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DELAWARE COUNTY IOWA

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REAL ESTATE CONTRACT

IT IS AGREED between Shirley A. Steuri, a single person, ("Seller"); and Kathy J. Dirks (daughter of Seller) and Jamey Dirks, wife and husband, as joint tenants with full rights of survivorship and not as tenants in common,("Buyers").

Seller agrees to sell and Buyers agree to buy real estate in Delaware County, Iowa, described as:

> Lots One (1) and Two (2) of the Survey and Plat of part of the West one-half (W ½) of the Northwest fractional quarter (NWfr ¼) of Section Three (3), Township Eighty Eight (88) North, Range Three (3), West of the Fifth Principal Meridian, according to plat recorded in Book 3 Plats, Page 6,

and known locally as 2208 310th Avenue, Earlville, Iowa 52041, with any easements and appurtenant servient estates, but subject to the following: a. any zoning and other ordinances; b. any covenants of record; and c. any easements of record for public utilities, roads and highways, (the "Real Estate"), upon the following terms:

1. **PRICE.** The total purchase price for the Real Estate is Seventy Five Thousand and 00/100 Dollars ($75,000.00), to be paid to Seller at Earlville, Delaware County, Iowa, or as directed by Seller, as follows:

> $600.00, or more, on the first day of July, 2015 and $600.00, or more, on the first day of each and every month thereafter until June 1, 2018 at which time all unpaid principal and accrued interest shall be paid in full.

Each monthly payment shall be first applied to accrued interest and the balance, if any, to the reduction of the unpaid principal balance. Buyers entitled to prepay all or part of principal at any time prior to June 1, 2018 without penalty, provided, however, the prepayment of any principal will not defer or reduce subsequent monthly installments but will only reduce the total amount of the final cash out on or before June 1, 2018.

2. **INTEREST.** Buyers shall pay interest from June 1, 2015 on the unpaid principal balance at the rate of 3.00% per annum included in the $600.00 monthly installment.

Buyers shall also pay interest at the rate of nine percent (9.00%) per annum on all delinquent amounts and any sum reasonably advanced by Seller to protect her interest in this Contract, computed from the date of the delinquency or advance.

3. **REAL ESTATE TAXES.** Seller shall pay any unpaid real estate taxes payable before July 1, 2015. Seller shall pay a pro-rated share, based on the date of possession, of the real estate taxes payable in the fiscal year commencing July 1, 2015. Pro ration of real estate taxes shall be based upon such taxes for the year currently payable. Buyers shall pay all subsequent real estate taxes.

4. **SPECIAL ASSESSMENTS.** Seller shall pay all special assessments which are a lien on the Real Estate as of the date of this Contract and Buyers shall pay all subsequent special assessments.

5. **CLOSING AND POSSESSION.** Closing shall occur and Seller shall give Buyers possession of the Real Estate on June 1, 2015.

6. **INSURANCE.** Buyers shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than the full insurable value. Buyers shall provide Seller with evidence of such insurance.

7. **ABSTRACT AND TITLE.** Seller, on or before final cash out on June 1, 2018, will obtain an abstract of title to the Real Estate continued through the date of the recording of this Real Estate Contract and have it delivered to Buyers for examination. Said abstract of title shall show merchantable title in Seller in 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. Seller shall pay the costs of any additional abstracting and title work due to any act or omission of Seller, including transfers by or the death of Seller or Seller's assignees. All other additional abstracting shall be the responsibility of the Buyers.

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.

9. **INSPECTIONS COMPLETED.** Buyers have completed all inspections and Buyers accept the condition of the property in its present condition.

10. **CARE AND PRESENT CONDITION 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 Seller.

11. **DEED.** Upon payment of purchase price, Seller shall convey the Real Estate to Buyers or their assignees, by general 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 Seller continuing up to time of delivery of the deed.

12. **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 Seller, in addition to any and all other legal and equitable remedies which she may have, at her 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 Seller 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.

b. If Buyers fail to timely perform this Contract, Seller, at her 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 Seller, 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 628.5, 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) Seller in such action files an election to waive any deficiency judgment against Buyers or their successors 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 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. 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 Seller 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 Seller fails to timely perform her obligations under this Contract, Buyers shall have the right to terminate this Contract and have all payments made returned to them.

d. Buyers and Seller 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 reasonable attorney's fees and costs as permitted by law.

13. **CONTRACT BALANCE DUE ON SALE OR ASSIGNMENT.** In the event the Buyers transfer, convey, sell, and/or assign all or part of their interest in this Contract, then the entire unpaid principal balance of the Contract, together with all accrued and accruing interest shall be immediately due and payable.

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

15. **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.

16. **RELEASE OF RIGHTS.** Buyers hereby relinquish all rights of dower, homestead and distributive share in and to the property and waive all rights of exemption as to any of the property.

17. **RIGHT OF FIRST REFUSAL.** As further consideration of this Real Estate Contract, Seller now grants to Buyers the right of first refusal to purchase Lot 3 of the Survey and Plat described above.

If Seller receives any bona fide offer to purchase Lot 3 and which Seller intends to accept, Seller shall promptly present the same to Buyers, who shall have thirty days to accept, in writing, the terms of said offer. If so timely accepted, the Buyers shall have the right to purchase the real estate on the same terms and conditions as initially offered the Seller. If Buyers fail to timely accept, Seller shall be entitled to sell to the initial offeror and the rights of Buyers under this right of first refusal shall not be otherwise affected. In the event Buyers initially accept and are unable to close on the purchase, in addition to any other claims which Seller may assert, Seller shall be entitled to sell to the initial offeror. In the event the sale of the real estate to the initial offeror fails to close under the terms of the initial offer, Buyers' right of first refusal shall be reinstated notwithstanding Buyers' failure to accept the terms of the initial offer. Buyers' right of first refusal shall survive full payment of the purchase price under this contract and Seller's delivery of the deed in satisfaction of this contract.

WE 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, WE VOLUNTARILY GIVE UP OUR RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated this 15 day of June, 2015

Kathy J. Dirks

Kathy J. Dirks

Jamey Dirks

Jamey Dirks

× Shirley A. Steuri

Shirley A. Steuri, Seller

Kathy J. Dirks

Kathy J. Dirks, Buyer

Jamey Dirks

Jamey Dirks, Buyer

STATE OF IOWA, LINN COUNTY) ss.

This instrument was acknowledged before me on this 15 day of June, 2015, by Shirley A. Steuri, a single person.

Notary Public -- State of Iowa

NOTARIAL SEAL IOWA
GREGORY J. EPPING
Commission Number 144839
My Commission Expires
October 1, 2017

STATE OF IOWA, LINN COUNTY) ss.

This instrument was acknowledged before me on this 15 day of June, 2015, by Kathy J. Dirks and Jamey Dirks, wife and husband.

Notary Public -- State of Iowa

