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LISA SMITH, COUNTY RECORDER  
MADISON IOWA

**REAL ESTATE CONTRACT  
(SHORT FORM)  
THE IOWA STATE BAR ASSOCIATION  
Official Form No. 143  
Recorder's Cover Sheet**

**Preparer Information:** (name, address and phone number)

JOHN E. CASPER, 223 EAST COURT AVENUE, WINTERSET , IA 50273, (515) 462-4912

**Taxpayer Information:** (name and complete address)

Kendall S. Kerns  
726 14<sup>th</sup> Avenue N.  
Winterset, IA 50273

✓ **Return Document To:** (name and complete address)

John E. Casper  
PO Box 67  
Winterset, IA 50273

**Grantors:**

Richard Goodman, L.L.C.

**Grantees:**

Kendall S. Kerns

**Legal Description:** See Page 2

**Document or instrument number of previously recorded documents:**

## REAL ESTATE CONTRACT

**IT IS AGREED** between Richard Goodman, L.L.C., an Iowa Limited Liability Company, SELLER; and Kendall S. Kerns, BUYER:

Seller agrees to sell and Buyer agrees to buy real estate in Madison County, Iowa, described as:

Lot Fourteen (14) in Block Four (4) of Birchwood Estates Plat No. 1, an Addition to the City of Winterset, Madison County, Iowa,

with any easements and appurtenant servient estates, but subject to the following: a. any zoning and other ordinances; b. any covenants of record; c. any easements of record for public utilities, roads and highways; and d. (consider: liens; mineral rights; other easements; interest of others.) (the "Real Estate"), upon the following terms:

1. **TOTAL PURCHASE PRICE.** The Buyer agrees to pay for this property the total of One Hundred Seventy Thousand Dollars (\$170,000.00) due and payable at Winterset, Madison County, Iowa, or as otherwise directed by Seller from time to time, as follows:

- (a) Down payment of \$ 1.00, the receipt of which is hereby acknowledge; and
- (b) Balance of purchase price of \$169,999.00 shall be due and payable as follows:

\$1,145.81, or more, due on or before February 1, 2008; and, \$1,145.81, or more, due on or before the first day of each month thereafter until February 1, 2011 when all remaining balances due hereunder shall be due and payable in full. The Buyer shall pay Seller interest upon the unpaid principal balances from January 1, 2008 at the rate of Seven percent (7.125%) per annum payable monthly as provided herein. The monthly payments include principal and interest. All payments shall be first credited towards the interest accrued to the date of the payment and the balance towards the reduction in principal. Buyer shall also pay interest at the rate provided under this paragraph on all delinquent amounts and any sums reasonably advanced by Seller to protect their interest in this Contract, computed from the date of the delinquency or advance.

2. **INTEREST.** Buyer shall pay interest from January 1, 2008 on the unpaid balance, at the rate of Seven percent (7.125%) per annum payable as provided in Paragraph 1 above.

3. **REAL ESTATE TAXES.** Seller shall pay the real estate taxes accrued to the date of the Buyer's possession and payable during the fiscal year commencing on July 1, 2008 and any unpaid real estate taxes payable in prior years. Buyer shall pay all subsequent real estate taxes. Any proration of real estate taxes on the Real Estate shall be based upon such taxes for the year currently payable unless the parties state otherwise.

4. **SPECIAL ASSESSMENTS.** Seller shall pay all special assessments which are a lien

on the Real Estate as of the date of the Buyer's possession. All other special assessments shall be paid by Buyer.

5. **POSSESSION CLOSING.** Seller shall give Buyer possession of the Real Estate on January 1, 2008, provided Buyer is not in default under this contract. Closing shall be on or about January 2, 2008.

6. **INSURANCE.** Seller shall maintain existing insurance upon the Real Estate until the date of possession. Buyer shall accept insurance proceeds instead of Seller replacing or repairing damaged improvements. After possession and until full payment of the purchase price, Buyer shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 80 percent of full insurable value payable to the Seller and Buyer as their interests may appear. Buyer shall provide Seller with evidence of such insurance.

