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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

**INSTALLMENT
REAL ESTATE CONTRACT**

Recorder's Cover Sheet

\$175,000.00

Preparer Information: (name, address and phone number)

John E. Casper, 223 E. Court Avenue, P.O. Box 67, Winterset, Iowa 50273-0067
(515) 462-4912

Taxpayer Information: (name and complete address)

John A. Walker and Sharon K. Walker, 2337 Vintage Lane, St. Charles, Iowa 50240

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

John E. Casper, 223 E. Court Avenue, P.O. Box 67, Winterset, Iowa 50273-0067

Grantors:

John A. Walker
Sharon K. Walker

Grantees:

Robert J. Cloe

Legal Description: See Page 2

Document or instrument number of previously recorded documents: N/A

REAL ESTATE CONTRACT

IT IS AGREED by and between John A. Walker and Sharon K. Walker, Husband and Wife, of the County of Madison, State of Iowa, Seller; and Robert J. Cloe, of the County of Madison, State of Iowa, Buyer:

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 Madison, State of Iowa, to-wit:

Lot Four (4) in Block Two (2), Hartman & Young's Addition to Town of St. Charles, 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 as described herein all upon the terms and conditions following:

1. **TOTAL PURCHASE PRICE.** The Buyer agrees to pay for this property the total of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) payable at St. Charles, Madison County, Iowa, or as directed by the Seller, as follows:

(a) A down payment in the sum of Eleven Thousand Dollars (\$11,000.00) shall be due and payable by Buyer upon their execution of this Contract; and,

(b) The contract balance of \$164,000.00 shall be payable as follows: \$1,097.75, or more, due on or before October 1, 2014; and, \$1,097.75, or more, due on or before the first (1st) day of each month thereafter until September 1, 2019 when all remaining balances due hereunder shall be due and payable in full. The Buyer shall pay Seller interest upon the unpaid principal balance from September 1, 2014 at the rate of seven percent (7 %) per annum payable monthly as provided herein. The monthly payments include principal and interest. All payments shall be first credited towards the interest accrued to the date of the payment and the balance towards the reduction in principal. Buyer shall also pay interest at the rate provided under paragraph 18 of this Contract on all delinquent amounts and any sums reasonably advanced by Seller to protect their interest in this Contract, computed from the date of the delinquency or advance.

(c) In addition to the foregoing monthly payment, the Buyer shall each month on the payment due date commencing on May 1, 2015 pay to the Seller one-twelfth (1/12th) of the annual property taxes on the premises to be held by the Seller in an escrow fund established by the Seller. The parties agree the Buyer shall initially deposit to escrow \$325.00 each month. Seller shall use these funds to pay the real estate taxes prior to their delinquency. The parties shall review and make adjustments in the amount of the monthly deposit to this escrow account as necessary to allow for payment of taxes under the Real Estate Sales Contract.

2. **POSSESSION.** Buyer, concurrently with due performance on their part, shall be entitled to possession of the property upon September 1, 2014. The parties will attempt to close on this transaction on or about September 30, 2014.

3. **TAXES.** Seller shall pay the property taxes accrued to the date of Buyer's possession and payable during the subsequent fiscal year and any unpaid taxes thereon payable in prior fiscal years. Buyer shall pay any taxes not assumed by Seller and all subsequent taxes before same become delinquent. The parties shall not prorate taxes at closing, but each party shall pay their respective tax obligations as such obligations become due and payable.

4. **SPECIAL ASSESSMENTS.** Seller shall pay the special assessments against this property which are a lien thereon as of the date of the Buyer's possession of the property. Buyer, except as above stated, shall pay all subsequent special assessments and charges, before they become delinquent.

5. **INSURANCE.** Seller shall maintain existing insurance upon the premises until the date of Buyer's possession. Buyer shall accept insurance proceeds instead of Seller replacing or repairing damaged improvements. After possession and until full payment of the purchase price, Buyer shall keep the improvements on the premises insured against loss by fire, tornado, and extended coverage for a sum not less than the balance remaining due to the Seller on this Sales Contract payable to the Seller and Buyer as their interests may appear. Buyer shall provide Seller with evidence of such insurance.

6. **CARE OF PROPERTY.** Until delivery of possession to the Buyer, the Seller shall maintain the premises in its existing condition. Until final payment of the purchase price to the Seller, Buyer shall not make any material alteration in said premises without the written consent of the Seller and Buyer shall not use or permit said premises to be used for any illegal purpose.

7. **LIENS.** Until final payment of the purchase price to the Seller, the Buyer shall not allow any mechanics' lien to be imposed upon or foreclosed against the real estate described herein.

8. **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.

9. **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 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 and to accept deed solely from them consistent with paragraph 13 below unless and except this paragraph is stricken from this agreement.

10. **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 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.

11. **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.

