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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

Prepared by: John F. Bierman, III, P. O. Box 713, Grinnell, IA, 50112 Tel. 641-236-6128

Send tax statement to: Jennifer & Rodney McFarland, 707 W. Mills, Winterset, IA 50273

✓ Return document to: John F. Bierman, III, P. O. Box 713, Grinnell, IA, 50112

~~\$215,000~~

REAL ESTATE CONTRACT (INSTALLMENT SALE)

IT IS AGREED between Terry L. Schmidt, single, 1330 89th St., West Des Moines, IA 50266-8540, SELLER, and Jennifer McFarland and Rodney McFarland, husband and wife, 707 W. Mills, Winterset, IA 50273, BUYERS:

That SELLER hereby agrees to sell and BUYERS hereby agree to buy the real estate situated in Madison County, Iowa, described as:

Lot Twelve (12) of Northwest Development-Plat 1, to the City of Winterset, Madison County, Iowa.

together with all easements and servient estates appurtenant thereto, upon the following terms:

1. **PURCHASE PRICE.** The purchase price for said property is the sum of Two Hundred Fifteen Thousand Dollars and No Cents (\$215,000.00). BUYERS agree to pay the balance to SELLER as follows: Eight Hundred Fifty Dollars and No Cents (\$850.00) on July 1, 2013 and Eight Hundred Fifty Dollars and No Cents (\$850.00) on the first day of each month thereafter until July 1, 2023 when accrued interest and the balance shall be paid in full.

2. **INTEREST.** BUYERS agree to pay interest from July 1, 2013 upon the unpaid balance, at the initial rate of Four Percent (4%) per annum, payable as set forth above. The interest rate shall thereafter be adjusted on July 1 in every fourth year of the term of this contract to an amount equal to the then Wall Street Journal prime rate (or its equivalent if not then in existence), plus Three-fourths Percent (3/4%.) All payments made to SELLER under the terms of this contract shall first be applied to interest unpaid and next to the balance of principal. BUYERS agree to pay interest at the rate of 6% per annum on all amounts herein as and after they become delinquent and/or on cash reasonably advanced by SELLER pursuant to this agreement as protective disbursements.

3. **TAXES.** SELLER has paid all real estate taxes and assessments now due and payable. BUYERS agree to pay, before they become delinquent, all subsequently payable taxes and assessments against the premises.

4. **POSSESSION.** SELLER agrees to give BUYERS possession of said premises on July 1, 2013. BUYERS are now in the possession of the premises as tenants and the lease agreement now existing between SELLER and BUYERS shall terminate on June 30, 2013.

5. **INSURANCE.** SELLER agrees to carry existing insurance until date of possession and BUYERS agree to accept the insurance recovery instead of replacing or repairing buildings or improvements. Thereafter until final settlement, BUYERS agree to keep the improvements upon said premises insured against loss by fire, tornado and extended coverage of a sum not less than the full insurable value or the balance owing under this contract, whichever is less, with insurance payable to SELLER and BUYERS as their interests may appear; and to deliver policies therefore to SELLER.

6. **FIXTURES.** All light fixtures, electric service cable and apparatus, shades, rods, blinds, awnings, storm and screen doors and windows, attached linoleum, attached carpeting, water heater, water softener, outside TV tower and antenna, attached fencing and gates, pump jacks, trees, shrubs and flowers and any other attached fixtures are a part of the real estate and are included in this sale.

7. **CARE OF PROPERTY.** After receiving possession of the premises, BUYERS shall keep in good repair and not injure, destroy or remove the improvements or fixtures or make any material alterations thereof without the written consent of SELLER. If BUYERS can establish that a material alteration would substantially enhance the fair market value of the premises, SELLER will not unreasonably withhold consent to the alteration.

8. **ABSTRACT.** SELLER agrees to forthwith deliver to BUYERS for examination, abstract of title to said premises continued to the date of this contract showing merchantable title, subject to the limitations set forth in the following paragraph, in accordance with Iowa Title Standards. After examination by BUYERS the abstract shall be held by SELLER until delivery of the deed in accordance with paragraph nine (9) below. SELLER agrees to pay for any additional abstracting which may be required by acts, omissions, death or incompetency of SELLER, occurring before delivery of the deed.

