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1999 DEC 30 PM 1:54
ANGELLE WISLER
RECORDER
JEFFERSON COUNTY, IOWA

THIS INSTRUMENT PREPARED BY: Ronald D. Fedness, ISBA # 16174
Moyer & Bergman, PLC, 2720 1st Ave. NE, PO Box 1943, Cedar Rapids, IA 52406-1943, (319) 366-7331

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 30th day of December, by and between Dawn ^{R.}Clipperton of Madison County, Iowa, a single person ("Seller"), and Steve Reed Developments, Inc. of Madison County, Iowa, ("Buyer"), that the Seller, as in this contract provided, agree to sell to the Buyer, and the Buyer in consideration of the premises, hereby agree with the Seller to purchase the following described real estate situated in Madison County, Iowa, to-wit:

Unit #107 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 servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated.

1. **PURCHASE PRICE.** The Buyer agree to pay for said property the total of \$95,000.00 due and payable at Madison County, Iowa, as follows:
 - (a) **DOWN PAYMENT.** A down payment of \$ 9,500.00, receipt of which is hereby acknowledged.
 - (b) **BALANCE OF PURCHASE PRICE.** The remaining balance of \$ 85,500.00 shall accrue interest at the rate of 8.5% beginning on the 1st day of January, 2000, and is to be paid as follows: monthly payments of \$841.95 (or more at Buyer's option) shall be paid on the first day of each month beginning February 1, 2000, and continuing every month thereafter until all sums due under this contract are paid in full.
 - (c) **RIGHT TO PREPAY.** Buyer shall have the right to prepay any or all of the principal at any time, without penalty.

2. **POSSESSION.** Buyer, concurrently with due performance on its part shall be entitled to possession of said premises on the 30th day of December, 1999; and thereafter so long as it shall perform the obligations of this contract.

3. **TAXES.**
 - a. **SELLER** 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. **SELLER** shall pay its 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, 2000) due and payable in the subsequent fiscal year (commencing July 1, 2000). **BUYER** shall be given a credit for such proration at closing based upon the last known actual net real estate taxes payable according to public record.
 - c. **BUYER** shall pay all subsequent real estate taxes.

4. **SPECIAL ASSESSMENTS.** Seller shall pay the special assessments against this property:
 - (a) Which are a lien thereon as of December 30, 1999.
 - (b) Including all sewage disposal assessments for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession.Buyer, except as above stated, shall pay all subsequent special assessments and charges, before they become delinquent.

5. **MORTGAGE.** Any mortgage or encumbrance of a similar nature against the said property shall be timely paid by Seller so as not to prejudice the Buyer's equity herein. Should Seller fail to pay, Buyer may pay any such sums in default and shall receive credit on this contract for such sums so paid. **MORTGAGE BY SELLER.** Seller, their successors in interest or assigns may, and hereby reserve the right to at any time mortgage their right, title or interest in such premises or to renew or extend any existing mortgage for any amount not exceeding 50% of the then unpaid balance of the purchase price herein provided. The interest rate and amortization thereof shall be no more onerous than the installment requirements of this contract. Buyer hereby expressly consent to such a mortgage and agree to execute and deliver all necessary papers to aid Sellers in securing such a mortgage which shall be prior and paramount to any of Buyer's then rights in said property. **DEED FOR BUYER SUBJECT TO MORTGAGE.** If Buyer have reduced the balance of this contract to the amount of any existing mortgage balance on said premises, they may at their option, assume and agree to pay said mortgage according to its terms, and subject to such mortgage shall receive a deed to said premises; or Seller, at its option, any time before Buyer has made such a mortgage commitment, may reduce or pay off such mortgage. **ALLOCATED PAYMENTS.** Buyer, in the event of acquiring this property from an equity holder instead of a holder of the fee title, or in the event of a mortgage against said premises, reserve the right, if reasonably necessary for their protection to divide or allocate the payments to the interested parties as

their interests may appear. SELLER AS TRUSTEE. Seller agrees that it will collect no money hereunder in excess of the amount of the unpaid balance under the terms of this contract less the total amount of the encumbrance on the interest of Seller or its assigns in said real estate; and if Seller shall hereafter collect or receive any moneys hereunder beyond such amount, it shall be considered and held as collecting and receiving said money as the agent and trustee of the Buyer for the use and benefit of the Buyer.

