

No delinquent taxes and transfer entered;  
 Certificate of Real Estate Value ( ) filed  
 ( ) not required Certificate of Real  
 Estate Value No. 79193  
9/9/09  
 \_\_\_\_\_  
 County Auditor/Treasurer  
 by \_\_\_\_\_  
 Deputy

Office of the County Recorder  
 Sherburne County, MN

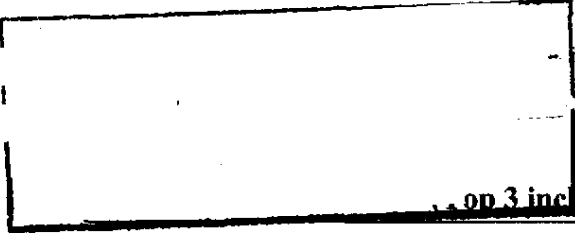
**Doc. No. 700107**

Certified filed and/or recorded on

09-09-2009 at 10:30

Michelle Ashe, County Recorder

By \_\_\_\_\_ Deputy Fee: \$ 91.00



on 3 inches reserved for recording data)

**CONTRACT FOR DEED**

THIS CONTRACT FOR DEED (this "Contract") is made as of August 28, 2009 (the "Effective Date") by Mainstreet Bank, a state banking association ("Seller"), and Jennifer H. and Israel R. McKinney, as wife and husband (joint tenants) ("Purchaser").

Seller and Purchaser agree to the following terms:

- PROPERTY DESCRIPTION.** Seller hereby sells and Purchaser hereby buys real property in Sherburne County, Minnesota, legally described as follows, together with all hereditaments and appurtenances belonging thereto (the "Property"):

See Exhibit A attached hereto and incorporated herein by reference.

Check here if all or part of the described real property is Registered (Torrens)

Unless otherwise specified, Seller hereby delivers possession of the Property to Purchaser on the date hereof.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

- PURCHASE PRICE.** Purchaser shall pay to Seller at 1650 South Lake Street Forest Lake MN 55025 the sum of Four Hundred Eighty-Five Thousand Dollars (\$485,000.00), as and for the purchase price (the "Purchase Price") for the Property, payable as follows:

- (a) On the Effective Date, an amount equal to Thirty Thousand and 00/100ths Dollars which is approximately six percent (6.19%) of the Purchase Price;

05-499-0105

- (b) Commencing On September 28, 2009 on and the Twenty-Eighth (28th) day of each calendar month thereafter through and including August 28, 2014 (the "**Maturity Date**"), an amount equal to Four Hundred Fifty-Five Thousand and 00/100ths Dollars which represents the balance of the Purchase Price, together with interest thereon at a rate of five and three quarters percent (5.75%) per annum from and after the Effective Date (see Exhibit B for a complete breakdown); and
- (c) The unpaid Purchase Price of this Contract, if not sooner paid or declared to be due in accordance with the terms of Contract, the entire balance of the Purchase Price plus accrued interest thereon and any other amounts due hereunder, shall be due and payable in full on the Maturity Date. **Purchaser understands that the Purchase Price will not be fully amortized at the Maturity Date and that a large payment shall be due on the Maturity Date.**

All payments and any prepayments shall be applied first to any late fees, second to the repayment of any advance made by Seller for expenses which are to be paid by Purchaser pursuant this Contract plus interest on such advance from the date made at the rate set forth in Section 2(b), third to accrued interest and lastly to the outstanding principal balance of the Purchase Price. **[DIRECT DEPOSIT.]**

