



# RESIDENTIAL PURCHASE AGREEMENT

COMPUTER   
RECORDED   
COMPARED

TO Robert F. Baur and Caroline C. Baur (SELLERS)

REC \$ 20.00  
AUD \$  
R.M.F. \$

The undersigned BUYERS hereby offer to buy and the undersigned SELLERS by their acceptance agree to sell the real property situated in Madison, Iowa, locally known as Rural Route, Madison County, Iowa and legally described as:

The West 320 feet of the North 550 feet of the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4) of Section Twenty-six (26), Township Seventy-seven (77) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa.

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, herein referred to as the "Property", upon the following terms and conditions provided BUYERS, on possession, are permitted to use the Property for residential purposes:

1. PURCHASE PRICE. The Purchase Price shall be \$ 175,000.00 and the method of payment shall be as follows:

\$ 1000.00 with this offer to be deposited upon acceptance of this offer and held in trust by Hopkins & Huebner, P.C. as earnest money to be delivered to the SELLERS upon performance of SELLERS' obligations and satisfaction of BUYERS' contingencies, if any; and the balance of the Purchase Price:

(a) in cash at the time of closing with adjustment for closing costs to be added or deducted from this amount. This Agreement is not contingent upon BUYERS obtaining such funds.

(b) ~~upon the terms specified in alternative \_\_\_\_\_ of the Financing Addendum to Residential Purchase Agreement as initialed and attached hereto and incorporated herein.~~

2. REAL ESTATE TAXES. A. SELLERS shall pay all real estate taxes that are due and payable as of the date of possession and constitute a lien against the Property, including any unpaid real estate taxes for any prior years.

B. SELLERS shall pay their prorated share, based upon the date of possession, of the real estate taxes for the fiscal year in which possession is given (ending June 30, 2002) due and payable in the subsequent fiscal year (commencing July 1, 2003).

BUYERS shall be given a credit for such proration at closing (unless this agreement is for an installment contract) based upon the last known actual net real estate taxes payable according to public record. However, if such taxes are based upon a partial assessment of the present property improvements or a changed tax classification as of the date of possession, such proration shall be based on the current millage rate, the assessed value, legislative tax rollbacks and real estate tax exemptions that will actually be applicable as shown by the Assessor's Records on the date of possession.

C. BUYERS shall pay all subsequent real estate taxes.

3. SPECIAL ASSESSMENTS. A. ~~SELLERS shall pay in full all special assessments which are a lien on the Property as of the date of acceptance.~~

B. If "A" is stricken, then SELLERS shall pay all installments of special assessments which are a lien on the Property and, if not paid, would become delinquent during the calendar year this offer is accepted, and all prior installments thereof.

C. All charges for solid waste removal, sewage and maintenance that are attributable to SELLERS' possession, including those for which assessments arise after closing, shall be paid by SELLERS.

D. Any preliminary or deficiency assessment which cannot be discharged by payment shall be paid by SELLERS through an escrow account with sufficient funds to pay such liens when payable, with any unused funds returned to SELLERS.

E. BUYERS shall pay all other special assessments.

4. RISK OF LOSS AND INSURANCE. SELLERS shall bear the risk of loss or damage to the Property prior to closing or possession, whichever first occurs. SELLERS agree to maintain existing insurance and BUYERS may purchase additional insurance. In the event of substantial damage or destruction prior to closing, this Agreement shall be null and void; provided, however, BUYERS shall have the option to complete the closing and receive insurance proceeds regardless of the extent of damages. The property shall be deemed substantially damaged or destroyed if it cannot be restored to its present condition on or before the closing date.

5. POSSESSION AND CLOSING. If BUYERS timely perform all obligations, possession of the Property shall be delivered to BUYERS on June 27th, 2002, and any adjustments of rent, insurance, taxes, interest and all charges attributable to the SELLERS' possession shall be made as of the date of possession. Closing shall occur after approval of title by buyers' attorney and vacation of the Property by SELLERS, but prior to possession by BUYERS. SELLERS agree to permit BUYERS to inspect the Property within 48 hours prior to closing to assure that the premises are in the condition required by this Agreement. If possession is given on a day other than closing, the parties shall make a separate agreement with adjustments as of the date of possession. This transaction shall be considered closed (upon the filing of title transfer documents) ~~(upon the delivery of the title transfer documents to BUYERS)~~ and receipt of all funds then due at closing from BUYERS under the Agreement.

6. FIXTURES. Included with the Property shall be all fixtures that integrally belong to, are specifically adapted to or are a part of the real estate, whether attached or detached, such as: attached wall-to-wall carpeting, built-in appliances, light fixtures (including light

STATE OF IOWA,  
MADISON COUNTY, SS.

