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88-224

$27,013.00 of the $130,000.00 is for Personal property

Book 2006 Page 1712

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DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

REAL ESTATE CONTRACT INSTALLMENTS

THE IOWA STATE BAR ASSOCIATION
Official Form No. 142
Recorder's Cover Sheet

Preparer Information: (Name, address and phone number)
Richard Hughes, P.O. Box 272, Delhi, IA 52223-0272 563-922-2201

Taxpayer Information: (Name and complete address)
Albert E. Holcomb, 5022 Broadlawn Drive SE, Cedar Rapids, IA 52403

Return Document To: (Name and complete address)
(X) Richard Hughes, P.O. Box 272, Delhi, IA 52223-0272

Grantors:
Richard Hughes
Susan Hughes
f.k.a. Susan L. Tanner

Grantees:
Albert E. Holcomb

Legal description: See Page X 5

Document or instrument number of previously recorded documents:

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IOWA0105142

REAL ESTATE CONTRACT- INSTALLMENTS

IT IS AGREED this 9th day of MAY, 2006, by and between Richard Hughes and Susan L. HUGHES, HUSBAND + WIFE f.k.a. Susan L. Tanner of the County of Delaware, State of Iowa, Sellers: and ALBERT E. HOLCOMB, IV a Single Person of the County of LINN, State of Iowa, Buyers;

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

see attachment Page 5

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, and certain personal property if and as may be herein described or if and as an itemized list is attached hereto and marked "Exhibit A" all upon the terms and conditions following:

1. **TOTAL PURCHASE PRICE.** The Buyers agree to pay for said property the total of $ 130,000.00 due and payable at P.O. Box 272, Delhi, IA 52223, Delaware County, Iowa, as follows:

(a) **DOWN PAYMENT** of $ 30,000.00 **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED**; and

(b) **BALANCE OF PURCHASE PRICE.** $ 100,000.00 as follows: $955.63 each mo. beginning June 10, 2006. If payment is over 30-days past due interest rate will be 8½%. Present interest shall be 8%. Contract due + payable on or before May 10, 2008.

2. **POSSESSION.** Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 10th day of MAY, 2006; and thereafter so long as they shall perform the obligations of this contract. If Buyers are taking subject to the rights of lessees and are entitled to rentals therefrom on and after date of possession, so indicate by "yes" in the space following yes - equipment.

3. **TAXES.** Sellers shall pay prorated taxes to possession. Buyer responsible for all further taxes. Buyer shall provide Seller with a copy of paid tax receipt at each tax period.

and any unpaid taxes thereon payable in prior years. Buyers shall pay any taxes not assumed by Sellers and all subsequent taxes before same become delinquent. 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 July 15 of each year. Any proration of taxes shall be based upon the taxes for the year currently payable unless, the parties state otherwise.
(Decide, for yourself, if that formula is fair if Buyers are purchasing a lot with newly built improvements).

4. **SPECIAL ASSESSMENTS.** Sellers shall pay the special assessments against this property:
(a) Which, if not paid, in the year 2006, would become delinquent and all assessments payable prior thereto.
(b) Which are a lien thereon as of MAY 10, 2006 (Date)
(c) Including all sewage disposal assessments for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession.
Buyers, except as above stated, shall pay all subsequent special assessments and charges before they become delinquent.

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5. **MORTGAGE.** Any mortgage or encumbrance of a similar nature against the said property shall be timely paid by Sellers so as not to prejudice the Buyers' equity herein. Should Sellers fail to pay, Buyers may pay any such sums in default and shall receive credit on this contract for such sums so paid. MORTGAGE BY SELLERS. Sellers, their successors in interest or assigns may, and hereby reserve the right to at any time mortgage their right, title or interest in such premises 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 contract. Buyers hereby expressly consent to such a mortgage and agree to execute and deliver all necessary papers to aid Sellers in securing such a mortgage which shall be prior and paramount to any of Buyers' then rights in said property. DEED FOR BUYERS SUBJECT TO MORTGAGE. If Buyers have reduced the balance of this contract to the amount of any existing mortgage balance on said premises, they may at their option, assume and agree to pay said mortgage according to its terms, and subject to such mortgage shall receive a deed to said premises; or Sellers, at their option, any time before Buyers have made such a mortgage commitment, may reduce or pay off such mortgage. ALLOCATED PAYMENTS. Buyers, 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 premises, reserve the right, if reasonably necessary for their protection to divide or allocate the payments to the interested parties as their interests may appear. SELLERS AS TRUSTEES. Sellers agree that they will collect no money hereunder in excess of the amount of the unpaid balance under the terms of this contract less the total amount of the encumbrance on the interest of Sellers or their assigns in said real estate; and if Sellers shall hereafter collect or receive any moneys hereunder beyond such amount, they shall be considered and held as collecting and receiving said money as the agent and trustee of the Buyers for the use and benefit of the Buyers.

