REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 1st day of April, 19 90, by and between Community Savings Bank, an Iowa Banking Corporation of the County Delaware, State of Iowa, Sellers; and Randall D. Rude and Jan Rae Rude, husband and wife, as joint tenants with full rights of survivorship and not as tenants in common of the County of Delaware, State of Iowa, Buyers;

That the Sellers, as in this contract provided, agree to sell to the Buyers, and the Buyers in consideration of the premises, hereby agree with the Sellers to Purchase the following described real estate situated in the County of Delaware, State of Iowa, to-wit:

Lots Three (3) and Four (4), Block Five (5), Earlville, formerly Nottingham, Iowa, according to plat recorded in Book I, L.D., Page 346

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, and certain personal property if and as may be herein described of if and as an itemized list is attached hereto and marked "Exhibit A" all upon the terms and conditions following:

1. TOTAL PURCHASE PRICE. The buyer agrees to pay for said property the total of $ 20,000.00 due and payable at Community Savings Bank, Edgewood, Delaware County, Iowa, as follows:

(a) **DOWN PAYMENT** of $ 2,000.00 **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED:** and

(b) **BALANCE OF PURCHASE PRICE.** $ 18,000.00, as follows $ 135.00 per month, said amount representing 9% interest on the balance of $18,000.00, said payments of interest to be made until April 1, 1991, or until Seller provides merchantable title, whichever occurs first; at said time, Sellers agree to finance by mortgage the $18,000.00 balance as due and payments will be at the rate of $180.00 per month, said amount including principal and interest; that said balance of $18,000.00 as covered by the mortgage will bear interest at the rate of 10.5 % per annum and will be amortized so the total amount of the monthly payment of principal and interest shall be $180.00 per month until the mortgage is paid.

2. POSSESSION. Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 1st day of April, 19 90; and thereafter so long as they shall perform the obligations of this contract. If Buyers are taking subject to the rights of lessees and are entitled to rentals therefrom on and after date of possession, so indicate by "yes" in the space following _____

3. TAXES. Sellers shall pay proration of taxes to date of possession

and any unpaid taxes thereon payable in prior years. Buyers shall pay any taxes not assumed by Sellers and all subsequent taxes before same become delinquent. Whoever may be responsible for the payment of said taxes, and the special assessments, if any, each year, shall furnish to the other parties evidence of payment of such items not later than July 15 of each year. **Any proration of taxes shall be based upon the taxes for the year currently payable unless the parties state otherwise.** (Decide, for yourself, if that formula is fair if Buyers are purchasing a lot with newly built improvements.)

4. SPECIAL ASSESSMENTS. Sellers shall pay the special assessments against this property: (Strike out either (a) or (b) below.)

~~(a) All which are a lien thereon as of the date hereof, and all assessments payable thereafter~~

(b) Which are a lien thereon as of April 1, 1990 (Date)

(c) Including all sewage disposal assessments for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession.

Buyers, except as above stated, shall pay all subsequent special assessments and charges, before they become delinquent.

5. MORTGAGE. Any mortgage or encumbrance of a similar nature against the said property shall be timely paid by Sellers so as not to prejudice the Buyers' equity herein. Should Sellers fail to pay, Buyers may pay any such sums in default and shall receive credit on this contract for such sums so paid. MORTGAGE BY SELLERS. Sellers, their successors in interest or assigns may and hereby reserve the right to at any time mortgage their right, title or interest in such premises or to renew or extend any existing mortgage for any amount not exceeding 100 % of the then unpaid balance of the purchase price herein provided. The interest rate and amortization thereof shall be no more onerous than the installment requirements of this contract. Buyers hereby expressly consent to such a mortgage and agree to execute and deliver all necessary papers to aid Sellers in securing such a mortgage which shall be prior and paramount to any of Buyers' then rights in said property. DEED FOR BUYERS SUBJECT TO MORTGAGE. If Buyers have reduced the balance of this contract to the amount of any existing mortgage balance on said premises, they may at their option, assume and agree to pay said mortgage according to its terms, and subject to such mortgage shall receive a deed to said premises; or Sellers, at their option, any time before Buyers have made such a mortgage commitment, may reduce or pay off such mortgage. ALLOCATED PAYMENTS. Buyers, in the event of acquiring this property from an equity holder instead of a holder of the fee title, or in the event of a mortgage against said premises, reserve the right, if reasonably necessary for their protection to divide or allocate the payments to the interested parties as their interests may appear. SELLERS AS TRUSTEES. Sellers agree that they will collect no money hereunder in excess of the amount of the unpaid balance under the terms of this contract less the total amount of the encumbrance on the interest of Sellers or their assigns in said real estate; and if Sellers shall hereafter collect or receive any moneys hereunder beyond such amount, they shall be considered and held as collecting and receiving said money as the agent and trustee of the Buyers for the use and benefit of the Buyers.

