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LISA SMITH, COUNTY RECORDER

MADISON COUNTY IOWA

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**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)

Shannon M. Holmberg
215 10th St., Ste. 1300
Des Moines, IA 50309
Phone: (515) 288-2500

Taxpayer Information: (name and complete address)

A&M Arnburg, LLC
c/o Andrew Arnburg and Michelle Arnburg
280 Oak Ave., P.O. Box 1
Earlham, IA 50072

Return Document To: (name and complete address)

Shannon M. Holmberg
215 10th St., Ste. 1300
Des Moines, IA 50309

Grantors:

Gary Arnburg and Sheri Arnburg

Grantees:

A&M Arnburg, LLC

Legal Description: See Page 2

Document or instrument number of previously recorded documents: None

REAL ESTATE CONTRACT
(SHORT FORM)

IT IS AGREED IN THIS REAL ESTATE CONTRACT (the "Contract" or the "Agreement") between Gary Arnburg and Sheri Arnburg, a married couple (the "Sellers" or "Seller"); and A&M Arnburg, LLC, an Iowa limited liability company (the "Buyers" or "Buyer").

Sellers agree to sell to Buyers and Buyers agree to buy from Sellers real estate in **Madison** County, Iowa, legally described as:

A part of the Chicago, Rock Island and Pacific Railroad Company's station grounds in the Southwest Quarter (¼) of Section Six (6), Township Seventy-seven (77) North, Range Twenty-eight (28) West in the Town of Earlham, more particularly described as follows:

Beginning at the point of intersection of the northerly line of said station grounds with the east line of Chestnut Street; thence southerly along said east line 105 feet, more or less, to a line being 50 feet northerly of and parallel with the centerline of said Railroad Company's main track; thence easterly along said parallel line 325 feet, more or less, to the west line of Sycamore Street; thence northerly along said west line 105 feet, more or less, to the northerly line of said station grounds; thence westerly 325 feet, more or less, to the point of beginning; except beginning at the Southeast corner of Lot Six (6), Block Ten (10) of the Original Town of Earlham, Madison County, Iowa; thence due South 40 feet; thence northwesterly and parallel with the South line of said Lot Six (6) to a point 40 feet South of the Southwest corner of Lot Six (6); thence North 40 feet to the Southwest corner of Lot Six (6); thence southeasterly and along the South line of Lot Six (6) to the point of beginning.



Tax Parcel ID No.: 851000110060000

Locally known as: 170 S. Chestnut Ave., Earlham, Iowa 50072

together with any easements and appurtenant servient estates, but subject to any reasonable easements of record for public utilities or roads, any zoning restrictions, customary restrictive covenants and mineral reservations of record, if any (the "Real Estate" or "Property"), upon the following terms:

1. PRICE; PAYMENTS. The total purchase price for the Real Estate is **\$325,000.00** of which **\$0.00** has been paid. Buyers shall pay the balance to Sellers, at an address as directed by Sellers, as follows:

- a. **AMORTIZATION SCHEDULE.** See amortization schedule attached hereto as Exhibit A.

- b. **BALLOON PAYMENT.** This Contract shall become fully due and payable in full by a final balloon payment for the principal balance of **\$223,789.91** on **January 2, 2036** with all principal, interest, late charges, and any other fees due on that date.

2. INTEREST. Buyers shall pay interest from the date of the filing of this Contract on the unpaid balance at the rate of **1.170 percent per annum**. Buyers shall also pay interest at the rate of 4.00 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.

3. REAL ESTATE TAXES. Sellers state they have paid all taxes due and payable in September 2020 and all prior years. Buyer shall be responsible for all taxes thereafter starting with the taxes due and payable in March of 2021. **THERE SHALL BE NO TAX PRORATION.**

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 Buyers.

5. POSSESSION AND CLOSING. Closing will occur on or about **December 31, 2020**, and Buyers, concurrently with due performance on their part will be entitled to possession of said premises on **December 31, 2020** and thereafter so long as they will perform the obligation of this contract.

