



Finance Office

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November 8, 2021

Board of County Commissioners
Cass County Government
211 9th Street South
Fargo ND 58103

Re: Contracts for Deed to Former Owners

Dear Commissioners:

During the process of taking properties for non-payment of taxes, there are times in which we run across cases where an owner has failed to pay the oldest year of taxes before October 1st and is faced with having to catch up all three years at once. In the past we have used contracts for deeds to enable the owner of a single-family home to maintain their homestead. This keeps the person in their home and puts them on the path to paying the contract and future taxes via automatic payments.

Currently, we have one contract for deed prepared to assist the owner in redeeming their property. We have received a down payment, set a repayment schedule and have executed the contract for deed.

The repurchase on contract for deed is allowed by NDCC 57-28-19 which sets a ten-year limit for repayment at an interest rate no higher than the prime rate charged by the Bank of North Dakota. The current contract for deed is amortized over twenty-four months at a 3.25% annual interest rate, which is the current prime rate at the bank.

Sincerely,

A handwritten signature in black ink that reads "B Madriga". The signature is fluid and cursive, with the first letter "B" being large and prominent.

Brandy Madriga
Cass County Finance Director

SUGGESTED MOTION:

Move to approve contract for deeds for Lance Iwen for his property at 208 Argus Ave, Fargo ND for twenty-four months at 3.25% annual interest rate.

CONTRACT FOR DEED

This agreement made between Cass County Government and Repurchaser, who agree as follows:

1. **Definitions:** For the purpose of this Agreement:
 1. "Agreement" shall mean this contract for deed between County and Repurchaser.
 2. "Property shall mean the following described real property, together with all the improvements, hereditaments and appurtenances, in Cass County, North Dakota:

Lot: 7 Block: 18 Addition: Original Townsite Additional: ORIG LOTS 7 TO 9
BLK 18

Tax Parcel Number: 05-0100-01263-000
 3. "Purchase price" shall mean the monetary consideration for the purchase of the Property.
 4. "Repurchaser" shall mean Lance G Iwen whose mailing address is PO Box 3 208 Argus Ave, Fargo ND 58064-0003.
 5. "County" shall mean Cass County Government whose address is 211 9th Street South, Fargo, North Dakota 58103.
2. **Background:** County received tax title to the Property due to non-payment of taxes by Repurchaser. Repurchaser has certain rights to repurchase property forfeited to the County under tax proceedings pursuant to North Dakota Century Code 57-28-19. This Agreement is made pursuant to those statutory provisions.
3. **Conveyance:** County hereby sells, and Repurchaser hereby repurchases, the Property pursuant to the North Dakota Century Code 57-28-19 and related provisions.

4. **Delivery of Deed and Evidence of Title:** Upon Repurchaser's prompt and full performance of this Agreement, County shall execute, acknowledge and deliver to Repurchaser a deed, through the County Finance Director, conveying back to Repurchaser the entire interest the County gained in the Property through the tax forfeiture – the deed will be in the name of Shaun E Roche, the name the property was in before the forfeiture to the County.
5. **Purchase Price:** Pursuant to the statute, the repurchase price (or consideration) must include the total amount required to be paid to effect a redemption and the total amount of all subsequent taxes with interest, penalties and costs. The repurchase price in this matter is \$9,600.00, payable as follows:
 1. Down Payment: A down payment of \$4,000.00 (four thousand dollars and no/100) in cash shall be required upon the execution of this Agreement, the receipt of which is hereby acknowledged.
 2. Installment Payments: The remaining balance of the repurchase price shall be payable in installments as follows:
 1. Interest: Interest shall accrue from the date of possession at the annual rate of three and twenty-five hundredths (3.25%) on the unpaid balance.
 2. Payment Schedule: Principal and interest shall be payable as follows:
 1. First Payment: The first payment in the amount of \$241.31 shall be due on December 15, 2021.
 2. Subsequent payments: Subsequent monthly payments in the amount of \$241.31 shall be due on the 15th day of each succeeding month through and including November 15, 2023.

