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LISA SMITH, COUNTY RECORDER  
MADISON COUNTY IOWA

Prepared by: James M. Box, Box and Box, 304 N. Court, Ottumwa, IA 52501 (641) 682-4512

Address Tax Statements To: Steffany Mohan, 1625 NW 120<sup>th</sup> St Clive, IA 50325

✓ Return to: David & Sheryl North, 705 E Alta Vista Ottumwa, IA 52501

\$400,000

### REAL ESTATE CONTRACT (SHORT FORM)

IT IS AGREED between David E. North and Sheryl L. North, husband and wife, ("Sellers"), and Steffany Mohan, ("Buyer"). Sellers agree to sell and Buyers agree to buy real estate in Madison County, Iowa, described as:

The SE ¼ of the NW ¼ of Section 24, Township 75 North, Range 26 West of the 5th P.M., in Madison County, Iowa except all that part thereof previously conveyed for highway or road purposes, and except the South 53.6 rods of the West 27 rods thereof, and except a tract of land commencing 57.6 rods North of the Southwest corner of the said SE ¼ of the NW ¼, running thence East 311 feet, thence North 132 feet, thence West 66 feet, thence North to the North line of said SE ¼ of the NW ¼, thence West along said North line to the Northwest corner of the said SE ¼ of the NW ¼ thence South to the point of beginning,

And

South 10 acres of the SE ¼ of the NW ¼ and the NE ¼ of the SW ¼ all in Section 13, Township 75 North, Range 26 West of the 5th P.M., all in Madison County, Iowa.

And

The SW ¼ of the NE ¼ and the NW ¼ of the SE ¼ of Section Thirteen, in Township Seventy-five North, Range Twenty-six West of the 5th P.M., Madison County, Iowa.

And

Parcel D SE ¼ of SE ¼ Section Twelve, Township Seventy-five North, Range Twenty-seven West Scott Township in Madison County, Iowa.

#### Locally known as: Vacant Ground

with any easements and appurtenant servient estates, but subject to the following: a. any zoning and other ordinances; b. any covenants of record; c. any easements of record for public utilities, roads and highways; and d. (consider: items; mineral rights; other easements; interest of others.(the "Real Estate")), upon the following terms:

**1. PRICE:** The total purchase price for the Real Estate is Four Hundred Thousand Dollars and 00/100 (\$400,000.00). The balance of Four Hundred Thousand Dollars and 00/100 (\$400,000.00) shall be paid by Buyers to Sellers as follows:

Buyer shall make annual payments of \$25,102.94 per year, including principal and interest, with the first payment being made on March 1<sup>st</sup>, 2016 and on the 1st day of the March, each year thereafter, until the entire unpaid balance, including principal and interest, has been paid in full.

Privilege is given of making additional payments on the principal at any time without penalty. If the payment is not received within ten days of the due date there will be a \$25.00 late fee.

**2. INTEREST:** Buyers shall pay interest from September 4<sup>th</sup>, 2015 on the unpaid balance, at the rate of 4% per annum, payable monthly and included in the monthly payment. Buyers shall also pay interest at the rate of 6% per annum on all delinquent amounts and any sum reasonably advanced by Sellers to protect their interest in this contract, computed from the date of the delinquency or advance.

**3. REAL ESTATE TAXES:** Sellers shall pay those taxes delinquent October 1<sup>st</sup>, 2015 and April 1<sup>st</sup>, 2016 and Buyer shall assume those taxes delinquent October 1<sup>st</sup>, 2016 and pay all future taxes prior to them becoming delinquent.

**4. SPECIAL ASSESSMENTS:** Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of this contract. All other special assessments shall be paid by Buyers.

**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 for any amount not exceeding 75% 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. **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.

**6. POSSESSION:** Sellers shall give Buyers possession of the real estate on September 4, 2015. **Buyer is assuming possession subject to the rights of the tenant in possession. See Paragraph 21, Additional Provisions.**

**7. INSURANCE:** Sellers shall maintain existing insurance upon the Real Estate until the date of possession. Buyers shall accept insurance proceeds instead of Sellers replacing or repairing damaged improvements. After possession and until full payment of the purchase price, Buyers shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 80 percent of full insurable value payable to the Sellers and Buyers as their interest may appear. Buyers shall provide Sellers with evidence of such insurance.

**8. ABSTRACT AND TITLE:** Sellers, at their expense shall, 30 days prior to final payment obtain an abstract of title to the Real estate continued through the date of this estate contract and deliver to Buyers for examination. It shall show merchantable title in Sellers in or conformity with this contract, Iowa law and the Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyers when the purchase price is paid in full, however, Buyers reserves the right to occasionally use the abstract prior to full payment of the purchase price. Sellers shall pay the costs of any additional abstracting and title work due to any act or omission of Sellers, including transfers by or the death of Sellers or their assignees.

**9. FIXTURES:** All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as fencing, gates and landscaping shall be considered a part of Real Estate and included in the sale.

**10. CARE OF PROPERTY:** Buyers shall take good care of the property; shall keep the buildings and other improvements now or later placed on the Real Estate in good and reasonable repair and shall not injure, destroy or remove the property during the term of this contract. Buyers shall not make any material alteration to the Real Estate without the written consent of the Sellers except the Buyers may make improvements to the house and outside buildings without the written consent of the Sellers.

**11. DEED:** Upon payment of purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by Warranty Deed, free and clear of all liens, restrictions, and encumbrances except as provide herein. Any general warranties of title shall extend only to the date of this contract, with special warranties as to acts of Sellers continuing up to time of delivery of the deed.

