VA FORM
MAY 1984 **26-45 (333)**

NOT PART OF THIS INSTRUMENT. For use in Iowa.

INSTALLMENT CONTRACT FOR SALE OF REAL ESTATE

1. THIS AGREEMENT, made this 25th day of September 19 91, by and between the Administrator of Veterans Affairs, an officer of the United States of America, whose address is Veterans Administration, c/o Director, VA Regional Office, 210 Walnut Street, Des Moines, Iowa 50309, hereinafter called "Seller," and his/her successors in such office, as such, and BESSEY, Michael E., a single person,
whose mailing address is 212 East Union
Manchester, IA 52057

hereinafter called "Buyer."

2. WITNESSETH: For and in consideration of the sum of one dollar, each to the other in hand paid, and of the mutual covenants and agreements herein, the Seller hereby agrees to sell to the Buyer, and the Buyer hereby agrees to purchase from the Seller, the property and all appurtenances thereto, situated in Hopkinton
county of Delaware and State of Iowa
herein referred to as "the property," and more fully described as follows, to wit:

Lot 6, Block 8, Hopkinton, same being a part of the NW 1/4 of SE 1/4 of Sec. 13, Twp. 87 North, Range 4, W of 5th P.M. subject to easements and restrictions of records.

(Locally known as: 1st and Marion Streets, Hopkinton, IA 52237)

THIS LOAN MAY NOT BE ASSUMED WITHOUT THE PRIOR APPROVAL OF THE VETERANS ADMINISTRATION OR ITS AUTHORIZED AGENT, SUCCESSORS OR ASSIGNS.

THIS INSTRUMENT IS EXEMPT FROM DECLARATION OF VALUE FILING BY SECTIONS 428A.1 AND 428A.2(6) OF THE CODE OF IOWA.

It is mutually agreed by and between the parties hereto that this property, including all improvements thereon, is purchased in its "AS IS" condition.

3. This Agreement is made subject to:
   (1) Existing leases and to rights, if any, of persons in possession, if any.
   (2) The general taxes and special assessments which the Buyer hereinafter covenants to pay.
   (3) Building line and building and liquor restrictions of record.
   (4) Zoning and building laws or ordinances.
   (5) Party wall rights or agreements.
   (6) Roads and highways.
   (7) Covenants, conditions, exceptions, reservations, restrictions, or easements of record.
   (8) Rights of all parties claiming by, through, or under the Buyer.
   (9) Any state of facts which an accurate survey would show.
   (10) All unpaid water and sewage-disposal charges for services rendered after the date of delivery of this Agreement.
   (11) All contracts or agreements, recorded or unrecorded, for furnishing gas, electricity, water, or sewage-disposal service.
   (12) The constitution, bylaws, rules, regulations, restrictions, charges, or assessments of any civic improvement or other association, corporation, or district which affect the property.

The Buyer shall indemnify and save harmless the Seller from all loss and liability that arise by reason of any and all obligations and liabilities existing or arising out of any of the foregoing matters.

Spouse's Deed VA 26-1817 Missing Page 2 See Book 51 1/29/92

FILE No. 128-889	FILED FOR RECORD THE 7 DAY OF October, 1991 AT 4:01	STATE OF IOWA, DELAWARE COUNTY
RECORDING FEE $ 25.00	O'CLOCK P. M. BOOK 50 PAGE 398	Jane A. Lloyd, Recorder
TRANSFER FEE $		TLD

4. Buyer shall pay to Seller for the property the sum of Thirty-two thousand dollars and 00/100------ ---------- dollars ($ 32,000.00) in lawful money of the United States of America at the Regional Office of the Veterans Administration, an agency of the United States, in the city of Des Moines, Iowa, or at such other place within the United States as the Seller may from time to time designate in writing, at the times, in the amounts, and in the manner following: One thousand and seven hundred and fifty dollars and 00/100----------

dollars ($ 1,750.00) in cash paid prior to or upon the execution and delivery of this Agreement; and the balance of Thirty thousand and two hundred and fifty dollars and 00/100---------- dollars ($ 30,250.00) (herein referred to as "Principal sum" or as "principal") with interest on unpaid principal at the rate of 8 1/2 % per annum, from the 30th day of September 19 91, which said principal and interest shall be payable in 360 equal monthly installments as follows:

