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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Preparer Information JOHN E. CASPER 223 EAST COURT AVE., P.O. BOX 67 WINTERSET, IOWA 50273
Individual's Name Street Address City 462-4912 Phone

SPACE ABOVE THIS LINE
FOR RECORDER



REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this day of December, 19 96, by and between

Murriel I. Lents, a single person

of the County Madison, State of Iowa, Sellers; and

Chris Garr

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:

Lot One (1) except the East 20 feet thereof and except the West 100 feet thereof, and Lot Two (2), of Stewart's First Addition to the Town of East Peru except the West 80 feet thereof, and Out Lot Three (3) of Stewart's Second Addition to the town of East Peru except the West 80 feet thereof, Madison County, Iowa 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 \$ 17,500.00 due and payable at Winterset, Madison County, Iowa, as follows:

(a) DOWN PAYMENT of \$ 3,000.00 RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED: and

(b) BALANCE OF PURCHASE PRICE. \$ 14,500.00 as follows:

\$200.00, or more, due on or before January 10, 1997; and, \$200.00, or more, due on or before the 10th day of each month thereafter until December 10, 1998 when all unpaid balances shall be due and payable in full. The Buyer shall pay the Seller interest upon the unpaid balances from December 10, 1996 at the rate of 8% per annum payable monthly as above provided. The monthly payments include principal and interest. All payments shall be first credited towards the interest accrued to the date of payment and the balance towards the reduction in principal. The Buyer shall also pay interest at the rate of 8% per annum on all delinquent amounts and any sum reasonably advanced by Seller to protect their interests in this contract, computed from the date of the delinquency or advance.

2. POSSESSION. Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 10th day of December, 1996; and thereafter so long as they shall perform the obligations of this contract. If Buyers are taking subject to the rights of lessors and are entitled to rentals therefrom on and after date of possession, so indicate by "yes" in the space following. No

3. TAXES. Sellers shall pay 163/365's of the property taxes payable upon the property during the fiscal year commencing on July 1, 1997

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 this property: (Strike out either (a) or (b) below.)

~~XX~~

b) Which are a lien thereon as of December 10, 1996

(c) 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 sold 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 0000000 % 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, assign 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 so 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 the contract less the total amount of the encumbrance on the interest of Sellers or their assigne 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 consistently keep in force insurance, premiums therefor to be paid 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, new 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 greater 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 same 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 new 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.]

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 (or Sellers) 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 681.43 Code of laws; 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.

101 None

(Mineral reservations of record?)

114

(Liens?)

(Easements not recorded?)

(Interests of other parties?)

(Reserves?)

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

XXXXXXXXXXXXXXXXXXXX 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 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 the date of this contract; or as of such earlier date if and as designated in the next sentence. This contract supercedes the previous written offer of Buyers to buy the above described property which was accepted by Sellers on the

26th day of November, 1996.

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 a part of the agreement, then upon due performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract. XXXXXXXXXXXXXXXXXXXXXXX

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

16. **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 858 Code of laws). 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 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 854, 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 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 the 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 at 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 828 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 consistent with the provisions of Chapter in Sections 828.6, 828.15 and 828.16 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) 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 owners 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 828.6, 828.15 and 828.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or default 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 828 of the Iowa Code. The paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 828 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 acknowledgements 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.

The buyer has not made a personal inspection of the property but had a third party inspect the property and report the condition to the buyer. The buyer agrees to accept the property in its present condition "AS IS" regardless of any visible, hidden or unknown defects.

24. See attached addendum shown as Exhibit "A" incorporated herein by this reference.

Executed in duplicate or triplicate

Murriel I. Lents by Barry J. Lents
Murriel I. Lents by Barry J. Lents
Attorney-in-fact under Power of
Attorney dated March 21, 1996 SELLERS

Chris Garr

Please
type or
print
names
under
signa-
tures as
per Sec.
331.602
Code of
Iowa

213 Deardorf Avenue

801 Meyers

Peru, Iowa 50222

Burbank, California 91504

STATE OF IOWA, CALIFORNIA

SELLERS' ADDRESS

COUNTY, OF LOS ANGELES

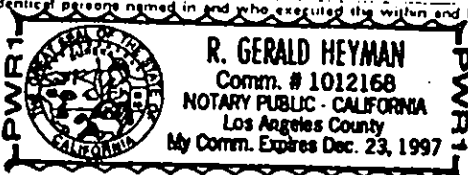
BUYERS' ADDRESS

On this 23rd day of December

before me, the undersigned, a Notary Public in and for said State, personally appeared

Barry J. Lents and Chris Garr

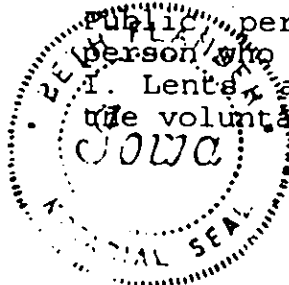
to me known to be the identical persons named in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



R. Gerald Heyman
Notary Public in and for said State

STATE OF IOWA)
) SS
MADISON COUNTY)

On this 2nd day of April, A.D. 1997, before me, a Notary Public, personally appeared Larry J. Lents to me known to be the person who executed the foregoing instrument in behalf of Murriel I. Lents, and acknowledged that that person executed the same as the voluntary act and deed of said Murriel I. Lents.

 Beth Flander
Beth Flander, Notary Public in the State of Iowa

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of LOS ANGELES } SS.

On 3/23/97 before me, R. GERALD HEYMAN
(date) (Notary)

personally appeared CHRIS GARC



personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

R. Gerald Heyman
Notary's Signature