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 100 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 and name seller as loss payee on the policy.

7. ABSTRACT AND TITLE. Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of this contract 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.

8. FIXTURES. All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as fencing, gates and landscaping shall be considered a part of Real Estate and included in the sale.

9. CARE OF PROPERTY; PRESERVATION. Buyers shall take good care of the property; shall keep the improvements now or later placed on the Real Estate in good and reasonable repair. 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 General Warranty Deed in Fulfillment of Real Estate Contract, 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. Seller will pay the transfer tax due on this Contract when the deed in fulfillment is delivered to the Buyer.

11. 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 keep the property insured; or (c) 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 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 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 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 (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 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.

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 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 SELLER'S SPOUSE. Seller's spouse, if not a titleholder immediately preceding acceptance of this offer, executes this contract only for the purpose 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. Paragraph headings are for convenience of reference only and shall not limit or affect the meaning of this Agreement. Words and phrases herein shall be construed as the singular or plural number, and as masculine, feminine or neuter gender according to the context.

17. RELEASE OF RIGHTS. Each of the Sellers 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.

18. CERTIFICATION. Buyers and Sellers each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

19. INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM. Seller represents and warrants to Buyer that the Property is not served by a private sewage disposal system, and there are no known private sewage disposal systems on the property.

20. ADDITIONAL PROVISIONS.

A. PREPAYMENT. There shall be no penalty for early prepayment of this contract by the Buyers.

B. MORTGAGE. Any mortgage or encumbrance of a similar nature against the 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. Sellers reserve the right to at any time mortgage their right, title or interest in the Property or to renew or extend any existing mortgage. The interest rate and amortization shall be no more onerous than the installment requirements of this Contract.

C. INSPECTION. On or before December 23, 2020, Buyers, at Buyers' sole expense, may have the Property inspected by a person or persons of their choice to determine if there are any serious or significant deficiencies with the structural, mechanical, plumbing, electrical, environmental, septic systems, or other issues affecting the Property. Within this same period, Buyer shall provide written notification to Sellers of any deficiency. Sellers shall immediately notify Buyers in writing of what steps, if any, Sellers will take to correct any deficiencies before Closing. Buyers shall then immediately in writing notify Sellers that (1) such steps are acceptable, in which case

this Contract, as so modified, shall be binding upon all parties; or (2) that such steps are not acceptable, in which case this Contract shall be null and void and any earnest money shall be promptly refunded to Buyers.

- D. AS-IS.** Subject to the Buyers' inspection rights set forth in this Contract, the Property is being sold in as-is condition without any express or implied warranties of any kind from Sellers. Buyers have had an opportunity to conduct any and all inspections of the Property that Buyers desire, and by participating in the Closing of this Contract, the Buyers are affirming that they accept the Property in its current as-is condition.
- E. PROTECTIVE ADVANCES BY SELLERS.** If Buyers fail to make any required payments for any services provided to the Property, including but not limited to utility payments, tax payments, insurance payments, necessary repairs, special assessments, and city or county or other municipal services, Sellers may make such payments and same shall be considered a protective advance by Sellers. Sellers shall be entitled to reimbursement for any such protective advances made, 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 under this Contract.
- F. REVIEW.** Both parties have had the opportunity to have this contract reviewed by independent legal counsel. This contract shall be construed neutrally and not against either party, regardless of which party bore the primary responsibility for drafting.
- G. FILING OF CONTRACT.** At closing the Buyer shall cause this Contract to be filed in the Madison County Recorder's Office.

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[SIGNATURE & ACKNOWLEDGMENT PAGES TO FOLLOW]

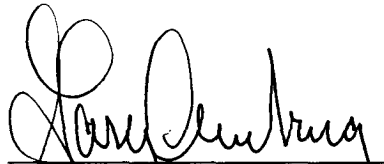
[SIGNATURE & ACKNOWLEDGMENT PAGE TO REAL ESTATE CONTRACT]

NOTICE TO BUYERS – PLEASE READ CAREFULLY BEFORE SIGNING

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 BELOW, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT. FURTHER, BY SIGNING BELOW I HEREBY AGREE TO BE BOUND ALL PROVISIONS OF THIS CONTRACT.