- 3. **LATE PAYMENT FEE.** If any payment due under this Contract is not received by Seller within five (5) days of the date when due, Purchaser shall additionally pay to Seller, to the extent allowed by law, a late fee equal to four percent (4%) of the amount of the delinquent payment.
- 4. **PREPAYMENT.** Unless otherwise provided in this Contract, Purchaser shall have the right to fully or partially prepay this Contract at any time without penalty. Any partial prepayment shall be applied first to payment of amounts then due under this Contract, including unpaid accrued interest, and the balance shall be applied to the principal installments to be paid in the inverse order of their maturity. Partial prepayment shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments.
- 5. **TITLE.** Seller warrants that title to the Property is, on the Effective Date, subject only to the following exceptions:
  - (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any;
  - (b) Reservation of minerals or mineral rights by the State of Minnesota, if any;
  - (c) Utility and drainage easements which do not interfere with present improvements;
  - (d) Applicable laws, ordinances, and regulations;
  - (e) The lien of real estate taxes and installments of special assessments which are payable by Purchaser pursuant to Section 7 of this Contract; and

- (f) The Combination Mortgage, Security Agreement and Fixture Financing Statement dated N/A, in favor of Seller; and
  - (g) All matters, liens and encumbrances of public record.
6. **DELIVERY OF DEED AND EVIDENCE OF TITLE.** Upon Purchaser's full performance of this Contract, Seller shall:
- (a) Execute, acknowledge, and deliver to Purchaser a Limited Warranty Deed in recordable form (the "Deed"), conveying marketable title to the Property to Purchaser, subject only to the following exceptions:
    - (i) Those exceptions referred to in Section 5(a), (b), (c), (d), (e) and (g) of this Contract;
    - (ii) Liens, encumbrances, adverse claims or other matters which Purchaser has created, suffered or permitted to accrue after the date of this Contract; and
    - (iii) The following liens or encumbrances: All other matters of public record, including but not limited to (a) mortgage liens or other monetary liens arising through Purchaser, (b) liens for real estate taxes and assessments which are not delinquent, or if delinquent arise through Purchaser, and/or (c) liens for owners' association assessments which are not delinquent, or if delinquent arise through Purchaser, if any.

7. **REAL ESTATE TAXES AND ASSESSMENTS.** Real estate taxes and installments of special assessments which are due and payable in the year in which the Effective Date occurs shall be paid prorata by Seller and Purchaser based on a 365 day year and for calculation purposes Seller shall be deemed in title to the Property and, therefore responsible for the expenses of the Property, through the day prior to the Effective Date, and Purchaser shall be deemed to be in title to the Property, and, therefore responsible for the expenses of the Property from and after 12:01 a.m. on the Effective Date. **[DIRECT DEPOSIT.]**

Purchaser agrees to assume all levied and/or pending special assessments. Purchaser shall pay, before penalty accrues, all real estate taxes and installments of special assessments assessed against the Property which are due and payable in the year 2009 and in all subsequent years, as follows.

- (a) On the Effective Date, Purchaser shall pay to Seller an amount equal the real estate taxes and assessments levied against the Property which are due and payable during the one (1) month period commencing as of the Effective Date as estimated by Seller;
- (b) Purchaser shall pay to Seller on the day monthly installments of principal and interest are to be paid pursuant to Section 2(b), an amount equal to one-twelfth (1/12<sup>th</sup>) of the annual real estate taxes and assessments levied against the Property, as estimated initially and from time to time by Seller, to be held in escrow by

Seller (such amounts herein after referred to as the “**Escrow Funds**”) until drawn upon by Seller for the payment such real estate taxes and assessments. Seller shall pay the real estate taxes and assessments prior to the date that penalty attaches for non-payment provided that the Escrow Funds held by Seller are sufficient at such time to pay the such real estate taxes and assessments in full. The Escrow Funds shall not be, nor deemed to be, trust funds, and Seller may hold the Escrow Funds in its general accounts in any manner Seller chooses including co-mingling the Escrow Funds with other funds held by Seller. No interest shall be paid on the Escrow Funds.

