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LISA SMITH, COUNTY RECORDER

MADISON COUNTY IOWA

CHEK

**REAL ESTATE CONTRACT-INSTALLMENTS**  
**THE IOWA STATE BAR ASSOCIATION**  
Official Form No. 142  
**Recorder's Cover Sheet**

\$58,000

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

John E. Casper, 223 E. Court Avenue, P.O. Box 67, Winterset, IA 50273, (515) 462-4912

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

Christobal Lopez and Jose Jorge Lopez, 913 E. Buchanan Street, Winterset, IA 50273

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

John E. Casper, 223 E. Court Avenue, P.O. Box 67, Winterset, IA 50273, (515) 462-4912

**Grantors:**

Union State Bank

**Grantees:**

Christobal Lopez

Jose Jorge Lopez

**Legal Description:** See Page 2

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

## REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED on this 14~~th~~ day of December, 2011, by and between the Union State Bank of the County of Madison, State of Iowa, Seller; and Christobal Lopez and Jose Jorge Lopez of the County of Madison, State of Iowa, Buyers;

That the Seller, as in this contract provided, agree to sell to the Buyers, and the Buyers in consideration of the premises, hereby agree with the Seller to purchase the following described real estate situated in the County of Madison, State of Iowa, to-wit:

**Lot One (1) in Block Thirteen (13) of Loughridge & Cassidy's Addition to the Town of Winterset, 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 Fifty-eight Thousand Dollars (\$58,000.00) due and payable at Winterset, Madison County, Iowa, or as directed by Seller, as follows:

(a) **DOWN PAYMENT** of \$2,900.00, **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED;** and

(b) **BALANCE OF PURCHASE PRICE.** \$55,100.00 as follows: The Buyers shall pay Seller on or before February 1, 2012 the sum of \$435.81, or more; and, \$435.81, or more shall be due and payable on or before the first day of each month thereafter until January 1, 2017 when all remaining balances due under this contract shall become due and payable in full. The Buyers shall pay Seller interest upon the unpaid balance from the date of possession at the rate of 5.00% per annum payable monthly as above provided. All installment payments shall be first credited towards the interest accrued on the date of the payment and the balance towards the reduction in principal. The monthly installment payment includes principal and interest.

**2. POSSESSION.** Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on January 1, 2012 and thereafter so long as they shall perform the obligation 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, which possession is subject to Tenant rights.

**3. TAXES.** Seller shall pay the property taxes accrued to December 31, 2011 which are payable in the fiscal year commencing on July 1, 2012 and any unpaid taxes thereon payable in prior years. Buyers shall pay any taxes not assumed by Seller and all subsequent taxes before same become delinquent. Whoever may be responsible for the payment of said taxes, and the

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(b) **BALANCE OF PURCHASE PRICE.** \$55,100.00 as follows: The Buyers shall pay Seller on or before February 1, 2012 the sum of \$435.82, or more; and, \$435.82, or more shall be due and payable on or before the first day of each month thereafter until January 1, 2017 when all remaining balances due under this contract shall become due and payable in full. The Buyers shall pay Seller interest upon the unpaid balance from the date of possession at the rate of 5.00% per annum payable monthly as above provided. All installment payments shall be first credited towards the interest accrued on the date of the payment and the balance towards the reduction in principal. The monthly installment payment includes principal and interest.

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special assessments, if any, each year, shall furnish to the other parties evidence of payment of such items not later than September 15<sup>th</sup> 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.** Seller shall pay the special assessments against this property which are a lien as of the date of Buyers' 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 Seller so as not to prejudice the Buyers' equity herein. Should Seller 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 SELLER.** Seller, 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 75% 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 Seller 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 Seller, 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. **SELLER AS TRUSTEE.** Seller agrees 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 Seller or their assigns in said real estate and if Seller 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 on and from said date of possession, shall constantly keep in force insurance, premiums therefore 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 Seller 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 Seller and Buyers as their interests may appear. Seller interest shall be protected in accordance with a standard or union-type loss payable clause. **BUYERS SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH SELLER** 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 Seller 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 Seller. 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 SELLER.** If Buyers fail to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Seller 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 Seller, 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 Seller immediately preceding this sale, holds 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 Seller, this sale shall not constitute such destruction and the proceeds of this contract, and any continuing and/or recaptured rights of Seller in said real estate, shall be and continue in Seller 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 this paragraph is stricken from the agreement.

**11. SELLER.** 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 561.13 Code of Iowa; and the use of the word "Seller" 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 Seller 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) Seller 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.