An amortization schedule is enclosed as Exhibit 1.
3. **Method of Payment:** Payment must be made by automatic payment through the Repurchaser's bank.
4. **Application of Payments:** Payments shall be applied first on accrued interest and then on principal.
6. **Other Mortgages:** The parties acknowledge that they know of the existence of no other mortgages on the Property.
7. **Late Payment:** Payments received subsequent to the due date shall be subject to a late payment service charge in the amount of \$20.00. If the service charge is not paid along with the arrearage from which the service charge arose, then the amount of the service charge shall add to the unpaid principal balance and shall become an amount immediately due, together with interest from the date of

default at the rate accruing on the unpaid principal balance, under this Agreement.

8. **Prepayment of Principal:** Unless otherwise provided in this Agreement, Repurchaser shall have the right to fully or partially prepay this Agreement at any time without penalty. Any partial prepayment shall be applied first to payment of the amounts then due under this Agreement, including unpaid accrued interest, and the balance shall be applied to the principal installments to be paid in the inverse order of their maturity. Partial prepayment shall not postpone the due date of the installments to be paid pursuant to this Agreement or change the amount of such installments.
9. **Acceleration of Principal Balance on Sale (“Due on Sale”):** If the Property is conveyed, then the unpaid principal balance and accrued interest shall become immediately due and payable. “Conveyance” shall include any transfer except the following:
 1. Subordinate Encumbrance: The creation of a lien or encumbrance subordinate to this Agreement;
 2. Gift or Devise: A transfer by gift, devise, descent, or by operation of law upon the death of a joint tenant; or
 3. Lease: The grant of any lease hold interest of three years or less not containing an option to purchase.
10. **Real Estate Taxes and Special Assessments:** Repurchaser shall be responsible for all real estate taxes and special assessments.
11. **Risk of Loss:** Risk of loss shall be with Repurchaser.
12. **Injury or Damage Occurring on the Property:** County shall be free from liability and claims for damages by reason of injury to any person or persons or property while on or about the property. In addition:
 1. Indemnification: Repurchaser shall defend and indemnify County from all liability, loss, costs and obligations, and including reasonable attorney’s fees, on account of or arising out of any such injuries.
 2. Liability Insurance: Repurchaser shall, at repurchaser’s own expense, procure and maintain liability insurance against claims for bodily injury, death and property damage occurring on or about the property in amounts reasonably satisfactory to County and naming county as an additional insured.
 3. Continuous Coverage: The insurance required hereunder shall be maintained by the Repurchaser at all times while any amount remains unpaid under this Agreement.

4. Required Notice: The policy shall provide for not less than fourteen (14) days written notice to County before cancellation, non-renewal, termination or change in coverage.
5. Proof of Payment: Repurchaser shall provide County proof of premium payment fourteen (14) days of the premium due date.
6. Proof of Coverage: Repurchaser shall deliver to County a duplicate original or a certificate of such insurance policy.
13. **Assignment of Agreement:** Repurchaser shall not assign Repurchaser's rights under this Agreement without first receiving the written consent of the County.
14. **Protection of Interests:** If Repurchaser fails to pay any sum of money required under the terms of this Agreement or fails to perform any obligation set forth in this Agreement, the County may, at County's option, pay the same or cause the same to be performed, or both. The amounts so paid by County and the costs of such performance shall be payable at once, with interest at the rate accruing on the unpaid principal balance, as an additional amount due to the County under this Agreement.
15. **Physical Possession:** Repurchaser is at this time in physical possession of the property.
16. **Default:** Should default be made in any one or more payments for principal or interest due hereunder or any part thereof, to be paid by Repurchaser, or should Repurchaser or successor in interest fail to pay the taxes or assessments on said property, premiums of insurance (if required) or to perform any of the covenants, agreements, terms or conditions herein the County may, at the County's option, do the following:
 1. Declare the unpaid balance of this Agreement immediately due and payable with interest;
 2. Exercise any default remedies available to County under State law and this Agreement including, but not limited to, the right to declare this Agreement cancelled and terminated and all payments and improvements made by the Repurchaser or successor in interest will be forfeited to the County as liquidated damage for breach of contract;
 3. Pursue remedies for such default in accordance with the laws of the State of North Dakota.

