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MICKI UTSLER
RECORDER
MADISON COUNTY, IOWA

THIS INSTRUMENT PREPARED BY: RONALD D. FADNESS
✓ Moyer & Bergman, PLC, 2720 1st Ave. NE, PO Box 1943, Cedar Rapids, IA 52406-1943, (319) 366-7331

RIGHT OF FIRST REFUSAL

This agreement entered into by Steve Reed Developments, Inc., an Iowa corporation ("Reed") and Edith Aichele ("Owner") this 7 day of Oct, 1999.

RECITALS

A. Owner owns real property described as:

Unit #205 of Jefferson Place in the City of Winterset, Madison County, Iowa, and an undivided 1/23rd interest in the common elements and areas of Jefferson Place as shown in the Declaration of Condominium of Jefferson Place filed for record on April 14, 1995 in Town Lot Deed Record 60 at page 159 in the Madison County Recorder's Office, together with any easements and appurtenant servient estates, including storage and parking rights,

(the "Real Estate").

B. Reed desires to acquire the Real Estate at any time that Owner desires to transfer it.

Now, therefore, the parties mutually agree as follows:

1. CONSIDERATION. Reed pays to Owner the sum of \$50 (fifty) dollars, receipt of which is hereby acknowledged by Owner, as consideration for Owner granting Reed a right of first refusal to purchase the Real Estate.
2. DURATION. This right of first refusal has no termination date, and shall remain in effect until such time as Reed either purchases or declines to purchase the Real Estate from Owner, and the Real Estate is actually transferred to a third party.
3. BINDING EFFECT. This Right of First Refusal is binding on Owner and Owner's executor, administrator, guardian, conservator, devisees, heirs, assigns and creditors.
4. VOLUNTARY TRANSFER, INVOLUNTARY TRANSFER, OR TRANSFER UPON DEATH. This right of first refusal is effective whether the Real Estate is conveyed by sale, lease, or gift, whether voluntarily or involuntarily, and whether before or after death of Owner.

5. CONVERSION OF JEFFERSON PLACE CONDOMINIUMS TO MADISON SQUARE PLACE, AN ASSISTED LIVING FACILITY. It is acknowledged by Owner that a majority of the units of Jefferson Place Condominiums are owned by Reed, and that Jefferson Place Condominiums is to be converted to an assisted living facility, which will be known as Madison Square Place. The existing trash chute shall be eliminated and the janitor's office shall be converted into an office for the management of the assisted living program. Subject to paragraph (6) below, Owner waives any and all objections or claims arising out of this conversion.

6. NO CHANGE IN EXISTING FEE ARRANGEMENTS. Reed covenants to Owner that the conversion of Jefferson Place Condominiums into Madison Square Place, an assisted living facility, shall have no impact on the condominium association fees currently being paid by Owner for the Real Estate or with membership in the Jefferson Place Condominiums Homeowners' Association. Owner may elect to obtain services not offered by Jefferson Place Condominiums which are to be offered by Madison Square Place and its attendant service providers upon initiation of the assisted living program. Owner is under no obligation to obtain such services at any time, but will pay for any such services as may be requested by Owner on a fee for service basis. Owner shall not be unreasonably disturbed in the quiet enjoyment of the Real Estate by the conversion of Jefferson Place condominiums to Madison Square Place.

7. HOW RIGHT OF FIRST REFUSAL MAY BE EXERCISED. This option shall be exercisable in the event of any proposed transfer of the Real Estate. In the event of a proposed transfer, or Owner's desire to transfer the Real Estate, Owner shall give written notice of its desire to transfer the Real Estate to Reed by registered mail at its last known address. If Owner proposes a transfer of the property to a party other than Reed, the notice shall also include a copy of the document substantiating the existence of and the terms of the proposed transfer. Reed shall have thirty days after receipt of such notice, not counting the day of receiving the same, in which to notify Owner of Reed's election to exercise this option. If exercised, Reed shall have thirty days after serving notice of its intent to exercise the option to tender the purchase price to Owner.

8. SALE PRICE. The purchase price for purposes of this right of first refusal shall be the price which is agreed upon by Owner and a third party who agrees to purchase the Real Estate and in fact has the financial and other ability to purchase the Real Estate at that price. In the event that Owner desires to sell the Real Estate but no third party buyer with the ability to purchase the Real Estate has made an offer on the Real Estate, or the Real Estate is to be conveyed other than by sale in an arms-length transaction, whether by voluntary or involuntary transfer or before or after the death of Owner, the purchase price at which Reed can purchase the property shall be \$95,000.00, or the assessed value of the property as listed in the books of the Madison County Recorder on the date of transfer, which ever is higher.

