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## ASSIGNMENT OF REAL ESTATE CONTRACT AS COLLATERAL FOR BANK LOAN

MARY E. WELTY RECORDER MADISON COUNTY, 10WA

Fee \$35.00

In consideration for any loan or loans which may be made by Farmers & Merchants State Bank of Winterset, Iowa, hereinafter referred to as "the Bank" to Stephen Zahn and Jo Ann Zahn, husband and wife, hereinafter referred to as "Assignors", and to secure and to provide for the payment of any and all such loans, and any and all notes which may be issued to evidence any such loan or loans, the Assignors hereby assign, transfer and set over to the Bank, all of their right, title and interest in a certain Real Estate Contract between Stephen Zahn and Jo Ann Zahn, as Sellers, and Robert Pierson and Joan Pierson, as Buyers, together with all sums due and to become due thereon. See copy of said Contract attached hereto. Robert Pierson and Joan Pierson, the Buyers under said Real Estate Contract, will hereinafter be referred to as "Buyers".

1. Payments on Contract. It is understood that Buyers will make all payments due on the said Real Estate Contract with Assignors to the Bank at its office in Winterset, Iowa. The Bank, in its discretion, may take any action or proceeding, either in its own name or in the names of the Assignors, or otherwise, which the Bank may deem necessary or advisable under the circumstances. It is expressly understood and agreed, however, that the Bank shall not be required or obliged in any manner to make any demand, or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present, or to file any claims or to take any other action to collect or enforce the payment of any amount or amounts which may be or become due or payable under the above-described Real Estate Contract.

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- 2. Application of Monies Received by Assignee. The Assignors agree that any and all monies received by the Bank from either the Buyers, the Assignors, or anyone else, by virtue of this Assignment, may be applied by the Bank toward the payment of any and all loans and any and all obligations that the Assignors have to the Bank. Application of amounts between principal and interest and between particular obligations is to be in the absolute discretion of the Bank. Any residue of such payments which remains after the payment in full of all such obligations, indebtednesses, and liabilities of the Assignors to the Bank, shall be paid by the Bank to the Assignors.
- 3. Further Assurances. The Assignors further agree that they will, at any time, upon the request of the Bank, execute and deliver such further documents and do such other acts and things as the Bank may specify for the purpose of further assurances, or effecting the purposes of this assignment, and otherwise do any and all things and acts which the Bank may request in order to perfect this assignment.
- 4. <u>Warranties</u>. The Assignors hereby warrant that they are legally competent to make this assignment, that they have not transferred, or assigned or encumbered the said Real Estate contract or any rights or interest therein, or any monies due or to become due or payable thereunder, and that no proceedings in bankruptcy or insolvency or otherwise at law and equity, which would affect their rights under the said Real Estate Contract, are pending against them.
- 5. <u>Benefits</u>. The covenants and warranties that the Assignors set forth herein shall inure to the benefit not only of the Bank, but of its successors and assigns.
- 6. Remedies. The rights and remedies of the Bank hereunder are cumulative, and are not in lieu of, but are in additionate, any other rights and remedies which the Bank may have under the provisions of any promissory note or

agreement, or otherwise.

7. <u>Contract.</u> A copy of the Real Estate Contract assigned herein is marked Exhibit "A", attached hereto, and incorporated herein by this reference.

Dated this 27 day of May, 1989.

Stephen Zahn

Jo Ann Zahn

STATE OF IOWA :

MADISON COUNTY:

On this 27 day of My , 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared Stephen Zahn and Jo Ann Zahn, to me personally known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for the State of Iowa

