

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 18 day of January, 1988, by and between Vi-Kart Industries, Inc., of the County of Polk, State of Iowa, Seller: and Craig F. Charlton of the County of Polk, State of Iowa, Buyer:

That the Seller, as in this contract provided, agrees to sell to the Buyer, and the Buyer in consideration of the premises, hereby agrees with the Seller to purchase the following described real estate situated in the County of Madison, State of Iowa, to-wit:

In Fractional Section 30, T77N-R26W of the 5th P.M., Madison County, Iowa, the following: Gov't. Lots 3 & 5 lying south of County Trunk Road G4R and all of Gov't. Lot 4 - and All of Fractional Section 31, T77N-R26W of the 5th P.M., Madison County, Iowa, except the following: Beginning 50.91 ft. south of the E $\frac{1}{4}$ corner of Frac. Section 30, thence South 3257.0 ft., thence S84°12'W-222.5 ft., thence S38°11'W-11.8 ft., thence S82°07'W-665.59 ft., thence North 560.0 ft., thence N80°47'E-467.7 ft., thence N01°19'W-928.2 ft., thence N32°23'W-783.8 ft., thence N10°30'W-759.8 ft., thence N67°56'E-1086.3 ft., to point of beginning, containing 51.85 acres more or less, subject to existing highway and other easements of record.

Also,

The N $\frac{1}{2}$ of Fractional Section 6 in Twp. 76 North, Range 26 West of the 5th P.M., Madison County, Iowa, except the following: Beginning at a point 33 ft. west of corner post in S.W. corner of said N $\frac{1}{2}$ of Fract. Section 6, thence north 1392.4 ft. to a point 33 ft. west of corner post, thence S84°25'E-419.75 ft., thence S34°53'W-313.3 ft., thence S.3°04'E-255.3 ft., thence N85°19'E-1313.4 ft., thence S07°26'E-681.7 ft., thence Westerly 1661.2 ft. to point of beginning, containing 31.27 acres more or less, subject to existing highway and other easements of record,

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated:

1. TOTAL PURCHASE PRICE. The Buyer agrees to pay for said property the total of \$375,000, due and payable at 8040 University Avenue, Des Moines, Polk County, Iowa, as follows: \$10,000, plus accrued interest, on or before March 1, 1988, and \$10,000, plus accrued interest, on March 1 of each and every year thereafter until March 1, 1997, at which time all amounts due and payable under the contract shall be paid in full. Interest shall accrue upon unpaid balances at the rate of seven percent (7%) per annum from and after the date of this contract.

Buyer shall have the right to prepay principal in amounts of \$1,000 or more, or may prepay entire amounts due under the contract, at any time. Any principal prepayment shall be applied to installments due (including the final installment on March 1, 1997) in the inverse order of the due dates of the installments; provided, however, that any principal prepayments (other than prepayments pursuant to Paragraphs 3 and 6) may be applied to installments in the order of their due dates so long as no more than three annual principal installments remains so prepaid at any time.

All payments under this contract shall be applied first to interest then accrued or unpaid and next upon the balance of the principal.

2. Seller shall convey to the Buyer by Warranty Deed one acre or more, but not more than 11, of an unimproved tract to be selected by Buyer for the purpose of constructing his residence; provided that: (a) Buyer pays to Seller \$1,000 for each acre, which prin-

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MARY E. WELTY
RECORDER
MADISON COUNTY IOWA

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cipal payment shall be applied to the principal installments under this contract in inverse order of maturity, (b) the tract shall be rectangular in shape unless otherwise agreed by Seller (and Seller shall not unreasonably withhold consent to a nonrectangular shape if necessary because of topography), and (c) the amount of frontage on a road or highway shall not exceed 50 feet per acre.

