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LISA SMITH, COUNTY RECORDER
MADISON 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)

Aaron M. Hubbard, 9902 Swanson Blvd., Clive, IA 50325, Phone: (515) 255-8750

Taxpayer Information: (Name and complete address)

Penny and Curtis Horman, 1671 Hwy 169, Winterset, Iowa 50273

✓ **Return Document To:** (Name and complete address)

Aaron M. Hubbard, 9902 Swanson Blvd., Clive, IA 50325, Phone: (515) 255-8750

Grantors:

Amanda L. Christensen

Ronald Christensen

Grantees:

Penny Hormann

Curtis Hormann

Legal description: See Page 2

Document or instrument number of previously recorded documents:



REAL ESTATE CONTRACT (SHORT FORM)

IT IS AGREED between Amanda and Ronald Christensen, husband and wife

("Sellers"); and

Penny Hormann and Curtis Hormann, husband and wife

("Buyers").

Sellers agree to sell and Buyers agree to buy real estate in Madison

County, Iowa, described as:

Parcel "D", located in the Southeast Quarter (1/4) of Section One (1), Township Seventy-six (76) North, Range Twenty-eight (28) West and in the Southwest Quarter (1/4) of Section Six (6), Township Seventy-six (76) North, Range Twenty-seven (27) West of the 5th P.M., all in Madison County, Iowa, containing 63.004 acres, as shown in Amended Plat of Survey filed in Book 3, Page 505 on October 29, 1999 in the Office of the Recorder of Madison County, Iowa, EXCEPT Parcel "E", a part of Parcel "D", containing 23.323 acres, as shown in Plat of Survey filed in Book 2002, Page 5913 on December 4, 2002, in the Office of the Recorder of Madison County, Iowa, AND EXCEPT Parcel "F", a part of Parcel "D", containing 19.174 acres as shown in Plat of Survey filed in Book 2002, Page 5913 on December 4, 2002, in the Office of the Recorder of Madison County, Iowa



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.)

(the "Real Estate"), upon the following terms:

1. **PRICE.** The total purchase price for the Real Estate is Four Hundred Forty-Eight Thousand and 0/100

Dollars (\$ 448,000.00) of which

Fifty Thousand and 0/100

Dollars (\$ 50,000.00) has been paid. Buyers shall pay the balance to Sellers at 1721 Warren

Avenue, Norwalk, Iowa 50211

or as directed by Sellers, as follows:

Monthly payments shall be \$2,259.80 including principal and interest. Payments shall begin on September 1, 2009.

2. **INTEREST.** Buyers shall pay interest from July 16, 2009 on the unpaid balance, at the rate of 5.5 percent per annum, payable monthly. Buyers shall also pay interest at the rate of 10 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 shall pay Taxes shall be prorated to the date of closing and each party will pay taxes as they come due, and send receipts to the other party. Seller shall pay the September 2009 installment and the March 2010 installment, and a portion of the September 2010 installment 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.

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

5. **POSSESSION CLOSING.** Sellers shall give Buyers possession of the Real Estate on July 28, 2009, provided Buyers are not in default under this contract. Closing shall be on July 16, 2009.

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 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.

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 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 except: (consider: rental items.)

9. **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 written consent of the Sellers.

10. **DEED.** Upon payment of purchase price, 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.

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 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 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 and have all payments made returned to them.

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.** 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.

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.

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: 7/15/2009

Penny Hormann
Penny Hormann BUYERS

Dated: 7/15/2009

Curtis Hormann
Curtis Hormann BUYERS

19. **ADDITIONAL PROVISIONS.**

BALLOON PAYMENT: This contract shall balloon on July 16, 2010 with all unpaid principal, interest and any costs due and payable or within 90 days of the Buyers entering into a valid noncontingent, financing approved purchase agreement to sell their current property, whichever shall first occur.

INSURANCE: Buyers shall insure the property to at least \$398,000.00 and provide the Sellers with a declarations page showing the same and showing the Sellers and Liberty Bank as additional loss insureds. This agreement shall be subject to the Sellers approving all insurance policies on the property including the limits for property, liability, or bodily injury loss.

PREPAYMENT: There shall be no prepayment penalty for any early prepayment of principal.

CONTRACTS AND LEASES: Buyers will not assume any contracts or leases that the Sellers may have with any other party not disclosed prior to closing.

SEPTIC INSPECTION: Sellers shall have the septic inspected by Forrest Septic Service prior to closing and shall provide a copy of that inspection to the Buyers for their review and approval prior to closing.

Dated: 7/15
Amanda L. Christensen
Amanda L. Christensen
Ronald Christensen
Ronald Christensen SELLERS

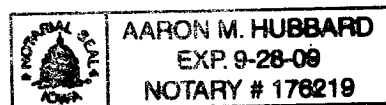
2009
Penny Hormann
Penny Hormann
Curtis Hormann
Curtis Hormann BUYERS

STATE OF IOWA, COUNTY OF Polk

This instrument was acknowledged before me on Jul 17, 2007, by,

Amanda L. Christensen + Ronald Christensen, wife Husband

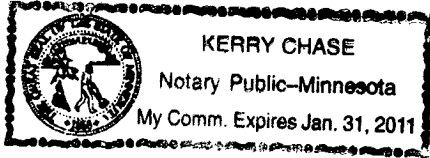
[Signature], Notary Public



INDIVIDUAL NOTARY

STATE OF Minnesota, COUNTY OF Big Stone

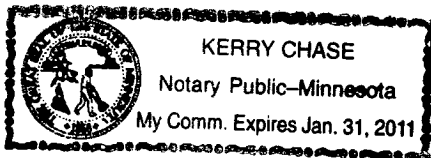
The instrument was acknowledged before me on July 15, 2009, by Penny Hormann



Kerry Chase, Notary Public

STATE OF Minnesota, COUNTY OF Big Stone

The instrument was acknowledged before me on July 15, 2009, by Curtis Hormann



Kerry Chase, Notary Public

CORPORATE NOTARY

STATE OF _____, COUNTY OF _____

The instrument was acknowledged before me on _____,
by _____
as _____
of _____

_____, Notary Public

STATE OF _____, COUNTY OF _____

The instrument was acknowledged before me on _____,
by _____
as _____
of _____

_____, Notary Public