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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

REAL ESTATE CONTRACT - INSTALLMENTS

Recorder's Cover Sheet

63-277

Preparer Information: Gary J. Streit
Shuttleworth & Ingersoll, P.L.C.
115 Third Street S.E.
P.O. Box 2107
Cedar Rapids, Iowa 52401

Taxpayer Information: Gary J. Lynch
1728 State Highway 13
Manchester, Iowa 52057

ENV (X) **Return Document To:** Gary J. Streit
Shuttleworth & Ingersoll, P.L.C.
115 Third Street S.E.
P.O. Box 2107
Cedar Rapids, Iowa 52401

Grantors: Velma C. Lynch
Good Neighbor Home
105 McCarren Drive
Manchester, Iowa 52057

Grantees: Gary J. Lynch
1728 State Highway 13
Manchester, Iowa 52057

Legal Description: See Attached "Exhibit A" **ON PAGE #8**

Document or instrument number of previously recorded documents: ____

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED as of the 26 day of November, 2010, by and between Velma C. Lynch, a widow and a single person, 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 agrees with the Seller to purchase the following described real estate situated in the County of Delaware, State of Iowa, to-wit:

See attached Exhibit "A"

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, all upon the terms and conditions following:

1. **TOTAL PURCHASE PRICE.** The Buyer agrees to pay for said property the total purchase price of $395,500.00, due and payable at Good Neighbor Home, 105 McCarren Drive, Manchester, Delaware County, Iowa, 52057, as follows:

(a) **DOWN PAYMENT:** no down payment; and

(b) **BALANCE OF PURCHASE PRICE.** $35,500.00 on March 1, 2011 and $36,000.00 principal payments, or more at the option of the Buyer, commencing March 1, 2012, and continuing on the first day of each March thereafter until the entire balance is paid in full, plus interest payments at the same time a principal payment is made at 3.35% per annum from March 1, 2011. Buyer may prepay this Contract at any time without penalty.

2. **POSSESSION.** Buyer, concurrently with due performance on its part shall be entitled to possession of said premises on March 1, 2011, and thereafter so long as Buyer shall perform the obligations of this contract.

3. **TAXES.** Seller shall pay 100% of the real estate taxes due in March, 2011 and September 2011 and a pro-rated portion of the real estate taxes due in March, 2012, and any unpaid taxes thereon payable in prior years. 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 August 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 are a lien thereon as of March 1, 2011.

(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, its successors in interest or assigns may, and hereby reserve the right to at any time mortgage Seller's 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. Buyer hereby expressly consents to such a mortgage and agree 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, Buyer may, at Buyer's 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 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 premises, reserve the right, if reasonably necessary for Buyer's protection to divide or allocate the payments to the interested parties as their interests may appear. SELLER AS TRUSTEE. Seller agree that Seller 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 Seller's assigns in said real estate 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.** 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 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 Seller and Buyer as their respective 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. **JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN REAL ESTATE.** If and only if, the Seller immediately preceding this sale, held 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 contract, and any containing and/or recaptured rights of Seller in said real estate, shall be and continue in Seller and the other owner 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, 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 the 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 this 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 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 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; (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 contract, and all other agreements for performance by Buyer have been complied with, Seller will execute and deliver to Buyer a 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 Sellers as of the date of this contract; or as of such earlier date if and as designated in the next sentence. 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.

15. **APPROVAL OF ABSTRACT.** Buyer has not examined the abstract of title to this property and such abstract is not 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 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) fail 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 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.

17. **FORECLOSURE AND REDEMPTION.** If Buyer fails to timely perform this contract, Seller, at Seller's 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 file 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 file an election to waive any deficiency judgment against 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 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 became 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 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 contract.

21. **PERSONAL PROPERTY.** This contract does not include the sale of any personal property.

22. **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.

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

24. **SPECIAL PROVISIONS.** None

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: Nov. 26, 2010

Velma Lynch

Velma C. Lynch, Seller
Good Neighbor Home, 105 McCarren Drive
Manchester, Iowa 52057

Dated: Nov 26, 2010

Gary J. Lynch

Gary J. Lynch, Buyer
1900 Honey Creek Road
Manchester, Iowa 52057

STATE OF IOWA, COUNTY OF Delaware :

This instrument was acknowledged before me on 26th Nov 2010 by Velma C. Lynch, a widow and single person, as Seller, and Gary J. Lynch, as Buyer.

Linda L. Lawson
Notary Public

NOTARIAL SEAL IOWA
LINDA L. LAWSON
Commission Number 721873
My Comm. Exp. APR. 10, 2012

EXHIBIT A

That certain real estate locally known as 1728 State Highway 13, Manchester, County of Delaware, State of Iowa, and legally described as follows:

The East half (E 1/2) of the Northwest Quarter (NW 1/4), except a tract of land described as follows: Beginning at the Northwest corner of the Southeast Quarter (SE 1/4) of the Northwest Quarter (NW 1/4), running thence South 504.05 feet, thence East 33.0 feet to the point of beginning, thence South 865.7 feet, thence East 21.2 feet, thence North 13.5 minutes West 637.7 feet, thence Northwesterly along a 1482.5 foot radius curve concave Southwesterly 228.8 feet to the point of beginning, containing 0.34 acres, more or less, exclusive of the present established highway; and the North half (N 1/2) of the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4); all in Section Eight (8), Township Eighty-Nine (89) North, Range Five (5) West, of the 5th P.M., according to government survey, subject to easements, if any, of record.