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DEBORAH L. PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

REAL ESTATE CONTRACT-INSTALLMENTS
Recorder's Cover Sheet

Preparer Information: Linda M. Kirsch
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Taxpayer Information: MNS, LLC
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Cedar Rapids, IA 52404 [Address]

Return Document To: Linda M. Kirsch
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PLEASE RETURN TO:
HAWKEYE ESCROW COMPANY
2750 FIRST AVE NE, SUITE 400
CEDAR RAPIDS, IA 52402

Grantors: Shirley K. Mangold and Carl Kurt

Grantees: MNS, LLC

Legal Description: [See page 2]

Document or instrument number of previously recorded documents:

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this July 15th, 2005, by and between Shirley K. Mangold and Carl Kurt husband and wife of the County of Delaware, State of Iowa, (hereinafter SELLER); and MNS, LLC an Iowa Limited Liability Company (hereinafter BUYER);

SELLER, as in this contract provided, agrees to sell to the BUYER, and the BUYER in consideration of the premises, hereby agrees with the SELLER to purchase the following described real estate situated in the County of Delaware, State of Iowa, to-wit:

> LOT 1, MANGOLD ADDITION City of Manchester, Delaware County, Iowa according to the Plat recorded in Book 2003, Page 2015 of the records of the Delaware County Recorder

locally known as 1049 South Third Street, Manchester, Iowa (the "Property"),

together with all outstanding leases or rental agreements relating to the Property as of the date of Closing and together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated,

1. **TOTAL PURCHASE PRICE.** The BUYER agree to pay for said Property the total of $275,000.00 due and payable at, Manchester, Delaware County, Iowa, as follows:

(a) **DOWN PAYMENT** of $25,000.00 **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED:** and

(b) **BALANCE OF PURCHASE PRICE.** $250,000 payable as follows:

(i) One Thousand Eight Hundred Sixty Four and 58/100 dollars ($1,864.58), including interest at the rate of six and five tenths percent (6.5%) per annum, on the 15th day of each month beginning August 15, 2005. All unpaid Principal shall accrue interest at the rate of 6.5% per annum until paid in full.

(ii) The principal and all accrued and unpaid interest shall be due and payable in full on July 15, 2015.

2. **POSSESSION.** BUYER, concurrently with due performance on their part shall be entitled to possession of said Property on July 15, 2005 ("Closing") and thereafter so long as they shall perform the obligation of this Agreement.

3. **TAXES.** SELLER shall pay all real estate taxes that are liens for prior years and all those taxes that are due and payable in the fiscal year in which possession is given. SELLER shall provide a credit on the purchase price to BUYER of a per diem amount from July 1, 2005 to the date of Closing using the latest known applicable assessed value, rollback, exemptions and

levy rate of record at the time of settlement. The per diem amount will be determines at time of Closing. BUYER shall pay any taxes not assumed by SELLER and all subsequent taxes before same become delinquent. There shall be no other proration of property taxes or special assessments except as provided herein. Whoever may be responsible for the payment of said taxes, and the special assessments, if any, each year shall furnish to the other parties evidence of payment of such items not later than May 15 of each year. Any proration of taxes shall be based upon the taxes for the year currently payable unless the parties state otherwise.

4. **SPECIAL ASSESSMENTS.** SELLER shall pay the special assessments against this Property which are a lien thereon as of the date of Closing. BUYER, except as above stated, shall pay all subsequent special assessments and charges, before they become delinquent.

