



Document 2012 2431

Book 2012 Page 2431 Type 03 010 Pages 8

Date 8/20/2012 Time 10:37 AM

Rec Amt \$42.00 Aud Amt \$5.00

DOV# 272

LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

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REAL ESTATE CONTRACT-INSTALLMENTS

THE IOWA STATE BAR ASSOCIATION

Official Form No. 141

Recorder's Cover Sheet

Preparer Information: (name, address and phone number)

Jonathan A. Coy, 408 SW 3rd Street, Ankeny, IA 50023, Phone: (515) 964-1825

Taxpayer Information: (name and complete address)

Aaron Nathaniel Payne 335 NW 2nd Street, Earlham, Iowa 50072

Return Document To: (name and complete address)

Jonathan A. Coy, 408 SW 3rd Street, Ankeny, IA 50023, Phone: (515) 964-1825

Grantors:

Aaron Nathaniel Payne

Amanda Payne

Grantees:

Jennifer Hartman

Legal Description: See Page 2

Document or instrument number of previously recorded documents:

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 1st day of August, 2012, by and between Aaron Nathaniel Payne and Amanda Payne of the County Madison, State of Iowa, Sellers; and Iowa House Fixers, LLC, of the County Dallas State of Iowa, Buyer;

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 Five (5), Block Four (4), Academy Addition, Town of Earlham, Iowa, and Commencing at the Northeast Corner of Lot Four (4), Block Four (4), of Academy Addition to the Town of Earlham, Madison County, Iowa, thence due South along lot line Twenty (20) feet, thence due West for Twenty-five (25) feet to a point Twenty (20) feet South of said lot line, thence due North Twenty (20) feet to North lot line, thence due East Twenty-five (25) feet to point of beginning.

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 \$52,500.00 due and payable at 335 NW 2nd Street, Earlham, Iowa 50072, Madison County, Iowa, as follows:

(a) **DOWN PAYMENT** of \$ 5,000.00 **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED.** Sellers shall hold \$5,000 in an interest bearing account for a period of 12 months, after which time the full \$5,000 and any interest accrued shall be applied to the principle on any mortgage on this property. Should the buyer fulfill this contract prior to the stated time period, then the down payment, and any accrued interest, shall be applied to the principle at that time.

(b) **BALANCE OF PURCHASE PRICE:** \$ 47,500.00 to be paid in monthly installments of \$600.00 on or before August 1, 2012, and \$ 600.00 on or before the 1st day of each and every **MONTH** for a period of 36 months. This payment shall be applied to the Sellers mortgage payment of approximately \$600 per month and shall include any interest on the mortgage (at the rate of 6.875%.) and the escrow payment for insurance and taxes on the property. Sellers shall provide Buyer with proof of payment of the mortgage on a monthly basis. At the conclusion of the thirty-six (36) months, the remaining balance due on the mortgage of approximately \$42,000 shall be due to the Sellers. It is the intent of the parties that the final purchase installment pay off the remaining balance on the mortgage.

(c) **CURRENT ESCROW BALANCE:** The Sellers currently have an escrow balance with the mortgage company of \$973.03. This balance is for future insurance and taxes for this property. If the lender does not return the balance of that escrow account when this contract is fulfilled, then \$973.03 shall be credited to the Sellers.

2. **POSSESSION.** Buyers, concurrently with due performance on their part shall be

which reduces the amount still owed to Sellers by the Buyers. Sellers shall receive the balance of any escrow account held buy Sellers' mortgage company on the date the contract is completed. No other offset for property taxes shall be made at the time this contract is fulfilled. 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.

4. SPECIAL ASSESSMENTS. Sellers shall pay the special assessments against this property, including all sewage disposal assessments for overage charge, 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 property shall be timely paid by Sellers so as not to prejudice the Buyers' interest in the property. Sellers do disclose that the remaining proceeds of this contract will be applied to the mortgage and such mortgage will be released once the contract is fulfilled. 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.

CURRENT MORTGAGEE: There currently exists a mortgage against the property. The name and the address of the mortgagee are:

**Nationstar Mortgage LLC
ISAOA/ATIMA
PO Box 7729
Springfield, OH 45501**

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 100% 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.

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.

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 this contract less the total amount of the encumbrance on the interest of Sellers or their assigns 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. Payment for insurance on the property is included in the monthly payment paid by the Buyers to the Sellers. The Sellers currently have insurance through their

mortgage and the premiums for that insurance are paid through the escrow account with their mortgage company.

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 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 any taxes, special assessments or 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 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 this 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 561.13 Code of Iowa; and the use of the word "Sellers" in the printed portion of the 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:

(h) as on file with the Madison County Recorder

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 Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract and Sellers 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 Sellers as of the date of this contract; or as of such earlier date if and as designated in the next sentence. 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 this agreement, then upon due performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract. Sellers shall pay all taxes on any such personal, and all taxes thereon payable prior thereto.

15. APPROVAL OF ABSTRACT. Buyers have not examined the abstract of title to this property and such abstract is not 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 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 for 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 ousted 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 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 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 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 Sellers, in such action file 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) 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 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 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 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 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 hereto 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 "Sellers."

23. RELEASE OF RIGHTS. Each of the Sellers 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 Paint and/or Lead-Based Paint Hazard.

25. CERTIFICATION. Buyers and Sellers 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.

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.

IOWA HOUSE FIXERS, LLC

Dated: 8-1-2012

Jennifer Hartman
BY: Jennifer Hartman, Member

Dated: 8/3/2012

Executed in duplicate or triplicate

Aaron Nathaniel Payne
Aaron Nathaniel Payne, Seller

Amanda Payne
Amanda Payne, Seller

335 NW 2nd Street
Earlham, Iowa 50072

STATE OF IOWA, COUNTY OF Madison

This instrument was acknowledged before me on Aug 1st, 2012.

Anne M Cooper
Anne M. Cooper, Notary Public



STATE OF IOWA, COUNTY OF Polk

This instrument was acknowledged before me on August 3 2012.



[Signature], Notary Public