6. **INSURANCE.** Except as may be otherwise included in the last sentence of paragraph 1(b) above, Buyers as and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Sellers may reasonably require on all buildings and improvements, now on or hereafter placed on said premises and any personal property which may be the subject of this contract, in companies to be reasonably approved by Sellers 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 Sellers and Buyers as their interests may appear. BUYERS SHALL PROMPTLY DEPOSIT SUCH POLICY WITH PROPER RIDERS WITH SELLERS 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 Sellers 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.

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

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

9. **ADVANCEMENT BY SELLERS.** If Buyers fail 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 Sellers, be added to the principal amount due hereunder and so secured. (For Buyers' rights to make advancements, see paragraph 5 above.)

10. **JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN REAL ESTATE.** If and only if, the Sellers immediately preceding this sale, hold 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 Sellers, this sale shall not constitute such destruction and the proceeds of this contract, and any continuing and/or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with rights of survivorship and not as tenants in common; and Buyers, in the event of the death of one of such joint tenants, agree to pay any balance of the proceeds of this contract to the surviving Seller (or Sellers) and to accept deed solely from him or them consistent with paragraph 14 below unless and except this paragraph is stricken from this agreement.

11. **SELLERS.** 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 "Sellers" in the printed portion of the contract, 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 contract.

12. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement. Failure to promptly assert rights of Sellers 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 contract (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 paragraphs 1, 2, 3 and 4 of this contract; (e) Sellers shall give Special Warranty as to the period after equitable title passes to Buyers; (f) Spouse if not titleholder, need not join in any warranties of the deed unless otherwise stipulated:

(g) NONE
(Mineral reservations of record?)

(h) NONE
(Liens?) (Easements not recorded?) (Interests of other parties?) (Lessees?)

14. **DEED AND ABSTRACT, BILL OF SALE.** If all said sums of money and interest are paid to Sellers during the life of this contract, and all other agreements for performance by Buyers have been complied with, Sellers will execute and deliver to Buyers a _____ Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract and Sellers will at this time deliver to Buyers an abstract showing merchantable title, in conformity with this contract. 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 premises and shall show title thereto in Sellers as of the date of this contract; or as of such earlier date if and as designated in the next sentence. This contract supersedes the previous written offer of Buyers to buy the above described property which was accepted by Sellers on the 4th day of May, 06. Sellers shall also pay the cost of any abstracting due to any act or change in the personal affairs of Sellers 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 Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract. Sellers shall pay all taxes on any such personal property payable in _____, and all taxes thereon payable prior thereto.

15. **APPROVAL OF ABSTRACT.** Buyers have _____ examined the abstract of title to this property and such abstract is NOT accepted.

16. **FORFEITURE.** If Buyers (a) fail to make the payments aforesaid, or any part thereof, as same become due; or (b) fail to pay the taxes or special assessments or charges, or any part thereof, levied upon said property, or assessed against it, by any taxing body before any of such items become delinquent; or (c) fail to keep the property insured; or (d) fail to keep it in reasonable repair as herein required; or (e) fail to perform any of the agreements as herein made or required; then Sellers, in addition to any and all other legal and equitable remedies which

they may have, at their option, may proceed to forfeit and cancel this contract as provided by law (Chapter 656 Code of Iowa). Upon Upon completion of such forfeiture Buyers 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 Sellers as compensation for the use of said property, and/or as liquidated damages for breach of this contract ; and upon completion of such forfeiture, if the Buyers, or any other person or persons shall be in possession of said real estate 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 lease, and may accordingly be ousted and removed as such as provided by law.

