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LISA SMITH, COUNTY RECORDER  
MADISON COUNTY IOWA

## INSTALLMENT SALES CONTRACT

Recorder's Cover Sheet

\$45,000

**Preparer Information:** (name, address and phone number)

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

**Taxpayer Information:** (name and complete address)

Tommie G. Winters and Joan E. Winters, 703 E. Buchanan Street, Winterset, IA 50273

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

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

**Grantors:**

Richard L. Kephart  
Judy Kephart

**Grantees:**

Tommie G. Winters  
Joan E. Winters

**Legal Description:** See page 2

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

## REAL ESTATE CONTRACT

IT IS AGREED by and between Richard L. Kephart and Judy Kephart, Husband and Wife, of Adair County, Iowa, Sellers; and, Tommie G. Winters and Joan E. Winters, Husband and Wife, as Joint Tenants with Full Rights of Survivorship and Not as Tenants in Common, 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 Five (5) in Block Three (3) of Danforth's Addition to the Town of Winterset, 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.** Buyers agree to pay for said property the total of Forty-five Thousand Dollars (\$45,000.00) payable at Winterset, Madison County, Iowa, or as directed by the Sellers from time to time, as follows:

(a) No down payment to be payable to Sellers upon the Buyers execution of this Sales Contract; and,

(b) Balance of purchase price of \$45,000.00 shall be due and payable as follows:

\$355.86, or more, due on or before August 1, 2016 and \$355.86, or more, due on or before the first day of each month thereafter until July 1, 2031 when all remaining balances due hereunder shall become due and payable in full. Buyers shall pay Sellers interest upon the unpaid principal balance from July 1, 2016 at the rate of five percent (5 %) 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. Buyers shall also pay interest at the rate provided under paragraph eighteen (18) of this Contract on all delinquent amounts and any sums reasonably advanced by Sellers to protect their interest in this Contract, computed from the date of the delinquency or advance.

2. **POSSESSION.** Buyers, concurrently with due performance on their part, shall be entitled to possession of the property on July 1, 2016. The parties will attempt to close on this transaction on or about July 1, 2016.

3. **TAXES.** Buyers shall pay the property taxes which become payable during the fiscal year commencing on July 1, 2016 and all fiscal years thereafter. The Sellers shall be responsible for the

property taxes payable during the fiscal year commencing on July 1, 2015 and any unpaid taxes thereon payable in prior fiscal years. Buyers shall pay any taxes not assumed by Sellers and all subsequent taxes before same become delinquent. **The parties will not prorate such taxes at the closing.**

4. **SPECIAL ASSESSMENTS.** Sellers shall pay in full any special assessments which are a lien against this property as of the date of Buyers execution of this Contract. Except as above stated, the Buyers shall pay all other special assessments.

5. **INSURANCE AND RISK OF LOSS.** Buyers shall assume the risk of loss or damage to the property. Buyers shall constantly keep in force insurance, premiums therefore to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Sellers may reasonably require on all buildings and improvements, now on or hereafter placed on said premises and any personal property which may be the subject of this Contract, in companies to be reasonably approved by Sellers in an amount not less than the full insurable value of such improvements and personal property or not less than the unpaid purchase price herein whichever amount is smaller with such insurance payable to Sellers and Buyers as their interests may appear. Sellers' interest shall be protected in accordance with a standard or union-type loss payable clause. BUYERS SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH SELLERS 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.

6. **CARE OF PROPERTY.** Until delivery of possession to the Buyers, the Sellers shall maintain the premises in its existing condition, ordinary wear and tear excepted. Until final payment of the purchase price to the Sellers, Buyers shall not make any material alteration in said premises without the written consent of the Sellers and Buyers 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 Sellers, neither party shall allow any mechanic's lien to be imposed upon or foreclosed against the real estate described herein.

8. **FIXTURES.** This Contract includes all fixtures that integrally belong to the real estate such as wall-to-wall carpeting, built-in appliances, light fixtures, water softeners (except rentals), shades, rods, blinds, venetian blinds, storm windows and doors, air conditioning equipment (except window type), television antennas (including satellite dishes), electrical service cables, automatic garage door openers, door chimes, fencing, gates, attached shelving and mirrors, bushes, trees, shrubs and plants.

9. **JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN REAL ESTATE.** If and only if, 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 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 Sellers 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) 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.

13. **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 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 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. 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.

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

15. **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 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.

16. **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 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 successors in interest or the owners 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.

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 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.

18. **INTEREST ON DELINQUENT AMOUNTS.** The Buyers 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.

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 parties 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 Buyers rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereto against all such personal property.

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 Sellers hereby relinquish 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. **SPECIAL PROVISIONS.**

A. **"AS IS".** The parties agree the premises are sold in its "AS IS" condition; the Sellers make no representations or warranties, express or implied, as to the quality or usability of the premises; and, the Buyers acknowledge full opportunity to inspect the conditions of the premises including, but not limited to, its structural and mechanical components.

**B. ENVIRONMENTAL MATTERS.** Sellers make 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.

Buyers waive 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 including, but not limited to, radon gas.

**C. 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 is 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.

**D. PRIVATE SEWAGE DISPOSAL SYSTEM.** Sellers represent that the property is not served by a private sewage disposal system and there are no known private sewage disposal systems on the property.

**E. DUE ON SALE.** The Sellers may, at Sellers' option, declare the entire balance due under this Sales Contract to be immediately due and payable upon the creation of, or contract for the creation of, transfer or sale of all or any part of the real estate subject to this Sales Contract. This right is subject to the restrictions, if any, imposed by federal law, as applicable. This covenant shall run with the real estate subject to this Sales Contract and shall remain in effect until the balances due the Sellers under this Sales Contract are paid in full and the Deed in fulfillment of this Sales Contract is tendered to the Buyers.

**F. 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 Buyers agree that a risk assessment is not necessary for this transaction; and, waive any right to such assessment or inspection.

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

**H. LEASE AGREEMENT.** The parties acknowledge that the Buyers have rented the premises for years. The parties agree that the Lease Agreement will terminate in all respects effective on June 30, 2016 and that the Buyers shall pay rents on the premises through June, 2016.

Dated : June 30, 2016.

Executed in duplicate or triplicate.

SELLERS:

BUYERS:

Richard L. Kephart  
Richard L. Kephart, Seller

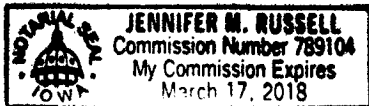
Tommie Winters  
Tommie G. Winters, Buyer

Judy Kephart  
Judy Kephart, Seller

Joan E. Winters  
Joan E. Winters, Buyer

STATE OF IOWA, MADISON COUNTY, ss:

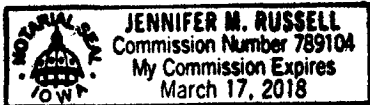
This instrument was acknowledged before me on June 30, 2016 by Richard L. Kephart and Judy Kephart.



J. M. Russell  
Notary Public in and for the State of Iowa

STATE OF IOWA, MADISON COUNTY, ss:

This instrument was acknowledged before me on June 30, 2016 by Tommie G. Winters and Joan E. Winters.



J. M. Russell  
Notary Public in and for the State of Iowa