DELAWARE COUNTY IOWA
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DEBORAH L. PETION
DELAWARE CO. RECORDER
17.00

Prepared by: (x)ENR Richard R. Morris, 620 Lafayette Street, P.O. Box 178, Waterloo, IA 50704, (319) 234-1766

OPTION AGREEMENT

This Agreement is made and entered into this 10th day of December, 2004 by and between Yvonne E. Morris, hereinafter referred to as "Yvonne" and James I. Morris II, hereinafter referred to as "Jamie".

WITNESSETH:

WHEREAS, Yvonne has a property at Delhi, Iowa, legally described as follows:

Lot Twenty-four (24) of "Stone's First Addition to Delaware County, Iowa" a subdivision of parts of the Southeast quarter of Northwest quarter and Southwest quarter of Northwest Quarter of Section Twenty-five, Township Eighty-eight North, Range Five, West of the Fifth P.M., according to the plat thereof recorded in Plat Record 2, Page 90, in the Office of Recorder of Delaware County, Iowa; together with use of the roadway from the public highway to said subdivision and the use of the roadway as traveled or marked in Lots twenty-seven and twenty-eight as said subdivision, for ingress and egress to said Lot Twenty-four (24), all in common with others rightfully using the same.

All lake frontage running to the middle of the Maquoketa River bed with regard to the following described real estate: Lot 24 of "Stone's First Addition to Delaware County, Iowa", a subdivision of parts of the Southeast Quarter of the Northwest Quarter and the Southwest Quarter of Northwest Quarter of Section 25, Township 88 North, range 5 West of the 5th P.M., according to the plat thereof recorded in Plat Record 2, Page 90 in office of Recorder of Delaware County, Iowa,

hereinafter referred to as "Cabin"; and

WHEREAS, Jamie has been providing the labor for the maintenance and upkeep on the Cabin; and

WHEREAS, Yvonne is desirous of giving Jamie an option and Jamie is desirous of acquiring an option on the Cabin as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein the parties hereto agree as follows:

1. **PURCHASE PRICE**. Yvonne and Jamie agree that the purchase price on any option granted or that may occur herein shall be One Hundred Seven Thousand Dollars ($107,000.00).

2. **MATERIALS AND LABOR.** Yvonne agrees to supply all materials necessary including building materials and lawn and garden equipment to keep the Cabin in good and up to date shape. Jamie agrees to supply all normal labor necessary to keep the lawn and garden area of the Cabin properly mowed and trimmed and pruned as necessary as well as supplying labor for minor repair projects both inside and outside of the Cabin itself. Any major repair projects both inside and outside of the cabin shall be paid for by Yvonne.

3. **OPTIONS**. Yvonne grants to Jamie the following two options:

A. In the event Yvonne would ever want to dispose of the Cabin while she is alive, she will give Jamie written notice at his address as set forth herein. He will have ninety (90) days from the date of the notice from Yvonne to him to complete the purchase of the Cabin from Yvonne at the price mentioned in paragraph 1 above. In the event Jamie does not complete the purchase of the price mentioned in paragraph 1 above while Yvonne is alive, she is then free to dispose of this Cabin to any other purchaser at the price listed in paragraph 1 above or for a net greater price to her than in paragraph 1 above. However, in the event Yvonne would be selling the Cabin to a third person at a price less than what is in paragraph 1 above, she agrees to give Jamie further notice and opportunity to purchase the Cabin at said lesser price. The sale and closing on said Cabin at the lower price to Jamie must occur within ninety (90) days of Jamie's receipt of written notice from Yvonne of the lower purchase price of said Cabin, or else this right to purchase the Cabin shall expire.

B. At the time of Yvonne's death, Jamie shall have the right to purchase and close on the purchase of said Cabin within one year of the date of Yvonne's death at the purchase price referenced in paragraph 1 above. In the event the Cabin is not purchased by Jamie within said one year time period, the Executor of the estate is free to sell the Cabin at whatever price he or she can obtain for the Cabin, provided that the Executor will give Jamie notice of any price that is less than the price set forth in paragraph 1 so that Jamie has the right of first refusal to purchase the Cabin at the lower price. Upon notice to Jamie of the lower price, he shall have ninety (90) days to complete the purchase of the Cabin at the lower price or else his option right shall expire.

4. **RELEASE**. Jamie agrees to sign whatever release is appropriate in the event he would choose not to purchase the Cabin under either option event in paragraph 3 above after properly receiving any and all notices and the passage of any and all time frames under which he may exercise his right to purchase and close on the Cabin.

5. **PERSONAL RIGHT**. This right of Jamie to purchase the Cabin is personal to him and is not transferable or assignable to any other person. In the event of Jamie's death prior to receiving any notice pursuant to the option set forth in paragraph 3 above, his right of purchase under this Agreement shall expire with him.

6. **NOTICE**. Any written notice to be given by one party to the other hereunder shall be to the address set forth below for each party:

Yvonne E. Morris
214 Grand Blvd.
Evansdale, Iowa 50707

James I. Morris, II
105 Roseland Drive
Waterloo, Iowa 50707

Either party may change their address and give notice in writing to the other party during the term of this Agreement.

7. **BINDING**. This Agreement is binding on the parties hereto, their heirs, successors, administrators and assigns.

8. **GOVERNING LAW**. This Agreement shall be governed by and subject to the laws of the State of Iowa.

9. **MODIFICATION**. Any modification to this Agreement shall be in writing and signed by the parties hereto, their heirs, successors, administrators or assigns.

Yvonne E. Morris

James I. Morris, II

STATE OF IOWA)
) ss:
COUNTY OF BLACK HAWK)

On this 10th day of December, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared Yvonne E. Morris, a single person and James I. Morris, II, a married person, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for the State of Iowa

NOTARIAL SEAL IOWA
RICHARD R. MORRIS
COMMISSION # 106916
MY COMMISSION EXPIRES
2/19/07