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Return To: Madison County Realty, 65 Jefferson
University, IA 50273

LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 1st day of August, 2011, by and between Dale L. Hartman and Alice Katherine Hartman, wife and husband (hereinafter collectively referred to as the "Seller"); and Cownie Family Farms, L.L.C., of the County of Madison, State of Iowa, ("Buyer");

INDX
ANNO
SCAN
CHEK

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

The East Half (1/2) of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twelve (12), in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., 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 personal property located at the real estate as of the date of Buyer's possession.

1. **TOTAL PURCHASE PRICE.** The Buyer agrees to pay for said property a total of \$100,000.00 due and payable at Madison County, Iowa, as follows:

- (a) **DOWN PAYMENT** of \$20,000.00 **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED:** and
- (b) **BALANCE OF PURCHASE PRICE.** \$80,000.00 as follows:

The unpaid principal balance shall accrue interest at the rate of five percent (5.0%) per annum from January 6, 2012, with principal and accrued interest payable in semi-annual installment payments in the amount of \$5,315.51 commencing on June 1, 2012, and continuing on the continuing on the 1st day of the December and June thereafter, until December 1, 2016, at which time all remaining principal and accrued interest shall be paid in full. Buyer shall have the right to make pre-payment of any part or all of the unpaid principal balance at any time without penalty.

2. **POSSESSION.** Buyer, concurrently with due performance on its part shall be entitled to possession of said premises on January 6, 2012, and thereafter so long as it shall perform the obligation of this contract.

3. **TAXES.** Seller shall pay real estate taxes for fiscal year 2010-2011, payable in fiscal year 2011-2012, and any unpaid taxes thereon payable in prior years. Seller shall pay its prorated share, based upon the date of possession, of real estate taxes for fiscal year 2011-2012, payable in fiscal year 2012-2013. Buyer shall pay any taxes not assumed by Seller and all subsequent taxes before the 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.** Seller shall pay the special assessments against this property:
 - (a) Which, if not paid, in the year 2012, would become delinquent and all assessments payable prior thereto.

Buyer, except as above stated, shall pay all subsequent special assessments and charges, before they become delinquent.

5. **MORTGAGE.** No mortgage or encumbrance of a similar nature shall exist against the said property at time of Buyer's possession. Should Seller fail to pay off any existing mortgage, Buyer may pay any such sums in default and shall receive credit on this contract for such sums so paid. **MORTGAGE BY SELLER.** Seller, its successors in interest or assigns, shall not at any time mortgage its right, title or interest in such premises. **DEED**

Tax statements: Cownie Family Farms, LLC
1011 Forest ST., Suite 309
Des Moines, IA 50309

FOR BUYER SUBJECT TO MORTGAGE. If Buyer has reduced the balance of this contract to the amount of any existing mortgage balance on said premises, it may at its 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.** Buyer, 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, reserves the right, if reasonably necessary for its protection to divide or allocate the payments to the interested parties as its interests may appear. **SELLER AS TRUSTEES.** Seller agrees that it 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 its 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 Buyer for the use and benefit of the Buyer.

6. INSURANCE. Buyer on and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by Buyer (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 Buyer as their interests may appear. Seller's interest shall be protected in accordance with a standard or union-type loss payable clause. **BUYER 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. Buyer 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. Buyer shall not make any material alteration in said premises without the written consent of the Seller. Buyer 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 Buyer fails 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 Buyer' 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 containing 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 Buyer, in the event of the death of one of such joint tenants, agrees 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. 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 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 the sale proceeds, nor bind such spouse except as before said, 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 Buyer; (f) Spouse, if not titleholder, need not join in any warranties of the deed unless otherwise stipulated.

14. DEED AND ABSTRACT. Upon execution of this contract, Buyer and Seller shall execute and enter an escrow for deed and abstract and shall deliver the same to Jane E. Rosien, Winterset, IA (Seller's Attorney) as escrow agent. Upon execution of this contract, Seller shall execute and deliver a Special Warranty Deed to Jane E. Rosien (Seller's Attorney) to be held by him in accordance with the escrow agreement until Buyer has performed this contract. Upon execution of this contract, Seller shall deliver the abstract of title, continued through the date of this contract, to Jane E. Rosien (Seller's Attorney) to be held in escrow pursuant to the terms of the escrow agreement. If all sums of money and interest are paid to Seller during the life of this contract, and all other agreements for performance by Buyer has been complied with, Seller shall advise the escrow agent to deliver the abstract and the Special Warranty Deed to Buyer. The abstract delivered by Seller pursuant to this Paragraph 14 shall show merchantable title in Seller as of the date of this contract. 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 Buyer, Seller shall execute and deliver a Bill of Sale consistent with the terms of this contract. Seller shall pay all taxes on any such personal property payable in 2012, and all taxes thereon payable prior thereto. Seller shall pay the revenue stamps in connection with the conveyance pursuant to this contract and the deed upon satisfaction of the contract.