3. For each \$1,200 of principal paid or prepaid by Buyer, Seller shall convey to Buyer by Warranty Deed one acre of an unimproved tract to be selected by Buyer for the purpose of sale to a third party; provided, however, that (a) no more than 11 acres shall be sold to any one such third party (unless Seller agrees otherwise), (b) the tract shall be rectangular in shape unless otherwise agreed by Seller (and Seller shall not unreasonably withhold consent to a nonrectangular shape if necessary because of topography), (c) the amount of frontage on a road or highway shall not exceed 50 feet per acre, and (d) if the sale proceeds received by Buyer on a sale to a third party exceed \$1,200 per acre, then Buyer shall remit to Seller the entire sales proceeds. All amounts payable under this paragraph shall be applied as follows: (a) the first \$10,000 received by Seller during any 12 month period commencing on each March 1 shall be applied to the next installment or installments of principal payments in order of their due dates, (b) all amounts over \$10,000 received by Seller during any 12 month period commencing on each March 1 shall be applied as a prepayment (to installments of principal in the inverse order of their due dates as above stated).

4. In the event Buyer arranges for the sale of the southernmost farm buildings and land thereunder not to exceed 15 acres at a sale price of not less than \$50,000 cash, Seller agrees to give to Buyer a Warranty Deed thereto, provided that the entire sales proceeds are paid to Seller and of such proceeds 80% shall be applied by Seller as a prepayment of principal hereunder (to be applied to installments in the inverse order of their due dates as above stated), and the remaining 20% to be applied to the installment or installments of principal then unpaid in the order of their due dates.

5. Buyer shall have the right to receive a Warranty Deed to either Tract 1 or Tract 2 provided the Seller receives all net proceeds of the sale of such tract and the net proceeds received by the Seller are in an amount in excess of \$689 an acre on a gross, as opposed to taxable, acres basis. Said amount received by Seller shall be applied as a prepayment hereunder to principal installments in the inverse order of their due dates as above set forth.

6. Buyer shall have the right to receive a Warranty Deed to any tract of 40 acres or more upon Seller receiving the net purchase price received from a third party purchaser, provided that the price for such tract shall be acceptable to Seller or that the amount paid is equal to the appraised value of the 40 acre tract as determined by an "M.A.I. Appraiser". The cost of such appraisal shall be paid by Buyer.

7. Notwithstanding the foregoing paragraphs, no conveyance by Warranty Deed shall be made if such conveyance would impair access to unconveyed portions.

8. POSSESSION. Buyer is entitled to immediate possession of the premises. Furthermore, Seller hereby assigns, conveys, and transfers any right it has or may have had to pursue any legal action to acquire possession of the real estate, and Buyer is authorized to proceed either in Buyer's name with any legal action which Buyer elects to gain possession of the real estate. Furthermore, Seller assigns, transfers, and conveys to Buyer any right it has or may have had for damages for waste sustained to the

property since March 1, 1987. Seller further assigns, transfers, and conveys to Buyer any claim it has or may have had against any third party, including Myron Hirschman and Kristine Hirschman, for rent or other compensation arising from any such third parties' occupation, use, and enjoyment of the premises from and after March 1, 1987. Seller further assigns, transfers, and conveys to Buyer any right, title, interest, claim, lien, or security interest in or to any crop raised or stored upon the real estate, or any other personal property, which may be available for levy, execution, attachment, garnishment, or other collection procedures to satisfy any claim for rent or other compensation arising out of the use, occupation, and enjoyment of the property from and after March 1, 1987. Buyer may at Buyer's option enforce any of the rights or claims assigned in this paragraph in Buyer's name.

9. TAXES. Buyer shall pay all real estate taxes for the real estate currently due and payable and all real estate taxes in the future.

10. SPECIAL ASSESSMENTS. Buyer shall pay all special assessments which have been or will be levied upon the real estate.

11. MORTGAGE. Sellers shall not be entitled to mortgage the real estate without Buyer's prior written consent.

12. INSURANCE. 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 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 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 RIDERS 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.

13. CARE OF PROPERTY. Buyers shall take good care of this 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.

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

15. 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.

16. 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 19 below unless and except this paragraph is stricken from this agreement.

17. TIME IS OF THE ESSENCE of 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.

18. EXCEPTIONS TO WARRANTIES OF TITLE. The warranties of title in any Deed made pursuant to this contract (See paragraph 19) 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 1-10 of this contract; (e) Sellers shall give Special Warranty as to the period after equitable title passes to Buyers; (f) Spouse if not a titleholder, need not join in any warranties of the deed unless otherwise stipulated.