6. **INSURANCE.** Buyer as and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by Buyer (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Seller may reasonably require on all buildings and improvements, now on or hereafter placed on said premises and any personal property which may be the subject of this contract, in companies to be reasonably approved by Seller in an amount not less than the full insurable value of such improvements and personal property or not less than the unpaid purchase price herein whichever amount is smaller with such insurance payable to Seller and Buyer as their interests may appear. BUYER SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH SELLER for the further security for the payment of the sums herein mentioned. In the event of any such casualty loss, the insurance proceeds may be used under the supervision of the Seller to replace or repair the loss if the proceeds be adequate; if not, then some other reasonable application of such funds shall be made; but in any event such proceeds shall stand as security for the payment of the obligations herein.

7. **CARE OF PROPERTY.** It is acknowledged that Buyer owns a majority of the units of Jefferson Place Condominiums, and intends to convert Jefferson Place Condominiums into Madison Square Place, an assisted living facility. Seller understands that this conversion may involve remodeling or reconstruction of the condominium unit and its attendant common areas. Seller expressly consents to any and all such changes.

8. **LIENS.** No mechanics' lien shall be imposed upon or foreclosed against the real estate described herein.

9. **ADVANCEMENT BY SELLERS.** If Buyer fails to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Seller may, but need not, pay such taxes, special assessments, insurance and make necessary repairs, and all sums so advanced shall be due and payable on demand or such sums so advanced may, at the election of Seller, be added to the principal amount due hereunder and so secured. (For Buyer's rights to make advancements, see paragraph 5 above.)

10. **JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN REAL ESTATE.** If and only if, the Sellers immediately preceding this sale, hold the title to the above described property in joint tenancy, and such joint tenancy has not later been destroyed by operation of law or by acts of the Sellers, this sale shall not constitute such destruction and the proceeds of this contract, and any continuing and/or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with rights of survivorship and not as tenants in common; and Buyers, in the event of the death of one of such joint tenants, agree to pay any balance of the proceeds of this contract to the surviving Seller (or Sellers) and to accept deed solely from him or them consistent with paragraph 14 below unless and except this paragraph is stricken from this agreement.

11. **SELLERS.** Spouse, if not titleholder immediately preceding this sale, shall be presumed to have executed this instrument only for the purpose of relinquishing all rights of dower, homestead and distributive share and/or in compliance with section 561.13 Code of Iowa; and the use of the word "Sellers" in the printed portion of the contract, without more, shall not rebut such presumption, nor in any way enlarge or extend the previous interest of such spouse in said property, or in the sale proceeds, nor bind such spouse except as aforesaid, to the terms and provisions of this contract.

12. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement. Failure to promptly assert rights of Seller herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default.

13. **EXCEPTIONS TO WARRANTIES OF TITLE.** The warranties of title in any Deed made pursuant to this contract (See paragraph 14) shall be without reservation or qualification EXCEPT: (a) Zoning ordinances; (b) Such restrictive covenants as may be shown of record; (c) Easements of record, if any; (d) As limited by paragraphs 1, 2, 3 and 4 of this contract; (e) Seller shall give Special Warranty as to the period after equitable title passes to Buyer; (f) Spouse if not titleholder, need not join in any warranties of the deed unless otherwise stipulated:

14. **DEED IN ESCROW.** Upon Buyer's payment of the down payment as specified in paragraph 1(a) of this agreement, Seller shall deliver to Union State Bank, of Winterset, Iowa a general (subject to paragraph 13(e) above) warranty deed conveying the Property to Buyer, which deed Union State Bank shall hold in escrow. Upon Buyer's performance of all of its obligations under this agreement, Union State Bank shall deliver the general warranty deed to Buyer or its assignee.