6. INSURANCE. Except as may be otherwise included in the last sentence of paragraph 1(b) above, Buyers as and from said date of possession, shall constantly keep in force, insurance, premiums therefor to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Seller may reasonably require on all buildings and improvements, now on or hereafter placed on said premises and any personal property which may be the subject of this contract, in companies to be reasonably approved by Sellers in an amount not less than the full insurable value of such improvements and personal property or not less than the unpaid purchase price herein whichever amount is smaller with such insurance payable to Sellers and Buyers as their interests may appear. BUYERS SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH SELLERS for the further security for the payment of the sums herein mentioned. In the event of any such casualty loss, the insurance proceeds may be used under the supervision of the Sellers to replace or repair the loss if the proceeds be adequate; if not, then some other reasonable application of such funds shall be made; but in any event such proceeds shall stand as security for the payment of the obligations herein.

7. CARE OF PROPERTY. Buyers shall take good care of this property; shall keep the buildings and other improvements now or hereafter placed on the said premises in good and reasonable repair and shall not injure, destroy or remove the same during the life of this contract. Buyers shall not make any material alteration in said premises without the written consent of the Sellers. Buyers shall not use or permit said premises to be used for any illegal purpose.

FILE No. 2-2261
RECORDING FEE $ 35.00
TRANSFER FEE $ _____

FILED FOR RECORD THE 2 DAY OF April, 1990 AT 4:08 O'CLOCK P. M. BOOK 49 PAGE 228

STATE OF IOWA, DELAWARE COUNTY
Joan Sheppard, Recorder
TLD

8. LIENS. No mechanics' lien shall be imposed upon or foreclosed against the real estate described herein.

9. ADVANCEMENT BY SELLERS. If Buyers fail to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Sellers may, but need not, pay such taxes, special assessments, insurance and make necessary repairs, and all sums so advanced shall be due and payable on demand or such sums so advanced may, at the election of Sellers, be added to the principal amount due hereunder and so secured. (For Buyers' rights to make advancements, see paragraph 5 above.)

10. JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN REAL ESTATE. If and only if, the Sellers immediately preceding this sale, hold the title to the above described property in joint tenancy, and such joint tenancy has not later been destroyed by operation of law or by acts of the Sellers, this sale shall not constitute such destruction and the proceeds of this contract, and any continuing and/or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with rights of survivorship and not as tenants in common; and Buyers, in the event of the death of one of such joint tenants, agree to pay any balance of the proceeds of this contract to the surviving Seller (or Sellers) and to accept deed solely from him or them consistent with paragraph 14 below unless and except this paragraph is stricken from this agreement.

11. SELLERS. Spouse, if not titleholder immediately preceding this sale, shall be presumed to have executed this instrument only for the purpose of relinquishing all rights of dower, homestead and distributive share and/or in compliance with section 561.13 Code of Iowa; and the use of the word "Sellers" in the printed portion of this contract, without more, shall not rebut such presumption, nor in any way enlarge or extend the previous interest of such spouse in said property, or in the sale proceeds, nor bind such spouse except as aforesaid, to the terms and provisions of this contract.

