

REAL ESTATE CONTRACT

IT IS AGREED between John P. Johnston, a married person; and Sharilyn K. Hanna, a married person; Sellers, and Donald G. DeWazy, Jr., Buyer:

Sellers agree to sell and Buyer agrees to buy real estate in Madison County, Iowa, described as:

The Northwest Quarter of the Southeast Quarter (NW1/4 SE1/4) of Section Twenty-three (23), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa, EXCEPT:

Beginning at the center of said Section 23; thence along the North line of the NW1/4 SE1/4 of said Section 23, North 84° 31' 50" East 335.00 feet; thence South 00° 00' 00" 391.87 feet; thence South 84° 31' 50" West 335.00 feet to the West line of said NW1/4 SE1/4; thence along said West line, North 00° 00' 00" 391.87 feet to the point of beginning;

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.

designated the Real Estate, upon the following terms:

1. PRICE. The total purchase price for the real estate is Forty-seven Thousand One Hundred Seventy-five Dollars (\$47,175.00) of which Five Thousand Dollars (\$5,000.00) has been paid. Buyer shall pay the balance to Sellers at their address, or as directed by Sellers, as follows:

- \$11,000.00 principal when this contract is signed by Sellers and Buyer;
\$16,000.00 principal plus accrued interest on January 10, 1994;
\$15,175.00 principal plus accrued interest on January 10, 1995 when the entire unpaid balance shall be due and payable.

ESCROWED PAYMENTS. If Buyer so requests, the initial \$5,000.00 earnest money payment shall be retained in escrow in the Trust Account of Iowa Realty and the \$11,000.00 down payment placed and retained in the Trust Account of Reynoldson Law Firm of Osceola, Iowa, until Buyer has had an opportunity to have the abstract and title to this real estate examined and approved by an attorney. All interest earned on the Trust Account(s) shall be payable to Sellers.

PREPAYMENT PRIVILEGE. Buyer may pay additional principal amounts, in multiples of \$1,000.00, on the 10th day of any month during the contract term, and/or pay the entire unpaid balance at any time.

2. INTEREST. Buyers shall pay interest from April 1, 1993, upon the unpaid balance, at the rate of 10% per annum. Buyers shall also pay interest at the rate of 10% 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 the real estate taxes which accrue to April 1, 1993 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. All other special assessments shall be paid by Buyers.

5. POSSESSION. Sellers shall give Buyers possession of the Real Estate on April 1, 1993.

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. (Not Applicable)

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 conformity with this agreement, 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, supplemental wood stoves, 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

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 life 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 in 1.a. through 1.d. 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 fail to timely perform this contract, the Sellers may forfeit it as provided in The Code, and all payments made shall be forfeited or, at Seller's option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of such failure (during which thirty days such failure is not corrected) Sellers may declare the entire balance immediately due and payable. Thereafter this contract may be foreclosed in equity, the Court may appoint a receiver, and the period of redemption after sale on foreclosure may be reduced under the conditions of Section 628.26 or Section 628.27 of The Code. (b) If Sellers fail to timely perform this contract, Buyers have the right to have all payments made returned to them. (c) Buyers and Sellers are also entitled to utilize any and all other remedies or actions at law or in equity available to them. (d) 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 the 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.

COMPUTER RECORDED COMPARED

STATE OF IOWA, MADISON COUNTY, ss. INST. NO. 2615, Book 131, Page 402. Filed for Record this 21 day of April 1993, 10:32 AM. Recorder, By Michelle Utisler, Deputy.

13. JOINDER BY SELLERS' SPOUSES. Seller, John P. Johnston, is married to Deborah J. Johnston. Seller, Sharilyn K. Hanna, is married to Dennis E. Hanna. Sellers' respective spouses, if not a title holder immediately preceding acceptance of this offer, execute this contract only for the purpose of relinquishing all rights of dower, homestead, and distributive share, and agree to also execute the Warranty Deed for this purpose.

14. TIME. Time is of the essence in this contract.

15. PERSONAL PROPERTY. If this contract includes the sale of any personal property, the 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. FENCE AGREEMENT. For purposes of this section concerning the partition fence, "Tract A" refers to the real estate being conveyed by this real estate contract, and "Tract B" refers to the remaining portion of the 40-acre tract being retained by Sellers which is described as:

The North 391.87 feet of the West 335.00 feet of Northwest Quarter of the Southeast Quarter (NW¼ SE¼) of Section Twenty-three (23), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

Sellers shall, within a reasonable period of time and at Sellers' expense, construct a barb-wire livestock fence consisting of at least 4 strands of barb wire along the southern and eastern boundaries of "Tract B".

