

RESIDENTIAL PURCHASE AGREEMENT

TO: City of Salix, Iowa, a municipal corporation (SELLER):

The undersigned BUYER hereby offers to buy and the undersigned SELLER by its acceptance agrees to sell the real property situated in Woodbury County, Salix, Iowa, locally known as 206 Travis Street, Salix, Iowa, and legally described as:

THE EAST ONE-HALF (E 1/2) OF LOT THREE (3) IN BLOCK FIVE (5) OF
FIRST ADDITION TO SALIX, IN THE COUNTY OF WOODBURY AND
STATE OF IOWA,

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 residential purposes:

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 _____ as earnest money to be delivered to the SELLER upon performance of SELLER'S obligations and satisfaction of BUYER'S contingencies, if any; and the balance of the Purchase Price:

(a.) in cash at the time of closing with adjustment for closing costs to be added or deducted from this amount. This Agreement is not contingent upon BUYER obtaining such funds.

(b.) minimum purchase price of \$7,000.00.

2. REAL ESTATE TAXES.

A. SELLER shall pay all real estate taxes that are due and payable as of the date of possession and constitute a lien against the Property, including any unpaid real estate taxes for any prior years.

B. BUYER shall be given a credit for such proration at closing (unless this agreement is for an installment contract) based upon the last known actual net real estate taxes payable according to public record. 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 mileage rate, the 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 in full all special assessments which are a lien on the Property as of the date of acceptance _____.

B. If "A" is stricken, then SELLER shall pay 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.

C. All charges for solid waste removal, sewage and maintenance that are attributable to SELLER'S possession, including those for which assessments arise after closing, shall be paid by SELLER.

D. Any preliminary or deficiency assessment which cannot be discharged by payment shall be paid by SELLER through an escrow account with sufficient funds to pay such liens when payable, with any unused funds returned to SELLER.

E. BUYER shall pay all other special assessments.

4. RISK OF LOSS AND INSURANCE. BUYER shall bear the risk of loss or damage to the Property following execution of this Agreement. BUYER agrees to obtain suitable liability insurance on the Property within ten (10) days following execution of this Agreement.

5. POSSESSION AND CLOSING. BUYER shall be entitled to possession following execution of this Agreement and approval by the Salix City Council following a public hearing as required pursuant to Iowa Code §364.7. Closing shall occur and the deed delivered to the BUYER when all the conditions concerning rehabilitation or demolition of the structures are complied with pursuant to this Agreement.

6. SURVEY. BUYER may, at BUYER'S expense prior to closing, have the Property surveyed and certified by a Registered Land Surveyor. If the survey shows any 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. If the survey is required under Chapter 354, BUYER shall pay the cost thereof. BUYER shall determine the lot lines and provide proof to SELLER.

7. DEED. Upon payment of the purchase price and completion of all other conditions of the Agreement, SELLER shall convey the Property to BUYER by City Quitclaim Deed without an abstract of title. The parties acknowledge the property is being sold subject to the right of the City of Salix to use said real estate in connection with the operation of any presently existing and installed utility, above or below the ground, and subject to the same right on the part of the public utility companies operating under franchise in the City of Salix, Iowa. The parties acknowledge the property is being sold subject to any existing easements.

8. 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.

9. REMEDIES OF THE PARTIES.

A. If BUYER fails to timely perform this Agreement, SELLER may forfeit it as provided in the Iowa Code (Chapter 656), 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 BUYER'S default (during which thirty days the default is not corrected), SELLER 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 SELLER fails to timely perform this Agreement, BUYER has the right to have all payments made returned to them.

C. BUYER and SELLER are also 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.

10. NOTICE. Any notice under this Agreement 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 address given below.

11. 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.

12. 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. 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.

13. NO WARRANTY. Parties acknowledge that the property is sold "as is" with no warranties of title, no abstracts, or representations as to suitability for any particular use. BUYER can obtain an abstract if BUYER so desires at BUYERS expense.

14. BUYER AGREES.

A. To demolish the trailer and garage, remove all debris, and level the lot within ninety (90) days (3 months) of the execution of this Agreement. In addition, BUYER assumes all responsibility and liability if any damage from the demolition and rehabilitation of the trailer and garage. If damage to City property from demolition and rehabilitation work, the BUYER is responsible to fix and pay for said damages.

B. To begin construction or install a new home on the on the property and be completed within 18 months following execution of this Agreement.

C. Time is of the essence of this Agreement and failure of BUYER to properly perform the rehabilitation and repair work or demolition shall constitute a default in this Agreement and any improvements made to the property shall become the property of the City.

D. Not to allow any liens to be placed on the property at any time prior to closing and transfer under this Agreement.

E. To indemnify the City and assume the risk of any damages that may occur while being present on the property prior to the closing.

F. To obtain suitable liability insurance for the appropriate coverage for the work performed on the property prior to closing and have the City named as an additional insured on said policy.

15. ACCEPTANCE. When accepted, this Agreement shall become a binding contract, which acceptance cannot occur until a public hearing has been held under Iowa Code § 364.7.

Dated _____.

CITY OF SALIX, IOWA, SELLER

BUYER

By: _____
Stanley Johnson, Mayor

By: _____
_____ (Print Name)

Address

Address

Telephone

Telephone