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DEBORAH L PEYTON, RECORDER/REGISTRAR
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)
Marty Rowlet, 115 Third St. SE, Cedar Rapids, IA 52406-2107, Phone: (319) 365-9461

Taxpayer Information: (name and complete address)
Gary J. Lynch, 1900 Honey Creek Road, Manchester, IA 52057

Return Document To: (name and complete address)
Marty Rowlet, P.O. Box 2107, Cedar Rapids, IA 52406-2107

Grantors:
Velma C. Lynch

Grantees:
Gary J. Lynch

Legal Description: See Page 8 and 9

Document or instrument number of previously recorded documents:

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this 23rd day of January, 2009, by and between Velma C. Lynch of Delaware County, Iowa, Seller; and Gary J. Lynch of Delaware County, Iowa, Buyer;

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

See Exhibit "A".

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 "B" all upon the terms and conditions following:

1. **TOTAL PURCHASE PRICE.** The Buyer agrees to pay for said property the total of $ 157,500.00 due and payable at Delaware County, Iowa, with the balance to be paid in annual payments of principal over a 10-year period, plus annual payments of interest at the rate of 5.00% per annum to be made at the same time as the principal payments. All payments shall be made to Velma C. Lynch, at 1872 Honey Creek Road, Manchester, IA 52057.

2. **POSSESSION.** Buyer, concurrently with due performance on their part shall be entitled to possession of said premises on the 1st day of February, 2009, and thereafter so long as he shall perform the obligation of this contract.

3. **TAXES.** Seller shall pay real estate taxes due March 31, 2009 and September 30, 2009 and March 31, 2010, and any unpaid real estate taxes payable in prior years. Buyer shall be given a credit for taxes from the first day of July prior to possession to the date of possession based upon the last known actual neet real estate taxes payable according to public records. Buyer shall pay any taxes not assumed by Seller 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.

4. **SPECIAL ASSESSMENTS.** Seller shall pay the special assessments against this property:

(a) Which, if not paid, in the year 2009, would become delinquent and all assessments payable prior thereto.

(b) Including all sewage disposal assessments for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession.

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 contract for such sums so paid. MORTGAGE BY SELLER. Seller, her 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 100% 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. 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 contract to the amount of any existing mortgage balance on said premises, he may at his 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 Seller, at her 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 premises, reserves the right, if reasonably necessary for his protection to divide or allocate the payments to the interested parties as their interests may appear. SELLER AS TRUSTEE. Seller agrees that she 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 Seller or her assigns in said real estate and if Seller shall hereafter collect or receive any moneys hereunder beyond such amount, she 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.** Except as may be otherwise included in the last sentence of paragraph 1 (b) above, 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 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 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.

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 premises in good and reasonable repair and shall not injure, destroy or remove the same during the life of this contract.

Buyer shall not make any material alteration in said premises without the written consent of the Seller. Buyer 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 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. **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.

11. **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) Seller shall give Special Warranty as to the period after equitable title passes to Buyer.

12. **DEED AND ABSTRACT, BILL OF SALE.** If all said sums of money and interest are paid to Seller during the life of this contract, and all other agreements for performance by Buyer have been complied with, Seller will execute and deliver to Buyer a Special Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract and Seller will at this time deliver to Buyer 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 Seller 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 Buyer to buy the above described property which was accepted by Seller on the 26th day of November, 2008. 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 consistent with the terms of this contract. Seller shall pay all taxes on any such personal property payable in 2009, and all taxes thereon payable prior thereto.

13. **APPROVAL OF ABSTRACT.** Buyer has not examined the abstract of title to this property and such abstract is not accepted as of the date of this contract.

14. **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 said 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 they may have, at her option, may proceed to forfeit and cancel this contract 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 contract; and upon completion of such forfeiture, if the Buyer 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 a lease, and may accordingly be ousted and removed as such as provided by law.

15. **FORECLOSURE AND REDEMPTION.** If Buyer fails to timely perform this contract, Seller, at her 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 at 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 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 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 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) Seller in such action files an election to waive any deficiency judgment against Buyer or his successor in interest in such action. If the redemption period is so reduced, Buyer or his 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.