17. FORECLOSURE AND REDEMPTION. If Buyers fail to timely perform this contract, Sellers, at their option, may elect to declare the entire balance immediately due and payable after such notice, if any, as may be required by Chapter 654, The Code. Thereafter this contract 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 Buyers only for the net profits, after application of rents, issues and profits from the costs and expenses of the receivership and foreclosure and upon the contract obligation.

It is agreed that if this contract covers less than ten (10) acres of land, and in the event of the foreclosure of this contract 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 Sellers, in such action file an election to waive any deficiency judgment against Buyers 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 Buyers, 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 contract shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this contract at the time of such foreclosure; and (3) Sellers in such action file an election to waive any deficiency judgment against Buyers or their successor in interest in such action. If the redemption period is so reduced, Buyers or their 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 Buyers 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 Sellers, or in any other case permitted by law in which attorney 's fees may be collected from Buyers, or imposed upon them, or upon the above described property, Buyers agree to pay reasonable attorneys' fees.

19. INTEREST ON DELINQUENT AMOUNTS. Either party will pay interest at the highest legal contract rate applicable to a natural person to the other on all amounts herein as and after they become delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this contract, as protective disbursements.

20. ASSIGNMENT. In case of the assignment of this contract 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 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 contract.

21. PERSONAL PROPERTY. If this contract includes the sale of any personal property, then in the event of the forfeiture or foreclosure of this contract, such property shall be considered indivisible with the real estate above described; and any such termination of Buyers' rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof against all such personal property.

22. CONSTRUCTION. Words and phrases herein, including acknowledgements 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 "Sellers."

23. RELEASE OF RIGHTS. Each of the Buyers hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waives all rights of exemption as to any of the property.

24. LEAD-BASED PAINT NOTICE. If applicable, see attached Disclosure of Information on Lead-Based and/or Lead-Based Paint Hazards.

25. SPECIAL PROVISIONS.

26. See Addendum A + B, included with this Contract.

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: 5-10-06

Dated: _____

Executed in duplicate or triplicate

Richard Hughes	Albert Holcomb III
Susan L Hughes	ALBERT HOLCOMB 4th
SELLERS	BUYERS
20560 234th St	5022 BROADLAWN Dr.
Delhi IA 52223	C.R., IOWA, 52403
SELLERS' ADDRESS	BUYERS' ADDRESS

STATE OF IOWA, Delaware COUNTY, ss

This instrument was acknowledged before me on May 10, 2006

by, Susan Hughes, Richard Hughes, and Albert Holcomb III

Julia L. Hackbarth, Notary Public

JULIA L. HACKBARTH
Commission Number 169605
My Comm. Exp. 5/24/2008

That part of Lot Eighty Nine (89) of Camp-O-Delhi, a Subdivision of the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of Section Twenty Four (24), Township Eighty Eight (88) North, Range Five (5), West of the Fifth P.M., in Delaware County, Iowa, according to plat recorded in Book 5 Plats, Page 78, described as commencing at the Northwesterly corner of said Lot Eighty Nine (89), thence South 12° 29' 14" West forty nine and sixty six hundredths (49.66) feet to the point of beginning, thence South 12° 29' 14" West forty five (45) feet to the Southwesterly corner of said Lot Eighty Nine (89), thence South 71° 2' 49" East seventeen and sixty eight hundredths (17.68) feet, thence South 79° 39' 36" East seventy four and six hundredths (74.06) feet to the Southeasterly corner of said Lot Eighty Nine (89), thence North 10° 42' 35" East fifty four and thirty nine hundredths (54.39) feet, thence North 78° 32' 37" West fifty nine and ninety nine hundredths (59.99) feet, thence South 11° 27' 29" West nine (9) feet, thence Westerly thirty one and seventy five hundredths (31.75) feet, more or less, to the point of beginning, except Parcel 'K' Of Part Of Lot 89 In Camp-O-Delhi, A Subdivision Of The SW1/4 Of The SE1/4 Of Section 24, T88N, R5W Of The 5th P.M., Delaware County, Iowa, according to plat recorded in Book 2005, Page 2375,

ADDENDUM A April 29 2006

Part of the offer for Camp-O Beach Resort On Lake Delhi.

