. The client is not obligated to use any such recommended company, and may select a different company. NOTE: Broker/Licensee

(circle applicable) has a financial interest in or an affiliate relationship with the following companies or business entities:

C. DESCRIPTION OF BROKER'S SERVICES.

Broker may do the following for Sellers and Buyers: (1) Assist Buyer with financing qualification guidelines; (2) Provide helpful information about the property and area; (3) Respond accurately to questions about the property; (4) Disclose all material facts about the property that are known to Broker; (5) Disclose financial qualifications of the Buyer to the Owner; (6) Explain real estate terms and procedures; (7) Explain to Owner and Buyer the benefits of having the property inspected; (8) Explain closing costs and procedures; (9) Help the Owner and Buyer compare financing alternatives; (10) Provide information about comparable properties so Owner and Buyer may make an informed decision on what price to accept and/or offer; (11) Assist with all standard forms, including those that include the necessary protection and disclosures for the Owner and Buyer; and, (12) Work diligently to facilitate the sale and closing. The preceding list of services is not intended to be all inclusive, nor will all services listed be necessary in every case. Licensees are not required to answer questions outside of the scope of their real estate license. NOTE: Broker neither offers subagency to, nor accepts subagency from, other brokerage companies.

D. GUIDELINES FOR OWNER AND BUYER.

If you are the "Customer" in the transaction, you are advised not to disclose your negotiating position about such things as whether you as Owner, would take less than the asking price, or you as Buyer are willing to pay more than the price you offer. Except for information required to be disclosed, if you as either a "Client" or a "Customer", have reason to believe any confidential information, such as your financial status, motivation to sell or buy as well as other personal information will adversely affect your negotiating position, this should not be disclosed to anyone. Each party to the transaction has the responsibility to protect their own interests. Buyer and Seller request that Broker select and complete documents allowed by law, and authorize Selling Company to call Residence.

AUCTION OF: 2070 Quail Ave, Arthur, IA (Property Address)

AGENCY ACKNOWLEDGEMENT

(To be signed by Buyer upon writing offer and by Seller prior to presentation of Purchase Agreement)

The term "Seller" shall hereinafter refer to Seller, Landlord or Optionor. The term "Buyer" shall hereinafter refer to Buyer, Tenant or Optionee.

In the above Purchase Agreement dated _____, involving the auction of the above property, the agency relationship between the parties and the respective real estate Company(s)/Licensee(s) is:

Selling/Auctioning/Listing Company and Licensee

☒ Seller Exclusive Agency, or _____ Consensual Dual Agency

Buyer/Winning Bidder

☒ Self Representation, or _____ Consensual Dual Agency

If Consensual Dual Agency is selected, both of the blanks above must contain a checkmark.

IF YOU DO NOT UNDERSTAND THIS DOCUMENT, CONSULT AN ATTORNEY.

Seller/Owner

Winning Bidder

Seller/Owner

Winning Bidder

Seller/Owner

Buyer Representative:

Seller/Owner

Seller/Owner

Seller/Owner

Auction Company: DreamDirt Farm & Ranch Real Estate

Licensee: