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DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

REAL ESTATE CONTRACT

Recorder's Cover Sheet

Preparer Information: (name, address and phone number)
Michael J. Schuster
SCHUSTER AND MICK LAW OFFICE
P.O. Box 609
Guttenberg, Iowa 52052
PHONE: 563-252-1733

Taxpayer Information: (name and complete address)
Matthew G. Fousek
148 Main Street
Colesburg, IA 52035

Return Document To: (name and complete address)
Michael J. Schuster
SCHUSTER AND MICK LAW OFFICE
P.O. Box 609
Guttenberg, Iowa 52052

Grantors: Richard J. & Mary S. Eulberg and Michael J. & Toni K. Schuster

Grantees: Matthew G. Fousek

Legal Description: See Page 2

Document or instrument number of previously recorded documents:

REAL ESTATE CONTRACT

IT IS AGREED between RICHARD J. EULBERG and MARY S. EULBERG, husband and wife; and MICHAEL J. SCHUSTER and TONI K. SCHUSTER, husband and wife, Sellers, and MATTHEW G. FOUSEK, Buyer:

Sellers agree to sell and Buyer agree to buy real estate in ~~Clayton~~ Delaware County, Iowa, described as:

> The South One-Half (S ½) of Lot One (1), Block Three (3), Colony Addition to Colesburg, Iowa, according to the corrected and amended Plat of Incorporated Town of Colesburg, Delaware County, Iowa, recorded in Book 1 Plats, Page 73 – 86,

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;
d. this property is sold "AS IS"

designated the Real Estate, upon the following terms:

1. PRICE. The total purchase price for the real estate is Twelve Thousand Five Hundred Dollars ($12,500.00) Buyer has made a down payment of Two Thousand Dollars ($2,000.00), receipt of which is hereby acknowledged by Sellers. The balance of the purchase price in the amount of Ten Thousand Five Hundred Dollars ($10,500.00) shall be paid by Buyer to Sellers at their address, or as directed by Sellers, in equal monthly installments of Three Hundred Fifty Dollars ($350.00) beginning on July 1st, 2006, and continuing on the 1st day of each month thereafter, until all sums due by reason of this Contract have been paid in full. The monthly installment payment shall be applied first to interest as described at Paragraph 2 and then to the reduction of principal.

Buyer may prepay in increments of at least One Hundred Dollars ($100.00) even to the extent of paying the entire unpaid balance; without penalty.

2 INTEREST. Buyer shall pay interest from June 13th, 2006, on the unpaid balance, at the rate of Eight Percent (8%) per annum, payable monthly as part of the monthly installment payment described above. Buyer shall also pay interest at the rate of Eight Percent (8%) 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.

3. REAL ESTATE TAXES. Sellers shall pay Ninety-Two Percent (92%) of the

second half of the 2005/2006 real estate taxes, payable 2006/2007, and any unpaid real estate taxes payable in prior years. Buyer shall be responsible to pay all subsequent real estate taxes before they become delinquent. During the term of this Contract, Sellers, on behalf of Buyer, shall pay the real estate taxes which are Buyer's obligation. The amount thus advanced by Sellers for Buyer shall be added to the unpaid balance of the principal and earn interest from the day advanced.

4. SPECIAL ASSESSMENTS. Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of this contract. All other special assessments shall be paid by Buyer.

5. POSSESSION. Sellers shall give Buyer possession of the Real Estate on June 13, 2006.

6. INSURANCE. Until full payment of the purchase price, Buyer 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 Buyer as their interest may appear. Buyer shall provide Sellers with evidence of such insurance.

Additionally, Buyer, at his expense, shall provide public liability insurance designating Sellers as additional insureds, with insurance limits of at least $300,000.00 for personal injury, death or property damage arising out of any single occurrence. Buyer shall arrange for his insurance agent or company to furnish Sellers at all times a certificate certifying that the liability insurance required by this paragraph and the insurance required by the previous paragraph shall at all times be in effect and such certificate of insurance shall further provide for no less than ten (10) days notice to Sellers of Buyer's insurance company if the insurance is going to be cancelled or not renewed.

