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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

REAL ESTATE CONTRACT-INSTALLMENTS

THE IOWA STATE BAR ASSOCIATION

Official Form No. 142

Recorder's Cover Sheet

\$57,950.00

Preparer Information: (name, address and phone number)

Lindsey A. Guerrero, Wilson Law Firm, P.C., 475 Alice's Road, Ste A, Waukee, IA 50263 (515) 369-2502

Taxpayer Information: (name and complete address)

IA-Rentals, LLC, PO Box 848, Waukee, IA 50263

Return Document To: (name and complete address)

Lindsey A. Guerrero, Wilson Law Firm, P.C., 475 Alice's Road, Ste A, Waukee, IA 50263 (515) 369-2502

Grantors:

IA-Rentals, LLC, an Iowa limited liability company

Grantees:

Wade J. Adams and Eva K. Adams, husband and wife

Legal Description: See Page 2

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

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 28th day of July, 2015 by and between **IA-Rentals, LLC**, an Iowa limited liability company, of the County of Dallas, State of Iowa, Sellers; and, **Wade J. Adams and Eva K. Adams**, husband and wife, of the County of Madison, State of Iowa, Buyers;

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 Three (3), in Block Seventeen (17) of T.D. Jones' Addition to the City of Winterset, in Madison County, Iowa.



Locally known as: **110 E. Grade Street, Winterset, IA 50273**

together with any easements and servient estates appurtenant thereto, but subject to: (a) any zoning and other ordinances; (b) any covenants of record; (c) any easements of record for public utilities, roads and highways, (d) such reservations and exceptions of title as may be below stated, and (e) 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 **\$57,950.00** due and payable to PO Box 848, Waukee, IA 50263 as otherwise directed by Seller, as follows:

(a) **DOWN PAYMENT** of **\$0.00** RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED and is nonrefundable.

(b) **REPAIR ALLOWANCE** from Seller to Buyer in the amount of \$1,000.00.

(c) **PURCHASE PRICE. \$56,950.00** as follows:

Buyer's total monthly payment shall be **\$615.04** including one-twelfth (1/12) annual taxes and one-twelfth (1/12) annual insurance, beginning on September 1st, 2015 and continuing in a like amount on the 1st day of each and every month thereafter. Taxes and insurance are subject to change. The outstanding balance shall accrue interest at the rate of 0.748% per annum and be amortized over a period of ten (10) years.

Monthly payments received after the 4th day of the month shall be charged a \$100.00 late fee.

Buyer shall be charged \$50.00 for each check that is returned to the Seller for lack of sufficient funds in addition to any late payment charges allowable under this contract.

The outstanding balance may be prepaid at any time without penalty.

Upon a principal payment of \$57,950.00, a deed in fulfillment of this contract will be delivered to Buyer.

2. **POSSESSION.** Buyers, concurrently with due performance on their part shall be entitled to possession of said premises upon closing 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. so indicate by 'yes' in the space following: _____

3. **TAXES.** Buyer shall pay 1/12th of the annual taxes in combination with the monthly installment payment as noted in Section 1 above. Said tax installments shall be held in escrow by Seller. Seller shall be responsible for paying such taxes from escrow before they become delinquent. The monthly tax installment shall adjust annually in accordance with reassessment by the County Assessor. Whomever 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 and such proration shall be given at the time the contract is paid in full.**

4. **SPECIAL ASSESSMENTS.** At this time there are no special assessments against this property. Buyers shall pay all subsequent special assessments and charges, before they become delinquent, from and after the date of this contract, including all sewage disposal assessment for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession, if applicable.

5. **MORTGAGE.** Any mortgage or encumbrance of a similar nature against the said property shall be timely paid by Sellers so as not to prejudice the Buyers' equity herein. 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. **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. 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. **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 Sellers, 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. **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. Notwithstanding the foregoing, any mortgage escrow refund from Seller's current mortgagee or future mortgagee is Seller's sole and absolute property and Buyer disclaims any interest therein.

6. **INSURANCE.** Seller is responsible to maintain insurance and risk of loss insurance

upon the Real Estate at all times. Until full payment of the purchase price, Seller shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 100 percent of full insurable value payable to the Seller and Buyer as their interests may appear. Seller shall provide Buyer with evidence of such insurance to be effective and in full force and effect from and after closing. Buyer's interest shall be protected in accordance with a standard or union-type loss payable clause. **SELLERS SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH BUYERS** 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 Sellers 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. Buyer shall be responsible for all maintenance, including but not limited to plumbing and HVAC. 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.

(a) **ADVANCEMENT BY SELLERS.** If Buyers fail to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Sellers 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.

(b) **ADVANCEMENT BY BUYERS.** If Sellers fail to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Buyers 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.

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 this contract.

11. JOINDER BY SELLER'S SPOUSE. 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 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 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:

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 Seller will deliver to Buyers an abstract showing merchantable title, in conformity with this contract, Iowa Law and the Title Standards of the Iowa State Bar Association, as of the date of 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. The abstract shall become the property of the Buyer when the purchase price is paid in full. Seller shall pay the costs of any additional abstracting and title work due to any act or omission of Seller, including transfers by or the death of Seller or their assignees.

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 property payable in the fiscal year in which possession is given, and all taxes thereon payable prior thereto.

This contract supersedes the previous written offer of Buyers to buy the above described property.

15. APPROVAL OF ABSTRACT. Buyer has waived abstract review prior to entering into this contract. Abstract shall be held by Seller pending full payment of this contract.

