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MICHELLE UTSLER RECORDER MADISON COUNTY, IOWA

Preparer Information

John E. Casper, 223 East Court, Winterset, IA 50273-0067 (515) 462-4812



REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 26th day of April, 1996, by and between Wilson Young and Ruth J. Young, husband and wife

of the County MADISON, State of Iowa, Sellers; and Thomas E. Bergstrom and Deborah L. Bergstrom, husband and wife, as Joint Tenants with full rights of survivorship and not as Tenants in Common of the County of MADISON, State of Iowa, Buyers;

That the Sellers, as in this contract provided, agree to sell to the Buyers, and the Buyers in consideration of the premises, hereby agree with the Sellers to purchase the following described real estate situated in the County of MADISON, State of Iowa, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, and certain personal property if and as may be herein described or if and as an itemized list is attached hereto and marked "Exhibit A" all upon the terms and conditions following:

- 1. TOTAL PURCHASE PRICE The Buyers agree to pay for said property the total of \$ 90,000.00 due and payable at Rural Route 4, Winterset, Madison County, Iowa, as follows: (a) DOWN PAYMENT of \$ 10,000.00 RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED; and (b) BALANCE OF PURCHASE PRICE \$ 80,000.00 as follows:

Ten Thousand Dollars (\$10,000.00) due and payable on June 1, 1996; Four Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents (\$4,666.67), or more, principal plus interest due on or before March 1, 1997; and, Four Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents (\$4,666.67), or more, principal plus interest shall be due on or before the first day of March of each year thereafter until March 1, 2011 when all balances due under this contract shall be due and payable in full. All payments shall be first credited towards the interest accrued to the date of the payment and the balances credited towards the reduction of principal. The Buyers shall pay Seller interest upon the unpaid principal balances from March 15, 1996 at the rate of nine percent (9%) per annum payable annually as above provided. Effective with any interest accruing on or after March 1, 1999, the annual rate of interest to be paid by the Buyer upon the unpaid principal balances shall be adjusted every three (3) years during the contract term beginning on March 1, 1999 to a rate equal to three-quarters of one percent more than the prime rate of interest. The term "prime rate" shall be the rate of interest known as the Prime Rate published in the "MONEY RATES" section of the Wall Street Journal for the nearest business day preceding the March 1st interest rate adjustment date. The parties further agree that this annual rate of interest shall be adjusted in the same manner by the parties every three (3) years after March 1, 1999 during the term of this real estate contract and any extensions thereof.

- 2. POSSESSION Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 15th day of March, 1996; and thereafter so long as they shall perform the obligations of this contract. If Buyers are taking subject to the rights of lessees and are entitled to rentals therefrom on and after date of possession, so indicate by "yes" in the space following None

- 3. TAXES. Sellers shall pay 17/24th of the property taxes payable upon the premises during the fiscal year commencing on July 1, 1996

and any unpaid taxes thereon payable in prior years. Buyers shall pay any taxes not assumed by Sellers and all subsequent taxes before same become delinquent. Whoever may be responsible for the payment of said taxes, and the special assessments, if any, each year, shall furnish to the other parties evidence of payment of such items not later than July 15 of each year. Any proration of taxes shall be based upon the taxes for the year currently payable unless the parties state otherwise.

- 4. SPECIAL ASSESSMENTS. Sellers shall pay the special assessments against the property: March 15, 1996 (Date) including all sewage disposal assessments for average charge heretofore assessed by any municipality having jurisdiction as of date of possession

Buyers, 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 Sellers so as not to prejudice the Buyers' equity herein. Should Sellers fail to pay, Buyers may pay any such sums in default and shall receive credit on this contract for such sums so paid. MORTGAGE BY SELLERS. Sellers, 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 0.000000 % 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. Buyers 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 Buyers' then rights in said property. DEED FOR BUYERS SUBJECT TO MORTGAGE. If Buyers 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 Sellers, at their option, assume and agree to pay said mortgage according to its terms, may reduce or pay off such mortgage. ALLOCATED PAYMENTS. Buyers, 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. SELLERS AS TRUSTEES. Sellers agree that they 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 Sellers or their assigns in said real estate; and if Sellers shall hereafter collect or receive any moneys hereunder beyond such amount, they shall be considered and held as collecting and receiving said money as the agent and trustee of the Buyers for the use and benefit of the Buyers.

6. INSURANCE. Except as may be otherwise excluded in the last sentence of paragraph 11(b) above, Buyers as and from said date of possession, shall constantly keep in force insurance, premiums therefor to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Sellers 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 compliance to be reasonably approved by Sellers 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 Sellers and Buyers as their interests may appear. BUYERS SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER AGENTS WITH SELLERS 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 Sellers 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. Buyers shall take good care of the property; shall keep the buildings and other improvements now or hereafter placed on the said premises in good and reasonable repair and shall not injure, destroy or remove the same during the life of this contract. Buyers shall not make any material alteration in said premises without the written consent of the Sellers. Buyers shall not use or permit said premises to be used for any illegal purpose.