15. **ABSTRACT.** Buyers have examined the abstract of title to this property and such abstract is accepted. Seller will, upon Buyer's completion of all of its obligations under this contract, tender to Buyer an abstract showing merchantable title, in conformity with this contract. Seller shall pay the cost of abstracting necessary due to any act or change in the personal affairs of Seller resulting in a change of title by operation of law or otherwise.

16. **FORFEITURE.** If Buyer (a) fails to make the payments aforesaid, or any part thereof, as same become due; or (b) fails 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) fails to keep the property insured; or (d) fails to keep it in reasonable repair as herein required; or (e) fails to perform any of the agreements as herein made or required; then Seller, in addition to any and all other legal and equitable remedies which it may have, at its option, may proceed to forfeit and cancel this contract as provided by law (Chapter 656 Code of Iowa). Upon completion of such forfeiture Buyer 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 Seller 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 Buyer, 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.

17. **FORECLOSURE AND REDEMPTION.** If Buyer fails to timely perform this contract, Seller, at its 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 Buyer 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 Seller, in such action file an election to waive any deficiency judgment against Buyer 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 Buyer, 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) Seller in such action file an election to waive any deficiency judgment against Buyer or its successor in interest in such action. If the redemption period is so reduced, Buyer or its successor 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 Buyer 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.

18. **ATTORNEY'S FEES.** In case of any action, or in any proceedings in any Court to collect any sums payable or secured herein, or to protect the lien or title herein of Seller, or in any other case permitted by law in which attorney's fees may be collected from Buyer, or imposed upon them, or upon the above described property, Buyer agrees to pay reasonable attorney's fees.

19. **INTEREST ON DELINQUENT AMOUNTS.** Either party will pay interest at 10% per annum to the other on all amounts herein as and after they become delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this contract, as protective disbursements.

20. **ASSIGNMENT.** In case of the assignment of this contract by either of the parties, prompt notice shall be given to the other parties, who shall at the time of such notice be furnished with a duplicate of such assignment by such assignors. Any such assignment shall not terminate the liability of the assignor to perform, unless a specific release in writing is given and signed by the other party to this contract.

21. **PERSONAL PROPERTY.** If this contract includes the sale of any personal property, then in the event of the forfeiture or foreclosure of this contract, such personalty shall be considered indivisible with the real estate above described; and any such termination of Buyer's rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereto against all such personal property.

22. **CONSTRUCTION.** Words and phrases herein, including acknowledgments hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. See paragraph 11 above, for construction of the word "Sellers."

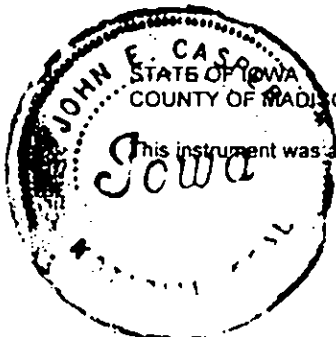
Dated this 30th day of December, 1999.

Steve Reed Developments, Inc., Buyer

Dawn R. Clipperton
Dawn R. Clipperton, Seller

Steve Reed Pres.
By Steve Reed, President

ACKNOWLEDGMENTS



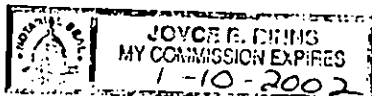
STATE OF IOWA)
COUNTY OF MADISON) ss:

This instrument was acknowledged before me on December 30, 1999 by Dawn Clipperton, a single person.

John E. Caspary
NOTARY PUBLIC - STATE OF IOWA

STATE IOWA)
COUNTY OF MADISON) ss:

This instrument was acknowledged before me on December 30, 1999 by Steve Reed, President of Steve Reed Developments, Inc.



Joyce E. Dring
NOTARY PUBLIC - STATE OF IOWA