Two hundred and thirty-two dollars and 60/100---------- dollars ($ 232.60) on the first day of November 19 91 , and a like sum on the first day of each and every month thereafter until said principal and interest shall have been fully paid. Unless sooner paid, the unpaid balance of principal plus the accrued and unpaid interest shall be due and payable on the first day of October , 2021. Except as hereinafter otherwise provided, each payment made hereunder shall be credited first on the interest then due as herein provided and the remainder shall be credited upon unpaid principal. Additional payments of principal in any amount not less than the amount of the monthly installments above provided or one hundred dollars, whichever is less, may be made at any time. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier. At Seller's option the Buyer will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after due date thereof to cover the extra expense involved in handling delinquent payments.

5. Except as otherwise provided herein, Buyer covenants and agrees: (*a*) to pay, before delinquency and before accrual of interest or penalty, all taxes for the year 1991/ 92 and/for all subsequent years, all installments of special improvement taxes and assessments due and payable in the year 1992/93 and/for all subsequent years, and all special taxes and assessments hereafter levied or which are not now in collection or which are for improvements not yet completed upon said property, together with all ground rents, water delivery costs and rates, assessments on water or ditch stock or water rights, levies, liens, encumbrances, and other costs or charges appurtenant to or affecting said property or any part thereof, or the full and proper use and enjoyment thereof, or affecting this instrument or the indebtedness hereby evidenced and secured, irrespective of whether the same constitute a lien or encumbrance upon said property, and when requested by the Seller, to deliver receipts or certificates, in form satisfactory to Seller, evidencing such payments; and (*b*) to maintain hazard insurance of such type or types and amounts as the Seller may from time to time notify Buyer to obtain on the improvements now or hereafter on said premises, and to pay promptly when due any premiums therefor. All insurance shall be carried in companies approved by Seller, and the policies and renewals shall be held by Seller and shall contain, by endorsement or otherwise, appropriate provisions, acceptable to Seller, requiring all losses and refundable unearned premiums to be paid to Seller. In the event of loss Buyer will give immediate notice by mail to Seller, and Seller shall be entitled, but is not under any duty, to make proof of loss, if not made promptly by Buyer. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Seller instead of to Buyer and Seller jointly. Buyer shall promptly assign and deliver to the Seller, if required, all other insurance policies now or hereafter issued which cover any of said property.

6. Without limiting or impairing any of the covenants contained in paragraph 5 and in order to provide means for the due performance of certain of said covenants by the Buyer and further assurance to the Seller, the Buyer covenants and agrees to remit to the Seller, at the several times when the Buyer is obligated to make payments hereunder or at such other times as the Seller may require, additional funds in an amount equal to at least one-twelfth (1/12) of the annual amount which the Seller shall from time to time estimate to be necessary to pay the following items, or such of them as the Seller may, in his/her sole discretion and from time to time, elect to pay therefrom, and of which the Seller notifies Buyer:

(*a*) Any of those taxes, assessments, ground rents, water delivery costs and rates, assessments on water or ditch stock or water rights, levies, charges, and encumbrances mentioned in paragraph 5 which the Seller may in his/her sole discretion and from time to time designate.

(*b*) The premiums and costs of any fire and other insurance which the Buyer is obligated to maintain under the provisions of paragraph 5 and which the Seller may in his/her sole discretion and from time to time designate; and

(*c*) Such other similar levies or charges as the Seller in his/her sole discretion and from time to time may deem it necessary or proper to pay.

From and out of moneys received by the Seller pursuant to the provisions of this paragraph and from and out of any other moneys received by the Seller from the Buyer or for Buyer's account, the Seller may at any time pay the whole or any part of said items indicated in paragraphs 5 and 6 of this Agreement, or any of them, together with any penalties, interest and charges thereon, or may retain for not longer than three (3) years any of such moneys for payment of any of said items, or the Seller may at Seller's sole option apply at any time any or all of such moneys to the payment of any indebtedness owing from the Buyer as a consequence of this Agreement. The Seller shall not be required to make any disbursement from said moneys to any agent or insurance company from whom Buyer may directly order insurance. All payments of said items made by the Seller hereunder may be in such amounts as are shown by Seller's records, or by bills obtained by the Seller, or on the basis of any other information received by the Seller, to be due, payable, past due, or delinquent on account thereof. If requested by the Seller, Buyer shall promptly obtain, approve, and deliver to the Seller all bills for said items. The rights of the Seller to hold, apply, and dispose of said funds for the purposes and in the manner herein provided are irrevocable and absolute prior to full payment of all of the indebtedness of Buyer to the Seller, whether secured or unsecured, and none of said funds may be withdrawn by Buyer so long as any of such indebtedness remains unpaid.