After construction of the fence, the owner of "Tract A" shall own and be responsible for maintaining the fence along the eastern boundary of "Tract B" and the owner of "Tract B" shall own and be responsible for maintaining the fence along the southern boundary of "Tract B".

This fence division and agreement shall be a covenant running with the land, and shall be binding on the parties hereto, and their successors in title to "Tract A" and "Tract B". This Fence Agreement shall survive delivery of the deed given in performance of this Contract.

18. MORTGAGE. This and other real estate owned by Sellers is encumbered by a mortgage in favor of United States of America acting through the Farmers Home Administration. The unpaid balance owing on the mortgage is less than the sale price of the land being conveyed by this contract. Sellers contemplate this mortgage being entirely assumed by the purchaser of the other real estate covered by the mortgage, and the real estate being conveyed by this contract thereupon being released from the mortgage.

Sellers shall have the right to continue this mortgage upon its present terms provided the mortgage is released at the time this contract is paid in full. However, if buyer so requests, the net sale proceeds from this Contract will be held in escrow by the Reynoldson Law Firm of Osceola, Iowa, until the mortgage is released. The escrow agent may apply the escrowed funds on the mortgage if it will result in the mortgage being released.

19. EASEMENT. Sellers hereby retain an easement for a sewer drain across and under the following described real estate:

The South 50 feet of the North 441.87 feet of the West 100 feet of the Northwest Quarter of the Southeast Quarter (NW¼ SE¼) of Section Twenty-three (23), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

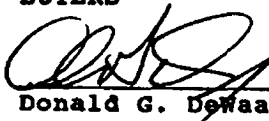
This easement shall be for purposes of constructing, operating, inspecting, repairing, and reconstructing an underground sewage or drainage lateral to the ditch along the county road right-of-way from a house or other building located on the North 391.87 feet of the West 335 feet of the Northwest Quarter of the Southeast Quarter (NW¼ SE¼) of Section Twenty-three (23), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

This easement does not prevent use of the easement area for agricultural purposes. The drainage lateral shall be buried a sufficient depth that it does not interfere with normal farm tillage operations. Grantee shall pay Grantor for any direct damages to Grantors crops caused by Grantees construction, installation, inspection, repair, or reconstruction of the drainage lateral on the easement area. In the event Grantor and Grantee are unable to agree upon the damages, the damages shall be determined by majority decision of three Iowa licensed realtors, one of whom is designated by Grantor, one designated by Grantee, and the third realtor designated by the two realtors previously designated by the parties. Whenever the ground surface is disturbed in exercising the rights under this easement, the ground surface shall be restored as nearly as practical to its prior condition. Reseeding rather than sodding shall suffice for restoration of ground cover.


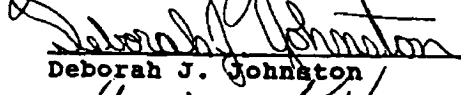
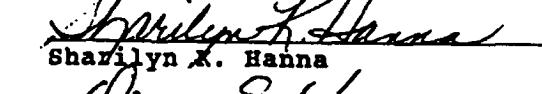

This provision shall be a covenant running with the land, shall survive delivery of the warranty deed in performance of this contract, and shall be binding upon the parties hereto as well as their successors in title to the affected real estate.

Dated this 8th day of April, 1993.

BUYERS

  
Donald G. Dewaay, Jr.

SELLERS

  
John P. Johnston  
  
Deborah J. Johnston  
  
Sharilyn K. Hanna  
  
Dennis E. Hanna

State of Iowa, County of Polk, ss:

On this 20 day of April, 1993, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Donald G. DeWaay, Jr., to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

James L. Van Gundy  
Notary Public in and for the State of Iowa  
My Commission Expires May 18, 1995



State of Iowa, County of Clarke, ss:

On this 9 day of April, 1993, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared John P. Johnston and Deborah J. Johnston, husband and wife, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Rebecca S. Perry  
Notary Public in and for the State of Iowa



State of Iowa, County of Madison, ss:

On this 17 day of April, 1993, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Sharilyn K. Hanna and Dennis E. Hanna, wife and husband, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

James L. Van Gundy  
Notary Public in and for the State of Iowa  
My Commission Expires May 18, 1995