5. **MORTGAGE.** Any mortgage or encumbrance of a similar nature against the said Property shall be timely paid by SELLER so as not to prejudice the BUYER's equity herein. Should SELLER fail to pay, BUYER may pay any such sums in default and shall receive credit on this Agreement for such sums so paid. MORTGAGE BY SELLER. SELLER, SELLER's successors in interest or assigns may, and hereby reserve the right to at any time mortgage their right, title or interest in such Property or to renew or extend any existing mortgage for any amount not exceeding 80% of the then unpaid balance of the purchase price herein provided. The interest rate and amortization thereof shall be no more onerous than the installment requirements of this Agreement. BUYER hereby expressly consents to such a mortgage and agrees to execute and deliver all necessary papers to aid SELLER in securing such a mortgage which shall be prior and paramount to any of BUYER'S then rights in said Property. DEED FOR BUYER SUBJECT TO MORTGAGE. If BUYER has reduced the balance of this Agreement to the amount of any existing mortgage balance on said Property, BUYER may at its option, assume and agree to pay said mortgage according to its terms, and subject to such mortgage shall receive a deed to said Property or SELLER, at SELLER's option, any time before BUYER has made such a mortgage commitment, may reduce or pay off such mortgage. ALLOCATED PAYMENTS. BUYER, in the event of acquiring this Property from an equity holder instead of a holder of the fee title, or in the event of a mortgage against said Property, reserves the right, if reasonably necessary for its protection to divide or allocate the payments to the interested parties as their interests may appear. SELLER AS TRUSTEES. SELLER agrees that SELLER will collect no money hereunder in excess of the amount of the unpaid balance under the terms of this Agreement less the total amount of the encumbrance on the interest of SELLER or SELLER's assigns in said Property and if SELLER shall hereafter collect or receive any moneys hereunder beyond such amount, SELLER shall be considered and held as collecting and receiving said money as the agent and trustee of the BUYER for the use and benefit of the BUYER.

6. **INSURANCE.** BUYER on and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by BUYER (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as SELLER may reasonably require on all buildings, improvements, furniture and fixtures now on or hereafter placed on said Property and any personal property which may be the subject of this Agreement, in companies to be reasonably approved by SELLER in an amount not less than the

full insurable value of such improvements and personal property or not less than the unpaid purchase price herein whichever amount is smaller with such insurance payable to SELLER and BUYER as their interests may appear. SELLER's interest shall be protected in accordance with a standard or union-type loss payable clause. BUYER SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH SELLER for the further security for the payment of the sums herein mentioned. In the event of any such casualty loss, the insurance proceeds may be used under the supervision of the SELLER to replace or repair the loss if the proceeds be adequate; if not, then some other reasonable application of such funds shall be made; but in any event such proceeds shall stand as security for the payment of the obligations herein. BUYER shall also maintain One Million dollars ($1,000,000.00) in commercial general liability coverage naming SELLER as an additional insured for such coverage.

7. **CARE OF PROPERTY.** BUYER shall take good care of this Property; shall keep the buildings and other improvements now or hereafter placed on the said Property in good and reasonable repair and shall not injure, destroy or remove the same during the life of this Agreement. BUYER shall not make any material alteration in said Property without the written consent of the SELLER. BUYER shall not use or permit said Property to be used for any illegal purpose.

8. **LIENS.** No mechanics' lien shall be imposed upon or foreclosed against the Property described herein.

9. **ADVANCEMENT BY SELLER.** If BUYER fails to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, SELLER may, but need not, pay such taxes, special assessments, insurance and make necessary repairs, and all sums so advanced shall be due and payable on demand or such sums so advanced may, at the election of SELLER, be added to the principal amount due hereunder and so secured. (For BUYER' S rights to make advancements, see paragraph 5 above.)

10. **JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN PROPERTY.** If and only if, the SELLER immediately preceding this sale, holds the title to the above described Property in joint tenancy, and such joint tenancy has not later been destroyed by operation of law or by acts of the SELLER, this sale shall not constitute such destruction and the proceeds of this Agreement, and any containing and/or recaptured rights of SELLER in said Property, shall be and continue in SELLER as joint tenants with rights of survivorship and not as tenants in common; and BUYER, in the event of the death of one of such joint tenants, agrees to pay any balance of the proceeds of this Agreement to the surviving Seller (or SELLER) and to accept deed solely from her or them consistent with paragraph 14 below.