7. All moneys paid to Seller hereunder may be commingled with other funds of the Seller or may be deposited with the Treasurer of the United States who is hereby authorized to commingle the same with the general funds of the United States. No interest shall be payable on the funds received by Seller for any purpose pursuant to any provision of this Agreement.

8. Buyer covenants not to commit, permit, or suffer any waste to the property, to keep the property in good repair and not suffer any mechanics' or material person's liens to attach thereto. Buyer further covenants not to abandon said property and not to use, permit, or suffer the use of any of the property for any illegal or immoral purpose, or, without written consent of the Seller, for any purpose other than that for which it is now intended, nor without such consent to effect, permit, or suffer any alteration or removal of, or any

addition to, the buildings or improvements now or hereafter situated in or upon the property. Buyer further covenants and agrees to comply with all laws and ordinances which may in any manner affect the property.

9. No part of the property shall be used in the manufacture, sale, or distribution of intoxicating liquors without the written approval of Seller.

10. In the event Buyer fails, neglects, or refuses to perform, in whole or in part, any of the covenants, agreements, or obligations herein provided upon the part of Buyer to be performed, Seller is hereby authorized and empowered without notice and at the cost of Buyer, to perform or cause to be performed, any or all of said covenants, agreements and obligations, and to expend such sums of money as may be reasonable therefor, or for any other purpose which in the opinion of Seller is reasonably necessary for the protection of Seller. All such sums of money so expended by Seller, together with interest thereon, at the rate aforesaid, from the several dates of expenditure thereof until paid, shall become so much additional indebtedness under this Agreement and shall be repaid by Buyer to Seller, in lawful money of the United States of America, immediately and without demand, at the same place or places as other sums are payable hereunder, unless Seller shall agree that such sums be otherwise repaid, in which event such repayment shall be made by Buyer to Seller at such times and in such manner as Seller shall require. Any failure, neglect, or refusal by Buyer to repay such sums as herein provided shall constitute default hereunder. Any payment made under the terms of this Agreement may, at the election of Seller, be applied first to the repayment of any sums Seller shall have expended in accordance with the terms hereof.

11. Buyer hereby assigns, transfers, and sets over to Seller, up to the amount of the total indebtedness of Buyer to Seller hereunder, all of Buyer's right, title, and interest in or to all awards and claims in connection with condemnation of any of the property for public use, or for injury to any portion thereof, and the proceeds of all such awards or claims, after payment therefrom of all reasonable expenses incurred, including fees for attorneys representing Seller in any such proceeding, shall be paid to Seller. Seller is hereby authorized in the name of Buyer to execute and deliver valid acquittances thereof and to appeal from or otherwise appropriately litigate any or all of such awards or claims. Seller shall be under no obligation hereunder to sell or convey all or any part of the property, or right or interest therein which is condemned.

12. All moneys received by Seller under any policy or policies of insurance or any condemnation award or other award or claims after payment therefrom of all reasonable expenses incurred in connection therewith, including fees for attorneys representing Seller, may at the option of Seller, without notice, be used for the purpose of repairing, restoring, or improving the damaged structure upon the property, or may be credited on the indebtedness as Seller may elect.

13. Seller reserves for himself/herself and his/her employees or agents the right to enter upon the property at any reasonable time during the term of this Agreement for the purpose of inspecting and examining the property or for the purpose of performing any act proper to be performed for the purpose of protecting Seller's right, title, and interest in and to the property or to save it from waste, or for the purpose of exercising any right conferred upon Seller hereunder.

14. Delivery to and acceptance of this Agreement by Buyer shall constitute delivery to and acceptance by Buyer of possession of the property described herein and shall constitute an acknowledgment by the Buyer that Buyer has inspected and examined the property, is satisfied with its condition and Buyer acknowledges that he/she is buying the property "as is." The Buyer assumes responsibility for injury or death on or arising out of the property and also assumes the risk of loss or damage to the buildings now situate, or hereafter constructed, in or upon said property by fire, casualty, or other happening.