16. **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 him, or upon the above described property, Buyer agrees to pay reasonable attorneys' fees.

17. **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 became delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this contract, as protective disbursements.

18. **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 personalty shall be considered indivisible with the real estate above described; and any such termination of Buyer's rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof against all such personal property.

19. **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.

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

21. **CERTIFICATION**. Buyer and Seller each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

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.

Executed in duplicate or triplicate

Velma C. Lynch 1-22-09
Velma C. Lynch
1872 Honey Creek Road
Manchester, IA 52057

Gary J. Lynch 1/22/09
Gary J. Lynch
1900 Honey Creek Road
Manchester, IA 52057

STATE OF IOWA, COUNTY OF ~~LINN~~ Delaware
This instrument was acknowledged before me on the 22 day of January, 2009, by Velma C. Lynch.

LINDA L. LAWSON
Commission Number 721873
My Comm. Exp. 4-10-09

4-10-09
Linda L. Lawson, Notary Public

STATE OF IOWA, COUNTY OF ~~LINN~~ Delaware
This instrument was acknowledged before me on the 22 day of January, 2009, by Gary J. Lynch.

LINDA L. LAWSON
Commission Number 721873
My Comm. Exp. 4-10-09

4-10-09
Linda L. Lawson, Notary Public

Exhibit "A"

An undivided one-half interest in that certain real estate described as follows:

That part of the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of Section Sixteen (16) lying East of the center of the public road; and that part of the South one-half (S½) of the Southwest Quarter (SW¼) of said Section Sixteen (16) lying East of the Center of the public road and West of the right-of-way of the former Manchester and Oneida Railway Company; and that part of the Southeast Quarter (SE¼) of the Southeast Quarter (SE¼) of Section Seventeen (17) lying East of the center of the public road, except the right of way of the former Manchester and Oneida Railway Company, all in Township Eighty-Nine (89) North, Range Five (5) West of the Fifth Principal Meridian; except Lynch's Subdivision of part of the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of said Section Sixteen (16), according to plat recorded in Book 4 Plats, Page 9; and except Lynch's Second Subdivision part of the SW¼ of Section 16 and part of the SE¼ of Section 17 according to plat recorded in Book 2001 Page 1729, all in T89N, R5W of the Fifth P.M. Delaware County, Iowa;

and further excepting that part of said Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of Section 16, T89N, R5W of the Fifth P.M., described as commencing at the Southwest corner of the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼),and running thence North on the West line of the Southwest Quarter (SW¼) two hundred eleven and eight-tenths (211.8) feet to the centerline of County Road D-13, thence North 30° 56' East two hundred thirty-eight and two-tenths (238.2) feet to the point of beginning, thence South 59° 04' East one hundred ninety (190) feet, thence North 30° 56' East one hundred (100) feet, thence North 59° 04' West one hundred ninety (190) feet, thence South 30° 56' West one hundred (100) feet to the point of beginning; subject to easements and highways of record;

AND

The NW¼ of the SW¼, and all that part of the S½ of the SW¼ lying West of the Manchester and Oneida Railway right-of-way; excepting that part of the NW¼ of the SW¼ lying East of the center of the public road, and also excepting that part of the S½ of the SW¼ lying East of the center of the public road and West of the right-of-way of the former Manchester and Oneida Railway Company and further excepting that part of the NW¼ of the SW¼ described as commencing at the Northeast corner of the NW¼ of the SW¼ of said Section 16, thence West 767.6 feet along the North line of the NW¼ of said SW¼ to the point of beginning, thence continuing West 219.2 feet, thence South 59° 56' East 189.6 feet to the Westerly right-of-way line of County Road D-13, thence North 30° 56' East along said line 109.8 feet to the point of beginning, all in Section 16, Township 89 North, Range 5 West of the Fifth Principal Meridian, subject to highways and easements of record.