1) Purchase includes all average/normal operating inventory , liquor, food, cleaning supplies, Existing fixtures; chattels, wall décor, tables chairs, bar stools, TIKI bar, kitchen equipment, Glassware, Etc. EXCEPT RESERVE ITEMS.

2) Contract buyer is aware the following items are not included in sale but can be transferred.
A) LP. Fuel tank is owned by gas company.
B) Gas pump and tanks owned by fuel company.
C) Juke box, pool table, mega max, 2 Iowa redemption machines owned by Rich & Junies

3) Future licenses & permits will be contract buyers obligation and must stay current

4) Well is shared by Camp-O association. Septic is owned by seller and shared with Nancy Cassell at one service charge to pump tank per year.

5)Contract buyer is not responsible for any sellers liabilities with exception of $5000.00 to pay off blacktop assessment to CampO Association.
Buyer is not liable for any association dues suits, taxes, or employee issues prior to possession by Contract purchaser.

6)Opon possession and closing it is agreed that the following will be assigned or transferred under new ownership.
A) Utilities B) Satellite dish network C) Vendor contracts, LP, Fuel Company, Campo Association, Employees, Food & Supply Vendors.

7) Failure to maintain property, buildings, & equipment in same as or better condition will result In forfeiture of cotract.

8) Buyers shall pay all closing cost, revenue stamps, attorney fees and recording fees incurred by either buyers or seller with regard to this purchase when the contract is paid in full and the deed is given.

9) Buyers shall name sellers as additional insureds and loss payees on the insurance required of Buyers in paragraph 9 in purchase agreement and provide sellers with certificate of insurance Each period insurance is renewed.

Seller Richard Hughes Date 5-4-06

Seller Susan L. Hughes Date 5/04/06

Buyer [signature] Date 5-4-06

X

ADDENDUM B

The following terms and conditions are a part of a Purchase Agreement between Richard and Susan Hughes, Sellers, and Albert E. Holcomb, Buyer, and the Sellers and Buyer do hereby agree:

1) All assets being purchased by Buyer are free and clear of all liens and encumbrances. At the closing, the Sellers shall deliver to Buyer a fully executed Bill of Sale conveying title to all assets being purchased hereunder.

2) Sellers agree not to compete with Buyer in any form of bar business for a period of five (5) years and at a location within a fifty (50) mile radius of the now existing location of the business being sold hereunder. The five (5) year period shall commence on May 10, 2006. This restriction shall include Sellers being involved directly or indirectly in any bar business, as owner, shareholder, employee or otherwise.

3) All statements, representations and agreements by Sellers shall be deemed to be representations and warranties by the Sellers and shall survive the closing.

4) Sellers agree to indemnify, defend, and hold Buyer harmless from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest and penalties, attorney fees and expenses, asserted against, or imposed upon, or incurred by Buyer resulting from or by reason of, any facts arising out of the operation by the Sellers of the business being purchased hereunder. In the event of any such claim, the Sellers agree that in the event the Buyer becomes liable for any such expense, the Buyer may, at his option, deduct said expense from the unpaid balance owing to the Sellers or may pursue direct reimbursement from the Sellers.

5) The Sellers and the Buyer agree that the purchase price to be paid hereunder shall be allocated as follows:

Inventory and supplies	$ 3578 -
Equipment	$ 23,435
Covenant Not to Compete	$ 5,000.00
Building	$ ~~25000~~ - 90,000
Land	$ ~~90000~~ - 25,000

A.H.
S.H.

6) The Sellers are currently two years in arrears on the payment of association dues totaling $3400.00. These dues shall be paid current at or prior to closing, and the Sellers shall deliver proof of said payment to the Buyer at the closing.

7) The foregoing provisions of this agreement notwithstanding, prior to the closing the Sellers shall provide the Buyer with the abstract for the property being purchased hereunder extended to the current date for examination by Buyer's attorney showing legal title in Sellers, free and clear of all liens, encumbrances, and other objections to title.

8) The provisions of this Addendum "B" shall supersede any other provisions of the purchase agreement to the contrary.

Dated this 4th day of MAY, 2006.

Sellers:

Richard Hughes

Susan L. Hughes

Buyer:

Albert E. Holcomb