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

9. ADVANCEMENT BY SELLERS. If Buyers fail to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Sellers 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 Sellers, be added to the principal amount due hereunder and so secured. If for Buyers' rights to make advancements, see paragraph 6 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 for Seller and to accept deed solely from him or them consistent with paragraph 14 below (unless and except the 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 681.13 Code of Iowa, and the use of the word "Sellers" in the printed portion of this 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 Sellers 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) Sellers shall give Special Warranty as to the period after equitable title passes to Buyers. (f) Spouse if not titleholder, need not join in any warranties of the Deed unless otherwise stipulated.

14. DEED AND ABSTRACT, BILL OF SALE. If all said sums of money and interest are paid to Sellers during the life of this contract, and all other agreements for performance by Buyers have been complied with, Sellers will execute and deliver to Buyers a Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract and Sellers will at the time deliver to Buyers an abstract showing merchantable title, in conformity with this contract. Such abstract shall be begun with the government patent (unless presented to the Iowa State Bar Association title standards there is a lesser requirement as to period of abstracting) to said premises and shall show title thereto in Sellers as of the date of this contract, or as of such earlier date if and as designated in the next sentence. Sellers shall also pay the cost of any abstracting due to any act or change in the personal affairs of Sellers resulting in a change of title by operation of law or otherwise. If any personal property is part of this agreement, then upon due performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract.

15. APPROVAL OF ABSTRACT. Buyers have not examined the abstract of title to this property and such abstract is not yet accepted.

16. FORFEITURE. If Buyers (a) fail to make the payments aforesaid, at any part thereof, as same become due; or (b) fail 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) fail to keep the property insured, or (d) fail to keep it in reasonable repair as herein required; or (e) fail to perform any of the agreements as herein made or required; then Sellers, in addition to any and all other legal and equitable remedies which they may have, at their option, may proceed to forfeit and cancel this contract as provided by law (Chapter 656 Code of Iowa). Upon completion of such forfeiture Buyers shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and/or improvements if any shall be retained and forfeiture by Sellers 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 Buyers, or any part thereof, shall be in possession of said real estate at 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 evicted and removed as such as provided by law.

17. FORECLOSURE AND REDEMPTION. 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 otherwise dispose of 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 628.6, 628.16 and 628.18 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 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 628.6, 628.16 and 628.18 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.

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 Sellers, or in any other case permitted by law in which attorney's fees may be collected from Buyers, or imposed upon them, or upon the above described property, Buyers agree to pay reasonable attorneys' fees.

19. INTEREST ON DELINQUENT AMOUNTS. Either party will pay interest at the highest legal contract rate applicable to a natural person 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 personal property shall be considered indivisible with the real estate above described, and any such termination of Buyers' rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof 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."

23. SPECIAL PROVISIONS.

SEE ATTACHED EXHIBIT "B" FOR ADDITIONAL PROVISIONS INCORPORATED INTO THIS CONTRACT.

Executed in duplicate or triplicate

Wilson Young
Ruth J. Young
SELLERS

Thomas E. Bergstrom
Deborah L. Bergstrom
BUYERS

Rural Route 4
Winterset, Iowa 50273
STATE OF IOWA, MADISON COUNTY, ss.

723 West Green
Winterset, Iowa 50273
BUYERS' ADDRESS

On the 26th day of April, 1996, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Wilson Young, Ruth J. Young, Thomas E. Bergstrom and Deborah L. Bergstrom

to me known to be the identical persons named in and who executed the written and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

JOHN E. CASPER
NOTARY PUBLIC
STATE OF IOWA

Please type or print names under signature lines as per Sec. 331.602 Code of Iowa

EXHIBIT "A"

The Southwest Quarter ($\frac{1}{4}$) of the Northwest Quarter ($\frac{1}{4}$) and the Northwest Quarter ($\frac{1}{4}$) of the Southwest Quarter ($\frac{1}{4}$) of Section Seventeen (17), in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and,

Parcel "B", located in the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of Section Thirteen (13), Township Seventy-six (76) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa, more particularly described as follows:

Beginning at the Northeast Corner of the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of Section Thirteen (13), Township Seventy-six (76) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa; thence South $89^{\circ}45'42''$ West along the North line of the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of said Section Thirteen (13), 933.32 feet to a point on the southeast bank of the existing channel of North River; thence Southwest, 607.83 feet along the Southeast bank of the existing channel of North River to a point on the West line of the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of said Section Thirteen (13); thence South $0^{\circ}15'25''$ East along the West line of the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of said Section Thirteen (13), 409.78 feet; thence North $89^{\circ}19'22''$ East along an existing fence, 1317.22 feet to a point on the East line of the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of said Section Thirteen (13); thence North $0^{\circ}00'00''$ East along the East line of the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of said Section Thirteen (13), 848.86 feet to the point of beginning. Said parcel contains 23.433 acres, including 0.975 acres of county road right-of-way.

