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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Preparer: Mark A. Roeder, 119 E. Main St, Manchester, IA 52057-1736 ~~650~~ 750 M.R.
Taxpayer Information: Ruby, L.L.C., c/o Jolanta Bankowska, ~~650~~ Oakland Ave #202, Oakland, CA 94611
Return Document to: Mark A. Roeder, 119 E. Main St, Manchester, IA 52057-1736
Grantor: Ruby, L.L.C., 650 Oakland Ave #202, Oakland, CA 94611
Grantees: Ronald S. Batterton and Evelyn Batterton, 403 E 4th St, Earlville, IA 52041

DWELLING UNIT RENTAL AGREEMENT WITH OPTION TO BUY

IT IS AGREED, by and between Ruby, L.L.C., Landlord, and Ronald S. Batterton and Evelyn Batterton, Tenants:

That Landlord hereby lets to Tenants, and Tenants hereby lease from Landlord, the following described premises situated in Delaware County, Iowa, to-wit:

> Lots Five (5) and Six (6), Block Fifteen (15), Earlville, formerly Nottingham, Iowa, according to plat recorded in Block I L.D., Page 346, Delaware County, Iowa, including mobile home VIN 271942R.

The property is locally described as 403 E 4th St, Earlville, IA 52041, hereinafter referred to as the "dwelling unit," in consideration of the mutual promises of the parties herein, and upon the following terms, provisions and conditions:

1. TERM. The duration of this Rental Agreement shall be from the 29th day of June 2009 to and including the 14th day of October 2011.

2. RENT. Tenant agrees to pay to Landlord, as rental for said term, as follows: $250.00 per month, in advance, the first rent payment becoming due upon the 15th day of April, 2010 and the same amount per month, in advance, on the

15th day of each month thereafter during the term of this Rental Agreement. If rental is not paid by the 20th of each month, a $20.00 penalty shall be applied. If rental is not paid by the 30th of the month the lease with option to buy shall be considered to be in default.

All sums shall be paid to the Landlord at Ruby, L.L.C., c/o Jolanta Bankowska, 650 Oakland Ave #202, Oakland, CA 94611 or at such other place as Landlord may, from time to time, direct.

3. DEPOSIT SECURITY. At the time of execution of this Rental Agreement, Tenant shall pay to Landlord in trust the sum of $ 0.00, (not to exceed two months' rent) to be held and disbursed as a rental deposit pursuant to the provisions of the Iowa Uniform Residential Landlord and Tenant Act.

4. USE-ABSENCES. Unless otherwise agreed in writing, Tenant shall occupy and use the above-described property as a dwelling unit. Tenant shall notify Landlord of any anticipated extended absence from the premises not later than the first day of the extended absence.

5. UTILITIES. Utilities shall be furnished and paid for by the party indicated on the following:

Electricity	Tenant
Gas	Tenant
Water	Tenant
Garbage	Tenant
Trash Removal	Tenant
Other	Tenant

6. UTILITY RATES. Tenant hereby acknowledges that Landlord, or the person authorized to enter into this Rental Agreement on Landlord's behalf, has heretofore fully explained to Tenant the utility rates, charges and services for which Tenant will be required to pay, other than those to be paid by Tenant directly to the utility company furnishing service.

7. MANAGER. Ruby, L.L.C., c/o Jolanta Bankowska, whose address is 750 Oakland Ave. #202, Oakland, CA 94611, is the person designated by Landlord to manage the premises (and to receive and receipt for all notices and demands upon the owner of the premises).

8. RULES. All existing rules concerning the Tenant's use and occupancy of the premises have been furnished to the Tenant in writing. Additionally, Landlord may, from time to time, and in the manner provided by law, adopt further or amended written rules concerning the Tenant's use and occupancy of the premises.

9. ACCESS. Landlord shall have the right, subject to Tenant's consent, which consent shall not be unreasonably withheld, to enter the dwelling unit in order to inspect the premises, make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workmen or contractors; provided, however, that Landlord may enter the dwelling without Tenant's consent, in case of emergency and as otherwise provided in the Iowa Uniform Residential Landlord and Tenant Act.

10. ASSIGNMENT AND SUBLETTING. Tenants shall not assign this Rental Agreement, nor sublet the dwelling unit, or any portion thereof, without the written consent of Landlord, except that Tenants may assign the option to purchase to an L.L.C. operated by Tenants.

11. FIXTURES AND IMPROVEMENTS. Tenant shall leave upon, and surrender to Landlord, with the premises at the termination of this Rental Agreement, all locks, brackets for curtains, and all other fixtures attached to doors, windows or woodwork, and all alterations, additions or improvements made by Tenant, without any payment therefor. Tenant shall make no structural alterations without Landlord's written consent. Landlord consents to the replacement of the bathroom floor and tub and or shower.

12. FIRE OR CASUALTY DAMAGE. If the dwelling unit or premises are damaged or destroyed by fire or other casualty to the extent that enjoyment of the dwelling unit is substantially impaired, Tenant may (i) immediately vacate the premises and notify Landlord within fourteen (14) days of Tenant's intention to terminate this Rental Agreement, in which case this Rental Agreement shall terminate as of the date of vacating, or (ii) if continued occupancy is lawful, vacate only that part of the dwelling until rendered unusable by the fire or casualty, in which case, Tenant's liability for rent shall be reduced in proportion to the diminution in the fair rental value of the dwelling unit. If this Rental Agreement is terminated under the provisions of this paragraph, Landlord shall return to Tenant all prepaid rent and security recoverable under the Iowa Uniform Residential Landlord and Tenant Act. Accounting for rent in the event of termination or apportionment shall occur as of the date of the casualty.

