RECORDING REQUESTED BY AND RECORDED INSTRUMENT TO BE RETURNED TO: EW Dean A. Piviroto Home Partners Credit Corp. 1154 Highland Avenue Cheshire, CT 06410 Parcel Identification Number: _____ 6320412500	This instrument was prepared by: Ed Pulaski Name of Natural Person Home Partners Credit Corp. 1154 Highland Avenue Cheshire, CT 06410 203-699-3400

RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT

1. PARTIES

1.1 Grantor. John D. Kayser, with an address of 204 Fairview Dr, Manchester, IA 52057 (the "Current Address").

1.2 Grantee. Home Partners Credit Corp., a Delaware corporation, with an address of 1154 Highland Avenue, Cheshire, Connecticut 06410 ("HPCC").

1.3 HPFI. Home Partners Finance I, LLC, a Delaware limited liability company, with an address of 1154 Highland Avenue, Cheshire, Connecticut 06410. HPFI and HPCC are affiliated companies.

2. DEFINED TERMS

2.1 Agreement. This Right Of First Refusal and Purchase Option Agreement dated as of September 03, 2008. Other documents from Grantee may from time to time also refer to this Agreement as the "Shortfall Agreement".

2.2 Construction Loan Agreement. The Construction Loan Agreement dated July 31, 2007 (as amended to date) which Grantor executed and delivered to HPCC pursuant to which Grantor obtained a loan (the "Construction Loan") from HPCC to finance construction of a single family dwelling on the Property.

2.3 Construction Note. The promissory note from Grantor to HPCC dated July 31, 2007 in the original principal amount of One Hundred Twenty Nine Thousand Two Hundred and 00/100 Dollars ($129,200.00) payable to HPCC, as amended to date, to provide for a principal amount of One Hundred Thirty Eight Thousand Nine Hundred and 00/100 Dollars ($138,900.00) which Construction Note by its terms, if not sooner paid, is to be paid, in full on the Maturity Date.

2.4 Maturity Date. The maturity date of the Construction Note, which is October 31, 2008.

2.5 Security Instrument. The Mortgage, dated July 31, 2007 from Grantor to HPCC conveying the Property to HPCC as security for payment of the Construction Note, which Security Instrument was recorded in Book 2007 on Page 3145 in the Land records of Delaware county of State of Iowa (the "Recorder's Office"), as amended to date.

2.6 Property. The property located at 204 Fairview Dr, Manchester, IA 52057, (the "Property Address"). The property is more particularly described in the Security Instrument and may also be described on Schedule A to this Agreement.

√Book 2008 Page 2952
Document 2008 2952 Type 06 006 Pages 6
Date 9/22/2008 Time 9:43:46AM
Rec Amt $42.00

DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

3. BACKGROUND AND ADDITIONAL DEFINED TERMS.

3.1 Prior Assignment/Residual Rights. HPCC has assigned the Construction Note, Construction Loan Agreement, and Security Instrument and certain other documents (collectively, the "Construction Loan Documents") to HPFI. HPCC retained residual rights to the Construction Loan. Following the closing of the Permanent Loan (as defined below), HPCC will own the rights to any Shortfall (as defined below).

3.2 Shortfall. Grantor anticipates that it might not pay the Construction Note in full by the Maturity Date and that after closing of a permanent loan to Grantor (the "Permanent Loan") a portion of the Construction Note will remain unpaid (such portion being the "Shortfall").

3.3 Estimated Shortfall. The Grantor and Grantee estimate the amount of the Shortfall will be Nine Thousand Fifty and 00/100 Dollars ($9,050.00).

3.4 Mortgage Release. Grantor has requested or will be requesting a release of mortgage/deed of trust (or a re-conveyance) of the Security Instrument (the "Mortgage Release") in connection with the Permanent Loan.

3.5 Consideration. For one dollar and other good and valuable consideration received by Grantor from Grantee, the receipt of which is hereby acknowledged, the Grantee is entering into this agreement to give the Grantee the following rights with respect to the Property: (1) a right of first refusal (the "First Right"): and (2) an irrevocable and exclusive purchase option (the "Option"). The consideration to Grantor for this Agreement may include the Mortgage Release from HPFI and Grantee's forbearance from enforcing certain terms of the Construction Loan Documents.

