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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

Real Estate Contract

Preparer Information: (Individual's name, address and phone number)

*Mike Montross
P.O. Box 31
Winterset, Iowa 50277*

Taxpayer Information: (Taxpayer's name and full mailing address)

*Steven Rymie
607 East South St.
Winterset, Iowa 50273*

Return Document To: (Name and full mailing address)

*Steven Rymie
607 East South Street
Winterset, Ia. 50273*

Grantors:

G.L. Montross Trust

Grantees:

Parcel Identification Number:

(If required or applicable)

Legal Description:

*Lot seven (7) in block (5) of Laughridge and
Cassiday's Addition to the Town of Winterset
Madison County, Iowa*

Document or instrument number of associated documents previously recorded:

REAL ESTATE INSTALLMENT CONTRACT
ORIGINAL AMOUNT OF \$54,000

This Real Estate Installment Contract ("Agreement") is made and entered into this 1st day of April, 2011 by and between the George L. Montross Trust ("Seller") and Mr. Steve Raymie and ~~_____~~ ~~_____~~ ^{SR} who will hold title as cotenants with rights of survivorship.

1. Property Sale: Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, upon and subject to the terms and conditions of this Agreement, the real estate situated in Iowa, known as 607 East South Street, Winterset, Iowa ("Property") and legally described on Attachment A.

2. Monthly Payments and Financing by Seller: Seller is providing Buyer with a loan for 15 years. The interest rate (7%) and payments will be set for a period of time and then will be subject to vary based upon the official Prime Rate. Real estate taxes or insurance costs may increase, however. The mortgage interest will be fixed for the first 3 years of this contract, and then will vary and be 4 1/2 % over the bank prime rate, however, payments may not increase more than \$50 a month during any year. For instance, the maximum payments during the year beginning April 2014 would be limited to \$550 a month. This is the maximum amount and if interest rates remain where they are or are lower the monthly mortgage payment will remain where it is : **\$500 a month.** Any such interest not paid due to increases will accrue during the 15 years of this contract.

SELLER IS NOT PAYING OFF THE UNDERLYING DEBT WHICH IS AGAINST THIS PROPERTY. THIS SALE IS A CONTRACT TO SELL TO BUYER SUBJECT TO THE PRIOR OBLIGATIONS OF SELLER.

After Buyer has made the down payment (\$10) for the purchase the monthly **payment of interest and principal will be \$500 a month, fixed for the first three year and may increase after that period. (But by no more than \$50 a month in any 12 month period.**

THE MONTHLY PAYMENT OF INTEREST IS TAX DEDUCTIBLE FOR THE BUYER AND SHOULD SAVE THE BUYER IN EXCESS OF \$100 A MONTH IN TAXES DUE.

The purchase price is \$54,000 and the buyer is making a down payment of \$10, leaving \$53,990 as the original price of the contract. The monthly payments as contracted will approximately pay off the loan during this 15 year contract so the buyer will own the home free and clear at the time when the last payment is made.

In addition to making the monthly payment of principal and interest, buyer has elected independently to pay the annual Madison County real estate taxes and the State Farm insurance premium for fire and hazard. The current taxes for 2010-2011 in Madison County on this property are \$974, or \$77 a month, and the current insurance premium is \$30 a month. The purchaser may chose another insurance company as long as Exchange State Bank and the G.L.Montross Trust are named as beneficiaries and the policy is acceptable to Exchange State.

Therefore, the monthly payment from buyer will be: \$500 beginning April 1, 2011 and the payment will be due and payable at Exchange State Bank sometime during the month.

3. Purchase Price: The purchase price for this sale will be: **\$54,000**.

4. Prepayment of Purchase Price. Buyer may prepay the balance owing on this loan at any time with no prepayment penalty.

5. Real Estate Taxes, Special Assessments and Other Charges (if any):

Buyer --THE OWNER-- shall be responsible for paying the County Real Estate Taxes on the "Property" in Iowa. Those taxes are currently **around \$ 77 a month. Seller is making the tax payment on March 31, 2011; Buyer and Owner will be responsible thereafter and the next payment will be September 30, 2011.**

The amount of Real Estate Tax charged by the county may vary from year to year and the Seller has no control over the assessments. Any assessment of Real Estate taxes not paid by Buyer within 30 days of the due date will be a default under this contract.

6. Insurance. Seller currently has this property insured with State Farm with a monthly premium of \$30. Buyer can pay this amount recognizing that this is insurance for the house, not the contents. At any time Buyer may chose to pay the \$30 to Seller along with the monthly payment *or obtain their own insurance*. Proof of insurance is required; however. If Buyer does not pay the Seller the \$30 for State Farm (or an increased or decreased amount in the years after 2011 if the State Farm Policy changes in cost) and does not obtain alternate insurance acceptable to Seller and to Exchange State Bank, then Buyer is in default under this contract.

7. Place of Payment: All monthly payments of interest, principal and insurance shall be paid to Exchange State Bank, Winterset.

