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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

REAL ESTATE CONTRACT-INSTALLMENTS

THE IOWA STATE BAR ASSOCIATION

Official Form No. 141

Recorder's Cover Sheet

MLL16950

\$180,000

Preparer Information: (name, address and phone number)

Maegan L. Lorentzen, 4201 Westown Parkway, Suite 250, West Des Moines, IA 50266, Phone:
(515) 283-1801 (MLL16950)

Taxpayer Information: (name and complete address)

David Falke, 1907 Ironwood Trail, Winterset, IA 50273

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

David Falke, 1907 Ironwood Trail, Winterset, IA 50273

Grantors:

David Falke
Stacey Falke

Grantees:

Shane Edwards
Paula Edwards

Legal Description: See Page 2

Document or instrument number of previously recorded documents:

Seller Initials

DF

Buyer Initials

S.E.P.

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 18th day of September, 2015, by and between **David Falke and Stacey Falke, husband and wife, as SELLERS;** and **Shane Edwards and Paula Edwards, husband and wife, as 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:

A parcel of land located in the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of Section Nine (9) in Township Seventy-five (75) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa, containing 5.042 acres, as shown in Plat of Survey filed in Book 2, Page 107 on April 19, 1988, in the Office of the Recorder of Madison County, Iowa.



And locally known as: **2467 St. Charles Road, Winterset, IA 50273**

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, all upon the terms and conditions following:

1. **TOTAL PURCHASE PRICE.** The BUYERS agree to pay for said property the total of **\$180,000.00** due and payable to Sellers at 1907 Ironwood Trail, Winterset, IA 50273 as follows:

- (a) **DOWN PAYMENT of \$15,000.00 RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED;**
- (b) **BALANCE OF PURCHASE PRICE. \$ 165,000.00, as follows:**

Monthly principal payments in the amount of **\$ 1,000.00** beginning on November 1, 2015 and continuing in a like amount on the 1st day of each and every month thereafter.

Buyers shall also be responsible for taxes and property insurance on a monthly basis, which shall be placed in an escrow account by the Sellers and used to pay taxes and insurance on the property. Given current assessments, Buyer's monthly payment for taxes into escrow shall be **\$141.66** (1/12 of current taxes) and Buyer's monthly payment for insurance into escrow shall be **\$136** (1/12 of current insurance premium). Amount paid for taxes and insurance are subject to change based on tax assessments and insurance costs each year.

Buyer's **TOTAL** monthly payment, including principal, interest and escrows, shall be **\$1277.66** per month.

The outstanding balance may be prepaid at anytime without penalty.

Seller Initials *DF* Buyer Initials *SE* *PP* 2

ADDITIONAL PAYMENTS. Buyers shall make two additional lump sum payments in the amount of \$5,000.00 each. The first **\$5,000.00** shall be due on or before **January 1, 2016**, and the second payment of **\$5,000.00** shall be due on or before **March 1, 2016**. Failure of the Buyers to pay these additional payments shall be deemed a breach of this installment contract permitting Sellers to forfeit the real estate contract as provided by Iowa Code Chapter 656.

BALLOON DATE. The entire principal and balance due under this contract will be due and owing on **October 1, 2018** 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.

2. **POSSESSION.** Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on October 1, 2015, and thereafter so long as they shall perform the obligations of this contract.

3. **TAXES.** No proration of taxes shall occur until the contract is paid in full. Buyers shall pay any taxes not assumed by Sellers and all subsequent taxes before the same become delinquent. Buyers shall pay 1/12th of the annual taxes to the Sellers on a monthly basis (as stated above) pursuant to a normal and customary escrow agreement. Sellers shall use these funds to pay the real estate taxes prior to delinquency. Sellers and Buyers shall review and make adjustments to the escrow account during the term of the real estate contract to properly reflect the amount of real estate taxes assessed against the property.

(a) **YEARLY TAXES** are currently assessed at \$ 1,700.00 for the payable year of 2015/2016.

4. **SPECIAL ASSESSMENTS.** Sellers shall pay the special assessments against this property which are a lien thereon as of the date of closing, including all sewage disposal assessments for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession.

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 95% 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

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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 Buyer, 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 Buyer; (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 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.

15. **APPROVAL OF ABSTRACT.** Buyers have examined the abstract of title to this property and said abstract is 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

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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 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, Buyer or his 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.

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

Seller Initials DF Buyer Initials S.E. PCJ 6

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, Buyer agrees 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 Sellers, prompt notice shall be given to Buyers, 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.

This contract is due and payable in full upon the sale or assignment by Buyers.

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. Sellers represent and warrant to Buyers that the Property is not served by a private sewage disposal system, and

Seller Initials DEB Buyer Initials SE, PO 7

there are no known private sewage disposal systems on the property.

27. SPECIAL PROVISIONS.

- a. **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 a 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 five-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 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.

- b. **PROPERTY CONDITION.** BUYERS warrant and state 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. BUYERS further acknowledge that they are buying the real estate without any express or implied warranties and are buying said property "as is."
- c. **UTILITIES.** Buyers shall be responsible for all utilities.

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.

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Dated: 9-18-15

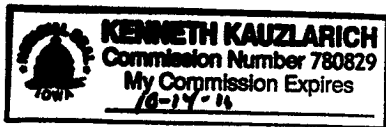
x Shane Edwards
Shane Edwards, Buyer
2615 Bryant Ridge Road, Liberty, KY 42539
Email: digitalsatelliteent@live.com

Dated: 9-18-15

x Paula Edwards
Paula Edwards, Buyer
2615 Bryant Ridge Road, Liberty, KY 42539
Email: digitalsatelliteent@live.com

STATE OF IOWA, COUNTY OF POLK

This instrument was acknowledged before me on September 18, 2015, by Shane Edwards and Paula Edwards, husband and wife.



[Signature], Notary Public

Dated: Sep 18 2015

[Signature]
David Falke, Seller
1907 Ironwood Trail, Winterset, IA 50273
Email: falkeconstruction@gmail.com

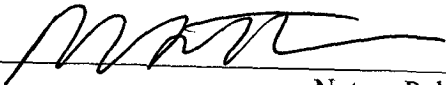
Dated: Sep 19 2015

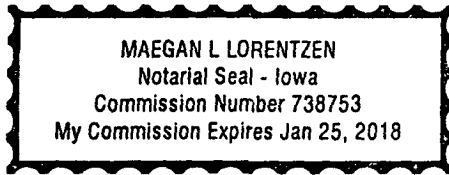
[Signature]
Stacey Falke, Seller
1907 Ironwood Trail, Winterset, IA 50273
Email: falkeconstruction@gmail.com

Seller Initials [Signature] Buyer Initials [Signature] 9

STATE OF IOWA, COUNTY OF POLK

This instrument was acknowledged before me on September 18, 2015, by David Falke and Stacey Falke, husband and wife.


_____, Notary Public



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