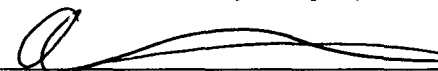
SELLERS

BUYERS




Gary Arnburg
DATE 12/17/2020

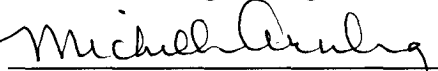
A&M Arnburg, LLC,
an Iowa limited liability company

By: 

Andrew Arnburg, Manager
DATE 12-17-20



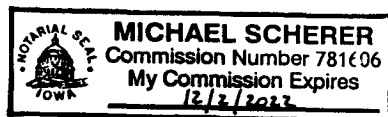
Sheri Arnburg
DATE 12/17/2020

By: 

Michelle Arnburg, Manager
DATE 12-17-20

STATE OF IOWA, COUNTY OF Madison

This record was acknowledged before me this 17 day of December, 2020, by Gary Arnburg and Sheri Arnburg, a married couple.

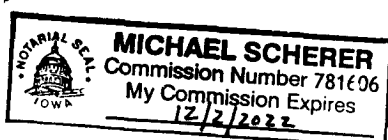


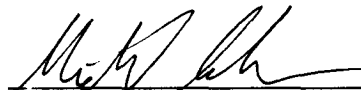


Signature of Notary Public

STATE OF IOWA, COUNTY OF Madison

This record was acknowledged before me this 17 day of December, 2020, by Andrew Arnburg and Michelle Arnburg, as Managers of A&M Arnburg, LLC, an Iowa limited liability company.





Signature of Notary Public

EXHIBIT A

Amortization Schedule

(See attached.)

Sale of Hardware store lot

Compounding Period: Annual

Nominal Annual Rate: 1.170%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/31/2020	325,000.00	1		
2	Payment	01/02/2023	10,463.60	1		
3	Payment	01/02/2024	15,577.00	8	Annual	01/02/2031
4	Payment	01/02/2036	237,191.57	1		

TValue Amortization Schedule - Normal, 365 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	12/31/2020				325,000.00
2020 Totals		0.00	0.00	0.00	
1	01/02/2023	10,463.60	7,670.82	2,792.78	322,207.22
2023 Totals		10,463.60	7,670.82	2,792.78	
2	01/02/2024	15,577.00	3,769.82	11,807.18	310,400.04
2024 Totals		15,577.00	3,769.82	11,807.18	
3	01/02/2025	15,577.00	3,631.68	11,945.32	298,454.72
2025 Totals		15,577.00	3,631.68	11,945.32	
4	01/02/2026	15,577.00	3,491.92	12,085.08	286,369.64
2026 Totals		15,577.00	3,491.92	12,085.08	
5	01/02/2027	15,577.00	3,350.52	12,226.48	274,143.16
2027 Totals		15,577.00	3,350.52	12,226.48	
6	01/02/2028	15,577.00	3,207.47	12,369.53	261,773.63
2028 Totals		15,577.00	3,207.47	12,369.53	
7	01/02/2029	15,577.00	3,062.75	12,514.25	249,259.38
2029 Totals		15,577.00	3,062.75	12,514.25	
8	01/02/2030	15,577.00	2,916.33	12,660.67	236,598.71
2030 Totals		15,577.00	2,916.33	12,660.67	
9	01/02/2031	15,577.00	2,768.20	12,808.80	223,789.91

Sale of Hardware store lot

	Date	Payment	Interest	Principal	Balance
2031 Totals		15,577.00	2,768.20	12,808.80	
10	01/02/2036	237,191.57	13,401.66	223,789.91	0.00
2036 Totals		237,191.57	13,401.66	223,789.91	
Grand Totals		372,271.17	47,271.17	325,000.00	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
1.170%	\$47,271.17	\$325,000.00	\$372,271.17