The time of payment of any of the obligations called for pursuant to this Agreement is an essential part of this Agreement.

17. **Administration and Construction:** This Agreement shall be administered and construed in accordance with the following provisions:
 1. Time: Time is of the essence in this Agreement.

2. Notices: Any and all notices or other communication provided for in this Agreement shall be given in writing by registered or certified mail which unless otherwise designated by a party shall be addressed to the addresses shown in Paragraph 1 of this Agreement.
3. Execution in Counterparts: This Agreement may be executed in counterparts, each of which shall be considered as an original of the Agreement. All executed counterparts shall constitute, and shall have the same force and effect, of one and the same documents, and shall be binding upon those who execute the Agreement, regardless of whether all parties execute the same document.
4. Captions: The captions on the paragraphs and subparagraphs of this Agreement are inserted only for the purpose of convenient reference. The caption shall not be used to construe or interpret the Agreement or to prescribe the scope or intent of the Agreement.
5. Severability: The invalidity or unenforceability of any particular provision of this Agreement shall not affect its other provisions. This Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.
6. Entire Agreement: This Agreement constitutes the complete and entire understanding of the parties concerning the conveyance of the property. Neither party shall be bound by or be liable for any statements, warranties, guarantees or representations not set forth in this Agreement which have been made by any other person representing or purporting to represent a party of this Agreement.
7. Modification: No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by all the parties of this Agreement.
8. Covenants to Run with Property: All covenants, terms and conditions in this Agreement shall run with the property.
9. Persons Bound By This Agreement: This Agreement shall be binding upon the parties and their successors in interest. The rights and obligations of any party to this Agreement may be exercised or satisfied by that party's legal representative.
10. Governing Law: The provisions of this Agreement shall be governed by the laws of the State of North Dakota.
11. Effective Date: This Agreement is made and shall be effective November 16, 2021, regardless of the various dates the parties may have negotiated, executed, or otherwise carried out the terms and conditions of this Agreement.

In witness of its terms and conditions, the parties have executed this Agreement.

Dated this ___ day of _____, 2021.

Repurchaser – Lance G Iwen

On this _____ day of _____, 2021, before me, Notary Public, with and for said County, personally appeared Lance G Iwen, known to me to be the person described in and who executed the foregoing agreement, and acknowledged that he executed the same as of his own free act and deed.

SEAL

Notary Public

Dated this ___ day of _____, 2021.

Chad Peterson, Chairman
Cass County Commission

Witness:

Brandy Madrigga
Cass County Finance Director

I certify that the full consideration paid or to be paid for the property described in this deed is \$9,600.00.

Signed: _____
Grantee or Agent

Date: _____

Cass County Loan Amortization Schedule

Lance G Iwen
208 Argus Ave, Page, ND 58064

Tax Due \$ 9,600.00
Down Payment \$ 4,000.00
Loan Amount \$ 5,600.00

Enter Values

| | |
|-----------------------------|------------|
| Loan amount | \$5,600.00 |
| Annual interest rate | 3.25% |
| Loan period in years | 2 |
| Number of payments per year | 12 |
| Start date of loan | 12/15/2021 |

Loan Summary

| | |
|------------------------------|----------|
| Scheduled payment | \$241.31 |
| Scheduled number of payments | 24 |
| Actual number of payments | |
| Total early payments | \$0.00 |
| Total interest | \$191.55 |

