

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 conformity with this agreement, 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 life 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 Special Warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided in 1 a. through 1.d. Any general warranties of title shall extend only 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, the Sellers may forfeit it as provided in The Code, and all payments made shall be forfeited or, at Seller's option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of such failure (during which thirty days such failure is not corrected) Sellers may declare the entire balance immediately due and payable. Thereafter this contract may be foreclosed in equity; the Court may appoint a receiver; and the period of redemption after sale on foreclosure may be reduced under the conditions of Section 628.26 or Section 628.27 of The Code.

b. If Sellers fail to timely perform this contract, 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.

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 the 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 share or in compliance with Section 5' 6' 13 of The 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, the 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. **ADDITIONAL PROVISIONS.** Upon request, contract buyers will provide sellers with an updated financial statement on an annual basis.

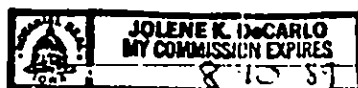
Dated this 6th day of May, 1987.

+ Dennis Robert Phillips
+ Peggy Lynn Phillips
BUYERS
R.R. 1 Box 32
Peru, Ia. 50222
Buyers' Address

THE FEDERAL LAND BANK OF OMAHA
By The Federal Land Bank Association
of Red Oak Don D. Hatfield
By Don D. Hatfield, Assistant Vice
President, Acquired Property SELLERS
Hwy. 141 & 12th St. Perry, Iowa 50228
Sellers' Address

STATE OF Iowa COUNTY OF Madison, ss:
On this 25th day of June, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared Dennis Robert Phillips & Peggy Lynn Phillips

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



Jolene K. DeCarlo
Notary Public in and for Said State.

STATE OF IOWA, DALLAS COUNTY, ss:

On this 7 day of May, 1987, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Don D. Hatfield, to me personally known, who being by me duly sworn, did say that he is the Assistant Vice President, Acquired Property, of the corporation executing the within and foregoing instrument; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that Don D. Hatfield, as such officer, acknowledged the execution of the foregoing instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.



Joan Bradwell

Joan Bradwell
NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE

ADDENDUM TO REAL ESTATE CONTRACT

WAIVER OF HOMESTEAD EXEMPTION AND MARITAL RIGHTS

EACH OF THE UNDERSIGNED HEREBY RELINQUISHES ALL RIGHTS OF DOWER, HOMESTEAD AND DISTRIBUTIVE SHARES IN AND TO THE ABOVE DESCRIBED REAL ESTATE AND WAIVES ALL RIGHTS OF EXEMPTION, AS TO ANY OF SAID PROPERTY. EACH OF THE UNDERSIGNED UNDERSTANDS THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, EACH OF THE UNDERSIGNED VOLUNTARILY GIVES UP HIS, HER OR ITS RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dennis Robert Phillips DATE 6-23-87

Dennis Robert Phillips

Peggy Lynn Phillips
Peggy Lynn Phillips

DATE 6-23-87