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DELAWARE COUNTY IOWA
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DEBORAH J. HEYTON
DELAWARE COUNTY RECORDER

Prepared by: W. Wayne Saur, Saur and Saur, 120 East Charles, Oelwein, IA, 50662; 319-283-1212

Tax Statement: Ronald D. Rule, 3378 120th Street, Arlington, IA, 50606

REAL ESTATE CONTRACT (SHORT FORM)

IT IS AGREED between Debora Casel and Joe Casel, wife and husband, Sellers, and Ronald D. Rule and Ellen Rule, husband and wife, Buyers,

Sellers agree to sell and Buyers agree to buy the Sellers' undivided one-third interest in real estate in Delaware County, Iowa, described as:

> The Southwest quarter of the Southwest quarter of Section Twenty-one (21), Township Ninety (90) North, Range six (6), West of the Fifth P.M., in Delaware County, Iowa, containing approximately 39 acres AND
>
> The Southwest quarter (SW¼) of Section Twenty (20) in Township Ninety (90), North, of Range Six (6), West of the Fifth P.M., except right-of-way of the Chicago Great Western Railway Company, and also except Parcel C, Part of the NW 1/4 of the SW 1/4 Sec. 20, T90N, R6W of the Fifth P.M., Delaware County, Iowa, according to plat recorded in Book 2001, Page 398, in Delaware County, Iowa, containing approximately 150 acres.

with any easements and appurtenant servient estates, but subject to the following: a. any zoning and other ordinances; b. any covenants of record; c. any easements of record for public utilities, roads and highways; and d. (consider: liens; mineral rights; other easements; interests of others.)

(the "Real Estate"), upon the following terms:

1. **PRICE.** The total purchase price for the Real Estate is Ninety-Two Thousand One Hundred Three Dollars ($92,103.00) of which No Dollars ($0.00) has been paid. Seven Thousand Two Hundred Fifty Dollars ($7,250.00) shall be paid simultaneously with the execution of this Contract. Buyers shall pay the balance to Sellers at Sellers' residence, or as directed by Sellers, as follows: $7,250.00 shall be paid on or before September 1, 2005, and $7,250.00 shall be paid on or before the first day of September in each consecutive year thereafter up through and including September 1, 2018. All payments shall include interest, with the payments being first applied to accrued and unpaid interest. Buyer may prepay in any amount at any time without penalty. See also paragraph 17, below.

2. **INTEREST.** Buyers shall pay interest from September 1, 2004, on the unpaid balance at the rate of 2.5 percent per annum, payable annually as designated in paragraph 1, above. Buyers shall also pay interest at the rate of 2.5 percent per annum on all delinquent amounts and any sum reasonably advanced by Sellers to protect their interest in this contract, computed from the date of the delinquency or advance.

Each year on the anniversary date of the execution of this Contract and the execution of the accompanying Demand Note, Wilbur and Martin CPAs PC will look up the IRS interest rate for Demand Notes and inform the parties of the applicable interest rate. Both the Contract and the Demand Note shall be modified to use the lowest available IRS interest rate for Demand Notes. This recalculation process shall occur each year there remains an unpaid balance on the Contract and the Demand Note.

3. **REAL ESTATE TAXES.** Sellers shall pay their pro-rata share of real estate taxes through the possession date set out in paragraph 4, below, and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes. Any proration of real estate taxes of the Real Estate shall be based upon such taxes for the year currently payable unless the parties state otherwise.

4. **SPECIAL ASSESSMENTS.** Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of this contract.

5. **POSSESSION.** The possession date for the purposes of this Contract and calculation of the pro-rata share of real estate taxes shall be September 1, 2004.

6. **INSURANCE.** Sellers shall maintain existing insurance upon the Real Estate until the date of possession. Buyers shall accept insurance proceeds instead of Sellers replacing or repairing damaged improvements. After possession and until full payment of the purchase price, Buyers shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 80 percent of full insurable value payable to the Sellers and Buyers as their interests may appear. Buyers shall provide Sellers with evidence of such insurance.

7. **ABSTRACT AND TITLE.** Sellers, at their expense, shall update the abstract of title upon receipt of the final payment from Buyers, and deliver to Buyers for examination. It shall show merchantable title in Sellers in or conformity with this contract, Iowa law and the Title Standards of the Iowa State Bar Association. The abstract shall be come the property of the Buyers when the purchase price is paid in full, however, Buyers reserve the right to occasionally use the abstract prior to full payment of the purchase price. Sellers shall pay the costs of any additional abstracting and title work due to any act or omission of Sellers, including transfers by or the death of Sellers or their assignees.