If the Escrow Funds held by Seller are not sufficient to pay the real estate taxes and assessments in full when due, Seller shall notify Purchaser of the deficiency and Purchaser shall within fifteen (15) days of the receipt of such notice, deposit with Seller an amount equal to such deficiency. If, at the time Seller makes a payment of real estate taxes and assessments, the Escrow Funds shall exceed the amount of real estate taxes and assessments paid by Seller, Seller shall credit the amount of such excess to Purchaser in payment of the next monthly installment of Escrow Funds due.

Seller warrants that the real estate taxes and installments of special assessments which were due and payable in the years preceding the year in which the Effective Date occurs are paid in full.

8. **OWNER’S ASSOCIATION ASSESSMENTS.** If the Property is subject to a recorded declaration or other instrument providing for assessments to be levied against the Property by any owners’ association, Purchaser shall promptly pay, when due, all assessments, including but not limited to, dues, fees and expenses, imposed by the owners’ association or other governing body as required by the provisions of the declaration or other related documents. To the extent that Purchaser pays such assessments directly to the owners’ association, Purchaser shall provide a copy of the written receipt to Seller evidencing Purchaser’s payment of such assessments.

9. **PROPERTY INSURANCE.**

- (a) **Insured Risks and Amounts.** Purchaser shall keep all buildings, improvements, and fixtures now or later located on or a part of the Property insured against loss by fire, lightning and such other perils as are included in a standard “all-risk” endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft and, if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the buildings, improvements, and fixtures, without deduction for physical depreciation. If any of the buildings, improvements, or fixtures are located in a federally designated flood prone area, and if flood insurance is available for that area, Purchaser shall procure and maintain flood insurance in amounts reasonably satisfactory to Seller.

- (b) Other Terms. The insurance policy shall name Seller as an additional insured and contain a loss payable clause in favor of Seller which provides that Seller's right to recover under the insurance shall not be impaired by any acts or omissions of Purchaser or Seller, and that Seller shall otherwise be afforded all rights and privileges customarily provided a mortgagee under the so-called standard mortgage clause.
- (c) Notice of Damage. In the event of damage to the Property by fire or other casualty, Purchaser shall promptly give notice of such damage to Seller and the insurance company.

10. **DAMAGE TO THE PROPERTY.**

- (a) Application of Insurance Proceeds. If the Property is damaged by fire or other casualty, the insurance proceeds paid on account of such damage shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid, unless Purchaser makes a permitted election described in the next subsection. Such amounts shall be applied as set forth in Section 2. Any such payment shall not postpone the due date of the installments to be paid pursuant to Section 2(b) of this Contract or change the amount of such installments.
- (b) Purchaser's Election to Rebuild. If Purchaser is not in default under this Contract, or after curing any such default, and provided that the mortgagees in any prior mortgages and sellers in any prior contracts for deed of record do not require otherwise, Purchaser may elect to have that portion of such insurance proceeds necessary to repair, replace, or restore the damaged Property (the "Repairs") deposited in escrow with a bank or title insurance company qualified to do business in the State of Minnesota, or such other party as may be mutually agreeable to Seller and Purchaser. The election to repair may only be made by written notice by Purchaser received by Seller within sixty (60) days of the date on which the damage occurs. The election to repair will only be permitted if Purchaser obtains the prior written consent of Seller to Purchaser's plans and specifications and contracts for the Repairs, which approval Seller shall not unreasonably withhold or delay. If such a permitted election or repair is made by Purchaser, Seller and Purchaser shall jointly deposit, when paid, such insurance proceeds into such escrow. If such insurance proceeds are insufficient for the Repairs, Purchaser shall, before the commencement of the Repairs, deposit into such escrow sufficient additional money to insure the full payment for the Repairs. Notwithstanding that insurance proceeds may be unavailable or are insufficient to pay the cost of the Repairs, if Purchase elects to repair the damage to the Property, then Purchaser shall at all times be responsible to pay the full cost of the Repairs. All requests for disbursement of escrowed funds shall be approved in writing by Seller. All escrowed funds shall be disbursed by the escrowee in accordance with generally accepted sound construction disbursement procedures upon approval by Seller. The costs incurred or to be incurred on account of such escrow shall be deposited by Purchaser into such escrow before

the commencement of the Repairs. Purchaser shall complete the Repairs in a diligent manner as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be completed by Purchaser within one (6) months after the damage occurs. If, following the completion of and payment for the Repairs, there remains any undisbursed escrow funds after the payment of all costs incurred for the Repairs, such funds shall be applied to repayment of the outstanding Purchase Price under this Contract in accordance with priority of payment set forth in Section 2.