13. NONPAYMENT OF RENT. In addition to Landlord's other remedies provided by law, and without prejudice thereto, if rent is unpaid when due, and Tenant fails to pay the rent within three (3) days after notice by Landlord of nonpayment and the Landlord's intention to terminate this Rental Agreement if the rent is not paid within that period of time, then Landlord may terminate this Rental Agreement.

14. LIABILITY INSURANCE: Tenant shall maintain liability insurance with minimum limits of at least $300,000 naming the Landlord and Jolanta Bankowska as additional insureds under the liability insurance policy, and shall provide proof of insurance to Landlord.

15. PRESENT AND CONTINUING HABITABILITY. Tenant has inspected the property and fixtures, and acknowledges that they are in a reasonable and acceptable condition of habitability for their intended use, and that the rent agreed upon is fair and reasonable in this community for premises in their condition. In the event that the condition changes so that, in Tenant's opinion, the habitability is affected, then Tenant shall promptly give reasonable notice to Landlord.

16. NOTICES. Any notice, for which provision is made in this Rental Agreement, shall be in writing, and may be given by either party to the other, in addition-to any other manner provided by law, in any of the following ways: (i) by personal delivery (ii) by service in the manner provided by law for the service of original notice, or (iii) by sending said Notice by certified or registered mail, return receipt requested, to the last known address. For purposes hereof, the place for the payment of rental as provided in Paragraph 2 above, shall be the place designated by Landlord for the receipt of any such notice; and, unless otherwise provided herein, Landlord shall receive and receipt for all notices and demands upon the owner of the premises.

17. CONSTRUCTION. Words and phrases herein shall be construed as in the single or plural number, and as masculine, feminine or neuter gender, according to the context.

18. ENTIRE AGREEMENT. This writing, the Maintenance Agreement, and any addendum attached hereto, constitute the entire agreement between the parties hereto with respect to the subject matters hereof; and no statement, representation or promise with reference to this Rental Agreement, or the premises leased, or any repairs, alterations or improvements, or any change in the term of this Rental Agreement, shall be binding upon either of the parties unless in writing and signed by both Landlord and Tenant.

19. LEAD-BASED PAINT. See attached Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards, and the attached pamphlet, *Protect Your Family From Lead in Your Home.*

20. ABANDONED PERSONAL PROPERTY: If tenants do not exercise the option to buy, they shall remove all their personal property at the end of the lease. If any personal property is left behind LANDLORD may treat the property as being property of the LANDLORD, or if the property is of no value to LANDLORD,

LANDLORD may dispose of such property at the expense of the TENANT.

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

22. CERTIFICATION. Buyers and Sellers 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.

23. 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.

24. ADDITIONAL PROVISIONS.

a. TENANTS shall have the option to buy this property for $10,000 on the following schedule of payments: (a) $4,000 payable on or before October 15, 2010; (b) $2,000 payable on or before April 15, 2011; (c) $4,000 payable on or before October 15, 2011.

b. TENANTS will not receive credit against purchase price for rental or lease payments.

c. LANDLORD shall be obligated to pay the property taxes as they come due. If the purchase option is exercised the property taxes shall be prorated to the date that final purchase price payment is paid.

d. If any payment toward the purchase price is not paid timely the TENANTS shall forfeit any payments that have been paid to Landlord.

e. DEED and ABSTRACT: If all payments of the purchase price and rental payments have been timely paid to LANDLORD/SELLER then LANDLORD/SELLER will execute a Quit Claim Deed to Buyers. SELLERS shall not hereafter encumber the title to this property unless BUYERS choose not to exercise their right to purchase the property. BUYERS may assign this option to buy to an L.L.C. operated by the BUYERS and if this contract is so assigned,

BUYERS shall give notice in writing to SELLER of the name and address of the L.L.C. To exercise the right to purchase this property, BUYERS need only make timely payments of the purchase price to SELLER. SELLER shall have no duty to supply an or update abstract of title to BUYERS.

f. CARE OF PROPERTY. TENANTS 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. TENANTS shall not make any material alteration in said premises without the written consent of the Sellers. TENNANTS shall not use or permit said premises to be used for any illegal purpose.

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

h. SPECIAL ASSESSMENTS: TENANTS shall pay for any special assessments.

i. FORFEITURE. If BUYERS exercise the option to buy by making a payment under the option to buy, and then (a) fail to make the additional payments under the option to buy, or any part thereof, as same becomes due; or (b) fail to pay special assessments or charges or any part of a special assessment 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 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 a lease, and may accordingly be ousted and removed as such as provided by law.

j. TENANTS represent that the property is not served by a private sewage disposal system, and that there are no known private sewage disposal systems on the property.

RUBY, L.L.C., LANDLORD

Jolanta Bankowska

Jolanta Bankowska
For Ruby, L.L.C.

Dated: 04/17/2010

STATE OF CALIFORNIA)
) ss:
Alameda COUNTY)

This instrument was acknowledged before me this 17th day of April 2010 by Jolanta Bankowska as — CEO — of Ruby, L.L.C.

Notary Public

HITEN PATEL
COMM. # 1761465
NOTARY PUBLIC - CALIFORNIA
ALAMEDA COUNTY
My Comm. Exp. Sept. 10, 2011

TENANTS

Ronald S. Batterton

Ronald S. Batterton

Evelyn Batterton

Evelyn Batterton,

Dated: 04-14-2010

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

This instrument was acknowledged before me this 14th day of April 2010 by Ronald S. Batterton and Evelyn Batteron.

Mark A. Roeder

Notary Public

MARK A. ROEDER
Commission Number 728724
My Commission Expires
6-1-10