THE IOWA STATE BAR ASSOCIATION
OFFICIAL FORM NO. 142

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 2nd day of July, 19 91, by and between DALE J. STRIEF and SANDRA M. STRIEF, husband and wife

of the County Delaware, State of Iowa, Sellers; and RICHARD W. SWARTZ and SHIRLEY M. SWARTZ, 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:

The Northwest fractional Quarter (NWfr¼), and the West forty (40) rods of the Northeast fractional Quarter (NEfr¼) of Section Five (5), Township Eighty Seven (87) North, Range Five (5), West of the Fifth P.M.

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DEBORAH PEYTON, DEP.
DELAWARE COUNTY, IOWA

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 $ 300,000.00 due and payable at Sellers residence, Delaware, County, Iowa, as follows:

(a) **DOWN PAYMENT** of $ 60,000.00 **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED:** and

(b) **BALANCE OF PURCHASE PRICE.** $240,000.00, as follows $ 5,000.00 on 01-01-93, 01-01-94, and 01-01-95, to be applied solely to principal balances unpaid; not less then $5,000.00 nor more then $10,000.00 on 01-01-96 and 01-01-97, to be applied solely to principal balances unpaid; not less then $5,000.00 nor more then $10,000.00 on 01-01-98 and January 1 of each and every year thereafter until July 1, 2001, when the entire unpaid principal balance, if not sooner paid, shall be due and payable in full. After 07-01-96 Buyers may prepay principal indebtness in excess of $10,000.00 annually, but in such event Buyers shall further pay Sellers a penalty equal to 10% of the annual principal payment in excess of $10,000.00. Buyers shall pay interest on the unpaid principal balances at the rate of 8½% annually, beginning 07-01-91; the first interest payment on unpaid principal balances shall be paid on or before 01-01-92 and thereafter on July 1 and January 1 or each year until July 1, 2001, when all accrued interest, if not sooner paid, shall be due and payable in full.

2. POSSESSION. Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 1st day of July, 1991; 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 yes; see paragraph #23 below.

3. TAXES. Sellers shall pay any unpaid taxes thereon payable in prior years. Buyers shall pay real estate taxes due September 30, 1991, and all taxes due thereafter.

~~All 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) Which constitute a lien thereon as of the date hereof and all assessments payable prior thereto.~~

(b) Which are a lien thereon as of July 1, 1991 (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 0 % 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.

For Recording, See Book 206 Page 8/15/91

For Recording, See Book 128 Page 7/15/91

FILE No. 108-90
RECORDING FEE $ 10.00
TRANSFER FEE $

FILED FOR RECORD THE 2 DAY OF July, 19 91 AT 3:03 O'CLOCK P. M. BOOK 128 PAGE 113

STATE OF IOWA, DELAWARE COUNTY
Deborah Peyton, Dep., Recorder
LD

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) _____
(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 General 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 23rd day of April, 19 91. 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. If any personal property is a part of this agreement, then upon due performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract. Sellers shall pay all taxes on any such personal property payable in 19 91, and all taxes thereon payable prior thereto.

15. APPROVAL OF ABSTRACT. Buyers have _____ 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, [illegible] 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. This is a non recourse contract and Sellers sole remedy is forfeiture.

[illegible]

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. Seller agrees to assign existing lease for the above described real estate, to Buyer, effective 07-01-91. The rent payment of $6,666.66 due 07-01-91 shall be payable one-half (½) or $3,333.33 to Sellers and the remaining one-half(½) or $3,333.33 to Buyers. All future rent payments for said real estate shall be payable to Buyers only.

24. Sellers agree that at time of possession mechanical equipment will be operational and in good working order, and the dryer, water pump and corn auger in bins must be in working condition (except trough auger which is or at one time did connect to the far north grain bin.)

'91 JUL 2 PM 3 03
BOOK 128 PAGE 113
RECORDER
$10.00

DALE J. STRIEF & WIFE
TO
RICHARD W. SWARTZ, ETAL

108-90
DELAWARE COUNTY IOWA
FILED

Knipp Realty

Dale J. Strief
DALE J. STRIEF

Sandra M. Strief
SANDRA M. STRIEF — SELLERS

Eaststar R. Box 64E
Blackduck, MN 56630
Sellers' Address

Richard W. Swartz
RICHARD W. SWARTZ

Shirley M. Swartz
SHIRLEY M. SWARTZ — BUYERS

601 East Union Street
Manchester, Iowa 52057
Buyers' Address

STATE OF IOWA, Delaware COUNTY, ss:

On this 2 day of July, A.D. 19 91 before me, the undersigned, a Notary Public in and for said State, personally appeared DALE J. STRIEF, SANDRA M. STRIEF, RICHARD W. SWARTZ and SHIRLEY M. SWARTZ,

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.

Donald B. Stevenson
Donald B. Stevenson Notary Public in and for said State