15. Time is of the essence of this Agreement and if default be made and continue for a period of thirty (30) days in the payment of any of the installments of principal, interest, or any other items hereinbefore stipulated, when the same become severally due hereunder, or in the payment of any other sum herein agreed to be paid by Buyer, or if default be made in the performance by Buyer of any other agreement, covenant, or obligation of Buyer hereunder, then in either, or any of said events, the whole unpaid balance due under the terms of this Agreement shall, at the option of Seller, immediately become due and payable and Seller may, at his/her option, (*a*) terminate by simple declaration of an election so to do, with or without notice, all of Buyer's rights under this Agreement and all of Buyer's right, title, and interest in the property; or (*b*) terminate all of Buyer's rights under this Agreement and all of Buyer's right, title, and interest in the property in any appropriate proceeding, legal or equitable; or (*c*) enforce Buyer's obligations hereunder in any appropriate proceeding, legal or equitable. Buyer agrees to pay all costs and expenses, including a reasonable sum for attorney's fees incurred by Seller in terminating Buyer's rights under this Agreement or claims to the property or in enforcing any or all of the terms of this Agreement, and in appropriate judicial proceedings, if any are initiated to establish or maintain Seller's right or title to, and possession of said property after breach by Buyer, free of any title or claims of Buyer.

16. The provisions of paragraph 15 of this Agreement shall also apply, at the option of Seller, to (*a*) any violation or breach of any of the covenants, conditions, or restrictions indicated in this Agreement or which may be of record, and (*b*) to any violation of any laws or ordinances in any manner affecting said property.

17. (*a*) Upon Seller exercising the right of termination as provided in paragraph 15, all rights and interest hereby created and then existing in Buyer and in all claiming under Buyer, shall wholly cease and determine. Buyer shall thereupon quit and surrender to Seller, without demand, peaceful possession of said property in as good condition as it is now, reasonable wear and tear alone excepted. In the event Buyer neglects or refuses to surrender such possession it shall be lawful for Seller to enter upon and take possession of said property without notice and remove all persons and their property. (*b*) Seller may, at his/her option, cause a written declaration to be recorded in the office of the Recorder of Deeds (or of the Registrar of Titles if the property is registered under the Torrens Law) of the county in which the property is situated, to evidence the exercise of an election to terminate all rights hereunder in accordance herewith. Such declaration when so recorded, shall be, as to all subsequent purchasers or encumbrancers of the property or any part thereof, conclusive proof of default by Buyer and of Seller's election to terminate all rights in the property existing by reason of this Agreement. (*c*) All moneys paid by Buyer and all improvements constructed in or upon the property shall be retained by Seller as compensation for the use and occupancy thereof by Buyer; consideration for the execution of this Agreement; and liquidated damages to Seller for such default and not as a penalty therefor.

18. Upon receipt of:

(*a*) Full payment of the balance payable under the terms of this Agreement or

(*b*) at such earlier time as the Seller in his/her sole discretion may determine, the Seller shall execute and deliver a Special Warranty Deed conveying to Buyer the aforementioned title to said property, said deed to be identical in its language and effect with VA Form 26-6413a, now currently used in the Veterans Administration, but subject to the exceptions indicated in paragraph 3, and subject to all applicable National and State statutes and regulations then affecting the transfer of real estate or of any rights therein.

19. If any part of said principal sum or the interest thereon shall not have been paid at the time of the execution and delivery of the deed to said property as provided in paragraph 18 hereof, Buyer shall simultaneously execute and deliver to Seller a promissory note in the sum of such unpaid amount, payable in installments in the same amount as provided in paragraph 4 hereof, and a purchase money mortgage securing same, which shall be a first lien upon said property, said note and mortgage to bear the same date as said deed, the

language of said note and mortgage to be subject to Seller's approval; and the detailed provisions of both, so far as not in conflict with this Agreement, to be those contained in the printed forms of such instruments then in common use by the Veterans Administration or any successor in interest thereof in the State wherein the property is situated except that interest, wherever mentioned in said forms, shall be at the same rate as provided in paragraph 4.