Inst. No. 3151  
Book 2002

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Michelle Utstler, Recorder, By [Signature] Deputy

bulbs), water softeners (except rentals), shutters, shades, rods, blinds, Venetian blinds, awnings, storm windows, storm doors, screens, television antennas (including satellite dishes), air conditioning equipment (except window type), door chimes, automatic garage door openers, electrical service cables, attached mirrors, fencing, gates, attached shelving, bushes, trees, shrubs and plants. Also included shall be the following:

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The following items shall not be included:

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7. CONDITION OF PROPERTY. A. The property as of the date of this Agreement including buildings, grounds, and all improvements will be preserved by the SELLERS in its present condition until possession, ordinary wear and tear excepted.

~~B. Within 20 days after the acceptance of this Agreement BUYERS may, at their sole expense, have the property inspected by a person or persons of their choice to determine if there are any structural, mechanical, plumbing, electrical, environmental, or other deficiencies. Within this same period, the BUYERS may notify in writing the SELLERS of any deficiency. The SELLERS shall immediately notify the BUYERS in writing of what steps, if any, the SELLERS will take to correct any deficiencies before closing. The BUYERS shall then immediately in writing notify the SELLERS that (1) such steps are acceptable, in which case this Agreement, as so modified, shall be binding upon all parties; or (2) that such steps are not acceptable, in which case this Agreement shall be null and void, and any earnest money shall be returned to BUYERS.~~

C. If "B" is deleted, BUYERS acknowledge that they have made a satisfactory inspection of the Property and are purchasing the Property in its existing condition.

~~D. NEW CONSTRUCTION: If the improvements on the subject property are under construction or are to be constructed, this Agreement shall be subject to approval of plans and specifications by the parties within \_\_\_\_\_ days of acceptance of this Agreement. New construction shall have the warranties implied by law, those specifically made by suppliers of materials/appliances, and those specifically tendered by the contractor.~~

8. ABSTRACT AND TITLE. SELLERS, at their expense, shall promptly obtain an abstract of title to the Property continued through the date of acceptance of this Agreement, \_\_\_\_\_ and deliver it to BUYERS' attorney for examination. It shall show merchantable title in SELLERS in conformity with this Agreement, Iowa law, and Title Standards of the Iowa State Bar Association. The SELLERS shall make every reasonable effort to promptly perfect title. If closing is delayed due to SELLERS' inability to provide marketable title, this Agreement shall continue in force and effect until either party rescinds the Agreement after giving ten days written notice to the other party. The abstract shall become the property of BUYERS when the purchase price is paid in full. 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.

9. SURVEY. BUYERS may, at BUYERS' expense prior to closing, have the property surveyed and certified by a Registered Land Surveyor. If the survey shows any encroachment on the Property or if any improvements located on the Property encroach on lands of others, the encroachments shall be treated as a title defect. If the survey is required under Chapter 354, SELLERS shall pay the cost thereof.

10. ENVIRONMENTAL MATTERS. (a) SELLERS warrant to the best of their knowledge and belief that there are no abandoned wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks located on the Property, the Property does not contain levels of radon gas, asbestos or urea-formaldehyde foam insulation which require remediation under current governmental standards, and SELLERS have done nothing to contaminate the Property with hazardous wastes or substances. SELLERS warrant that the Property is not subject to any local, state, or federal judicial or administrative action, investigation or order, as the case may be, regarding wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks. SELLERS shall also provide BUYERS with a properly executed GROUNDWATER HAZARD STATEMENT showing no wells, solid waste disposal sites, hazardous waste and underground storage tanks on the Property unless disclosed here:

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(b) BUYERS may at their expense, within 20 days after the date of acceptance, obtain a report from a qualified engineer or other person qualified to analyze the existence or nature of any hazardous materials, substances, conditions or wastes located on the Property. In the event any hazardous materials, substances, conditions or wastes are discovered on the Property, BUYERS' obligation hereunder shall be contingent upon the removal of such materials, substances, conditions or wastes or other resolution of the matter reasonably satisfactory to BUYERS. However, in the event SELLERS are required to expend any sum in excess of \$ 500.00 to remove any hazardous materials, substances, conditions or wastes, SELLERS shall have the option to cancel this transaction and refund to BUYER all Earnest Money paid and declare this Agreement null and void. The expense of any inspection shall be paid by BUYERS. The expense of any action necessary to remove or otherwise make safe any hazardous material, substance, conditions or waste shall be paid by SELLERS, subject to SELLERS' right to cancel this transaction as provided above.

11. DEED. Upon payment of the purchase price, SELLERS shall convey the Property to BUYERS by Warranty \_\_\_\_\_ deed, free and clear of all liens, restrictions, and encumbrances except as provided in this Agreement. General warranties of title shall extend to the time of delivery of the deed excepting liens or encumbrances suffered or permitted by BUYERS.

12. JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE. If SELLERS, immediately preceding acceptance of the offer, hold title to the Property 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 Property, shall belong to SELLERS as joint tenants with full rights of survivorship and not as tenants in common; and BUYERS in the event of the death of any SELLER, agree to pay any balance of the price due SELLERS under this contract to the surviving SELLERS and to accept a deed from the surviving SELLERS consistent with Paragraph 15.

13. JOINDER BY SELLER'S SPOUSE. SELLER'S spouse, if not a title holder immediately preceding acceptance, executes this agreement only for the purpose of relinquishing all rights of dower, homestead and distributive share or in compliance with Section 561.13 of the Code of Iowa and agrees to execute the deed or real estate contract for this purpose.

14. STATEMENT AS TO LIENS. If BUYERS intend to assume or take subject to a lien on the Property, SELLERS shall furnish BUYERS with a written statement prior to closing from the holder of such lien, showing the correct balance due.

15. USE OF PURCHASE PRICE. At time of settlement, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.

16. APPROVAL OF COURT. If the Property is an asset of an estate, trust or conservatorship, this Agreement is contingent upon Court approval unless declared unnecessary by BUYERS' attorney. If the sale of the Property is subject to court approval, the fiduciary shall promptly submit this Agreement for such approval. If this Agreement is not so approved by \_\_\_\_\_, \_\_\_\_\_, either party may declare this Agreement null and void, and all payments made hereunder shall be returned to BUYERS.

17. REMEDIES OF THE PARTIES. A. If BUYERS fail to timely perform this Agreement, SELLERS may forfeit it as provided in the Iowa Code (Chapter 656), and all payments made shall be forfeited; or, at SELLERS' option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of BUYERS' default (during which thirty days the default is not corrected), SELLERS may declare the entire balance immediately due and payable. Thereafter this agreement may be foreclosed in equity and the Court may appoint a receiver.

B. If SELLERS fail to timely perform this Agreement, 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 and shall be entitled to obtain judgment for costs and attorney fees as permitted by law.

18. NOTICE. Any notice under this Agreement shall be in writing and be deemed served when it is delivered by personal delivery or by certified mail return receipt requested, addressed to the parties at the address given below.

19. GENERAL PROVISIONS. In the performance of each part of this Agreement, time shall be of the essence. Failure to promptly assert rights herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default. This Agreement shall apply to and bind the successors in interest of the parties. This Agreement shall survive the closing. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

20. ADDITIONAL PROVISIONS: (check if applicable)

A. SALE OF BUYERS' PROPERTY. This Agreement is contingent upon the sale and settlement of the BUYERS' property locally known as \_\_\_\_\_ on or before \_\_\_\_\_. If settlement has not been made by this date, the SELLERS may rescind this Agreement by giving notice to BUYERS that unless sale and settlement of BUYERS' property is made within five (5) business days of such notice, then this Agreement shall be null and void. Unless SELLERS give such written notice, this Agreement shall remain valid until the sale of BUYERS' property.

SELLERS reserve the right to continue to offer the Property for sale. Should SELLERS receive another offer which they desire to accept, BUYERS shall have \_\_\_\_\_ (\_\_\_\_) days from the delivery of written notice to waive the "contingency of sale" Notice from the BUYERS to the SELLERS, removing the contingency of sale, shall be timely delivered to the SELLERS along with reasonable assurance that BUYERS can complete the purchase with the sale of the property referenced above.

If BUYERS do timely remove such contingency, this Agreement will remain in full force and effect (but without being contingent on the sale of BUYERS' property). If BUYERS do not timely remove such contingency, SELLERS will immediately return to BUYERS all earnest money paid, this Agreement will be of no further force and effect, and neither party will have any further obligation to the other hereunder.

B. TERMITE INSPECTION. SELLERS at their expense shall have the Property inspected for termites or other wood destroying insects by a licensed pest inspector prior to closing. If active infestation or damage due to prior infestation is discovered, SELLERS shall have the option of either having the Property treated for infestation by a licensed pest exterminator and having any damage repaired to the BUYERS' satisfaction or, declaring this Agreement null and void and returning all earnest money to BUYERS. This provision shall not apply to fences, trees, shrubs or outbuildings other than garages. BUYERS may accept the property in its existing condition without such treatment or repairs.

C. WELL TEST. SELLERS, at SELLERS' expense, shall provide BUYERS, within \_\_\_\_\_ days after acceptance of this offer, a report issued by the county health department, or a qualified testing service, indicating the location of any well on the Property and that water from each well (1) is safe for its intended use and (2) is in sufficient quantity for its intended use. If BUYERS receive an unsatisfactory report, the basis for which cannot be resolved between BUYERS and SELLERS within \_\_\_\_\_ days of receipt thereof, then upon written notice from BUYERS to SELLERS, this agreement shall be null and void and all earnest money paid shall be returned immediately to BUYERS.