12. **EXCEPTIONS TO WARRANTIES OF TITLE.** The warranties of title in any Deed made pursuant to this Contract (See paragraph 13) 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.

13. **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 Buyer have been complied with, Seller will execute and deliver to Buyer a General Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this Contract and Seller will at this time deliver to Buyer an abstract showing merchantable title, in conformity with this Contract and the land title standards of the Iowa State Bar Association. 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. 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.

14. **APPROVAL OF ABSTRACT.** Buyer has not yet examined the abstract of title to this property and such abstract is not yet accepted.

15. **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 keep the property insured; or (d) fails to keep it in reasonable repair

as herein required; or (e) 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 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 Buyer 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 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.

16. FORECLOSURE AND REDEMPTION. If Buyer fails 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 revenue 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 Buyer 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 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 owner and those persons personally liable under this Contract at the time of such foreclosure; and (3) Seller in such action files an election to waive any deficiency judgment against Buyer or their successor in interest in such action. If the redemption period is so reduced, Buyer 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 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.

17. **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 them, or upon the above described property, Buyer agrees to pay reasonable attorneys fees.

18. **INTEREST ON DELINQUENT AMOUNTS.** The Buyer shall pay the Seller interest at the contract rate at the rate of eighteen percent (18%) per annum on all amounts herein as and after the date they become delinquent, and/or on the date the cash is reasonably advanced by Seller pursuant to the terms of this Contract, as protective disbursements. Should Seller not receive the full amount of any installment payment by the end of the tenth (10th) day after the payment is due, then the Buyer agrees to pay Seller a late fee in a sum of money equal to five percent (5%) of the overdue payment amount including the principal and interest. The Buyer agrees to pay this late fee, but only once on each late payment.

19. **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.

20. **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 Buyer's rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereto against all such personal property. This personal property is bought "AS IS"; the Seller makes no representations to Buyer as to their condition or usability; and, do not represent that any of these appliances will be in working order.

21. **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 10 above, for construction of the word "Seller."

22. **RELEASE OF RIGHTS.** The Seller hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waive all rights of exemption as to any of the property.

23. **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. The Buyer agrees that a risk assessment is not necessary for this transaction; and, waives any right to such assessment or inspection.

24. 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 Buyer acknowledges full opportunity to inspect the structural, electrical, plumbing, sewer and other conditions of the premises.

B. TERMITE INSPECTION WAIVER. The parties agree the Seller shall not have the property inspected for termites and other wood destroying insects by a licensed termite inspector prior to the Buyer's possession and the Buyer waives the right to have the Seller perform any such inspection. This provision does not prohibit or limit the Buyer's right to have such inspection performed prior to the Buyer's possession and the Buyer shall have the right of access to the property for such inspection purposes.

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.

Buyer waives 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. CERTIFICATION. Buyer 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.

E. TERMINATION OF LEASE. The parties agree and stipulate that the Residential Lease Agreement between the parties upon this property shall be terminated effective on August 31, 2014. The parties further agree that the Buyer's security deposit in the sum of One Thousand Dollars (\$1,000.00) shall be applied in full towards the Buyer's down payment set forth in paragraph 1(a) above.

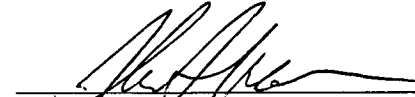
F. SELLER'S MORTGAGE. The Seller agrees and warrants that any Seller mortgage balance on the property described above shall not at any time equal or exceed the contract balances due and payable by the Buyer.

Dated: October 15, 2014.


Executed in duplicate or triplicate.

SELLER:

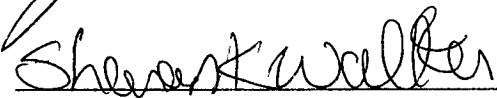
BUYER:



John A. Walker



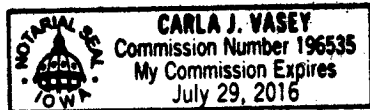
Robert J. Cloe

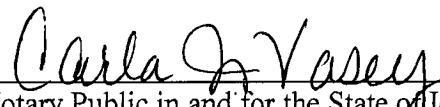


Sharon K. Walker

STATE OF IOWA)
) ss
MADISON COUNTY)

This instrument was acknowledged before me on October 15, 2014 by John A. Walker and Sharon K. Walker.

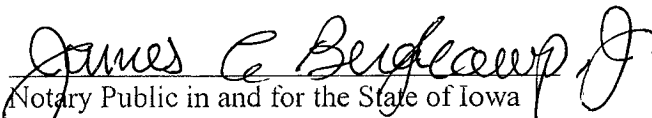




Notary Public in and for the State of Iowa

STATE OF IOWA)
) ss
DALLAS COUNTY)

This instrument was acknowledged before me on October 10, 2014 by Robert J. Cloe.



Notary Public in and for the State of Iowa