Aman Epina

DEED RECORD 55

1.1E IOWA STATE BAR ASSOCIATION	FOR THE LEGAL EFFECT OF THIS FORM, CONSIDER YOUR LAWYER
DEAL ESTATE CONTRACT (SHOR	T FORM)
REAL ESTATE CONTRACT (SHOR	I FORM)
IT IS AGREED between STEPHEN ZAHN and JO ANN ZAHN, husband	d and wife,
, Sellers, and ROBERT PIERSON and JOAN	PIERSON
, Buyers:	
• •	
Setters agree to sett and Buyers agree to buy real estate in	ad180h
Lot Eleven (11) of Helen McCall Huntoon Addition - Plat No Winterset, Madison County, Iowa,	. 3 to the City of
together with all of the equipment, furniture, fixtures and property used in connection with the operation of the mote:	d other tangible personal 1 located on said premises,
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; interests of others.)	·
designated the Real Estate, upon the following terms:	
PRICE. The total purchase price for the real estate is <u>Two Hundred S</u>	ixty-five Thousand
	Dollars (\$.265,000,00_)
of which _Five _Thousandhas been paid. Buyers shall pay the balance to Sellers at their address, or as dire	
70,000.00 at the time Buyers take possession. 1,834.00 or more per month beginning 30 days after date of posseme day of each month thereafter until all sums are paid in futhall be applied first to the interest then unpaid and next upon	session and continuing on the ll. Said monthly payments n the balance of the principal.
2. INTEREST, Buyers shall pay interest fromdate_of_possession	upon the unpaid balance, at
the rate of 10 percent per annum, payable monthly as set forth	above.
Buyers shall also pay interest at the rate of percent per annum or sum reasonably advanced by Sellers to protect their interest in this contract delinquency or advance.	
3. REAL ESTATE TAXES. Sellers shall pay 1/6 of the taxes assess	sed against said real
estate payable in the fiscal year beginning July 1, 1987.	
and any unpaid real estate taxes payable in prior years. Buyers shall pay all saccommon common commo	THE TELECONDERS TO THE TELECONDE
the date of this contract or	
5. POSSESSION. Sellers shall give Buyers possession of the Real Estate or	n <u>September 1 , 19 86</u> .
6. INSURANCE. Sellers shall maintain existing insurance upon the Real E Buyers shall accept insurance proceeds instead of Sellers replacing or repairi possession and until full payment of the purchase price, Buyers shall keep the insured against loss by fire, tomado, and extended coverage for a sum not less the payable to the Sellers and Buyers as their interests may appear. Buyers shall pro-	ing damaged improvements. After Improvements on the Real Estate an 60 percent of full insurable value
insurance. 143 RE/	AL ESTATE CONTRACT (SHORT FORM)

7. ABSTRACT AND TITLE Allers, at their expense, shall promptly obtain abstract of title to the Real Estat continued through the date of this contract, and deliver it to Buyers for examination.
shall show merchantable title in Sellers in conformity with this agreement, lows law and the Title Standards of the low State Bar Association. The abstract shall become the property of the Buyers when the purchase price is paid in ful however, Buyers reserve the right to occasionally use the abstract prior to full payment of the purchase price. Seller shall pay the costs of any additional abstracting and title work due to any act or omission of Sellers, including transfer by or the death of Sellers or their assignees. See additional provisions concerning mortgage lost owing to Union State Bank attached hereto.
B. 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 heaten water softeners, automatic heating equipment, air conditioning equipment, wall to wall carpeting, built-in Items an efectrical service cable, outside television towers and antenna, fencing, gates and landscaping shall be considered part of Real Estate and included in the sale & ICENTICH STRINGTHENDER TOWN TOWNS THE STRINGTHEND TOWN TOWN TOWNS THE STRINGTHEND TOWN TOWN TOWN TOWN TOWN TOWN TOWN TOWN
9. CARE OF PROPERTY. Buyers shall take good care of the property; shall keep the buildings and othe improvements now or later placed on the Real Estate in good and reasonable repair and shall not injure, destroy cremove the property during the life of this contract. Buyers shall not make any material alteration to the Real Estat 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 <u>Warranty</u> deed, free and clear of all liens, restrictions, and encumbrances except a 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 a 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 of 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 returne to them.
<ul> <li>c. Buyers and Sellers are also entitled to utilize any and all other remedies or actions at law or in equilibrium.</li> <li>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.</li> </ul>
12. JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE. If Sellers, Immediately preceding this contact 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 right 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 du Sellers under this contract to the surviving Seller and to accept a deed from the surviving Seller consistent will 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 516.13 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 statement and deliver them to Sellers.
16. CONSTRUCTION. Words and phrases in this contract shall be construed as in the singular or plur number, and as masculine, feminine or neuter gender, according to the context.
17. ADDITIONAL PROVISIONS. See additional provisions attached.
Dated this23 day of, 19.86,
Robert Pierson
doan Pierson Buyens Stophen Zahn Sellen
Jo Ann Zahn
Buyers' Address Sellers' Addres
STATE OF, COUNTY OF, 89:
On this2 day ofiuly, 19_86, before me, the undersigned, a Notary Public and for said State, personally appeared _Stephen_Zahn_ and _io_Ann_Zahn_

JERROLD B. OLIVER MY COMMISSION EXPISES August 25, 1983

to me that they executed the same as their voluntary act and deed.

to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged

Nevary Public in and for Sald State.

