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Jimmy Penney
604 S. 3rd St
Manchester IA 52057

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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Real Estate Contract – Short Form

THE IOWA STATE BAR ASSOCIATION
Official Form No. 143
Recorder's Cover Sheet

Preparer Information: (Name, address and phone number)
Alice M. Wilske, 223 West Main Street, Suite 11, Manchester, Iowa 52057

Taxpayer Information: (Name and complete address)
Jimmy Lee Penney and Ileen Jo Penney, 604 South 3rd Street, Manchester, Iowa 52057

Return To: (Name, address and phone number)
Alice M. Wilske, 223 West Main Street, Suite 11, Manchester, Iowa 52057

Grantors:
Robert E. Timmerman
Violet M. Timmerman

Grantees:
Jimmy Lee Penney
Ileen Jo Penney

Legal description: See Page 2

Document or instrument number of previously recorded documents:

REAL ESTATE CONTRACT
(SHORT FORM)

It is agreed between:

Robert E. Timmerman and Violet M. Timmerman, husband and wife

("Sellers"); and

Jimmy Lee Penney and Ileen Jo Penney, husband and wife ("Buyers").

Sellers agree to sell and Buyers agree to buy real estate in Delaware County, Iowa, described as: 604 Third Street, Manchester, IA 52057
Lot 822, Manchester, Iowa, according to plat recorded in Bk I LD Page 284
(Legal Description is attached hereto as Exhibit A) V T

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; interest of others.)

None
(the "Real Estate"), upon the following terms:

1. PRICE. The total purchase price for the Real Estate is Forty Thousand and 0/100 Dollars ($40,000.00) of which Two Thousand and 0/100 Dollars ($2,000.00) has been paid. Buyers shall pay the balance to Sellers at Manchester, Iowa or as directed by Sellers, as follows:

A balance of $350.00 principle is due the 1st Friday of every month beginning April 3, 2009, until April 6, 2018, when the entire unpaid balance, principle and interest shall be due and payable in full. **The Sellers are not charging interest and therefore, property is being sold "as is".**

2. REAL ESTATE TAXES. Sellers shall pay real estate taxes prorated to the date of possession and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes. Any proration of real estate taxes on the Real Estate shall be based upon such taxes for the year currently payable unless the parties state otherwise.

3. SPECIAL ASSESSMENTS. Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of this contract. Seller is not aware of any special assessment. Any future special assessment shall be paid by Buyers.

4. POSSESSION AT CLOSING. Sellers shall give Buyers possession of the Real Estate on April 6, 2018, provided Buyers are not in default under this contract. Closing shall be on April 6, 2018.

5. INSURANCE. Buyers shall maintain existing insurance upon the Real Estate as of April 3, 2009. In the event of a claim for damages, Sellers shall accept insurance proceeds instead of replacing or repairing damaged improvements. After possession and until full payment of the purchase price, Buyers shall keep 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 by providing copy of their insurance binder, which will verify that Buyers insure the residence for a minimum of $40,000.

6. ABSTRACT AND TITLE. Sellers, at their own expense, shall obtain an abstract of title to the Real Estate at end of the contract (April 6, 2018) and deliver it 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 become 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.

7. 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.

8. 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 prior written consent of the Sellers.

9. DEED. Upon payment of the purchase price of $40,000.00, Sellers shall convey the Real Estate to Buyers or their 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 time of delivery of the deed.

10. REMEDIES OF THE PARTIES. A. 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 there from, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of lease, and may accordingly be ousted and removed as such as provided by law.

B. 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 since 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 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 628.15 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 (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 Buyers shall be presumption that the property is not abandoned. Any such redemption period shall be consistent with all 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. Upon completion of such forfeiture, Buyers 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 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.

C. If Sellers fail to timely perform their obligations under this contract, Buyers shall have the right to terminate this contract and have no outstanding obligations.

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

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

11. 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 9.

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

13. 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.

14. RELEASE OF RIGHTS. Each of the Buyers hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waives all rights of exemption as to any of the property.

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: 4/3/, 2009

Jimmy Lee Penney

Dated: 4-3-09, 2009

Ileen Jo Penney

15. ADDITIONAL PROVISIONS.

A. PROPERTY IS SOLD "AS IS".

B. The monthly payment of $350.00 does not include insurance and real estate taxes, which shall be paid by the Buyers, not the Sellers.

C. Sellers have never lived at the property, but have no knowledge of the presence of lead paint.

Robert E. Timmerman SELLER

Jimmy Lee Penney BUYER

Violet M. Timmerman SELLER

Ileen Jo Penney BUYER

STATE OF IOWA, COUNTY OF DELAWARE

This instrument was acknowledged before me on September 15, 2010, by Jimmy Lee Penney and Ileen Jo Penney, husband and wife; Robert E. Timmerman and Violet M. Timmerman, husband and wife.

Julia L. Hackbarth

Notary Public, State of Iowa

JULIA L. HACKBARTH
Commission Number 169605
MY COMMISSION EXPIRES
MAY 24, 2011