8. **FIXTURES.** All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as light fixtures, shades, rods, blinds, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners, automatic heating equipment, air conditioning equipment, wall to wall carpeting, built-in items and electrical service cable, outside television towers and antenna, fencing, gates and landscaping shall be considered a part of the Real Estate and included in the sale except: (consider: rental items.)

9. **CARE OF PROPERTY.** Buyers shall take good care of the property; shall keep the buildings and other improvements now or later placed on the Real Estate in good and reasonable repair and shall not injure, destroy or remove the property during the term of this contract Buyers shall not make any material alteration to the Real Estate without the written consent of the Sellers.

10. **DEED.** Upon payment of purchase price, Sellers shall convey the Real Estate to Buyers or their assignees by Joint Tenancy Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provided herein. Any general warranties of title shall extend only to the date of this contract, with special warranties as to acts of Sellers continuing up to time of delivery of the deed.

11. **REMEDIES OF THE PARTIES.** a. If Buyers fail to timely perform this contract, Sellers may, at Sellers' option, forfeit Buyers' rights in this contract as provided in the Iowa Code, and all payments made by Buyers shall be forfeited. If Buyers fail to timely perform this 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 of 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 and upon the contract obligation.

It is agreed that if this 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 files 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 (3) months after sale such right of redemption shall be exclusive to the Buyers, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this 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 the 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 Buyers or their successor in interest in such action. If the redemption period is so reduced, Buyers or

their successors in interest or the owner shall have the exclusive right to redeem for the first thirty (3) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Buyers shall be presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

b. If Sellers fail to timely perform their obligations under this contract, Buyers shall have the right to terminate this contract and have all payments made returned to them.

c. Buyers and Sellers are also entitled to utilize any and all other remedies or actions at law or in equity available to them.

d. In any action or proceeding relating to this contract the successful party shall be entitled to receive reasonable attorney's fees and costs as permitted by law.

12. **JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE.** If Sellers, immediately preceding this contract, hold title to the Real Estate in joint tenancy with full right of survivorship, and the joint tenancy is not later destroyed by operation of law or by acts of Sellers, then the proceeds of this sale, and any continuing or recaptured rights of Sellers in the Real Estate, shall belong to Sellers as joint tenants with full right of survivorship and not as tenants in common; and Buyers, in the event of the death of either Seller, agree to pay any balance of the price due Sellers under this contract to the surviving Seller and to accept a deed from the surviving Seller consistent with paragraph 10.

13. **JOINDER BY SELLERS' SPOUSE.** Seller's spouse, if not a titleholder immediately preceding acceptance of this offer, executes this contract only for the propose of relinquishing all rights of dower, homestead and distributive shares or in compliance with Section 561.13 of the Iowa Code and agrees to execute the deed for this purpose.

14. **TIME IS OF THE ESSENCE.** Time is of the essence in this contract.

15. **PERSONAL PROPERTY.** If this contract includes the sale of any personal property, Buyers grant the Sellers a security interest in the personal property and Buyers shall execute the necessary financing statements and deliver them to Sellers.

16. **CONSTRUCTION.** Words and phrases in this contract shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

17. **SIMULTANEOUS EXECUTION OF DEMAND NOTE.** The language of paragraph 1, above, notwithstanding, simultaneously with the execution of this Contract, Buyers have executed a Demand Note, which gives the Sellers the absolute right to require payment in full of the entire unpaid principal and accrued interest at any time.

Dated: Oct 23, 2004

Ronald D. Rule, Buyer

Ellen Rule, Buyer

Dated: 11/9 2004

Debora Casel, Seller

Joe Casel, Seller

STATE OF IOWA)
)ss:
Clayton **COUNTY**)

On this 23rd day of October, 2004, before me, the undersigned, a Notary Public in and for said County and said State, personally appeared Ronald D. Rule and Ellen Rule, husband and wife, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Julie Dahling
Notary Public, State of Iowa

JULIE DAHLING
COMMISSION EXPIRES
7-18-06
MY COMM. NO. 220
NOTARIAL SEAL
IOWA

STATE OF IOWA)
)ss:
Dubuque **COUNTY**)

On this 9th day of Nov., 2004, before me, the undersigned, a Notary Public in and for said County and said State, personally appeared Debora Casel and Joe Casel, wife and husband, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

NANCY OBERBROECKLING
Commission Number 185883
My Commission Expires 8/7/05

Nancy Oberbroeckling
Notary Public, State of Iowa