12. TIME IS OF THE ESSENCE. Time is of the essence in this Agreement. Failure to promptly assert rights of Sellers herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default.

13. EXCEPTIONS TO WARRANTIES OF TITLE. The warranties of title in any Deed made pursuant to this contract (See paragraph 14) shall be without reservation or qualification EXCEPT: (a) Zoning ordinances; (b) Such restrictive covenants as may be shown of record; (c) Easements of record, if any; (d) As limited by paragraphs 1, 2, 3 and 4 of this contract; (e) Sellers shall give Special Warranty as to the period after equitable title passes to Buyers; (f) Spouse if not titleholder, need not join in any warranties of the deed unless otherwise stipulated:

(g) See attached Exhibit "A"
(Mineral reservations of record?)

(h) _____
(Liens?) (Easements not recorded?) (Interests of other parties?) (Lessees?)

14. DEED AND ABSTRACT, BILL OF SALE. If all said sums of money and interest are paid to Sellers during the life of this contract, and all other agreements for performance by Buyers have been complied with, Sellers will execute and deliver to Buyers a Corporate Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract; and Sellers will at this time deliver to Buyers an abstract showing merchantable title, in conformity with this contract. Such abstract shall begin with the government patent (unless pursuant to the Iowa State Bar Association title standards there is a lesser requirement as to period of abstracting) to said premises and shall show title thereto in Sellers as of the date of this contract; or as of such earlier date if and as designated in the next sentence. This contract supersedes the previous written offer of Buyers to buy the above described property which was accepted by Sellers on the 21st day of March 19 90. Sellers shall also pay the cost of any abstracting due to any act or change in the personal affairs of Sellers resulting in a change of title by operation of law or otherwise. [illegible] and deliver a Bill of Sale consistent with the terms of this contract. Sellers shall pay all taxes payable in [illegible] and all taxes thereafter shall be paid by Buyers.

15. APPROVAL OF ABSTRACT. Buyers have not examined the abstract of title to this property and such abstract is not accepted.

16. FORFEITURE. If Buyers (a) fail to make the payments aforesaid, or any part thereof, as same become due; or (b) fail to pay the taxes or special assessments or charges, or any part thereof, levied upon said property, or assessed against it, by any taxing body before any of such items become delinquent; or (c) fail to keep the property insured; or (d) fail to keep it in reasonable repair as herein required; or (e) 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 a lease, and may accordingly be ousted and removed as such as provided by law.

17. FORECLOSURE. If Buyers fail, in any one or more of the specified ways to comply with this contract, as in (a), (b), (c), (d) or (e) of numbered paragraph 16 above provided, Sellers may upon thirty (30) days written notice of intention to accelerate the payment of the entire balance, during which thirty days such default or defaults are not removed, declare the entire balance hereunder immediately due and payable; and thereafter at the option of the Sellers this contract may then be foreclosed in equity and a receiver may be appointed to take charge of said premises and collect the rents and profits thereof to be applied as may be directed by the Court.

18. ATTORNEY'S FEES. In case of any action, or in any proceedings in any Court to collect any sums payable or secured herein, or to protect the lien or title herein of Sellers, or in any other case permitted by law in which attorney's fees may be collected from Buyers, or imposed upon them, or upon the above described property, Buyers agree to pay reasonable attorneys' fees.

19. INTEREST ON DELINQUENT AMOUNTS. Either party will pay interest at the highest legal contract rate applicable to a natural person to the other on all amounts herein as and after they become delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this contract, as protective disbursements.

20. ASSIGNMENT. In case of the assignment of this Contract by either of the parties, prompt notice shall be given to the other parties, who shall at the time of such notice be furnished with a duplicate of such assignment by such assignors. Any such assignment shall not terminate the liability of the assignor to perform, unless a specific release in writing is given and signed by the other party to this Contract.

21. PERSONAL PROPERTY. If this contract includes the sale of any personal property, then in the event of the forfeiture or foreclosure of this contract, such personalty shall be considered indivisible with the real estate above described; and any such termination of Buyers' rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof against all such personal property.