D. SEPTIC SYSTEM TEST. SELLERS, at SELLERS' expense, shall provide BUYERS within \_\_\_\_\_ days after acceptance of this offer a report issued by the county health department, or a qualified testing service, indicating that the septic/sanitary disposal system is operating satisfactorily, is not disapproved, is of sufficient capacity to serve the Property and that continued use of the system is permitted. If BUYERS receive an unsatisfactory report, the basis of which cannot be resolved between BUYERS and SELLERS within \_\_\_\_\_ days of receipt thereof, then upon written notice from BUYERS to SELLERS, this agreement shall be null and void and all earnest money paid hereunder shall be returned immediately to BUYERS.

E. NO REAL ESTATE AGENT OR BROKER. Neither party has used the services of a real estate agent or broker in connection with this transaction. SELLERS agree to indemnify BUYERS and hold BUYERS harmless from any claim by any real estate agent or broker arising out of or related to this transaction between SELLERS and BUYERS.

F. OTHER: Attach Addendum.

21. ACCEPTANCE. When accepted, this Agreement shall become a binding contract. If not accepted and delivered to BUYERS on or before the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, this Agreement shall be null and void and all payments made shall be returned immediately to BUYERS.

Accepted May 16, 2002.  
Robert F. Baur  
SELLERS Robert F. Baur  
SS# [REDACTED]  
Caroline C. Baur  
SELLERS Caroline C. Baur  
SS# [REDACTED]

Dated May 19, 2002.  
James M. Baur  
BUYERS James M. Baur  
SS# [REDACTED]  
Margaret A. Baur  
BUYERS Margaret A. Baur  
SS# [REDACTED]

1484 McBride Road, Van Meter, IA 50261  
\_\_\_\_\_  
Address  
(515) 996-2759  
\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Address  
\_\_\_\_\_  
Telephone

ADDENDUM TO PURCHASE AGREEMENT

22. ACKNOWLEDGEMENT AND HOLD HARMLESS CLAUSE. Purchasers acknowledge that the above-described real estate is surrounded by farm ground which is actively being farmed with livestock and crops on said premises. Purchasers waive any liability and hold harmless Robert F. Baur and Caroline C. Baur, their heirs and assigns, R. Edward Baur Corporation, its Officers, Directors, successors and assigns, and Baur Farms, Inc., its Officers, Directors, successors and assigns from any liability caused by dust, odors, noise, or wandering livestock created by Robert F. Baur and Caroline C. Baur, their heirs and assigns, R. Edward Baur Corporation, its Officers, Directors, successors and assigns, and Baur Farms, Inc., its Officers, Directors, successors and assigns.

23. OFFER OF FIRST REFUSAL TO PURCHASE. If Purchasers<sup>1</sup> decide to sell the above-described real estate to others than a spouse or child, Sellers have a right of first refusal to purchase the land and buildings as above described. Purchasers, their spouse, child or children, whomever is the titleholder or group wishing to sell said property, shall give written notice to Sellers of Purchasers', Purchasers' spouse, child or children's, intention to sell the above-described real estate. Sellers shall have 60 days to notify the Purchasers, Purchasers' spouse, child or children they are to obtain two (2) appraisals of said real estate, and Sellers shall obtain two (2) appraisals of said real estate. The highest valued and lowest valued appraisals shall be eliminated by the parties, and the two middle valued appraisals shall be averaged to arrive at a fair market value. Said fair market value shall then be reduced by 15% to arrive at a purchase price, and Sellers shall then have 30 days to notify Purchasers, Purchasers' spouse, child or children that Sellers are exercising their right to purchase said property back from Purchasers, Purchasers' spouse, child or children.

At the time the option to purchase is exercised by Sellers, Purchasers, Purchasers' spouse, child or children shall promptly obtain an abstract of title to the real estate to be sold back to Sellers, continued to date and deliver it to Sellers for examination. It shall show merchantable title in Purchasers, Purchasers' spouse, child or children, in conformity with Iowa Law and the Title Standards of the Iowa Bar Association. The abstract shall become the Sellers when the purchase price is paid in full. At the time of closing, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interest, if any, of others. Upon payment of the purchase price, Purchasers, Purchasers' spouse, child or children shall convey to Sellers by general warranty deed free and clear of all liens and encumbrances.

The herefore appeared before me

Caroline Baur 6-28-02

Notary

Tracy Faust 6/28/02



<sup>1</sup> Any references to Purchasers and Sellers shall include Purchasers' and Sellers' heirs and assigns.