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/or 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 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 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. DEFAULT. If Buyer shall default (i) in the payment of this contract and any such default shall continue or be repeated for two (2) consecutive months, or for a total of four (4) months in any period of twelve (12) months; or (ii) in the performance of any other covenant of this contract more than four (4) times, in the aggregate, such defaults being cured within the applicable

grace period as above provided, any further similar default shall be deemed to be deliberate, and Seller thereafter may terminate this contract or Buyer's right to possession by serving a written three day notice to quit upon Buyer, without affording to Buyer an opportunity to cure such default.

19. **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 attorneys' fees.

20. **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.

21. **ASSIGNMENT.** This contract shall be due and payable in full upon sale or assignment by the Buyers. Buyer shall not assign this installment contract, or any portion thereof, without the written consent of the Seller.

22. **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.

23. **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."

24. **RELEASE OF RIGHTS.** Each of 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.

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

26. **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.

27. **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.

28. SPECIAL PROVISIONS.

- a. **WAIVER.** Any waiver of any of the terms and/or conditions of this Agreement by any Party shall not be construed to be a general waiver of such terms and/or conditions by such Party, and such Party shall be free to reinstate any such terms and/or conditions, with or without notice to the other Parties.
- b. **STATUS OF BUYERS UPON FORFEITURE.** Upon default being made in the payment of the purchase money by the Buyers, and upon the forfeiture of this contract by the Sellers, the parties expressly agree that this contract shall be treated as a lease. Upon the completion of the forfeiture, the Buyers shall at once peacefully remove themselves from possession of the subject property and, upon the Buyers failure to do so; Buyers shall be treated as tenants holding over unlawfully after the expiration of the lease and may be ousted or removed as such.

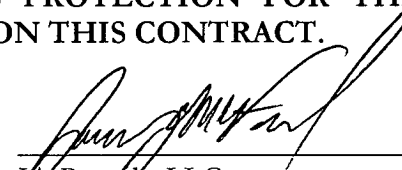
The parties expressly agree that, upon the giving of a written three-day notice to quit, as provided in Iowa Code §648.3, the Buyers shall at once peacefully remove themselves from possession of the subject property. If the Buyers fail to do so, the Sellers may proceed with a Forcible Entry and Detainer Action, as provided in Iowa Code Chapter 648. Because the Buyers are treated as a tenants holding over, the parties expressly acknowledge that the District Court sitting in Small Claims shall have concurrent jurisdiction over any Forcible Entry and Detainer action, under the provisions of Iowa Code Chapter 631.

- c. **DOWN PAYMENT.** Buyer shall pay zero dollars (\$0.00) as the down payment at the time of closing. Failure of the Buyers to pay the down payment on or before the above described date, shall be deemed a breach of this installment contract permitting Sellers to forfeit the real estate as provided by Iowa Code Chapter 656.
- d. **BALLOON DATE.** The entire principal and balance due under this contract will be due and owing on **August 1st, 2025** without exception. Failure of the Buyers to pay this balloon payment shall be deemed a breach of this installment contract permitting Sellers to forfeit the real estate contract as provided by Iowa Code Chapter 656. If, on or before the balloon date, Buyer voluntarily wishes to discontinue payments and forfeit his interest in the property, Buyer shall execute a Quit Claim Deed conveying his interest in the property to Seller, so long as there are no judgments or liens showing against Buyer. Notwithstanding, in the event Buyer chooses to reconvey the property to Seller by virtue of a Quit Claim Deed, all payments made hereunder shall be forfeited in their entirety.
- e. **PROPERTY CONDITION.** Buyer warrants and states that they have inspected the premises and that it has met their approval and satisfaction. The Sellers do not warrant the real estate nor any appliances, structures, mechanical systems or any other items relating to the premises. Buyer further acknowledges that they are buying the real estate without any express or implied warranties and are buying said property "as is."
- f. **LEASE.** This contract shall be due and payable in full upon lease by the Buyers. Buyer shall not lease the property, or any portion thereof, without the written consent of the Seller.

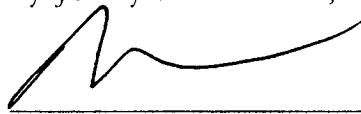
- g. CLOSING COSTS AND ATTORNEY FEES. Seller and Buyer each agree to pay one-half (1/2) all closing costs and attorney fees relating to the preparation and execution of this contract.

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: 7/28/2015


IA-Rentals, LLC Seller
By: Jeremy W. McFarland, Manager

Dated: 7/28/15

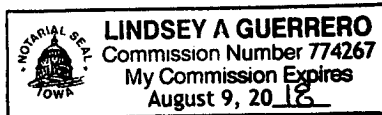

Wade J. Adams Buyer

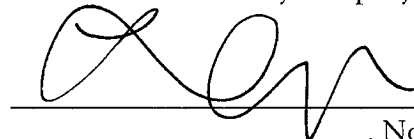
Dated: 7/28/15


Eva K. Adams Buyer

STATE OF IOWA, COUNTY OF Dallas

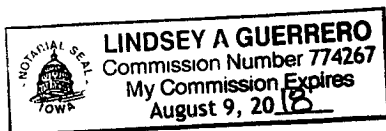
This instrument was acknowledged before me on July 28, 2015, 2015 by Jeremy W. McFarland, Manager of IA-Rentals, LLC, an Iowa limited liability company.

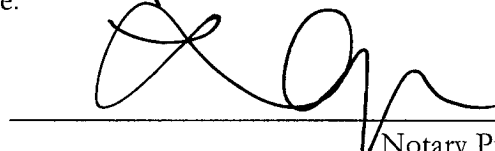



_____, Notary Public

STATE OF IOWA, COUNTY OF Dallas

This instrument was acknowledged before me on July 28, 2015, 2015 by Wade J. Adams and Eva K. Adams, husband and wife.




_____, Notary Public