7. **ABSTRACT AND TITLE.** Seller, 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 Buyer for examination. It shall show merchantable title in Seller in or conformity with this contract, Iowa law and the Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyer when the purchase price is paid in full, however, Buyer reserves 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 Seller, including transfers by or the death of Seller 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. This sales contract includes the stove and refrigerator located on the real estate.

9. **CARE OF PROPERTY.** Buyer 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 term of this contract. Buyer shall not make any material alteration to the Real Estate without the written consent of the Seller.

10. **DEED.** Upon payment of purchase price, Seller shall convey the Real Estate to Buyer or their assignees, by Warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided herein. Any general warranties of title shall extend only to the date of this contract, with special warranties as to acts of Seller continuing up to time of delivery of the deed.

11. **REMEDIES OF THE PARTIES.** a. 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 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 Buyer 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 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 lease, and may accordingly be ousted and removed as such as provided by law.

b. If Buyer fails to timely perform this contract, Seller, 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 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 their successor in interest in such action. If the redemption period is so reduced, Buyer or their successors 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. 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 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.

c. If Seller fails to timely perform their obligations under this contract, Buyer shall have the right to terminate this contract and have all payments made returned to them.

d. Buyer and Seller are also entitled to utilize any and all other remedies or actions at law or in equity available to them.

e. 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 Seller, immediately preceding this contract, holds 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 Seller, then the proceeds of this sale, and any continuing or recaptured rights of Seller in the Real Estate, shall belong to Seller as joint tenants with full right of survivorship and not as tenants in common; and Buyer, in the event of the death of either Seller, agree to pay any balance of the price due Seller 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 shares or in compliance with Section 561.13 of the Iowa 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, Buyer grants the Seller a security interest in the personal property and Buyer shall execute the necessary financing statements and deliver them to Seller.

**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. **RELEASE OF RIGHTS.** The Buyer hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waives all rights of exemption as to any of the property.


18. **"AS IS" condition.** The parties agree the premises are sold in its "AS IS" condition; the Seller makes no representation or warranties, express or implied, as to the habitability, structural quality or usability of the premises; and, the Buyer acknowledges full opportunity to inspect the structural, electrical, plumbing, sewer and other conditions of the premises and waives any and all further inspection rights.

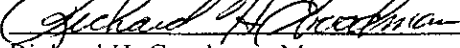
19. **TERMITE INSPECTION.** The Seller and Buyer agree the Seller shall NOT have any duty to have the property inspected for any termite infestation. Any such Inspection shall be the responsibility of the Buyer.

20. **LEAD-BASE PAINT CONTINGENCY.** This contract is **not** contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards. The Buyer acknowledges receipt of the EPA pamphlet from the Seller; agrees that a risk assessment is not necessary for this transaction; and, waives any right to such assessment or inspection.

Dated: December 21, 2007

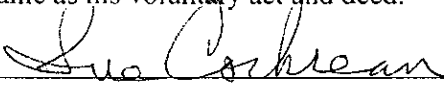
Richard Goodman, L.L.C.,  
Seller

  
Kendall S. Kerns, Buyer

By:   
Richard H. Goodman, Manager

STATE OF IOWA, MADISON COUNTY, ss;

On this 21 day of December, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Kendall S. Kerns to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged to me that he executed the same as his voluntary act and deed.

  
Notary Public in and for the State of Iowa



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STATE OF IOWA :  
 : SS  
MADISON COUNTY :

On this 21<sup>th</sup> day of December, 2007, before me, a Notary Public in and for the State of Iowa, personally appeared Richard H. Goodman, to me personally known, who being by me duly sworn did say that said person is the Manager of said Richard Goodman, L.L.C. and that said instrument was signed on behalf of the said Richard Goodman, L.L.C. by authority of its managers and the said person acknowledged that execution of said instrument to be the voluntary act and deed of said Richard Goodman, L.L.C. by it voluntarily executed.

*Sue Corkrean*

Notary Public in and for the State of Iowa