- (c) Owners' Association. If the Property is subject to a recorded declaration or other instrument, so long as the owners' association maintains a master or blanket policy of insurance against fire, extended coverage perils and such other hazards and in such amount as are required by this Contract, then: (i) Purchaser's obligation in the Contract to maintain hazard insurance coverage on the Property is satisfied; (ii) the provisions of Section 10(a) of this Contract regarding application of insurance proceeds shall be superseded by the provisions of the declaration or instrument or other related documents; and (iii) in the event of a distribution of insurance proceeds in lieu of restoration or repair following an insured casualty loss to the Property, any such proceeds payable to Purchaser are hereby assigned and shall be paid to Seller to be applied to repayment of the outstanding Purchase Price under this Contract in accordance with priority of payment set forth in Section 2.

11. **INJURY OR DAMAGE OCCURRING ON THE PROPERTY.**

- (a) Liability. Seller shall be free from liability and claims for damages by reason of injuries occurring on or after the Effective Date to any person or persons or property while on or about the Property. Purchaser shall indemnify, defend and hold Seller and Seller's employees, officers, lenders, and agents (the "**Indemnified Parties**") harmless from all liability, loss, cost, and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries. However, Purchaser shall have no liability or obligation to Seller for such injuries which are caused by the gross negligence or intentional wrongful acts or omissions of Seller.
- (b) Liability Insurance. Purchaser shall, at Purchaser's own expense, procure and maintain liability insurance against claims for bodily injury, death and property damage occurring on or about the Property in amounts reasonably satisfactory to Seller and naming Seller as an additional insured.

12. **INSURANCE GENERALLY.** The insurance which Purchaser is required to procure and maintain pursuant to Section 9 and 11 of this Contract shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to Seller. The insurance shall be maintained by Purchaser at all times while any amount remains unpaid under this Contract. The insurance policies shall provide for not less than thirty (30) days written notice to Seller before cancellation, non-renewal, termination or

change in coverage, and Purchaser shall deliver to Seller a duplicate original or certificate of such insurance policy or policies.

13. **CONDEMNATION.** If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof shall be applied to payment of the amounts payable by Purchaser under this Contract, even if such amounts are not then due to be paid. Such amounts shall be applied in the same manner as a prepayment as provided in Section 4 of this Contract. Such payments shall not postpone the due date of the installments to be paid pursuant to this Contract or change the amount of such installments. The balance of any award following the payment of all amounts payable by Purchaser under this Contract, if any, shall be the property of Purchaser.
14. **ALTERATIONS/UTILITIES.** Purchaser shall pay all charges made by utility companies, whether public or private, for electricity, gas, heat, water or sewer services furnished or used in connection with the Property. Except for work reasonably necessary to permit Purchaser to comply with Purchaser's obligations under this Contract, Purchaser shall not hire or perform any Alterations (as defined below) of the Property having an aggregate cost in excess of One Thousand Dollars (\$1,000.00) without obtaining the prior written consent of Seller. Purchaser will not cause or permit any mechanics' liens to be recorded against the Property. Purchaser agrees to defend, indemnify, and hold the Indemnified Parties harmless from any loss, damage, or expense incurred by Seller with respect to (a) the making of repairs or improvement or (b) any party asserting a mechanics' lien claim, it being understood and agreed that this undertaking shall survive cancellation of this Contract or the delivery of a deed pursuant to the terms hereof.

