Gary Lynch
17799 185th St
Manchester IA 52057

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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Gary J. Streit ISBA # 5374, ICIS Pin # AT0007662

SPACE ABOVE THIS LINE
FOR RECORDER

Preparer Information: Gary J. Streit, Shuttleworth & Ingersoll, P.L.C., P.O. Box 2107, Cedar Rapids, IA 52406-2107, (319) 365-9461
Return to: Gary J. Streit, Shuttleworth & Ingersoll, P.L.C., P.O. Box 2107, Cedar Rapids, IA 52406-2107
Mail Tax Statement to: Michael A. Lynch, 1728 State Highway 13, Manchester, IA 52057

REAL ESTATE CONTRACT - INSTALLMENTS

Recorder's Cover Sheet

Grantors: Gary J. and Mary Jane Lynch
17799 185th Street
Manchester, Iowa 52057

Grantees: Michael A. Lynch
1728 State Highway 13
Manchester, IA 52057

Legal Description: See Attached "Exhibit A" page 9 10

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED as of the 29 day of August, 2012, by and between Gary J. Lynch and Mary Jane Lynch, husband and wife, of Delaware County, Iowa, Sellers; and Michael A. Lynch, a married person, of Delaware County, Iowa, Buyer;

That the Sellers, as in this contract provided, agree to sell to the Buyer, and the Buyer 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 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 $264,000.00, due and payable at 17799 185th Street, Manchester, Delaware County, Iowa, 52057, as follows:

(a) **DOWN PAYMENT:** $75,000.00; and

(b) **BALANCE OF PURCHASE PRICE.** $718.60 or more, at the option of the Buyer, on or before September 1, 2012, and $718.60 or more, at the option of the Buyer, on or before the first day of each month thereafter until the entire balance, including interest at the rate of 2.21% per annum, is paid in full. Each payment will first be applied to interest at the foregoing rate, and the balance to principal. Buyer may prepay this Contract at any time without penalty. Sellers may, at their option, declare this Contract to be due and payable in full at any time; provided that Sellers must give Buyer at least ninety (90) days advance written notice prior to such payment being due and payable.

2. **POSSESSION.** Buyer, concurrently with due performance on its part shall be entitled to possession of said premises on August 1, 2012, and thereafter so long as Buyer shall perform the obligations of this contract.

3. **TAXES.** Sellers shall pay 100% of the real estate taxes due in September, 2012 and March, 2013, and any unpaid taxes thereon payable in prior years. Buyer 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 October 15 and April 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.** Sellers shall pay the special assessments against this property:

(a) Which is a lien thereon as of August 1, 2012.

(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 Sellers so as not to prejudice the Buyer's equity herein. Should Sellers 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 SELLERS. Sellers, its successors in interest or assigns may, and hereby reserve the right to at any time mortgage Sellers'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 Sellers 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 Sellers, at Sellers'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. SELLERS AS TRUSTEE. Sellers agree that Sellers 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 Sellers's assigns in said real estate and if Sellers shall hereafter collect or receive any moneys hereunder beyond such amount, Sellers 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 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 Buyer as their respective interests may appear. Sellers'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 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.** 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 or remove any buildings or improvements or construct new or additional buildings or improvements without the prior written consent of the Sellers. 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 SELLERS.** If Buyer fails to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Sellers 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 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 Sellers 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 Sellers, this sale shall not constitute such destruction and the proceeds of this contract, and any containing and/or recaptured rights of Sellers in said real estate, shall be and continue in Sellers 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 Sellers (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 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 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 Sellers during the life of this contract, and all other agreements for performance by Buyer has been complied with, Sellers will execute and deliver to Buyer 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 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 Sellers, in addition to any and all other legal and equitable remedies which Sellers may have, at Sellers'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 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 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, Sellers, at Sellers' 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 Sellers, 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) Sellers 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 Sellers, 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 formation on Lead-Based and/or Lead-Based Paint Hazards.

24. **RELEASE OF RIGHTS.** Each of the Sellers 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.

25. **CERTIFICATION**. Buyer 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.

26. **INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM.** The Property is served by a private sewage disposal system, or there is a private sewage disposal system on the Property. Sellers and Buyer agree to the provision selected in the attached Addendum for Inspection of Private Sewage Disposal System.

27. **SPECIAL PROVISIONS.**

a. Sellers retain a perpetual easement for ingress and egress across the property being purchased to have access to the adjoining real estate owned by Sellers. The location of such easement shall be consistent with the areas historically used for such access. Sellers also retain the right to enter and use all of the improvements on the real estate being purchased, except the residence.

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: Aug. 29, 2012 Mike Lynch

Dated: Aug. 29 2012 Gary Lynch

BUYER:

8/29/12

Michael A. Lynch

1728 State Highway 13
Manchester, Iowa 52057

SELLERS:

8/29/2012

Gary J. Lynch

Aug. 29, 2012

Mary Jane Lynch

17799-185th Street
Manchester, Iowa 52057

STATE OF IOWA, COUNTY OF DELAWARE:

This instrument was acknowledged before me on August 29th, 2012 by Gary J. Lynch and Mary Jane Lynch, husband and wife, as Sellers.