8. Utilities and Expenses. Buyer is to pay all charges for solid waste removal, sewage, water, electricity and Mid American natural gas, all assessments for weed cutting, snow removal or any other payment imposed by any government body on subject property. Any amount billed is to be paid within 90 days of the due date or Buyer will be in default under this Installment Contract.

9. Possession: Buyer has inspected the property Yes yes or no. Buyer has lived in the property for over one year.

As the Buyer of the property, and having inspected the property, has the Buyer seen any surface that he thinks might contain lead paint Yes YES OR NO If you say yes, more investigation of this condition is warranted.

Any improvements required by Buyer prior to purchase are listed on Attachment B to this agreement and signed by Seller.

10. Care of Property: As Buyer is buying property using the Sellers financing, buyer is responsible for keeping the home in good livable condition. Pets are allowed; painting rooms different colors is allowed,

however, no structural changes are to be made to the home without the sellers prior approval.

11. Tax Return. Buyer may take interest payments for their home ownership beginning from January 1, 2011. Seller will send buyer a statement of interest paid at the end of each year.

12. This sale is "AS IS". No guarantees by seller as to any condition of the property.

13. Mechanics Liens. Buyer shall not permit any materialmen's, mechanical, artisans or other lien to be filed or placed or exist against subject property. If any lien should be filed, Buyer shall cause same to be discharged of record within 30 days or Buyer will be in default under this Installment contract.

14. This Installment Contract may be recorded if Buyer and Seller agree that it is **in both of their best interests**. A copy may be kept by Exchange State Bank, Winterset, as they hold the underlying financing on this property. If at some point in the future Buyer wishes to record a deed on the property it will be at their expense. Seller will provide them with the Abstract on the property from when he purchased the property at no expense to Buyer.

15. Remedies. (a) Forfeiture. If Buyer fails to make the monthly payments required by this Agreement when they become due, or fails to pay the taxes or special assessment or charges upon any part of the property, or fails to keep the property in good condition, or fails to make the agreed upon improvements, or fails to perform any of the agreements herein, then Seller, in addition to any and all other remedies that it may have at its option, may proceed to forfeit and cancel this Agreement as to the property as provided by Chapter 656 of the Code of Iowa. Upon completion of such forfeiture Buyer shall have no right of reclamation or compensation for money paid, or improvements made. Such payments and/or improvements shall be retained and kept by Seller as compensation for the use of the property and/or liquidated damages for breach of this Agreement. Upon completion of such forfeiture, if Buyer or any other person or persons shall be in possession of the Property or any portion thereof, such party or parties shall at once remove themselves, or failing to do so may be treated at tenants

holding over unlawfully under a lease and may accordingly be ousted and removed as provided by Iowa law.

(b) Foreclosure. If Buyer fails to make the payments required by this Agreement as the same becomes due, or fails to pay taxes or special assessments when due or fails to keep the property in good condition, Seller may declare the entire balance hereunder immediately due and payable, and thereafter at the option of Seller this Agreement may be foreclosed in equity and a receiver may be appointed to take charge of the property as may be directed by the Court.

16. Attorney's Fees. In the case of any action by either party against the other party to collect money due under or secured by this Agreement or to enforce compliance with this Agreement or any rights or remedies available under this Agreement or in the Property, or to protect the lien or title herein provided, the prevailing party shall be entitled to collect attorney's fees from the other party.

17. Notice Whenever any notice is required or permitted under this Agreement it shall be in writing and shall be delivered by U.S. Certified Mail, receipt return requested. Such notice shall be delivered as follows:

Seller:

George L. Montross Trust, PO Box 31, Winterset, Iowa 50273

Buyer's Contact: Mr. Steve Raymie

607 East South Street

Winterset, Iowa 50273

Either party may change his address by notifying the other party via Certified Mail.

18. Other clauses: Time is of the essence in the performance of this agreement. This is the whole agreement, and oral modifications are null and void. Any waivers of this agreement will be in writing only and a waiver to one issue will not apply to any other portion of this agreement. This agreement shall terminate upon the transfer of the property by deed.

Summary of Payments Required by Buyer after down payment has been made:

Interest \$500
& princ.*

*These two items are fixed for the first 3 years from making and then the interest may increase, or decrease, depending on the bank's prime interest rate which is currently at 3 ½ %.

~~George Montross Trust~~
Seller George Montross Date 4-13-2011

Buyers Steve Raymie Date 4-13-2011

~~George Montross~~ SR ~~4-13-2011~~
Date ~~4-13-2011~~

State of Iowa
County of Madison

Sworn and subscribed before for me on this
28th day of April, 2011, George Montross as
Trustee of the George L Montross Trust
and Steve Raymie.

Tasha A. White



LOT SEVEN (7) IN BLOCK FIVE (5) OF LAUGHRIDGE & CASSIDY'S ADDITION TO THE TOWN OF WINTERSET,
MADISON COUNTY, IOWA

Locally known as: 607 East South, Winterset
(00648120)

attachment A