22. CONSTRUCTION. Words and phrases herein, including acknowledgements hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. See paragraph 11 above, for construction of the word "Sellers."

23. SPECIAL PROVISIONS.

1. Buyers shall have the full right to prepay principal once the first year of the contract expires; Buyers will not have the right to pay off the land contract during the first year unless mutually agreed upon by Sellers and Buyers in writing.

2. In the event that one of the junior lien holders would exercise their rights in the first year of this contract to satisfy the mortgages held by Community Savings Bank on the property, then the Buyers $2,000.00 down payment will be fully refunded

3. See attached Exhibit "A"

COMMUNITY SAVINGS BANK

By _____
Steven A. Brady, President & CEO

By _____
Jacqueline A. Johnson, Cashier SELLERS

101 East Union Street, Box 77

Edgewood, Iowa 52042
Sellers' Address

Randall D. Rude

Randall D. Rude

Jan Rae Rude

Jan Rae Rude BUYERS

Earlville, Iowa 52041

Buyers' Address

STATE OF IOWA, Delaware COUNTY, ss:

On this 31st day of March A.D. 19 90 before me, the undersigned, a Notary Public in and for said State, personally appeared Randall D. Rude and Jan Rae Rude Husband and wife

to me known to be the identical persons named in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Gary K. Willman
Notary Public in and for said State

FOR THE LEGAL EFFECT ... USE OF THIS FORM, CONSUL ... AWYER

STATE OF IOWA, DELAWARE COUNTY, ss:

On this 22nd day of March, A.D. 19 90, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Steven A. Brady and Jacqueline A. Johnson, to me personally known, who, being by me duly sworn, did say that they are the President & CEO and Cashier, respectively, of said corporation executing the within and foregoing instrument **to which this is attached,** that (~~no seal has been procured by the said~~) corporation; that said instrument was signed **(and sealed)** on behalf of (the seal affixed thereto is the seal of said) said corporation by authority of its Board of Directors; and that the said President & CEO and Cashier as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Gary K. Willman, Notary Public in and for said County and State.

IOWA STATE BAR ASSOCIATION
Official Form No. 12 (Trade-Mark Registered, State of Iowa, 1967) (Sections 558.38 and 558.39, Code of Iowa)
Current January, 1981

EXHIBIT "A"

3. All of the parties to this contract acknowledge the condition of title to this real estate; "Buyers understand that Sellers are only able to sell at this time a one-half interest in and to the real estate described herein; that Buyers acknowledge that one-half of the real estate is owned by Jacob L. Marshall, deceased, as of November 18, 1987, and his heirs, if any; that Buyers acknowledge that Community Savings Bank has received Assignment of Mortgage on said real estate and will proceed with foreclosure of said mortgages or with appropriate action to clear title; Buyers understand that there are junior lien holders who may have the right, through Sheriff's Sale, or redemption, to purchase the one-half interest which is not owned by Community Savings Bank; attached hereto and identified as Exhibit " B " is copy of title opinion prpared for the State Bank of Earlville, dated July 26, 1988; that Buyers acknowledge receipt of same and review of all of the liens of title and the opinion concerning merchantable title; that Seller will attempt to obtain title to the one-half interest currently owned by Jacob L. Marshall, deceased, through foreclosure of mortgage or other appropriate legal remedy, but does not guarantee or represents its ability to do so; that Seller may never be in a position to convey merchantable title to the entire real estate described herein and Buyers understand same. This provision of the contract supercedes any and all provisions of the contract which are inconsistent therewith.