AND

Lots 2 and 15 of Lynch's Subdivision of Part of the NW 1/4 of the SW 1/4 of Section 16, T89N, R5W of the Fifth P.M., Delaware County, Iowa as Recorded in Book 4 Page 9.

AND

Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Lynch's Second Subdivision of Part of the SW¼ of Section 16 and Part of the SE¼ of Section 17 all in T89N, R5W of the Fifth P.M., Delaware County, Iowa as recorded in Book 2001 Page 1729.

AND

The NE¼ of the SE¼ of Section 17, Township 89 North, Range 5 West, except that part described as commencing at a point 150 feet West of the Southeast corner of said NE¼ of the SE¼ in the center of the public highway and running thence Northeasterly along the center of said public highway 250 feet, thence West 200 feet, thence Southwesterly and parallel with the center of said public highway 250 feet, thence East 200 feet to the point of beginning; and the E½ of the NW¼ of the SE¼; and all that part of the SE¼ of the SE¼ lying West of the center of the public road except the lots of Steely's Home Site Subdivision and Frontage Road and Access Road as shown on plat recorded in Book 2 Plats, Page 76;

and further excepting that part described as commencing in the center of the public road 844 feet West of the Southeast corner of said SE¼ of the SE¼, and running thence West 200 feet, thence Northeasterly and parallel with the center line of said highway a distance of 150 feet, thence East 200 feet to the center of said highway, thence Southwesterly along the center of said highway to place of beginning; and further excepting that tract described as commencing at a point 150 feet West of the Northeast corner of said SE¼ of the SE¼ in the center of the public highway and running thence West 871.23 feet, thence South 47.78 feet, thence Southerly 119.34 feet, thence East 819.37 feet to the center of said public highway, thence Northeasterly along the center of said highway 175 feet to point of beginning;

and further excepting that portion of the SE¼ of the SE¼ described as commencing at the most Westerly corner of Lot 8 of Steely's Home Site Subdivision, thence South 52° 54' East 132 feet, thence North 18° 35' East 238 feet, thence North 42° 47' East 171 feet, thence South 48° 18' East to the center of County Trunk Road lying to the South and East of said premises, thence Southwesterly along the center of said County Trunk Road to a point 150 feet in a Northeasterly direction along the center of the County Trunk Road from the South line of said forty acre tract, thence West 200 feet, thence in a Northerly direction to point of beginning;

and except Lynch's Subdivision designated as Oak Park Subdivision, part of the N½ of the SE¼ of Section 17, T89N, R5W of the Fifth P.M., Delaware County, Iowa as recorded Book 4 Page 11; and except Oak Park Second Subdivision of the E½ of the NW¼ of the SE¼ and part of the NE¼ of the SE¼ of Section 17, T89N, R5W of the Fifth P.M., Delaware County, Iowa as recorded Book 2001 Page 2846 and amended by Affidavit Book 2002 Page 3613.

AND

A strip of land 50 feet in width lying 25 feet on both sides of the following described centerline: commencing 25 feet South of the Northeast corner of the SE¼ of Section 17, T89N, R5W of the Fifth P.M., Delaware County, Iowa, thence South 89° 19' West 484.5 feet, thence South 35° 17' West 740.4 feet, thence continuing South 35° 17' West 351.5 feet, said easement terminating in a 100 feet diameter circle with the last described point being the center of said circle; except commencing at the Northernmost corner of Lot Four of Oak Park Subdivision, thence North 54° 43' West 20 feet, thence South 35° 17' West 97.3 feet, thence South 54° 43' East 18.8 feet, thence Northwesterly 106.1 feet along a circular curve, having a radius of 50 feet to the point of beginning.

AND

Lots 1, 2, 6, 7, 8, and Lot A of Oak Park Second Subdivision, a subdivision of the E½ of the NW¼ of the SE¼ and part of the NE¼ of the SE¼ of Section 17, T89N, R5W of the Fifth P.M., Delaware County, Iowa as recorded Book 2001 Page 2846 and amended by Affidavit Book 2002 Page 3613.