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DELAWARE COUNTY IOWA
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DEBORAH L. PEYTON
DELAWARE CO. RECORDER
11.00

reparer Mary Lou Tracey 105 N. Franklin St. Manchester, IA 563/927-4925
nformation

OPTION TO PURCHASE

This agreement made this 14th day of December, 2001, by and between James W. Hill and Eva E. Hill, his wife, of Delaware County, Iowa, hereinafter referred to as First Parties, and Brian Oberreuter and Kathy Oberreuter, husband and wife, of Delaware County, Iowa, hereinafter referred to as Second Parties; Witnesseth:

1. That in consideration of the mutual agreements herein contained and the sum of FIVE HUNDRED DOLLARS ($500.00) paid by Second Parties to First Parties, the receipt of which is hereby acknowledged, First Parties hereby grant unto Second Parties the exclusive rights at their option for and during the period of five years from and including the first day of January, 2002 to twelve midnight on the 31st day of December, 2006 to purchase the following tract of land situated in the County of Delaware, State of Iowa, to-wit:

> The East one-half (E½) of Lot Forty Four (44) of Henry Acers' Addition to Manchester, Iowa, according to plat recorded in Book 1 Plats, Page 1;

for the cash price of $25,000.00, if, and only if, this option is exercised in the year 2002; for the cash price of $26,000.00 if, and only if, this option is exercised in the year 2003; for the cash price of $27,000.00 if, and only if, this option is exercised in the year 2004; for the cash price of $28,000.00 if, and only if, this option is exercised in the year 2005; and for the cash price of $29,000.00 if, and only if, this option is exercised in the year 2006.

2. As a credit to said purchase prices, if Second Parties exercise the option in 2002, $100.00 shall be deducted from the option price; if the option is exercised in 2003, $200.00 shall be deducted; if the option is exercised in 2004, $300.00 shall be deducted; if the option is exercised in 2005, $400.00 shall be deducted; and if the option is exercised in 2006, $500.00 shall be deducted.

3. Second Parties shall exercise their option by declaring such election by notice, in writing, delivered to James W. Hill at his place of business at 106 North Franklin Street, Manchester, Iowa 52057, or in the event of his absence, by leaving notice thereof at his said place of business within the time limited.

4. In case said Second Parties shall so elect to purchase the property and shall deliver or leave said notice of such election as provided within the time limits herein specified, the said James W. Hill, shall, within 30 days after delivery or leaving of such notice, or as promptly as continuance of said abstract to date may be obtained from the abstract office, deliver to Second Parties an abstract showing merchantable title to said property continued to the date of such delivery, and after delivery of the said abstract of title, Second Parties shall have a reasonable time, not to exceed 30 days, to examine the said abstract and to close and complete the purchase.

5. Should title to the property be found unmarketable and cannot be made marketable within 60 days after notice thereof to First Parties, then this Option to Purchase shall be void and the option payment heretofore made shall be refunded forthwith to said Second Parties. First Parties agree to free said property from all taxes, assessments, liens, encumbrances and charges to the date of consumation of said purchase, except that it is agreed that all taxes and special assessments accruing for the year in which the date of the closing of the purchase under this option shall fall shall be prorated to First and Second Parties as of the date of consumation of said purchase and First Parties agree to give good and marketable title to said property and to convey the same by Warranty Deed in which James W. Hill and Eva E. Hill shall join.

6. It is agreed that if Second Parties shall fail to exercise this option on or before twelve midnight on the 31st day of December, 2006, or after its exercise, shall fail to pay the balance due on the purchase price in accordance with the terms and conditions herein specified, then Second Parties shall forfeit to First Parties all sums heretofore paid to First Parties and shall be discharged of any of its obligations herein contained.

This agreement shall be binding upon the Parties hereto, their heirs, executors, administrators and assigns.

In Witness Whereof, the Parties hereto have hereunto set their hands and seals the day and year first above written.

FIRST PARTIES	SECOND PARTIES
James W. Hill	Brian Oberreuter
Eva E. Hill	Kathy Oberreuter

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

This instruemnt was acknowledged before me by James W. Hill and Eva E. Hill, husband and wife, and Brian Oberreuter and Kathy Oberreuter, husband and wife, on the 7th day of February, 2002.

Janice Russ
Notary Public in and for the State of Iowa

NOTARIAL SEAL IOWA
JANICE RUSS
COMMISSION # 176244
MY COMMISSION EXPIRES
9-29-03