Optional extra payments

Lender name Cass County Government

| Payment Number | Payment Date | Beginning Balance | Scheduled Payment | Extra Payment | Total Payment | Principal | Interest | Ending Balance | Cumulative Interest |
|----------------|--------------|-------------------|-------------------|---------------|---------------|-----------|----------|----------------|---------------------|
| 1 | 12/15/2021 | \$5,600.00 | \$241.31 | \$0.00 | \$241.31 | \$226.15 | \$15.17 | \$5,373.85 | \$15.17 |
| 2 | 1/15/2022 | \$5,373.85 | \$241.31 | \$0.00 | \$241.31 | \$226.76 | \$14.55 | \$5,147.09 | \$29.72 |
| 3 | 2/15/2022 | \$5,147.09 | \$241.31 | \$0.00 | \$241.31 | \$227.37 | \$13.94 | \$4,919.72 | \$43.66 |
| 4 | 3/15/2022 | \$4,919.72 | \$241.31 | \$0.00 | \$241.31 | \$227.99 | \$13.32 | \$4,691.73 | \$56.99 |
| 5 | 4/15/2022 | \$4,691.73 | \$241.31 | \$0.00 | \$241.31 | \$228.61 | \$12.71 | \$4,463.12 | \$69.69 |
| 6 | 5/15/2022 | \$4,463.12 | \$241.31 | \$0.00 | \$241.31 | \$229.23 | \$12.09 | \$4,233.89 | \$81.78 |
| 7 | 6/15/2022 | \$4,233.89 | \$241.31 | \$0.00 | \$241.31 | \$229.85 | \$11.47 | \$4,004.04 | \$93.25 |
| 8 | 7/15/2022 | \$4,004.04 | \$241.31 | \$0.00 | \$241.31 | \$230.47 | \$10.84 | \$3,773.57 | \$104.09 |
| 9 | 8/15/2022 | \$3,773.57 | \$241.31 | \$0.00 | \$241.31 | \$231.09 | \$10.22 | \$3,542.48 | \$114.31 |
| 10 | 9/15/2022 | \$3,542.48 | \$241.31 | \$0.00 | \$241.31 | \$231.72 | \$9.59 | \$3,310.76 | \$123.90 |
| 11 | 10/15/2022 | \$3,310.76 | \$241.31 | \$0.00 | \$241.31 | \$232.35 | \$8.97 | \$3,078.41 | \$132.87 |
| 12 | 11/15/2022 | \$3,078.41 | \$241.31 | \$0.00 | \$241.31 | \$232.98 | \$8.34 | \$2,845.43 | \$141.21 |
| 13 | 12/15/2022 | \$2,845.43 | \$241.31 | \$0.00 | \$241.31 | \$233.61 | \$7.71 | \$2,611.83 | \$148.92 |
| 14 | 1/15/2023 | \$2,611.83 | \$241.31 | \$0.00 | \$241.31 | \$234.24 | \$7.07 | \$2,377.59 | \$155.99 |
| 15 | 2/15/2023 | \$2,377.59 | \$241.31 | \$0.00 | \$241.31 | \$234.88 | \$6.44 | \$2,142.71 | \$162.43 |
| 16 | 3/15/2023 | \$2,142.71 | \$241.31 | \$0.00 | \$241.31 | \$235.51 | \$5.80 | \$1,907.20 | \$168.23 |
| 17 | 4/15/2023 | \$1,907.20 | \$241.31 | \$0.00 | \$241.31 | \$236.15 | \$5.17 | \$1,671.05 | \$173.40 |
| 18 | 5/15/2023 | \$1,671.05 | \$241.31 | \$0.00 | \$241.31 | \$236.79 | \$4.53 | \$1,434.26 | \$177.92 |
| 19 | 6/15/2023 | \$1,434.26 | \$241.31 | \$0.00 | \$241.31 | \$237.43 | \$3.88 | \$1,196.83 | \$181.81 |
| 20 | 7/15/2023 | \$1,196.83 | \$241.31 | \$0.00 | \$241.31 | \$238.07 | \$3.24 | \$958.76 | \$185.05 |
| 21 | 8/15/2023 | \$958.76 | \$241.31 | \$0.00 | \$241.31 | \$238.72 | \$2.60 | \$720.04 | \$187.65 |
| 22 | 9/15/2023 | \$720.04 | \$241.31 | \$0.00 | \$241.31 | \$239.36 | \$1.95 | \$480.68 | \$189.60 |
| 23 | 10/15/2023 | \$480.68 | \$241.31 | \$0.00 | \$241.31 | \$240.01 | \$1.30 | \$240.66 | \$190.90 |
| 24 | 11/15/2023 | \$240.66 | \$241.31 | \$0.00 | \$240.66 | \$240.01 | \$0.65 | \$0.00 | \$191.55 |