**14. DEED AND ABSTRACT, BILL OF SALE.** If all said sums of money and interest are paid to Seller during the life of this contract, and all other agreements for performance by Buyers have been complied with, Seller will execute and deliver to Buyers a Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract and Seller will at this 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 Seller as of the date of this contract; or as of such earlier date if and as designated in the next sentence. This contract supersedes the previous written offer of Buyers to buy the above described property which was accepted by Seller on the November 21, 2011. Seller shall also pay the cost of any abstracting due to any act or change in the personal affairs of Seller resulting in a change of title by operation of law or otherwise. If any personal property is a part of this agreement, then upon due performance by Buyers, Seller shall execute and deliver a Bill of Sale consistent with the terms of this contract.

**15. APPROVAL OF ABSTRACT.** Buyers have examined abstract of title to this property and such abstract is 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 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 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 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 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 ousted and removed as such as provided by law.

**17. FORECLOSURE AND REDEMPTION.** If Buyers fail 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 at 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 end 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 files an election to waive any deficiency judgment against Buyers 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 Buyers, 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 Buyers or their successor in interest in such action. If the redemption period is so reduced, Buyers or their successor 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 Buyers 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.

**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 Seller, 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 attorney's 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 became 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 personalty 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 acknowledgments 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 "Seller."

23. **RELEASE OF RIGHTS.** The Seller 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.

24. **LEAD-BASED 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. (Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet Protect Your Family from Lead in Your Home for more information). The Buyers agree that a risk assessment is not necessary for this transaction; and, waives any right to such assessment or inspection.

25. **CERTIFICATION.** Buyers and Seller each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

26. **INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM.** Seller represents and warrants to Buyer that the Property is not served by a private sewage disposal system, and there are no known private sewage disposal systems on the property.

27. **SPECIAL PROVISIONS.**

A. **"AS IS".** The parties agree the premises are sold in its "AS IS" condition; the Seller makes no representations or warranties, express or implied, as to the habitability, structural and/or mechanical quality or usability of the premises; and,



the Buyers acknowledge full opportunity to inspect the structural, electrical, plumbing, sewer and other conditions of the premises.

**B. TERMITE INSPECTION.** The Seller at their expense shall have the property inspected for termites and other wood destroying insects by a licensed termite inspector prior to the Buyers' possession. If active termite infestation or damage due to prior infestation is discovered, the Seller shall have the option of either having the property treated for infestation by a licensed pest exterminator and having any damage repaired to the Buyers' satisfaction, or declaring this agreement void. This provision shall not apply to fences, trees, shrubs or outbuildings other than garages. However, the Buyers may accept the property in its existing condition without such treatment or repairs.

**C. ENVIRONMENTAL MATTERS.** Seller makes no warranty or representation of any kind whatsoever about abandoned wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks located on the Property, or the Property containing levels of radon gas, asbestos or urea-formaldehyde foam insulation which may require remediation under current governmental standards. Buyers waive any right or opportunity at their expense to obtain a report from a qualified engineer or other person qualified to analyze the existence or nature of any hazardous materials, substances, conditions or wastes located on the Property.

**D. REAL ESTATE AGENT OR BROKER.** Neither party has used the services of a real estate agent or broker in connection with this transaction. Each party agrees to indemnify and save harmless the other party from any and all claims, costs, liabilities and expense (including court costs and reasonable attorney fees) incurred by the other party as a result of the breach of this representation, which representation shall survive the closing of this transaction.

**E. FINANCIAL STATEMENTS.** The Buyers, and each of them, agrees to at least annually provide Seller with their individual income tax returns and their personal balance sheet, which agreement shall survive the closing of this transaction during the executory term of this contract.

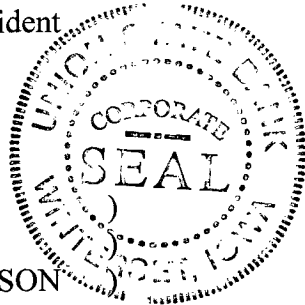
**I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.**

Dated: December 14, 2011

Jeffrey J. Nolan Pres/CEO  
Union State Bank, Seller  
Jeffrey J. Nolan, President

Christobal Lopez 12-14-2011  
Christobal Lopez, Buyer

Jose Jorge Lopez 12-14-2011  
Jose Jorge Lopez, Buyer



STATE OF IOWA

COUNTY OF MADISON

This instrument was acknowledged before me on December 14, 2011 by Jeffrey J. Nolan as President of Union State Bank.



Duane Gordon  
Notary Public in the State of Iowa

STATE OF IOWA            )  
  )  
COUNTY OF MADISON    )

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Duane Gordon  
Notary Public in the State of Iowa