3.6 Grantee's Credit. The Grantee's Credit shall be the sum of: (a) the amount of the Shortfall plus (b) six percent (6%) of the purchase price. The Grantee's Credit shall increase annually on August 1 of each year starting on August 01, 2009. The amount of each increase shall be five percent (5%) of the immediately preceding Grantee's Credit.

3.7 Starting Date. The Starting Date is the date which is the later of: (1) September 3, 2008; or (2) the date on which the Grantee executes a Mortgage Release.

4. RIGHT OF FIRST REFUSAL.

The Grantor hereby grants and conveys to the Grantee, effective on the Starting Date, the First Right to purchase the Property in the event the Grantor shall receive a bona fide offer (the "Offer") to purchase the Property. The Grantor shall immediately give written notice to the Grantee of the Offer, together with a copy of the Offer.

4.1 Exercise of First Right/Grantee's Credit. The Grantee may exercise the First Right within sixty (60) days after receipt of Grantor's notice by sending to the Grantor written notice of Grantee's intent to purchase the Property on the same terms and conditions as are set forth in the Offer, subject to a reduction in the purchase price by the amount of Grantee's Credit (the Grantee's purchase price). Within sixty (60) days after receipt of the Grantee's notice, Grantor shall execute and deliver to Grantee the following (the "Conveyance Documents") on a date acceptable to Grantee in exchange for Grantee's payment of the Grantee's purchase price: (1) a warranty deed conveying title to the Property to Grantee subject only to the title exceptions which are presently title exceptions superior to the lien of Security Instrument; and (2) customary conveyance tax statements, affidavits, and certifications.

4.2 Expiration/Survival of First Right. In the event the Grantee does not exercise the First Right within sixty (60) days after receipt of Grantee's notice, the Grantor may sell the Property on the terms specified in the Offer. If, however, the purchaser fails to close the sale pursuant to the Offer, or in the event the terms of the Offer change, the First Right shall remain in full force and effect.

4.3 Noncompliance. Any sale, conveyance or transfer of the Property not in compliance with the terms and conditions of this Agreement shall be null and void.

5. OPTION TO PURCHASE

Grantor hereby grants to Grantee the Option to purchase from Grantor the Property, effective on the Starting Date. Grantee shall exercise this Option by sending Grantor written notice of Grantee's intent to exercise this Option. Within one hundred eighty (180) days after receipt of this notice, Grantor shall execute and deliver the Conveyance Documents to Grantee on a date acceptable to Grantee in exchange for Grantee's payment of the purchase price set forth in Section 5.2 below.

5.1 Exercise Dates. Grantee may exercise the Option commencing five years from the date of this Agreement.

5.2 Purchase Price. Grantee's purchase price to exercise the Option for the Property shall be: (a) the "Fair Market Value" of the Property; minus (b) the Grantee's Credit.

5.3 Fair Market Value. "Fair Market Value" shall mean the value estimated by Grantee and agreed to by Grantor. If the Grantee and Grantor cannot agree on the Fair Market Value within fifteen (15) days of Grantee's notice of its intention to purchase the Property, the following procedure shall be used to determine the Fair Market Value:

5.3.1 Appraiser Selections. Grantor and Grantee shall each, at their respective expense, appoint one (1) certified or licensed real estate appraiser to estimate the fair market value of the Property. The two appraisers shall select a third independent appraiser, or if the two appraisers cannot agree upon a third appraiser, then either Grantor or Grantee may request that one be appointed by the local office of the American Arbitration Association. The third appraiser shall also estimate the Fair Market Value of the Property.

5.3.2 Median Estimate. The "Fair Market Value" shall then be the estimate that: (1) is equal to one of the other two estimates or (2) falls between the other two estimates.

6. GENERAL TERMS

6.1 Recordation. Grantee may cause this Agreement to be recorded in the Recorder's Office.

6.2 Notices. Any notice (together with copies of any documents) shall be given by certified mail, return receipt requested, or by overnight courier service directed (a) to the Grantor at the Property Address or at such other address as the Grantor shall have provided to the Grantee in a notice of intent to sell; and (b) to the Grantee at the address set forth above in paragraph 1.2 or at such other address as the Grantee may provide to the Grantor in writing during the term of this Agreement.