15. APPROVAL OF ABSTRACT. Buyer shall have thirty (30) days after receipt of the abstract of title from Seller within which to complete its review of the abstract and to notify the Seller of any objections to merchantable title.

16. FORFEITURE. 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 pay the dues, charges, assessments or fees, or any part thereof, levied upon or assessed against the property by any applicable property owners' or condominium association, before any of such items become delinquent; or (d) fails to keep the property insured in accordance with this Agreement; or (e) fails to keep the property in reasonable repair as herein required; or (f) 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 Seller may have, at Seller's 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 a lease, and may accordingly be ousted and removed as such as provided by law.

17. FORECLOSURE AND REDEMPTION. If Buyer fails to timely perform this contract, Seller, at Seller's 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 Buyer 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 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 Buyer's successor in interest in such action. If the redemption period is so reduced, Buyer or Buyer's 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 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.

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 Buyer, or imposed upon Buyer, or upon the above described property, Buyer agrees 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 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 Buyer's 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.

23. RELEASE OF RIGHTS. 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.

24. LEAD-BASED PAINT NOTICE. If applicable, see attached Disclosure of Information on Lead-Based and/or Lead-Based Paint Hazards.

25. **ENVIRONMENTAL MATTERS.** Seller warrants that there are no abandoned wells, solid waste disposal sites, burial sites, hazardous wastes or substances, or underground storage tanks located on the real estate, the real estate does not contain levels of radon gas, asbestos, or urea-formaldehyde foam insulation which require remediation under current governmental standards, and Seller has done nothing to contaminate the real estate with hazardous wastes or substances. Seller warrants that the real estate is not subject to any local, state, or federal judicial or administrative action, investigation or order, as the case may be, regarding wells, solid waste disposal sites, burial sites, hazardous wastes or substances, or underground storage tanks. This warranty shall survive the conveyance of the Special Warranty Deed to Buyer.

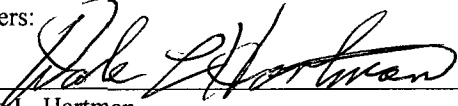
26. **FIXTURES.** All property that integrally belongs to or is part of the real estate, whether attached or detached, such as light fixtures, shades, rods, blinds, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners, heating equipment, air conditioning equipment, wall-to-wall carpeting, built in items and electrical service cable, outside television towers and antenna, satellite dishes, automatic garage door openers, door chimes, attached mirrors, attached shelving, fencing, gates and landscaping shall be considered a part of the real estate and included in the sale.

27. **CERTIFICATION.** Buyer and Seller each certify that it is 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 is 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.

28. **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.

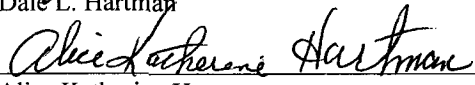
I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Sellers:



Dale L. Hartman

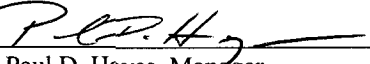
10-11-_____, 2011
Date



Alice Katherine Hartman

10-11-11_____, 2011
Date

Buyer: COWNIE FAMILY FARMS, L.L.C.

By 

Paul D. Hayes, Manager

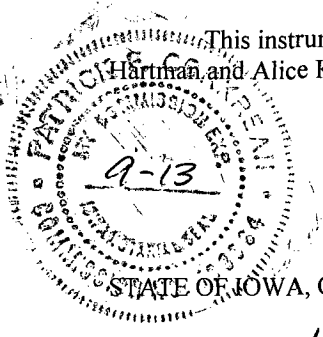
October 10_____, 2011
Date

STATE OF IOWA, COUNTY OF MADISON

This instrument was acknowledged before me on this _____ day of _____, 2011, by Dale L. Hartman and Alice Katherine Hartman, husband and wife.

11th day of Oct, 2011, by Dale L.

[Signature]
Notary Public in and for said State.



STATE OF IOWA, COUNTY OF POLK

On this 10th day of OCTOBER, 2011, the undersigned, a Notary Public in and for the said State, personally appeared Paul D. Hayes, to me personally known, who being by me duly sworn did say that that person is a manager of COWNIE FAMILY FARMS, L.L.C., that no seal has been procured by the said COWNIE FAMILY FARMS, L.L.C., and that said instrument was signed on behalf of the said COWNIE FAMILY FARMS, L.L.C. by authority of its managers and the said Paul D. Hayes acknowledged the execution of said instrument to be the voluntary act and deed of said COWNIE FAMILY FARMS, L.L.C. by it voluntarily executed.



[Signature]

Notary Public in and for said State