11. **SELLER.** Spouse, if not titleholder immediately preceding this sale, shall be presumed to have executed this Instrument only for the purpose of relinquishing all rights of dower, homestead and distributive share and/or in compliance with section 561.13 Code of Iowa; and the use of the word "SELLER" in the printed portion of this Agreement, without more, shall not rebut such presumption, nor in any way enlarge or extend the previous interest of such

Spouse in said Property, or in the sale proceeds, nor bind such spouse except as aforesaid, to the terms and provisions of this Agreement.

12. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement. Failure to promptly assert rights of SELLER herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default.

13. **EXCEPTIONS TO WARRANTIES OF TITLE.** The warranties of title in any Deed made pursuant to this Agreement (See paragraph 14) shall be without reservation or qualification EXCEPT: (a) Zoning ordinances; (b) Such restrictive covenants as may be shown of record; (c) Easements of record, if any; (d) As limited by the transfer clause of this Agreement; (e) SELLER shall give Special Warranty as to the period after equitable title passes to BUYER; (f) Spouse if not titleholder, need not join in any warranties of the deed unless otherwise stipulated:

14. **DEED AND ABSTRACT, BILL OF SALE.** If all said sums of money and interest are paid to SELLER during the life of this Agreement, and all other agreements for performance by BUYER have been complied with, SELLER will execute and deliver to BUYER a Warranty Deed conveying the Property in fee simple pursuant to and in conformity with this Agreement and SELLER will at this time deliver to BUYER an abstract showing merchantable title, in conformity with this Agreement. Such abstract shall begin with the government patent (unless pursuant to the Iowa State Bar Association title standards there is a lesser requirement as to period of abstracting) to said Property and shall show title thereto in SELLER as of the date of this Agreement; or as of such earlier date if and as designated in the next sentence. SELLER shall also pay the cost of any abstracting due to any act or change in the personal affairs of SELLER resulting in a change of title by operation of law or otherwise. If any personal property is a part of this agreement, then upon due performance by BUYER, SELLER shall execute and deliver a Bill of Sale for such personal property free and clear of liens and encumbrances.

15. **APPROVAL OF ABSTRACT.** BUYER has examined the abstract of title to this Property and such abstract is accepted.

16. **FORFEITURE.** If BUYER (a) fails to make the payments aforesaid, or any part thereof, as same become due; or (b) fails to pay the taxes or special assessments or charges, or any part thereof, levied upon the Property or assessed against it, by any taxing body before any of such items become delinquent; or (c) fails to keep the Property insured; or (d) fails to keep it in reasonable repair as herein required; or (e) fails to perform any of the agreements as herein made or required; then SELLER, in addition to any and all other legal and equitable remedies which SELLER may have, at SELLER's option, may proceed to forfeit and cancel this Agreement as provided by law (Chapter 656 Code of Iowa). Upon completion of such forfeiture BUYER shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and/or improvements if any shall be retained and kept by SELLER as compensation for the use of said Property, and/or as liquidated damages for breach of this Agreement; and upon completion of such forfeiture, if the BUYER or any other person or

persons shall be in possession of the Property or any part thereof, such party or parties in possession shall at once peacefully remove therefrom, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of a lease, and may accordingly be ousted and removed as such as provided by law.

17. **FORECLOSURE AND REDEMPTION.** If BUYER fails to timely perform this Agreement, SELLER, at SELLER's option, may elect to declare the entire balance immediately due and payable after at least ten (10) days written notice to BUYER and such notice, if any, as may be required by Chapter 654, The Code. Thereafter this Agreement may be foreclosed in equity and the court may appoint a receiver to take immediate possession of the Property and of the revenues and income accruing therefrom and to rent or cultivate the same as the receiver may deem best for the interest of all parties concerned, and such receiver shall be liable to account to BUYER only for the net profits, after application of rents, issues and profits from the costs and expenses of the receivership and foreclosure end upon the contract obligation.