9. **DEED AND TRANSFER TAX.** Upon full performance of the terms of this contract by BUYERS, SELLER shall deliver to BUYERS a warranty deed which shall be subject to: (a) Liens and encumbrances suffered or permitted by BUYERS, and taxes and assessments payable by BUYERS; (b) Applicable governmental regulations and ordinances, easements, reservations and fence agreements of record, and established roads and highways. SELLER shall be responsible for the payment of the Iowa Transfer Tax necessary for the recording of the deed and at the option of SELLER, SELLER shall pay the tax or the tax shall be deducted from the balance to be paid to SELLER.

10. **FORFEITURE AND FORECLOSURE.** If this agreement is not performed by BUYERS in any respect, time being made the essence of this agreement, then SELLER may forfeit this contract as provided by Chapter 656 of the Code of Iowa and all payments made and improvement made on said premises shall be forfeited. After 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 removed as such as provided by law. As an alternative to forfeiture SELLER may declare the full balance owing due and payable and proceed by suit at law or in equity to foreclose this contract, in which event BUYERS agree to pay costs and attorney fees and any other expense incurred by SELLER. BUYERS agree that the periods of redemption after sale on foreclosure may be reduced under the conditions set forth in Sections 628.26 and 628.27 of the Code of Iowa.

11. **MECHANICS' LIENS.** No mechanics' liens shall be imposed upon or foreclosed against the real estate described herein.

12. **ATTORNEY'S FEES.** In the event a judgment shall be entered for the purpose of enforcing any provision of this contract, reasonable attorney's fees shall be allowed as court costs as provided in Iowa Code Section 625.22.

13. **ADVANCEMENTS.** If as required by this contract, taxes or insurance are not paid by BUYERS or if repairs are not made by BUYERS, SELLER may, but need not, pay the costs of the same 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.

14. **CONDITION OF PROPERTY.** SELLER knows of no deficiencies, latent or otherwise, in the condition of the property.

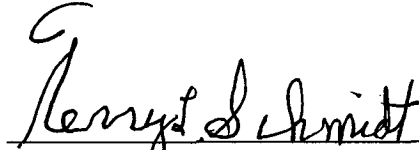
15. **WARRANTIES.** SELLER represents that he has no knowledge of any solid waste disposal sites, wells, hazardous waste, underground storage tanks or burial sites on the premises. SELLER makes no other representation or warranties as to the physical and mechanical condition of the property and the property is sold "as is", without warranty.

16. **LEAD-BASED PAINT.** BUYERS hereby waive the right to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead based paint hazards.


17. **TRANSFER OF THE INTEREST OF BUYERS.** In the event BUYERS shall lease, transfer or assign any or all of their interest in this contract without the prior written consent of SELLER, SELLER may, at the option of SELLER, declare all sums due under this contract to be immediately due and payable.

18. **PREPAYMENT.** BUYERS shall have the right to make prepayments on this contract or to pay it in full at any time without penalty.

Dated this 6 day of July, 2013.


Terry L. Schmidt
SELLER

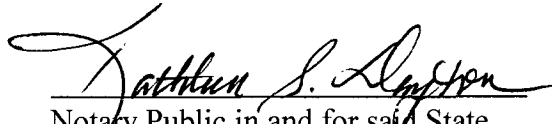

Jennifer McFarland
BUYER


Rodney McFarland
BUYER

STATE OF IOWA, POWESHIEK COUNTY

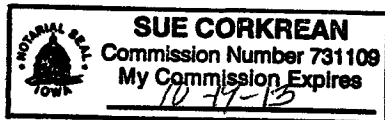
This instrument was acknowledged before me on June 28, 2013, by Terry L. Schmidt.

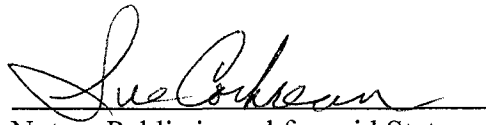



Notary Public in and for said State

STATE OF IOWA, Madison COUNTY

This instrument was acknowledged before me on July 8th, 2013 by Jennifer McFarland and Rodney McFarland.




Notary Public in and for said State