OPTION TO PURCHASE REAL ESTATE

At Davenport, Iowa, on February 2nd, 1990, Bonnie Jean Walling, hereinafter referred to as seller, hereby grants to Nottingham Development Company, a partnership hereinafter referred to as buyer, an option to purchase the property described as Lots 2, 3, 4 and 5 in Walling's Subdivision in the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) of Section Thirty-Five (35), Township 89 North, R4W of the 5th P.M., City of Earlville, Delaware County, Iowa at the purchase price of $4,200.00 per lot, and on the terms and conditions as follows:

1. The purchase price shall be in cash at closing, or as hereinafter set forth.

2. TIME IS OF THE ESSENCE AS TO THE EXERCISE OF OPTION, EXTENSION OF OPTION, LEGAL POSSESSION, OCCUPANCY AND DATE OF CLOSING.

3. The option price shall be the sum of $200.00 which shall not be refundable if the option is not exercised. If the option is exercised, the entire option price shall be a credit against the purchase price at closing.

4. This option must be exercised in writing on or before August 1, 1990 by the mailing of a notice by certified mail, receipt requested, exercising option addressed to seller at 2412 Emerald Drive, Davenport, Iowa 52804 or by personal delivery of the notice.

5. This option may be extended until _____ upon the payment of _____ in cash or check to seller on or before _____ as an option extension fee which shall not be refundable if the option is not exercised. If the option is exercised the entire option extension fee shall be a credit against the purchase price at closing.

6. The extension fee shall be paid directly to seller after buyer and seller have executed this contract as to an extension fee.

7. This transaction is to be closed at the office of buyer's mortgagee or at the office of _____ within _____ days after the exercise of the option, or at such other time and place as may be agreed upon in writing by buyer and seller. Buyer agrees that unless otherwise specified, buyer will pay all costs of securing any financing to the extent permitted by law.

8. Fixtures: All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as light fixtures, shades, rods, blinds, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners, automatic heating equipment, air conditioning equipment, wall to wall carpeting, built-in items and electrical service cable, outside television towers and antenna, fencing, gates and landscaping shall be considered a part of real estate and included in the sale except: (consider: rental items.) _____

9. Seller shall, upon payment of the purchase price, convey the property by warranty deed, or other conveyance provided herein, free and clear of all liens and encumbrances, excepting: municipal and zoning ordinances, recorded easements for public utilities located adjacent to side and rear lot lines, recorded building and use restrictions and covenants, provided none of the foregoing prohibit present use.

FILE No. 308-1784
RECORDING FEE $ 15.00
TRANSFER FEE $ _____
FILED FOR RECORD THE 8 DAY OF February, 1990 AT 3:09 O'CLOCK P. M. BOOK 49 PAGE 192
STATE OF IOWA, DELAWARE COUNTY
Joan Sheppard, Recorder
TLD

10. Legal possession of property shall be delivered to buyer on date of closing.

11. Seller shall pay any unpaid real estate taxes payable in prior years. Buyer shall pay all subsequent real estate taxes. Any proration of real estate taxes on the real estate shall be based upon such taxes for the year currently payable unless the parties state otherwise.

12. Special Assessments: Sellers shall pay all special assessments which are a lien on the real estate and, if not paid, would become delinquent during the calendar year this option is granted, and all prior installments therefore.

13. All risk of loss shall remain with the sellers until possession of the real estate is delivered to the buyers.

14. Use of Purchase Price: At time of settlement, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.

15. Abstract and Title: Upon exercise of this option, sellers, at their expense, shall promptly obtain an abstract of title to the real estate continued through the date of acceptance of this offer, and deliver it to buyers for examination. It shall show merchantable title in sellers in conformity with this agreement, Iowa law and 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. 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.

16. The warranties and representations made herein are true as the date of granting this option. If any warranty or representation changes prior to the exercise of option, seller must notify buyer. The warranties and representations made herein survive the closing of this transaction.

17. Interest, rents, water and sewer use charges and property owners association assessments shall be prorated as of the date of closing. Accrued income and expenses, including taxes from day of closing, shall accrue to seller.

18. Should seller be unable to carry out this agreement by reason of a valid legal defect in title which buyer is unwilling to waive, all money paid hereunder shall be returned to buyer forthwith and this contract shall be void.

19. This option shall be recorded.

20. BUYER AND SELLER HAVE READ AND FULLY UNDERSTAND AND ACKNOWLEDGE RECEIPT OF A COPY OF THE GRANT OF OPTION. BUYER AND SELLER ARE AWARE THAT THIS IS A BINDING CONTRACT. SELLER AGREES TO CONVEY ON THE TERMS AND CONDITIONS HEREIN STATED.

21. Joinder By Seller's Spouse: Seller's spouse, if not a title holder immediately preceding granting of this option, 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 or real estate contract for this purpose.

22. Subsequent Contract: Any real estate contract executed in performance of this contract shall be on a form of the Iowa State Bar Association.

23. Approval of Court: If the sale of the real estate is subject to court approval, the fiduciary shall promptly submit this contract for such approval. If this contract is not so approved, it shall be void.

24. Contract Binding on Successors in Interest. This contract shall apply to and bind the successors in interest of the parties.

25. Construction. Words and phrases shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

26. Other Provisions:

Dated this 2nd day of February, 1990.

Bonnie Jean Walling
Seller Bonnie Jean Walling

Ned J. Walling
Seller Ned J. Walling

Dated this 2nd day of February, 1990.

James R. Clifton
James R. Clifton
Buyer - Nottingham Development Company - Partner

Bruce R. Rafoth
Bruce R. Rafoth
Buyer - Nottingham Development Company - Partner

William L Bramley
William L. Bramley
Buyer - Nottingham Development Company - Partner

Raymond C. Bley
Raymond C. Bley
Buyer - Nottingham Development Company - Partner

STATE OF IOWA)
) ss:
COUNTY OF Scott)

On this 7TH day of February, 1990, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Bonnie J. & Ned J. Walling, to me known to be the identical person(s) named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Nancy J. Smith
Notary Public in and for the State of Iowa.
Nancy J. Smith
My commission expires: July 6, 1992

STATE OF IOWA)
) ss:
COUNTY OF Delaware)

On this 2nd day of February, 1990, before me, the undersigned, a Notary public in and for said County and State, personally appeared James R. Clifton, Bruce R. Rafoth, William L. Bramley and Raymond C. Bley, to me known to be the identical person(s) named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Connie Clifton
Notary Public in and for the State of Iowa.
Connie Clifton