6.3 Termination. This Agreement shall terminate (if not previously terminated in writing by Grantee) on the earlier of: (a) twenty years, or (b) the date on which the Grantee receives a payment equal to the Grantee's Credit.

6.4 Binding Effect. This Agreement shall "run with the land" and be binding upon and continue to the benefit of the Grantor and Grantee and their respective heirs, successors, assigns, and legal representatives.

6.5 Governing Law. This Agreement shall be governed by the laws of the State where the Property is located.

HOME PARTNERS CREDIT CORP.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

WITNESS LINES:

Signature
Name (printed): James R Reeder

Signature
Name (printed): Donna J. Reeder

Signature
Name (printed):

Signature
Name (printed):

Signature
Name (printed):

Signature
Name (printed):

GRANTOR:

x John Kayser
Signature
Name (printed): John Kayser

Signature
Name (printed):

Signature
Name (printed):

NOTARY BLOCK:

STATE/COMMONWEALTH OF Iowa)
) ss:
COUNTY/JUDICIAL DISTRICT OF Delaware)

The foregoing instrument was acknowledged before me this 4 day of Sept., 2008, by Gary D. Reeder

Notary Public

GARY D. REEDER
Commission Number 125082
My Comm. Exp. 07-01-10

My Commission Expires: 07-01-10
(Seal)
Name (printed): Gary D. Reeder
Serial Number (if any) 125082

This instrument must be signed in front of witnesses and a notary public, who must complete the notary block.

WITNESS LINES:

Signature
Name (printed): Dean A. Rivatto

Signature
Name (printed): Elora M Anthony

GRANTEE:

HOME PARTNERS CREDIT CORP., a Delaware corporation

By: _____
Name: ROGER J. KRYSTOPA
Its: VP / TREASURER

NOTARY BLOCK:

STATE OF CONNECTICUT)
) ss: CHESHIRE
COUNTY OF NEW HAVEN)

On this the 15th day of Sept. 2008 before me Edward C Pulaski the undersigned officer, personally appeared who acknowledged himself to be the VP / Treasurer of Home Partners Credit Corp., a Delaware corporation and that he as such officer being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Roger J. Krystopa.

Edward C Pulaski
Notary Public

My Commission Expires: May 31, 2012
(Seal)
Commissioner of the Superior Court
Name (printed): _____

EDWARD C. PULASKI NOTARY PUBLIC CONN.

This document was prepared by: Ed Pulaski
Home Partners Credit Corp.
1154 Highland Avenue
Cheshire, CT 06410

SCHEDULE A

Property

Street Address of Property:

[Insert legal description below]

KAYSER

File No: T407015776

EXHIBIT "A"

CONVEYS: Parcel H, Lot 1 of the Subdivision of the SW 1/4 of te SE 1/4, part of vacated Hansel Street and part of vacated Lot 37 through 41 of Henry Acers Addition, Section 20, Township 89 North, Range 5 West of the 5th P.M., City of Manchester, Delaware County, Iowa according to the recorded plat thereof, in Book 2000, Page 3439.
Lot 4C of the Subdivision of Lot 4 and Lot 5 of Auditor's Plat No. 5-Tool's First Addition of the Subdivision of the SE 1/4 of the SE 1/4 of Section 20, and the SW 1/4 of the SW 1/4 of Section 21, all of Township 89 North, Range 5 West of the 5th P.M., City of Manchester, Delaware County, Iowa, according to the recorded plat thereof in Book 2001, Page 967.
Lot 5C of the Subdivision of Lot 5B of Subdivision of Lot 4 and 5 of Auditor's Plat No. 5-Tool's first Addition of the Subdivision of the SE 1/4 of the SE 1/4 of Section 20, and of the SW 1/4 of the SW 1/4 of Section 21, all of T89N,R5W of the Fifth Principal Meridian, City of Manchester, Delaware County, Iowa according to plat thereof recorded in Book 2001, Page 1574.

Property Address:

204 Fairview Drive
Cascade, IA 52033

Tax ID# 630-20-41-025-00

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