Purchaser will not remove, demolish or alter the design or structural character of any buildings now or hereafter erected upon all or any part of the Property without the prior written consent of Seller and will cause to be completed forthwith any improvements which may hereafter be under course of construction upon the Property.

Purchaser may make alterations, repairs, undertake remodeling, undertake renovation or other work (collectively "Alterations") to the Property at its sole cost and expense in accordance with the following, so long as Seller shall have provided its prior written consent if required above:

- (a) No Alterations may be made so long as there is any uncured default under this Contract;
- (b) The Alterations shall not change the character or use of the Property or reduce the value thereof below its value immediately before the Alterations;
- (c) The Alterations shall be effected with due diligence, and in a good and workmanlike manner with materials of like kind and quality as presently used on the Property;

- (d) The Alterations shall be constructed in compliance with all provisions of this Contract, all laws, ordinances, regulations and orders of any governmental or quasi-governmental body having appropriate jurisdiction;
- (e) The Alterations shall be promptly and fully paid for by Purchaser;
- (f) In the event the estimated cost of the Alterations shall exceed, in the aggregate, the amount of \$3,000.00, the Alterations shall not be undertaken until plans and specifications for the Alterations have been approved by Seller, which approval shall not be unreasonably withheld so long as the Alterations consist of workmanship and materials of like kind and quality presently found on the Property. Together with plans and specifications, Purchaser shall furnish to Seller a list of the names and addresses of all contractors and subcontractors who shall be performing the Alterations on the Property. Purchaser shall then join with Seller in a joint letter to be submitted to all such contractors and subcontractors prior to undertaking of any Alterations, which letter shall indicate that Seller, and Seller's interest in the Property, shall not be subject to any claim or lien in connection with payment for the Alterations.

All such Alterations shall immediately become and remain the Property of Seller, subject to this Contract. Purchaser shall indemnify and hold Seller forever harmless from any loss, expense, claim or liability asserted against, incurred or paid by Seller or claimed or asserted against the Property or any interest therein by reason of any mechanic's, laborer's, or materialmen's liens or claim therefore, including reasonable attorneys' fees incurred by Seller in protecting or seeking to protect its interest in the Property. This indemnification by Purchaser shall survive the termination and cancellation of this Contract.

- 15. **HAZARDOUS SUBSTANCES.** Purchaser shall not bring, store, generate, or treat hazardous wastes or substances or petroleum products upon the Property, except for small quantities for household use which are stored and used in compliance with applicable law. Purchaser hereby agrees to indemnify, defend and hold the Indemnified Parties harmless from any and all claims, demands, actions, causes of action, liabilities or rights which may be asserted against any of the Indemnified Parties with respect to such substances, or products, it being understood and agreed that this obligation will survive the cancellation of this Contract or the delivery of the Deed pursuant to the terms hereof.
- 16. **WASTE, REPAIR, AND LIENS.** Purchaser shall not remove or demolish any buildings, improvements, or fixtures now or later located on or a part of the Property, nor shall Purchaser commit or allow waste of the Property. Purchaser shall maintain the Property in good condition and repair. Purchaser shall not create or permit to accrue liens or adverse claims against the Property which constitute a lien or claim against Seller's interest in the Property. Purchaser shall pay to Seller all amounts, costs and expenses, including reasonable attorneys' fees, incurred by Seller to remove any such liens or adverse claims.



