DELAWARE COUNTY IOWA
FILED
2002 MR 29 AM 10: 01
BOOK 2002 PAGE 1150
DEBORAH L. TERTON
DELAWARE CO RECORDER
RECORDER FEE $ 31.00
AUDITOR FEE $ 5.00
Entered for taxation this 1 day of April AD 2002
Sharon McCrabb, Auditor
By Judy Zuke Deputy
88-82

THIS INSTRUMENT PREPARED BY: WILLIAM S. VERNON
Moyer & Bergman, PLC, 2720 1st Ave. NE, PO Box 1943, Cedar Rapids, IA 52406-1943, (319) 366-7331
MAIL REAL ESTATE TAX STATEMENTS TO: Tony & Jessica Harmon, 101 Market St, Box 83 Delhi Iowa 52223

REAL ESTATE CONTRACT - INSTALLMENTS

IT IS AGREED this 23d day of March, 2002, by and between Steven Mitchel and Kathleen Mitchel, husband and wife, of the County of Delaware, State of Iowa, Sellers; and Tony L. Harmon and Jessica I. Harmon, husband and wife, as joint tenants with rights of survivorship, of the County of Linn, 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 ("Real Estate") situated in the County of Delaware, State of Iowa, to-wit:

Parcel D, Being a part of Parcel A in the E1/2 of Sec. 28 T88N R4W of the Fifth P.M. Delaware County, Iowa as filed in Book 2002, Page 829 of the records of the Delaware County Recorder

Subject to agreement that Buyers will not build a mobile home, trailer, or manufactured home. A modular or prefab home can be constructed.

Also, together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, upon the terms and conditions following:

1. **TOTAL PURCHASE PRICE**. The Buyers agree to pay for said property a total of $12,500 due and payable at 2651 Pioneer Road, Delhi, Iowa 52223, as follows:

(a) **DOWN PAYMENT** of $2,500, **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED**; and

(b) **BALANCE OF PURCHASE PRICE** $10,000, as follows:

(i) $75 on May 1, 2002 and $75 on the first day of each month after;
(ii) Entire amount due April 1, 2003; and
(iii) Unpaid principal shall accrue interest from the date of possession until paid in full at the annual interest rate of 7.5%.

2. **POSSESSION**. Buyers, concurrently with the performance on their part shall be entitled to possession of said premises on the 23rd day of March, 2002; and thereafter so long as they shall perform the obligations of this contract.

3. **TAXES**. Sellers shall pay real estate taxes through the 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 when due and before delinquent. Any proration of taxes shall be based upon the taxes for the year currently payable unless the parties state otherwise.

4. **MORTGAGE**. Neither Sellers or Buyers shall grant a new mortgage on the real estate. Any mortgage currently on the real estate will be released by Sellers when this contract is paid in full.

5. **INSURANCE**. Buyers as and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Sellers may reasonably require on all buildings and improvements, now on or hereafter placed on said premises 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 Seller 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.

6. **CARE OF PROPERTY**. Buyers shall take good care of the property, shall keep the buildings and other improvements now or hereafter placed on 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.

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

8. **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.

9. **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 the 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.

10. **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 to 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.

11. **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.

12. **EXCEPTIONS TO WARRANTIES OF TITLE**. The warranties of title in any deed made pursuant to this contract (see paragraph 13) 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; and (f) paragraph 21 provisions;

(g) None
(Mineral reservations of record?) (Liens?) (Lessees?)

(h) None
(Easements not recorded?) (Interests of other parties?)

13. **DEED AND ABSTRACT**. 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 Special Warranty Deed conveying said premises in fee simple pursuant to and in conformity with the 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 16th day of January, 2002. 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.

14. **APPROVAL OF ABSTRACT**. Buyers have decided not to examine the abstract of title to this property and such abstract is not accepted. BUYERS HAVE BEEN OFFERED BY SELLERS AN ABSTRACT OF TITLE FOR EXAMINATION AND RENDERING OF A TITLE OPINION BUT DECIDED, BECAUSE OF THE COST OF A TITLE OPINION, NOT TO OBTAIN AN ABSTRACT OF TITLE AT THIS TIME. SELLERS WILL PROVIDE BUYER WITH AN ABSTRACT OF TITLE AT THE TIME THE CONTRACT IS PAID IN FULL.

15. **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 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; the 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.

16. **FORECLOSURE AND REDEMPTION**. If Buyers fail to timely perform the contract, Sellers, at their option, may elect to declare the entire balance immediately due and payable after such notice, if any, as may be required by Chapter 654, The Code. Thereafter this contract may be foreclosed in equity and the court may appoint a receiver to take immediate possession of the property and the revenues and income accruing therefrom and to rent or cultivate the same as the receiver may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Buyers only for the net profits, after application of rents, issues and profits from the costs and expenses of the receivership and foreclosure upon the contract obligation.

It is agreed that if the contract covers less than ten (10) acres of land, and in the event of the foreclosure of this contract and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Sellers in such action file an election to waive any deficiency judgment against Buyers which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three months after such right of redemption shall be exclusive to the Buyers, and the time periods in Sections 626.5, 628.15 and 626.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of the contract shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) the real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that said real estate has been abandoned by the owners and those persons personally liable under this contract at the time of such foreclosure; and (3) Sellers in such action file an election to waive any deficiency judgment against Buyer or their successor in interest in such action. If the redemption period is so reduced, Buyers or their successor in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditor as provided in Section 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of the appearance by pleading or docket entry by or on behalf of Buyers shall be the presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 626 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 626 of the Iowa Code.

17. **ATTORNEY'S FEES**. In case of any action, or in any proceedings of 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 attorney's fees.

18. **INTEREST ON DELINQUENT AMOUNTS**. Either party will pay interest at 12 percent per annum 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.

19. **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.

20. **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."

21. **SPECIAL PROVISIONS.**

a) Buyers agree to pay all costs for a survey to determine the legal description of the Real Estate.

b) Buyers agree to pay all cost and expense that Buyer claims is necessary to convey marketable title (like zoning requirements, state or local subdivision or other requirements from splitting off the Real Estate from a larger parcel, etc.). At the anticipated conveyance on March 1, 2003, the only cost of the Sellers will be the cost to draft and tender a Special Warranty Deed, Declaration of Value and Groundwater Hazard Statement to Buyers and for the Sellers to pay for an abstract of title for the Real Estate and payment of the transfer tax. Buyers assume and will indemnify Sellers for any and all other closing or transfer costs.

SELLERS Steven Mitchel

BUYERS Tony L. Harmon

Kathleen Mitchel

Jessica I. Harmon

2651 Pioneer Road, Delhi, Iowa 52223
SELLER'S ADDRESS

101 Market St, Box 83
Delhi, IA
52223
BUYER'S ADDRESS

STATE OF IOWA)
) ss
COUNTY OF LINN)

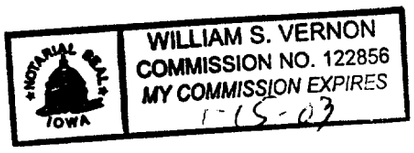
On this 23 day of March, 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Steven Mitchel and Kathleen Mitchel, husband and wife, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

WILLIAM S. VERNON
COMMISSION NO. 122856
MY COMMISSION EXPIRES
20-51-1

IA, Notary Public in and for said State
Com Expires 1-15-07

STATE OF IOWA)
) ss
COUNTY OF LINN)

On this 23 day of March, 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Tony L. Harmon and Jessica I. Harmon, husband and wife, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



William S. Vernon
IA, Notary Public in and for said State