19. 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 general Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract; and Sellers will at this time deliver to Buyers an abstract showing merchantable title, in conformity with this contract. Such abstract shall begin with the government patent (unless pursuant 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 February 3, 1976. 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.

20. APPROVAL OF ABSTRACT. Buyers have examined the abstract of title to this property and such abstract is accepted.

21. FORFEITURE. If Buyers (a) fail to make the payments aforesaid, or 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 kept 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 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 (Chapter 656, Code of Iowa); provided, however, that Buyer shall be entitled to cure any default within ninety days from the date of service of the notice of forfeiture upon Buyer.

22. FORECLOSURE. If Buyers fail, in any one or more of the specified ways to comply with this contract, as in (a), (b), (c), (d) or (e) of numbered paragraph 21 above provided, Sellers may upon ninety (90) days written notice of intention to accelerate the payment of the entire balance, during which ninety days such default or defaults are not removed, declare the entire balance hereunder immediately due and payable; and thereafter at the option of the Sellers this contract may then be foreclosed in equity and a receiver may be appointed to take charge of said premises and collect the rents and profits thereof to be applied as may be directed by the Court.

23. 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 attorneys' fees.

24. INTEREST ON DELINQUENT AMOUNTS. Any annual principal amount not paid when due under this contract shall bear interest at the rate of eighteen percent (18%) per annum for the period from the due date of such payment until the date actually paid; such additional interest shall be paid by Buyer upon demand of Seller. Such interest shall accrue upon amounts advanced by Sellers as protective disbursements. This interest shall accrue only upon delinquent amounts and not upon the balance of the contract not delinquent, and in the event Seller accelerates the balance due by electing to foreclose upon this contract, only the delinquent amounts and not the balance accelerated shall accrue interest at this rate. The balance of the amount due under the contract not delinquent shall continue to accrue interest at the contract rate.

25. 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.

26. 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 Buyers' rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof against all such personal property.

27. 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.

28. Seller by execution of this contract does assign all its right, title, and interest in and to the real estate to Buyer subject only to this contract and exceptions to title specifically

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noted. This contract is not intended to benefit any party other than the parties to this contract. As a result of this contract, Buyer may proceed with any legal remedy available to Seller against any other parties claiming an interest in or to the real estate which is the subject of this contract, including forfeiture or foreclosure of any such interest. Buyer may pursue any such remedy. The parties are entering into this contract with the belief and understanding that any rights, claims or liens of Myron Hirschman, Kristine Hirschman, and Farmer's Home Administration have been extinguished.

29. This contract is entered into pursuant to the provisions of paragraph 5 of the Amendment to Real Estate Contract between Vi-Kart Industries, Inc. and Craig F. Charlton dated April 7, 1983 (the "Amendment"). Seller acknowledges that pursuant to the provisions of the Amendment, Buyer (Craig Charlton), only, had the right to cure defaults under the contract between the parties dated March 1, 1976, for a period of thirty (30) days from expiration of the ninety (90) day cure period provided in case of forfeiture. Seller also acknowledges that during the thirty (30) day cure period reserved exclusively to Craig F. Charlton as Buyer, Mr. Charlton did timely cure the defaults specified in the notice of forfeiture served in March of 1987, thus requiring Buyer and Seller to enter into this subsequent contract for the sale of the described real estate.

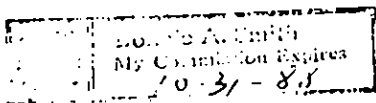
VI-KART INDUSTRIES, INC.

By: [Signature] SELLER Craig F. Charlton BUYER
P.O. Box 1333 P.O. Box 3630
D.M. IA 50305 Urbandale, Iowa 50322
Sellers' Address Buyers' Address

STATE OF IOWA, DALLAS COUNTY, ss:

On this 18 day of January, A.D. 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Craig F. Charlton,

to me known to be the identical person named in and who executed the within and foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.



[Signature]
Notary Public in and for said State

STATE OF IOWA, Polk COUNTY, ss:

On this 18th day of January, A.D. 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared F.A. Witter, Sr.

to me known to be the identical person named in and who executed the within and foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.



[Signature]
Notary Public in and for said State