

IOWA STATE BAR ASSOCIATION

Official Form No. 142 (Trade-Mark Registered, State of Iowa, 1987)

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STATE OF IOWA, ss. Inst. No. 1 Filed for Record this 3 day of July 19 89 at 8:00 AM MADISON COUNTY, Book 55 Page 160 Recording Fee \$15.00 Mary E. Welty, Recorder, By Sherby H. Henry Deputy



Compared

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 31st day of May, 19 89, by and between Alta Catherine Farr, single

of the County Madison, State of Iowa, Sellers; and Frank E. Shutt and Peggy I. Shutt, 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 buyer agrees to pay for said property the total of \$50,000.00 due and payable at 719 E. Washington Street, 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, \$40,000.00, as follows \$200.00, or more, due on or before July 1, 1989; and \$200.00, or more, due on or before the first day of each month thereafter until June 1, 1999 when all balances due hereunder shall be then due and payable in full. In addition, the Buyer shall pay Seller on June 1, 1990 and on June 1 of each year thereafter until June, 1999 the sum of \$1,200.00. All payments shall be first applied towards interest accrued to the date of payment and the balance, if any, applied towards the reduction in principal. The interest is included with both the monthly payments and the annual June 1st payment. The Buyer shall pay Seller interest on the unpaid principal balances at the rate of nine percent (9%) per annum payable as above provided.

2. POSSESSION. Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 1st day of June 19 89; 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 XXXXXXXXXXXXXXXXXXXX

3. TAXES. Sellers shall pay 11/12ths of the property taxes payable during the fiscal year commencing on July 1, 1989

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.

(Decide, for yourself, if that formula is fair if Buyers are purchasing a lot with newly built improvements.)

4. SPECIAL ASSESSMENTS. Sellers shall pay the special assessments against this property: (Strike out either (a) or (b) below.)

~~(a) Which are a lien thereon as of June 1, 1989~~

(b) Which are a lien thereon as of June 1, 1989

(c) Including all sewage disposal assessments for overage 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, any time before Buyers have made such a mortgage commitment, 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 included in the last sentence of paragraph 1(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 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.

7. 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.

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. (For Buyers' rights to make advancements, see paragraph 5 above.)



EXHIBIT "A"

Lot Two (2) and the West Half (1/2) of Lot One (1) excepting therefrom that part thereof conveyed for Highway purposes, and Lots Five (5), Six (6), Seven (7) and Eight (8) in Block Two (2) of Hornback and Bevington's Addition to Winterset, Madison County, Iowa, and,

Commencing at the Northeast Corner of Lot Three (3) of Block Two (2) in the Hornback and Bevington Addition to the Town of Winterset, Madison County, Iowa, then South to the Southeast corner of Lot Six (6) of said block, thence East to the Southwest Corner of Lot Seven (7) of said block, thence North to the Northwest Corner of Lot Two (2) of said block, thence West to the point of beginning

22. This sale contract does include the equipment, fixtures, shelving and related accessories located on the premises.

23. This sales contract does not include the business inventory or accounts receivable of the Seller.

24. The Seller agrees to be responsible for and to pay all costs of operations, accounts payable, income and payroll taxes, and other outstanding obligations incurred by Sellers prior to 2:01 o'clock a.m. on June 1, 1989 and to hold Buyers harmless from any loss or damage to Buyer because of Seller's failure to pay such obligations.

25. The Buyers agree to be responsible for and to pay all costs of operations, accounts payable, income and payroll taxes, and other outstanding obligations incurred by Buyers after 2:01 o'clock a.m. on June 1, 1989 and to hold Sellers harmless from any loss or damage to Seller because of Buyer's failure to pay such obligations.

26. The parties agree the Seller does not need to comply with the Bulk Sales Act of the State of Iowa. The Sellers agree to indemnify and hold harmless the Buyers from any and all loss, damage or expense which may be suffered by Buyer as a result of Seller's noncompliance with the Bulk Sales Act of the State of Iowa.

27. In the event of Buyers assignment of this contract or the sale of these premises in whole or part, other than for loan purposes, then in that event Seller at Seller's option may accelerate the maturity date of all unpaid balances and demand payment in full of all sums due under this contract.

28. The Buyer shall not injure, destroy or remove the improvements or fixtures or make any material alterations to the premises prior to final settlement without the written consent of the Seller, which consent shall not be unreasonably withheld. This provision shall not be construed to require Seller's consent for normal or routine maintenance or redecorating the premises.