17. **COMPLIANCE WITH LAWS.** Except for matters which Seller has created, suffered, or permitted to exist prior to the date of this Contract, Purchaser shall comply or cause compliance with all laws and regulations of any governmental authority which affect the Property or the manner of using or operating the same, and with all restrictive covenants, if any, affecting title to the Property or the use thereof.
18. **ACTIONS PRIOR TO DELIVERY OF DEED.** From and after the Effective Date and until the date that Seller delivers to Purchaser the Deed for the Property as contemplated in Section 6, Purchaser shall not, unless expressly permitted or required pursuant this Contract (a) enter into any written or oral license, contract, agreement or instrument (each, an "Agreement") affecting or concerning the Property or modify or terminate any existing Agreement affecting or concerning the Property without Seller's prior written consent, which may be withheld in Seller's sole and absolute discretion; (b) have any right to vote in any owners' or other association with respect to the Property, and any such votes allocated to the Property shall belong to Seller and be voted by Seller in its sole and absolute discretion; and (c) take any other action whatsoever with respect to or affecting the Property or allow any party other than Seller or Seller's employees, agents and/or contractors to take any action whatsoever with respect to or affecting the Property, including without limitation applying to any governmental body for any permits, licenses or approvals. Any Agreement entered into, modified or terminated by Purchaser in violation of this Section 18 shall, at Seller's option, be null and void *ab initio* and of no force or effect. Purchaser shall indemnify, defend and hold harmless the Indemnified Parties from and against any and all liability, damages, losses, actions, causes of action, claims, demands, costs and expenses (including without limitation reasonable attorneys' fees and court costs) incurred or suffered by any Indemnified Party as a result of or in connection with Purchaser's failure to fully comply in all respects with the requirements of this Section. This indemnification shall survive the termination of the Contract or the delivery of a Deed for the Property as contemplated in the Contract.
19. **RECORDING OF CONTRACT; DEED TAX.** Purchaser shall, at Purchaser's expense, record this Contract in the Office of the County Recorder or Registrar of Titles in the county in which the Property is located within four (4) months after the date hereof. Purchaser shall pay any penalty imposed under Minn. Stat. § 507.235 for failure to timely record the Contract. Seller shall, upon Purchaser's full performance of this Contract, pay the deed tax due upon the recording of the Deed to be delivered by Seller upon payment in full of all amounts due and payable under this Contract.
20. **TRANSFER RESTRICTIONS; ASSIGNMENT.** Purchaser may not lease, sell, transfer, convey, assign or encumber Purchaser's interest in the Property and/or in this Contract without obtaining the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. In the event Purchaser violates this provision, this Contract shall be immediately due and payable in full together with accrued interest. This provision does not apply to transfers by devise, decent, divorce or by operation of law upon the death of a joint tenant. Seller may assign its interest in the Property and/or this Contract without any consent or notice to Purchaser.

