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DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

(X) Larry L Aschbrenner 20492 254th St Dyersville, Ia 52223 563-922-9133
Name of Preparer (please type or print) And Return To Address Tax Address Same As Above Telephone Number

INSTALLMENT REAL ESTATE CONTRACT

Form 162
(Revised 1/97)

This AGREEMENT made and entered into this 6th day of May, 2006
by and between Michael Spence
of the County Black Hawk State of Iowa, Sellers; and Larry & Kathleen Aschbrenner
& Thomas & Katy McLaughlin
of the County Delaware, State of Iowa, Buyers:

It is agreed that the Sellers, as in this contract provided, shall sell to the Buyers, and the Buyers in consideration of the premises, shall purchase from Sellers the following described real estate situated in the County of Delaware. State of Iowa, to-wit:

Please see Attached

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as are hereinafter stated, and certain personal property as described below or as itemized on an attached list marked "Exhibit A" and by this reference made a part hereof, all upon the terms and conditions following: See Attached

1. TOTAL PURCHASE PRICE. The buyer agrees to pay for said property the total of $ 35000.00, due and payable at Veridian Credit Union 1827 Ansborough Ave Waterloo Ia Black Hawk County, Iowa, as follows:

(a) DOWN PAYMENT of $ 7000.00 RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED; and

(b) BALANCE OF PURCHASE PRICE, $ 28,000.00, as follows:

$ 28,000.00 ( ) INCLUDING 178.17 ( ) PLUS 118.90 INTEREST (or more at option of Buyers) on or before the 1st day of June, 2006, and $ 297.07 ( ) INCLUDING 178.17 ( ) PLUS 118 INTEREST (or more at option of Buyers) on or before the 1st day of each and every MONTH thereafter until all sums due under this contract are paid in full, ( ) INCLUDING interest on unpaid balances thereof at the rate of 5% % per annum, payable MONTHLY from date of possession until fully paid; said payments to be applied first to the interest then unpaid and next upon the principal balance, provided, that in any event, final payment of the full balance under the contract should be made on or before the 1st day of June, 2016. Additional payments at the option of the Buyers are not to reduce the monthly payments herein contracted to be made, but are to operate to discharge the contract at an earlier date. In addition to the principal and interest payments set out above, or upon subsequent request by Sellers, Buyers shall on the date set out above, in addition to the said monthly payment, pay one-twelfth of the annual general property taxes, annual special assessments and annual insurance premiums to Sellers, to be held by Sellers in trust, in such amounts as reasonably calculated by Sellers, for the timely payment of such items by Sellers to the extent of such fund _____. (Yes or not now)

2. POSSESSION. Sellers agree to give Buyers possession of said premises on or before the 6th day of May, 2006.

3. TAXES Sellers shall pay Taxes Due up To Possession Date, 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.**

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

(a) ~~Which, if not paid in the year _____, would become delinquent and all assessments payable prior thereto.~~

(b) Which are a lien thereon as of May 6th 2006. (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 the 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.

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. 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 compiled with, Sellers will execute and deliver to Buyers a SPECIAL 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 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 _____ day of _____, 20____. 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 _____, and all taxes thereon payable prior thereto.

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

12. 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 13 below unless and except this paragraph is stricken from this agreement.

13. "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.

14. TIME IS OF THE ESSENCE of 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.

15. 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) A 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 a 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?)

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 15.1 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. It is agreed that the periods of redemption after sale on foreclosure may be reduced under the conditions set forth in Sections 628.26 and 628.27, Code of Iowa.

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_____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.

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 personalty, then Buyer grants Seller a security interest in such personalty. In the case of Buyer's default, Seller may, at his option, proceed in respect to such personalty in accordance with the Uniform Commercial Code of Iowa or treat such personalty in the same manner as real estate, all as permitted by Section 554.9501(4), Code of Iowa.

22. CONSTRUCTION. Words and phrases herein, including acknowledgments hereof shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. See paragraph 10½ above, for construction of the word "Sellers."

23. (HERE ADD FURTHER TERMS OR PROVISIONS):

Executed in duplicate / triplicate

"Buyer acknowledges receipt of a fully completed copy of this instrument."

Michael C Pierce
_____
SELLERS

_____
_____

BUYERS

Larry L Aschbrenner, Kathleen M Aschbrenner
1203 Park Ln Waterloo, Ia 50702
LARRY L ASCHBRENNER KATHLEEN M ASCHBRENNER
Sellers' Address
Address

Thomas R McLaughlin, Kathryn A McLaughlin
20492 254th St Dike, Iowa 50623
Buyers'

STATE OF IOWA, DELAWARE COUNTY, ss:

On this 6th day of May, A. D., 2006, before me, the undersigned, a Notary Public in the State, personally appeared Larry L. Aschbrenner, Kathleen M Aschbrenner, Thomas R. McLaughlin, Kathryn A. McLaughlin, Michael C Pierce 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.

For statutory provisions concerning recording this contract if relating to agricultural land see Sections 558.41 and 558.44 Code of Iowa.

COLLEEN MEYER
Notarial Seal - Iowa
Commission # 704820
My Commission Expires 08/28/06

Colleen Meyer
Colleen Meyer, Notary Public in the State

REAL ESTATE CONTRACT INSTALLMENTS

TO

Entered upon transfer books and for taxation this _____ day of _____, 20____.
_____ Auditor
By _____ Deputy

Filed for record, indexed and delivered to County Auditor this _____ day of _____, 20____, at _____ o'clock ____ M. and recorded in Book _____ on page _____ of _____ County Records.
Recorder's and Auditor's Fee $_____ PAID
_____, Recorder
By _____, Deputy

WHEN RECORDED RETURN TO

MATT PARROTT & SONS CO., WATERLOO, IOWA

Legal Description

Lot Seven (7) of Cozy Cove Subdivision of Lot One (1) Through Lot Seven (7) of Willa's Second Subdivision, being part of the SE Quarter of the NE Quarter of Section 15, and part of the NE Quarter of the SE Quarter of Section 15, and part of the NW Quarter of the NW Quarter of Section 14, (T88N), (R5W) of the Fifth Principal Meridian, Delaware County, Iowa, According to Plat Recorded in Book 7 Plats, Page 156.

Exhibit "A"

Seller requests that if seller should pass away before the contract is completed the balance, at time of death, is due and payable to the Sellers Estate, to include the interest due to that point.

Seller

Michael Reed

Buyers: Lary J Cushman

Kathleen Cushman

Katy McLaughlin

Delaware County
State Iowa
May 06, 2006
Colleen Meyer

COLLEEN MEYER
Notarial Seal - Iowa
Commission # 704820
My Commission Expires 08-28-06