Linda L. Lawson
Notary Public

LINDA L. LAWSON
Commission Number 721873
My Comm. Exp. APR. 10, 2015

STATE OF IOWA, COUNTY OF DELAWARE:

This instrument was acknowledged before me on August 29th, 2012 by Michael A. Lynch, as Buyer.

Linda L. Lawson
Notary Public

LINDA L. LAWSON
Commission Number 721873
My Comm. Exp. APR. 10, 2015

EXHIBIT A

PARCEL D, PART OF THE NORTHEAST QUARTER (NE ¼) OF THE NORTHWEST QUARTER (NW ¼) AND PART OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION EIGHT (8), TOWNSHIP EIGHTY-NINE NORTH (T89N), RANGE FIVE WEST (R5W) OF THE FIFTH PRINCIPAL MERIDIAN, DELAWARE COUNTY, IOWA;* containing a total of 5.38 acres, including 0.39 acres of public road right of way, subject to easements of record, and more particularly described by metes and bounds as follows: * per plat recorded in Bk 2011 Page 2515

BEGINNING at the Northwest Corner of the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section Eight (8), Township Eighty-nine North (T89N), Range Five West (R5W) of the Fifth Principal Meridian, Delaware County, Iowa;

THENCE along the Westerly Line of the Northeast Quarter (NE ¼) of the Northwest Quarter (NW ¼) of said Section Eight (8), North 00°50'25" East, 55.24 feet;

THENCE North 89°06'38" East, 434.11 feet;

THENCE South 00°53'22" East, 530.00 feet;

THENCE South 89°06'38" West, to the Westerly Line of the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of said Section Eight (8), 450.00 feet;

THENCE along the Westerly Line of the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of said Section Eight (8), North 00°49'36"East, 475.00 feet to the **POINT OF BEGINNING**;

Containing a total of 5.38 acres, including 0.39 acres of public road right of way, and subject to easements of record.

The Westerly Line of the Northeast Quarter (NE ¼) of the Northwest Quarter (NW ¼) of Section Eight (8), Township Eighty-nine North (T89N), Range Five West (R5W) of the Fifth Principal Meridian, Delaware County, Iowa is assumed to bear North 00°50'25" East.

Addendum for
Inspection of Private Sewage Disposal System

Buyer and Sellers agree on the following initialed alternative to comply with the time of transfer inspection of private sewage disposal systems:

____ There is a private sewage disposal system on this Property which serves the Property. Sellers have obtained or shall obtain at Sellers' expense within ___ days a certified inspector's report which documents the condition of the private sewage disposal system, that it is of sufficient capacity to serve the Property, that the continued use of the system is permitted, and whether any modifications are required to conform to standards adopted by the Department of Natural Resources. Seller shall attach the inspection report to the Groundwater Hazard Statement to be filed at closing.

If Sellers receive an unsatisfactory report, the basis of which cannot be resolved between Buyer and Sellers within ___ days of delivery of a copy to Buyer, then upon written notice from Buyer to Sellers, this agreement shall be null and void and all earnest money paid hereunder shall be returned immediately to Buyer.

____ There is a private sewage disposal system on this Property. Weather or other temporary physical conditions prevent the certified inspection of the private sewage disposal system from being conducted. Buyer shall execute a binding acknowledgment with the County Board of Health to conduct a certified inspection of the private sewage disposal system at the earliest practicable time and to be responsible for any required modifications to the private sewage disposal system as identified by the certified inspection. Buyer shall attach a copy of the binding acknowledgment to the Groundwater Hazard Statement to be filed at closing. When the inspection is completed, an amended Groundwater Hazard Statement shall be filed with the certified inspection and shall include the document numbers of both the real estate transfer document and the original Groundwater Hazard Statement

Sellers agree at closing to deposit the sum of $_____ Dollars into escrow with _____ ("Escrow Agent") to reimburse Buyer for expenses incurred for the cost of the inspection and any required modifications to the private disposal system. Escrow Agent shall pay to Buyer, up to the amount held in escrow, amounts for required modifications after any such modifications are completed and upon submission to Escrow Agent of a detailed invoice. If no modifications are required, the entire escrow account shall be returned to Sellers. Any funds remaining in the escrow account after any required modifications shall be returned to Sellers. Sellers shall not be responsible for any cost in excess of the escrow deposit.

____ There is a private sewage disposal system on this Property. The building to which the sewage disposal system is connected will be demolished without being occupied. Buyer shall execute a binding acknowledgement with the county board of health to demolish the building within an agreed upon time period. Buyer shall attach a copy of the binding acknowledgement to the Groundwater Hazard Statement to be filed at closing.

X There is a private sewage disposal system on this Property. The private sewage disposal system has been installed within the past two years pursuant to permit number 2030.