**12. REMEDIES OF THE PARTIES:** a. If Buyers fail to timely perform this contract, Sellers may, at Sellers' option, forfeit Buyers' rights in this contract as provided in the Iowa Code, and all payments made by Buyer shall be forfeited. 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 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) 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 successors 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.

b. If Sellers fail to timely perform their obligations under this contract, Buyers shall have the right to terminate this contract and have all payments made returned to them.

c. Buyers and Sellers are also entitled to utilize any and all other remedies or actions at law or in equity available to them.

d. In any action or proceeding relating to this contract the successful party shall be entitled to receive reasonable attorney's fees and costs as permitted by law.

e. In the event this contract is not complied with on any terms and the Seller elects to either foreclose or forfeit this contract, the Seller and Buyer will be deemed to have a Landlord/Tenant relationship and the applicable provisions regarding forcible entry and detainer will apply.

**13. JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE:** If Sellers, immediately preceding this contract, hold title to the Real Estate in joint tenancy with full right of survivorship, and the joint tenancy is not later destroyed by operation of law or by acts of Sellers, then the proceeds of this sale, and any continuing or recaptured rights of Sellers in the Real Estate shall belong to Sellers as joint tenants with full right of survivorship and not as tenants in common; and Buyers, in the event of the death of either Sellers, agree to pay any balance of the price due Sellers under this contract to the surviving Seller and to accept a deed from the surviving Seller consistent with paragraph 10.

**14. JOINDER BY SELLER'S SPOUSE:** Seller's spouse, if not a titleholder immediately preceding acceptance of this offer, executes this contract only for the purpose of relinquishing all rights of dower, homestead and distributive shares or in compliance with Section 561.13 of the Iowa Code and agrees to execute the deed for this purpose.

**15. TIME IS OF THE ESSENCE:** Time is of the essence in this contract.

**16. PERSONAL PROPERTY:** If this contract includes the sale of any personal property, Buyers grant the Sellers a security interest in the personal property and Buyers shall execute the necessary financing statements and deliver them to the Sellers.

**17. CONSTRUCTION:** Words and phrases in this contract shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

**18. INSPECTION CLAUSE:** Buyers are purchasing the above described real estate in its "AS IS" condition, as of the date of the execution of this Agreement and Sellers make no warranties as to the condition of the property, any mechanical systems located thereon, or any buildings or other improvements located thereon, or any other warranties except as to the title of the property.

**19. RESALE CLAUSE:** It is agreed that if purchaser(s) shall sell, assign, transfer or convey this contract or the interest in said property without the written consent of the Seller(s), it is agreed that the Seller(s) may, by giving 30 days written notice to the purchasers, require that the entire unpaid purchase price be paid and purchasers promise to pay same.

**21. ADDITIONAL PROVISIONS:**

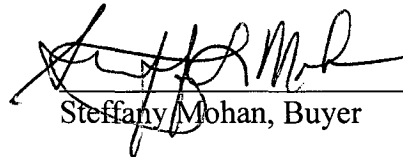
a. A Disclosure Statement and a Lead-based Paint Affidavit have not been completed by the Sellers and reviewed by the Buyers as the property is vacant ground.

b. The property is currently being leased and Buyer accepts property subject to the rights of the tenants. Buyer will be entitled to the rent payable March 1, 2016.

c. During the preparation of this contract, James M. Box is representing the Sellers. The Buyer is advised that she may have an attorney of her choice review this contract prior to signing.

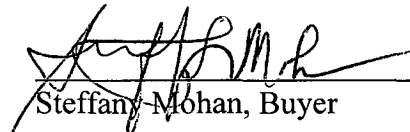
**I UNDERSTAND THAT HOMESTEAD PROPERTY IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.**

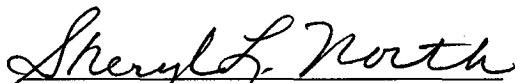
Dated: September 8, 2015

  
Steffany Mohan, Buyer

Dated this 8 day of September, 2015

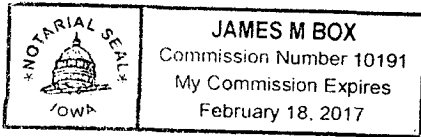
  
David E. North, Seller

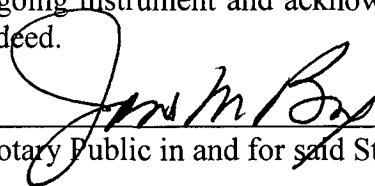
  
Steffany Mohan, Buyer

  
Sheryl L. North, Seller

STATE OF IOWA, COUNTY OF WAPELLO, ss:

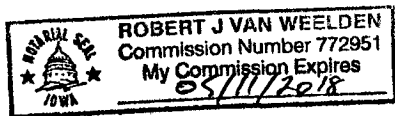
ON THIS 8 day of September, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared David E. North and Sheryl L. North, to me known to be the identical person named in and who executed the foregoing instrument and acknowledged to me that they executed the same as their voluntary act and deed.

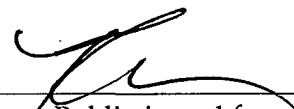


  
Notary Public in and for said State

STATE OF IOWA, COUNTY OF Polk, ss:

ON THIS 19th day of September, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Steffany Mohan, to me known to be the identical persons named in and who executed the foregoing instrument and acknowledged to me that they executed the same as their voluntary act and deed.



  
Notary Public in and for said State