During the term of this Contract, Sellers, on behalf of Buyer, shall pay the insurance which is Buyer's obligation. The amount thus advanced by Sellers for Buyer shall be added to the unpaid balance of the principal and earn interest from the day advanced.

7. ABSTRACT AND TITLE. Sellers, within sixty (60) days of the written request by Buyer, at their expense, shall promptly obtain an Abstract of Title to the Real Estate, and deliver it to Buyer for examination. It shall show merchantable title in Sellers in conformity with this agreement, Iowa law, and the Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyer when the purchase price is paid in full, however, Buyer reserves 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 Real Estate and included in the sale.

9. CARE OF PROPERTY. Buyer 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 life of this contract. Buyer shall not make any material alteration to the Real Estate without the written consent of the Sellers.

10. DEED. Upon payment of the purchase price, Sellers shall convey the real estate to Buyer or his assignees, by 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 the time of delivery of the deed.

11. FORFEITURE. If Buyer (a) fails to make the payments aforesaid, or any part thereof, as same become due; or (b) fails 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) fails to keep the property insured; or (d) fails to keep it in reasonable repair as herein required; or (e) fails 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 Buyer shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and for 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 Buyer, 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.

12. FORECLOSURE AND REDEMPTION. If Buyer 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 Buyer 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 file an election to waive any deficiency judgment against Buyer 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 Buyer, 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 Buyer or their successor in interest in such action. If the redemption period is so reduced, Buyer 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 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 Buyer 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.

13. 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 Buyer, or imposed upon them, or upon the above described property, Buyer agree to pay reasonable attorney's fees.

14. 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 rights 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 Buyer, 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.

15. LEAD-BASED PAINT. Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property

may present exposure to lead-based paint that may place young children at risk of developing poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller' possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

16. LEAD-BASED PAINT RISK ASSESSMENT AND INSPECTION WAIVER. Buyer acknowledges receipt of the "Protect Your Family From Lead in Your Home" pamphlet. Buyer further acknowledges and state he has been given the opportunity to conduct a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards and hereby WAIVE his right to do so.

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

18. CONSTRUCTION. Words or 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.

19. LIENS. No mechanic's lien shall be imposed upon or foreclosed against the real estate described herein. However, the filing of a lien shall not constitute a default hereunder if Buyer, in good faith, is contesting the legitimacy or amount of said lien and pays same upon an adverse judicial determination.

MATTHEW G. FOUSEK, Buyer

RICHARD J. EULBERG, Seller

MARY S. EULBERG, Seller

MICHAEL J. SCHUSTER, Seller

TONI K. SCHUSTER, Seller

STATE OF IOWA, COUNTY OF CLAYTON, ss:

On this 13th day of June, 2006, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared MATTHEW G. FOUSEK, to me known to

be the identical person named in and who executed the foregoing instrument and acknowledged that he executed the same as his voluntary act and deed.

Notary Public

MICHAEL J. SCHUSTER
Commission Number 406435
My Commission Expires
December 9, 2008

STATE OF IOWA, COUNTY OF CLAYTON, ss:

On this 13th day of June, 2006, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared RICHARD J. EULBERG and MARY S. EULBERG, 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.

Notary Public

MICHAEL J. SCHUSTER
Commission Number 406435
My Commission Expires
December 9, 2008

STATE OF IOWA, COUNTY OF CLAYTON, ss:

On this 13th day of June, 2006, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared MICHAEL J. SCHUSTER and TONI K. SCHUSTER, 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.

NOTARIAL SEAL IOWA
JANICE L. PATZNER
COMMISSION # 130157
MY COMMISSION EXPIRES
10/26/07

Janice L Patzner
Notary Public