EXHIBIT "B"

LAW OFFICES OF
DOLPHIN & HANSON
AN ASSOCIATION
WILLARD BUILDING
110 E MAIN ST
MANCHESTER, IOWA 52057

DONALD J. DOLPHIN
TEL: 319-927-2790

July 26, 1988

THOMAS J. HANSON
TEL: 319-927-5920

Mr. James Laxson
State Bank of Earlville
Earlville, Iowa 52041

Re: Jacob and Betty Marshall

Dear Mr. Laxson:

At your request I have examined abstract of title to real estate situated in Earlville, Delaware County, Iowa, legally described as follows:

> Lots Three (3) and Four (4), Block Five (5), Earlville, Iowa, formerly Nottingham, Iowa, according to plat recorded in Book I, L.D., Page 346,

as disclosed by an abstract of title commencing with the original entry from the United States Government and last certified by the Delaware County Abstract Company, Inc. on June 29, 1988, at 8:00 o'clock A.M., containing entries 1 through 59 inclusive.

TITLE

I find marketable title in fee simple and free from material objections, except as hereinafter mentioned to be in Jacob Marshall, a/k/a Jacob L. Marshall, grantee in Warranty Deeds at entries 31, 52 and 54 and a Court Officer Deed at entry 53; and the State Bank of Earlville, grantee in a Quit Claim Deed shown at entry 56.

EXCEPTIONS

1. Entry 32 shows a mortgage in favor of the State Bank of Earlville, dated July 18, 1978 and filed July 24, 1978 in Book 12, T.L.M., Page 214 of the records of the Delaware County Recorder. The consideration for this mortgage is $17,000.00. This is a valid first lien on the premises.

2. Entry 36 shows a Judgment against J. L. Marshall in favor of Amoco Oil Company dated December 10, 1980 in the amount of $719.93 plus interest at the rate of seven percent (7%) and costs in the amount of $24.25.

EXHIBIT "B"

3. Entry 41 shows a mortgage in favor of the State Bank of Earlville, dated May 24, 1982, and filed May 27, 1982, in Book 16, T.L.M., Page 219 of the records of the Delaware County Recorder. The consideration for this mortgage is $24,000.00.

4. Entry 44 shows a Forgiveable Loan Agreement between Jacob L. Marshall and the City of Earlville as granting agency for a loan in the amount of $34,205.36. The document states that the said Jacob L. Marshall "mortgages and warrants to the City of Earlville, Iowa, the following described property" wherein the legal description of the real estate above is listed. This agreement is dated August 10, 1982 and December 23, 1982 and filed on May 5, 1983 in Book 17, T.L.M., Page 168 of the records of the Delaware County Recorder. The agreement states that if the property is sold or transferred between the 5th and 6th year anniversary of this instrument, eighty percent (80%) of the loan is due. Thereafter, the loan depreciates twenty percent (20%) per year.

5. Entry 49 shows a mortgage in favor of the State Bank of Earlville, dated May 31, 1986 and filed June 2, 1986, in Book 20, T.L.M., Page 203 of the records of the Delaware County Recorder. The consideration for this mortgage is $30,000.00.

6. Entry 55 shows that Jacob Lester Marshall died on November 18, 1987. There are no estate proceedings of Jacob Lester Marshall. This property was not held in joint tenancy with right of survivorship to the decedent's spouse. Title can only be transferred through estate proceedings of the Estate of Jacob Lester Marshlll, deceased.

7. Entry 58 shows taxes for 1985-86 fiscal year unpaid in the amount of $456.00 plus penalty. Said entry also shows real estate taxes for the 1986-87 fiscal year unpaid in the amount of $498.00 plus penalty.

EXHIBIT "B"

CAUTION

Since the following cannot be determined by examination of the abstract, your attention is called to the fact that you are required to take notice of the rights of all persons in possession of the real estate, other than the titleholder of record; any facts that would be disclosed by a survey; the right to file mechanics liens against the premises for labor and materials furnished in connection with improvements thereon within ninety days from the furnishing of the last item; any restrictions as to building, occupancy or usage contained in applicable zoning or other city or county ordinances; special assessments which have not been certified to the County Auditor and the right of access to and from highways and streets which may be designated as controlled access facilities by the state or city authorities.

Respectfully submitted,

Thomas J. Hanson

TJH/vb