

THE IOWA STATE BAR ASSOCIATION
Official Form No. 143

Samuel H. Braland ISBA # 000000454

FOR THE LEGAL EFFECT OF THE USE OF
THIS FORM, CONSULT YOUR LAWYER

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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Preparer Information Samuel H. Braland, P.O. Box 370, Earlham, (515) 758-2267

Individual's Name

Street Address

City

Phone

SPACE ABOVE THIS LINE
FOR RECORDER



REAL ESTATE CONTRACT (SHORT FORM)

IT IS AGREED between

EDWIN R. SMITH and MARJORIE SMITH, husband and wife,

("Sellers"); and

RALPH B. HUNTER TRUST

("Buyers").

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

Real Estate described on Legal Description attached hereto and by this reference incorporated herein,

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 ---One Hundred Thousand Dollars (\$ 100,000.00) of which ---Five Thousand Dollars (\$ 5,000.00) has been paid. Buyers shall pay the balance to Sellers at Earlham, Iowa 50072 or as directed by Sellers, as follows:

\$5,000.00 principal on March 1, 1999; \$10,000.00 principal on June 1, 2000; \$10,000.00 principal on June 1, 2001; \$10,000.00 principal on June 1, 2002; \$10,000.00 principal on June 1, 2003; and \$50,000.00 principal on June 1, 2004. In addition to principal, Buyer shall pay interest on the unpaid principal balance as provided in paragraph 2. Buyer may prepay principal in any amount at any time without penalty. Accrued interest shall be paid with and in addition to any prepayment of principal. Buyer may apply the final principal payment to Sellers' existing mortgage, if any.

2. INTEREST. Buyers shall pay interest from March 1, 1999 on the unpaid balance, at the rate of 7 percent per annum, payable annually commencing June 1, 1999. Buyers shall also pay interest at the rate of 7 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 8/12ths of the real estate taxes due and payable at the County Treasurer's Office in the fiscal year commencing July 1, 1999,

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 None. All other special assessments shall be paid by Buyers.

5. POSSESSION CLOSING. Sellers shall give Buyers possession of the Real Estate on March 1 1999, provided Buyers are not in default under this contract. Closing shall be on March 1, 1999.

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 fail to timely perform this contract, Sellers may, at Sellers' option, forfeit Buyers' rights in this contract as provided in the Iowa Code, and all payments made by Buyers shall be forfeited. 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.

b. 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.

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 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 Buyers 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. **ADDITIONAL PROVISIONS.**

See Additional Provisions attached hereto and by this reference incorporated herein.

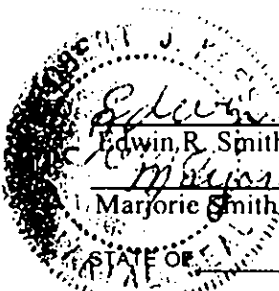
I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

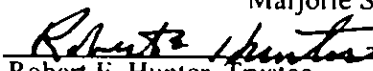
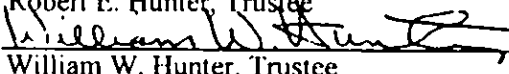
Dated: November _____, 19 98

Edwin R. Smith

Dated: November _____, 19 98

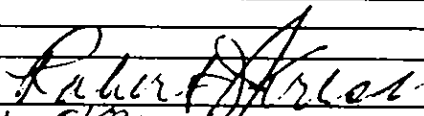
Marjorie Smith

 Edwin R. Smith
Marjorie Smith
SELLERS


Robert E. Hunter, Trustee

William W. Hunter, Trustee
BUYERS

IOWA _____ COUNTY OF MADISON _____, ss:

This instrument was acknowledged before me on _____ November _____, 11 _____, 19 98
by Edwin R. Smith and Marjorie Smith


ROBERT J. [Name], Notary Public

LEGAL DESCRIPTION

The Northwest Fractional Quarter of the Northeast Quarter (NW Fr. 1/4 NE 1/4) and the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4) all in Section 6, Township 77 North, Range 28 West of the 5TH P.M., Madison County, Iowa, EXCEPT the following four (4) parcels:

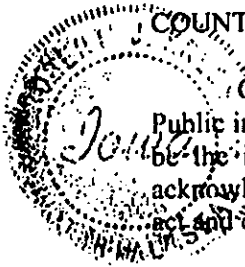
(1) Tract No. 1 conveyed to the Town of Earlham, Iowa under Warranty Deed recorded on November 28, 1967 in Book 97, Page 39 in the Office of the Recorder of Madison County, Iowa and described as The East 1,000 feet of the North 850 feet of the South 1,550 feet of the West Half of the Northeast Quarter (W 1/2 NE 1/4) of Section 6, Township 77 North, Range 28 West of the 5TH P.M., Madison County, Iowa, containing 19.51 acres, more or less;

(2) Tract No. 2 conveyed to the Town of Earlham, Iowa under Warranty Deed recorded on November 28, 1967 in Book 97, Page 39 in the Office of the Recorder of Madison County, Iowa and described as The East 50 feet of the South 700 feet of the West Half of the Northeast Quarter (W 1/2 NE 1/4) of Section 6, Township 77 North, Range 28 West of the 5TH P.M., Madison County, Iowa, containing 0.79 acres, more or less;

(3) Smith's Addition to the City of Earlham, Madison County, Iowa, located in the SW 1/4 NE 1/4 of Section 6, Township 77 North, Range 28 West of the 5TH P.M., City of Earlham, Madison County, Iowa as filed in Plat Book No. 2, Page 334 in the Office of the Recorder of Madison County, Iowa. Said Smith's Addition contains 6.237 acres; and

(4) Parcel "A" in the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4) of Section 6, Township 77 North, Range 28 West of the 5TH P.M., City of Earlham, Madison County, Iowa as shown by survey recorded in Plat Book No. 2, Page 375 in the Office of the Recorder of Madison County, Iowa, and containing 1.771 acres.

STATE OF IOWA :
: SS
COUNTY OF MADISON :



On this 15th day of October, 1998, before me, the undersigned, a Notary Public in and for the said State, personally appeared William W. Hunter to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that the person, as the fiduciary, executed the instrument as the voluntary act and deed of the person and of the fiduciary.

(SEAL)

Robert A. Kress
Notary Public in and for the State of Iowa.

STATE OF IOWA :
: SS
COUNTY OF MADISON :



On this 15th day of October, 1998, before me, the undersigned, a Notary Public in and for the said State, personally appeared Robert E. Hunter to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that the person, as the fiduciary, executed the instrument as the voluntary act and deed of the person and of the fiduciary.

Robert A. Kress
Notary Public in and for the State of Iowa.

Additional Provisions

Sellers hereby grant to Buyer a nonexclusive easement over and across the following described portion of the Sellers' adjacent real estate, to-wit:

Beginning at the Northwest Corner of Parcel "A" in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section Six (6), Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5TH P.M., City of Earlham, Madison County, Iowa; thence South 00°14'05" East 226.54 feet to the Southwest Corner of said Parcel "A", thence East 5.0 feet, thence North 226.54 feet, more or less, to the North line of said Parcel "A", thence West 5.0 feet, more or less, to the point of beginning.

The easement shall be used by the Buyer for ingress and egress to and from Buyer's real estate which borders and lies adjacent to said Parcel "A". This easement shall constitute a covenant running with the ownership of Parcel "A". The easement shall bind and benefit the successors in interest of Sellers and Buyer until modified or released in writing by all parties in interest. The easement may be used by the Buyer for the purposes stated herein, and may also be used by the Buyer's invitees, permittees, and assignees including the public. The easement is assignable by the Buyer and its successors in interest.