21. **PROTECTION OF INTERESTS.** If Purchaser fails to pay any amount due under the terms of this Contract or fails to perform any of the Purchaser's obligations as set forth in this Contract, Seller may, at Seller's option, pay the same or cause the same to be performed, or both, and the amounts so paid by Seller and the cost of such performance, together interest on such amounts from the date made at the rate set forth in Section 2(b), shall be payable within fifteen (15) days of Purchaser's receipt of a demand for payment as an additional amount due Seller under this Contract. If there now exists, or if Seller hereafter creates, suffers or permits to accrue, any mortgage, contract for deed, lien or encumbrance against the Property which is not herein expressly assumed by Purchaser, and provided Purchaser is not in default under this Contract, Seller shall timely pay all amounts due thereon, and if Seller fails to do so, Purchaser may, at Purchaser's option, pay any such delinquent amounts or take any actions reasonably necessary to cure defaults there under and deduct the amounts so paid from the payments next coming due under this Contract.
22. **DEFAULTS AND REMEDIES.** The time of performance by Purchaser of the terms of this Contract is an essential part of this Contract. If Purchaser fails to timely perform any term of this Contract, Seller may (a) elect, on thirty (30) days written notice given to Purchaser, to declare the entire unpaid Purchase Price, together with accrued interest thereon, immediately due and payable in full and to commence an action against Purchaser to collect all amounts due hereunder, or (b) elect any other remedy available at law or in equity, which election may include, but is not limited to, an action for specific performance of any and all of Purchaser's obligations under this Contract. If Seller elects to terminate this Contract, all right, title, and interest acquired under this Contract by Purchaser shall then cease and terminate, and all improvements made upon the Property and all payments made by Purchaser pursuant to this Contract (including escrow payments, if any) shall belong to Seller as liquidated damages for breach of this Contract. Neither the extension of the time for payment of any sum of money to be paid hereunder nor any waiver by Seller of Seller's rights to declare this Contract forfeited by reason of any breach shall in any manner affect Seller's right to cancel this Contract because of defaults subsequently occurring, and no extension of time shall be valid unless agreed to in writing. After service of notice of default and failure to cure such default within the period allowed by law, Purchaser shall, upon demand, surrender possession of the Property to Seller, but Purchaser shall be entitled to possession of the Property until the expiration of such period. Failure by Seller to exercise one or more remedies available under this Section 22 shall not constitute a waiver of the right to exercise such remedy or remedies thereafter. Purchaser shall have the right to reinstate this Contract at any time before entry of final judgment against Purchaser for amounts due hereunder if Purchaser: (a) pays Seller all sums due hereunder as of the date of reinstatement; (b) cures any other defaults existing under this Contract as of the date of reinstatement; and (c) pays all expenses incurred by Seller in enforcing this Contract, including, but not limited to, reasonable attorneys' fees and costs.
23. **ATTORNEYS' FEES.** In the event of any dispute under this Contract or of any action to interpret or enforce this Contract or any matter arising therefrom, the prevailing party, but only to the extent that such party prevails, shall be entitled to recover its reasonable costs, fees and expenses incurred in connection with such dispute or action, including

without limitation reasonable witness fees, expert fees, consultant fees, reasonable attorney, paralegal and legal assistant fees, costs and expenses and other reasonable professional fees, costs and expenses whether suit be brought or not, and whether in any declaratory action, trial or appeal.

24. **BINDING EFFECT.** The terms of this Contract shall run with the land and bind the parties hereto and the successors in interest.
25. **HEADINGS.** Headings of the paragraphs of this Contract are for convenience only and do not define, limit, or construe the contents of such paragraphs.
26. **COUNTERPARTS.** This Contract may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Agreement.
27. **NOTICE.** Any notice, payment or request delivered under the terms of this Contract for Deed shall be in writing and shall be deemed to have been given if deposited in the United States mail, postage prepaid, certified or registered mail, and addressed as follows: (unless notification of change of address is delivered pursuant to terms of this paragraph):

To Seller:                      Mainstreet Bank  
  1650 South Lake Street  
  Forest Lake, MN 55025

To Purchaser:                 Jennifer H. McKinney  
  Israel R. McKinney  
  14464 98<sup>th</sup> Street SE  
  Becker Township, MN 55308


28. **CONDITION OF PROPERTY.** Purchaser is purchasing the Property "As Is" without any representation or warranty from Seller, express or implied.
29. **ADDITIONAL TERMS.** Purchaser shall comply with requirements, terms, conditions and provisions as set forth on **Exhibit B** attached hereto and incorporated herein by reference. Purchaser acknowledges and agrees that Seller makes no representation or warranty regarding the value of the Property, as of the Effective Date, the Maturity Date or otherwise in the future, or the availability of loan programs or credit generally, now or in the future, to enable Purchaser to satisfy the Contract.

*[Signature Pages to Follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement dated as of the day and year first above written.