20. Seller's title is satisfactory to Buyer as of the date hereof.

21. Buyer shall pay for all recording, transaction, transfer, conveyance, and other taxes upon this Agreement and upon any deed, note, mortgage, or other instrument executed under the terms and provisions of this Agreement, and all charges and taxes (except income tax) levied against or payable by the mortgagee and the legal holder of said note on account of the indebtedness, the lien, or the evidence of either, whether such be payable in one sum only, or periodically or otherwise, and for all revenue, documentary, or other stamps required to be affixed to any such instrument. Buyer shall also pay the fees for recording the deed and the mortgage when executed.

22. Seller may at any time sell and convey the property, but subject to Buyer's rights under this Agreement; and Seller may assign all of Seller's rights hereunder, without the consent of Buyer. The Buyer shall notify the Seller, of an assignment of the Buyer's interest in the contract.

23. Any notices from one party hereto to the other party shall be in writing and delivered in person or forwarded by certified mail. Notices to Buyer shall be addressed to the property hereinabove described unless Buyer shall have previously furnished to Seller written notice of a different address, in which event notice shall be sent to the latest address as furnished Seller. Notices to Seller shall be addressed to the Loan Guaranty Officer, Veterans Administration at the office stated in paragraph 4 until Buyer is notified in writing of a changed address. Thereafter Buyer shall address any notice to the last address of which he/she shall have been notified.

24. Failure or delay of the Seller to enforce any right or to exercise any option hereunder available because of any default shall not operate as a waiver of the right of the Seller to thereafter enforce such right or to exercise such option or any other right or option, for the same or for any subsequent default.

25. At the time of the delivery of a deed to said property, as provided in paragraph 18 hereof, evidence of title consisting of such abstract of title, as has been delivered to the Administrator of Veterans Affairs at the time of the acquisition of this property, will be furnished the Buyer. Any further continuance thereof shall be at the Buyer's expense.

26. Any deficiency in the amount of the monthly payment, unless made good by the Buyer prior to the due-date of the next such payment, shall constitute an act of default under this installment contract.

The covenants in this Agreement contained shall be binding upon, and the benefits and advantages hereunder shall inure to, the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement in duplicate by setting their hands and seals hereto as of the day and year first above written.

Michael E Bessey [SEAL]
MICHAEL E. BESSEY

_____ [SEAL]

_____ [SEAL]

BUYER

EDWARD J. DERWINSKI
The Administrator of Veterans Affairs
By Secretary _____ [SEAL]
JACK G. RIVERS
Loan Guaranty Officer, Veterans Administration Regional Office, Des Moines, IA

(Pursuant to a delegation of authority contained in VA Regulations, 38 CFR 36.4342 or 36.4520.)

SELLER

STATE OF IOWA }
COUNTY OF POLK } SS

On this date before me, a Notary Public in and for said County, Iowa, personally appeared Jack G. Rivers of the Veterans Administration, an Agency of the United States Government, to me known to be the person who executed the foregoing instrument in behalf of the Administrator of Veterans Affairs, and acknowledged that he/she voluntarily executed the same as the voluntary act and deed of said Administrator.

Given under my hand and seal this 1st day of October, 1991

Lynn McCallum
Notary Public in and for said County and State
LYNN MCCALLUM

My Commission expires 7/20/92.

STATE OF IOWA }
COUNTY OF } SS

On this 25th day of Sept. A.D., 1991, personally appeared MICHAEL E. BESSEY, a single person, to me known to be the person named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Donald B. Stevenson
Notary Public in and for said County and State

My Commission expires 4-5-94.

U.S. GOVERNMENT PRINTING OFFICE: 1984 — 767-063

ATTACHMENT A

This loan may be declared immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established either pursuant to the provisions of section 1814 of Chapter 37, Title 38, United States Code, or by the loan holder if the loan has been sold without recourse.

A fee equal to one-half of 1 percent of the balance of this loan as of the date of transfer of the property shall be payable to the Veterans Administration at the time of transfer. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument and shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee hereof, the full indebtedness shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 1829(b). The assumer is not obligated to pay this fee if the Veterans Administration has sold this loan without recourse.

Upon application for approval to allow assumption of this loan, a processing fee may be charged by the Veterans Administration or its successors or assigns for determining the creditworthiness of the assumer and subsequently revising the ownership records when an approved transfer is completed. The amount of this charge shall not exceed $300.

The title "Secretary of Veterans Affairs" shall be substituted for that of "Administrator of Veterans Affairs" each time that it appears in this document pursuant to the provisions of Section 2, Public Law #100-527, The Department of Veterans Affairs Act.