It is agreed that if this Agreement covers less than ten (10) acres of land, and in the event of the foreclosure of this Agreement and sale of the Property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the SELLER, in such action files an election to waive any deficiency judgment against BUYER which may arise out of the foreclosure proceedings: all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the BUYER, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Agreement shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The Property is less than ten (10) acres in size; (2) the Court finds affirmatively that the Property has been abandoned by the owners and those persons personally liable under this Agreement at the time of such foreclosure; and (3) SELLER in such action files an election to waive any deficiency judgment agent BUYER or BUYER's successor in interest in such action. If the redemption period is so reduced, BUYER or BUYER's successor in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of BUYER shall be presumption that the Property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

18. **ATTORNEY'S FEES.** In case of any action, or in any proceedings in any Court to collect any sums payable or secured herein, or to protect the lien or title herein of SELLER, or in any other case permitted by law in which attorney's fees may be collected from BUYER, or imposed upon them, or upon the above described Property, BUYER agrees to pay reasonable

attorneys' fees.

19. **INTEREST ON DELINQUENT AMOUNTS.** Either party will pay interest at the rate of six and five tenths percent (6.5%) per annum on all amounts herein as and after they became delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this Agreement, as protective disbursements.

20. **CONSTRUCTION.** Words and phrases herein, including acknowledgments hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. See paragraph 11 above, for construction of the word "SELLER."

21. **ASSIGNMENT.** In case of the assignment of this Agreement by either of the parties, prompt notice shall be given to the other parties, who shall at the time of such notice be furnished with a duplicate of such assignment by such assignors. Any such assignment shall not terminate the liability of the assignor to perform, unless a specific release in writing is given and signed by the other party to this Agreement.

22 **SELLER'S WARRANTIES.**

(a) SELLER warrants that the attached Schedule A is a complete listing of all of the existing leases of any portion of the Property, including, but not limited to (i) the name of the tenant and any assignees, if applicable, (ii) a description of the exact portion of the Property leased by the Tenant, (iii) the amount and frequency of the rent payment, (iv) the amount of the rental deposit, if any, and (v) a copy of any written lease or a statement that no written lease has been executed by the parties. SELLER as Landlord under such leases represents that it has satisfied all of the Landlord's obligations under such leases and the leases are in full force and effect.

(b) SELLER warrants that the attached Schedule B is a complete listing of the service contracts currently in effect regarding the Property, if any.

(c) SELLER warrants that:

(i) The Property is free of asbestos and other hazardous waste and no time during SELLER's ownership or use of the Property has the SELLER acted in violation of the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"). To the best knowledge of the SELLER, no prior owner of the Property has acted in violation of CERCLA on the Property. The SELLER has not received notice from any governmental agency of any violation of CERCLA with respect to the Property.

(ii) SELLER further warrants that there are no underground storage tanks, abandoned wells, solid waste disposal sites, or hazardous substances (including without

limitation, radon) located on the Property. SELLER warrants that SELLER and SELLER's employees have not contaminated the Property with hazardous wastes or substances. SELLER warrants that the Property is not subject to any local, state, or federal judicial or administration action, investigation or order, as the case may be, regarding wells, solid waste disposal sites, hazardous wastes or substances, underground storage tanks, or on site sewage treatment facilities.

(iii) SELLER agrees to indemnify and hold BUYER harmless from any and all claims, demands, actions, investigations, proceeding, judgments or loss of any nature, including costs, expenses and attorney's fees incurred by BUYER, in connection with or arising from any well, solid waste disposal site, hazardous waste or substance, underground storage tanks, or on site sewage treatment facility located on the Property during and prior to the time that SELLER held an equitable interest in the Property.

(d) Subject to the foregoing warranties concerning the condition of the Property, the Property is being conveyed by SELLER to BUYER "AS-IS".