EXHIBIT "B"

23. The Seller hereby grants the Buyer for a period of fifteen (15) years from the date of this contract the right of first refusal option to purchase the real estate legally described as:

The Northeast Quarter ($\frac{1}{4}$) of the Southeast Quarter ($\frac{1}{4}$) of Section Thirteen (13), Township Seventy-six (76) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa, except for a tract legally described as: All that part of the Southeast Quarter ($\frac{1}{4}$) of the Northeast Quarter ($\frac{1}{4}$) of Section Thirteen (13), Township Seventy-six (76) North, Range Twenty-nine (29) West of the 5th P.M., lying North and West of the East and South bank of the river as said river is now located,

upon the same terms and conditions as the Seller proposes to sell this real estate to any third party. The Seller shall notify Buyer at Buyer's last known address by certified mail to the proposed sales terms and the Buyer shall have fifteen (15) days from the date of mailing the certified letter to accept or reject the offer. The Buyer's failure to timely reply to the offer shall be deemed a rejection and shall void this option allowing the Seller to proceed with the third party sale. Upon Buyer's timely acceptance of the offer, the parties shall execute a binding sales contract upon the real estate within ten (10) days of the date of acceptance incorporating all terms of the third party offer. The Buyer's right of first refusal shall not apply to the testamentary devise of this real estate or to transfers in trust for the benefit of the Sellers or their children; or to transfers of the real estate between the Sellers; or, between the Sellers and their children or any of them, whether by gift or otherwise. However, this option shall otherwise be binding upon the legal representatives, heirs, successors and assigns of the Sellers as to any other third party transactions.

24. During the running of the option period described in the preceding paragraph, the Seller agrees the real estate subject to this option shall be used for agricultural purposes only and these agricultural purposes shall not include hog, cattle or poultry confinement structures or any related accessory uses such as manure lagoons or pits.

25. The Seller shall tender Buyer upon Buyer's demand a warranty deed to the real estate containing the 23.433 acres including county road right-of-way described on Exhibit "A" above in partial fulfillment of this real estate contract provided the Buyer has paid at least Thirty-five Thousand Dollars (\$35,000.00) in principal upon this real estate contract.

26. The Seller hereby grants the Buyer an option for a period of five (5) years from the date of this contract to purchase the real estate now owned by Seller in the Southeast Quarter (¼) of the Northeast Quarter (¼) of Section Thirteen (13), Township Seventy-six (76) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa, which is not sold by Seller to the Buyer under this real estate contract for a price equal to Two Thousand Dollars (\$2,000.00) for each gross acre subject to this option to include county road right-of-way. This option may be exercised by the Buyer to buy this real estate subject to the option in one or more parcels in the Buyer's discretion. The terms and conditions of this purchase option shall be that the Buyer shall tender Seller ten percent (10%) of the purchase price upon the exercise of this option and shall tender all remaining balances owed upon the Seller's tender of the warranty deed and of the abstract showing marketable title. The Buyer shall be entitled to possession of this real estate on the day the Seller tenders the warranty deed provided the Buyers concurrently perform their part of the purchase contract. The Seller shall pay any special assessments against this real estate which are a lien against such real estate as of the date of the Buyer's possession. The property taxes shall be prorated to the date of the Buyer's possession based upon the taxes for the year currently payable at the time of the Buyer's possession. The land survey costs, if any, shall be paid by the Buyer. This purchase option terms shall also include the same terms as set forth in paragraphs 5 through 22 inclusive of this real estate contract. This purchase option shall be binding upon the Seller, their successors and assigns.

27. In the event the Buyer exercises the purchase option under paragraph 26 or the right of first refusal option under paragraph 23 of this contract, then the parties agree that the abstract showing merchantable title for either parcel of real estate being purchased by the Buyer in Section Thirteen (13) shall be merged with the abstract for the 23.433 acres sold pursuant to this contract. The Seller shall pay the additional abstracting costs necessary to show Seller's merchantable title in conformity with the purchase option terms, Iowa law and the Title Standards of the Iowa State Bar Association and also pay the costs of any abstracting due to any act or change in the affairs of the Seller resulting in a change of title by operation of law or otherwise for the real estate being purchased by the Buyer.