## ZAHN-PIERSON REAL ESTATE CONTRACT

## ADDITIONAL PROVISIONS

- The sale by Sellers to Buyers does not include any cash on hand or accounts receivable which shall be retained by Sellers.
- 2. Buyers shall make all payments due on this Contract to Sellers through Union State Bank of Winterset, Iowa. Union State Bank shall be authorized to pay the monthly payments owing on a Promissory Note made and executed by Sellers to Union State Bank which is secured by a mortgage upon the above-described real estate. Any and all sums in excess of the amount of payments due on said Promissory Note shall be paid to Sellers by Union State Bank. Sellers shall not be required to obtain a release of said mortgage at this time but shall only be required to make timely payments as called for in said note and mortgage.
- 3. Until Buyers take possession, Sellers shall preserve the business as a going business, shall not enter into any Contracts relating to the business other than such as are incidental to its normal current operation and shall not dispose of any part of the assets used in connection with the operation of Village View Motel. Provided, however, Sellers shall continue to retain any profits or suffer any losses of said business until Buyers take possession.
- 4. Buyers shall obtain all necessary licenses for the operation of the motel herein sold so as to fully comply with all governmental regulations in connection with the operation of said motel.
- 5. Sellers hereby grant Buyers the right to the use of the name Village View Motel and Sellers shall, on the date of possession, terminate any trade name filing under Chapter 547 of the Code of Iowa pertaining to the name Village View Motel. Buyers shall, promptly after taking possession, file a verified statement of trade name in accordance with Chapter 547 of the Code of Iowa showing the Buyers to be the owners of and the persons conducting the business known as Village View Motel.
- 6. Concurrently with the execution of this Contract, Sellers shall execute a Warranty Deed and a Bill of Sale in conformance with the provisions of this Contract, which Deed and Bill of Sale shall be held in escrow by Union State Bank, Winterset, Iowa, delivered according to the terms of this Contract. Sellers shall pay all fees or expenses of the escrow agent and hold the Buyers harmless therefrom. The parties shall execute a standard escrow agreement directing the escrow agent that if all sums of money and interest are paid by the Buyers during the life of this Contract, and all other agreements for performance by Buyers have been complied with, the escrow agent shall deliver to Buyers the Warranty Deed and Bill of Sale held in escrow so as to convey the real estate and personal property pursuant to and in conformity with this Contract.
- 7. As additional security for the payment of the sums due under this Contract, Buyers shall execute and deliver to Sellers a security agreement granting to Sellers a security interest in and to all tangible personal property being sold by Sellers to Buyers pursuant to this Contract. Buyers shall also execute financing statements covering said property. In the event of Buyers' default, Sellers shall have, in addition to the other remedies of Sellers pursuant to the terms of this Contract, all the rights and remedies granted secured parties under the Uniform Commercial Code of Iowa.
- Any motel unit rental payments made in advance shall be prorated between Sellers and Buyers as of the date of possession.
- 9. In case of the assignment of this Contract by either of the parties, prompt notice shall be given to the other party, who shall at the time of such notice be furnished with a duplicate of such assignment by the assignor. Any such assignment shall not terminate the liability of

EXHIBIT "A"

the assignor to perform, unless a specific release in writing is given and signed by the other party to this Contract. In addition, in the event Buyers shall sell the above-described real estate and other assets which are the subject matter of this Contract, whether by assignment of this Contract or not, prompt notice shall be given to the Sellers herein, which said notice shall contain the name or names of the then Buyers, and the current address of the Buyers herein. Any such sale shall not terminate the liability of the Buyers to perform under the terms of this Contract unless a specific release in writing is given.

- 10. Sellers warrant and represent that there are no known structural or mechanical defects in the property unrevealed to the Buyers, and that all equipment will be in working order on the date of possession. However, Buyers understand that they are buying said property in it's "as is" condition on date of possession.
- 11. Sellers warrant room income from property for the 12 months ending June 30, 1986, to be at least Eighty-five Thousand Dollars (\$85,000.00).