23. **NOTICES**. Unless otherwise required by law, all written notices required under this Agreement shall be given by certified mail to the BUYER and SELLER as follows:

SELLER Shirley K. Mangold
1303 1ST ST. SW
DYERSVILLE, IA. 52040

BUYER MNS, LLC.
245 Classic Cart Ct. S.W.
Cedar Rapids, Iowa 52404

24. **BROKER.** The SELLER acknowledges that HERITAGE COMMERCIAL REALTY is acting as agent for the BUYER and is to be paid a commission of 3.5% of the Purchase Price by SELLER upon consummation of the Closing of the transaction contemplated by this Agreement.

25. **VALIDITY OF ENTITIES**. Each party warrants to all the other parties hereto that it is an entity validly existing under the laws of its respective state or organization, and any person or entities executing this Agreement on such party's behalf warrant that it is authorized by and acting on behalf of such entity in executing this document.

26. **SUBSEQUENTLY OBTAINED INFORMATION**. SELLER agrees to transmit to BUYER any information or records it obtains before and after the Closing, regarding the Property.

27. **SURVIVAL OF COVENANTS**. All covenants contained in this Agreement or in any certificate, document or other instrument delivered pursuant to this Agreement or in connection with the Closing shall be deemed a covenant, representation and warranty. All covenants, representations and warranties shall survive the Closing and recording of the deed from the SELLER to BUYER. All such covenants, representations and warranties shall be true, bona fide and accurate as of the date of Closing, notwithstanding that any of said covenants, representations and warranties by the language used in this Agreement may refer to a state of facts as of a date prior to the Closing and not as of the Closing.

28. **INTEGRATION. It** is understood and agreed that all understanding and agreements heretofore had between the parties hereto are merged in the Agreement which alone fully and completely express their agreement and that the same was entered into after full investigation, neither party relying upon any statement or representation not embodied in this agreement made by the other. This Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. The stipulations are to apply to and bind the heirs, executors administrators, successors, and assigns of the respective parties hereto.

BALANCE OF PAGE INTENTIONALLY BLANK

MSN L.L.C.

Shirley K. Mangold

Shelley Shea, Member

Carl Kurt

Marc MacTaggart, Member

SELLER

BUYER

STATE OF IOWA)
)ss.
County of Delaware

This instrument was acknowledged before me on July 15, 2005 by Shelley Shea as a Member of MSN L.L.C.

LORI D. HIXSON
COMMISSION NUMBER 713247
MY COMMISSION EXPIRES
OCTOBER 25, 2007

Notary Public

STATE OF IOWA)
)ss.
County of Delaware

This instrument was acknowledged before me on July 15, 2005 by Marc MacTaggart as a Member of MSN L.L.C.

LORI D. HIXSON
COMMISSION NUMBER 713247
MY COMMISSION EXPIRES
OCTOBER 25, 2007

Notary Public

STATE OF IOWA)
)ss.
County of Delaware

This instrument was acknowledged before me on July 15, 2005 by Shirley K. Mangold and Carl Kurt, husband and wife.

LORI D. HIXSON
COMMISSION NUMBER 713247
MY COMMISSION EXPIRES
OCTOBER 25, 2007

Notary Public

SCHEDULE A

The following are a summary of verbal leases currently effecting the Property:

Three Rivers Farm Service
1000 South Fifth Street
Manchester, Iowa 52057
Don Quint
563-927-2761
$200.00 per month
Paid up to 7/15/05
They have a door opener

Henderson Manufacturing
1085 South Third Street
Manchester, Iowa 52057
563-927-2828
The name on my PO number is Scott Luekan
Paid up to 8/7/05

Kluesner Flooring
Jason Kluesner
18698 166th Ave
Manchester, Iowa 52057
563-927-6548 Home
563-920-6537 Cell
$55.00 Office
Paid light bills and or water bills
Paid up to 7/1/05
He has a door opener

John Weber
563-920-3805 Cell
319-393-3226 Work
Pays light bill
Has a door opener

SCHEDULE B

SERVICE CONTRACT LIST

Lawn Care (bales grass to west and south of building)
Dale Kenney
2293 180th Avenue
Manchester, Iowa 52057
563-927-3831