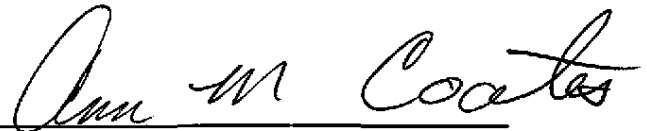
**SELLER:**

**MAINSTREET BANK,**  
a state banking association

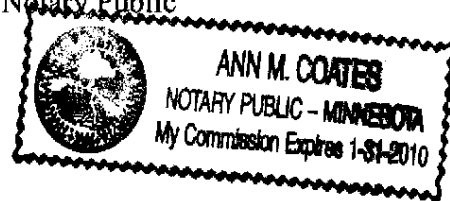
  
By: Terry Engfer  
Its: Senior Vice President

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF WASHINGTON )

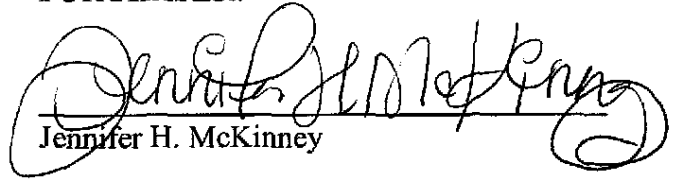
The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of August, 2009, by Terry Engfer, the Senior Vice President of Mainstreet Bank, a state banking association, on behalf of the state banking association.




Notary Public



**PURCHASER:**

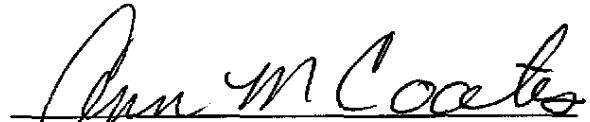
  
Jennifer H. McKinney

  
Israel R. McKinney

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF WASHINGTON )



The foregoing instrument was acknowledged before me this 28<sup>TH</sup> day of August 28, 2009, by Jennifer H. McKinney and Israel R. McKinney, as wife and husband (as joint tenants).

  
Notary Public

**FAILURE TO RECORD THIS CONTRACT FOR DEED MAY GIVE OTHER PARTIES PRIORITY OVER PURCHASER'S INTEREST IN THE PROPERTY.**

THIS INSTRUMENT WAS DRAFTED BY:

Mainstreet Bank  
2104 Hastings Avenue  
Newport MN 55055

Tax Statements for the Property described in this instrument should be sent to:

Mainstreet Bank  
1650 South Lake Street  
Forest Lake MN 55025

**EXHIBIT A**

**Legal Description of Property**

LOT 1, BLOCK 1, HYTTSTEN CREEK, PLAT TWO, SHERBURNE COUNTY,  
MINNESOTA

**EXHIBIT B**

Address: **14464 98th Street SE  
Becker Township, MN 55308**

Buyer: **Jennifer H. and Israel R. McKinney**

Assumptions

CD Sale Price		<b>485,000.00</b>
Down payment	<b>6.19%</b>	<b><u>30,000.00</u></b>
Beginning Contract Balance		<b>455,000.00</b>
Amortization (years)		<b>30</b>
Inflation in Taxes & Insurance (estimated)		<b>2.00%</b>

Note: Taxes for 2009 are based on an assessed value of \$553,600.

	Year	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>Annual Amounts</u>						
Interest Rate		<b>5.75%</b>	<b>5.75%</b>	<b>5.75%</b>	<b>5.75%</b>	<b>5.75%</b>
RE Taxes (payable 2009)		<b>5,256.00</b>	5,361.12	5,468.34	5,577.71	5,689.26
Insurance		<b>2,900.70</b>	2,958.71	3,017.89	3,078.25	3,139.81
<u>Monthly Amounts</u>						
Principal & Interest		2,655.26	2,655.26	2,655.26	2,655.26	2,655.26
Taxes (estimated)		<u>438.83</u>	<u>446.76</u>	<u>455.70</u>	<u>464.81</u>	<u>474.11</u>
Monthly Payment to Bank		3,094.09	3,102.02	3,110.95	3,120.07	3,129.36
Insurance (paid directly)		<u>241.73</u>	<u>246.56</u>	<u>251.49</u>	<u>256.52</u>	<u>261.65</u>
Total Monthly PITI		3,335.81	3,348.58	3,362.44	3,376.59	3,391.01
<u>Cash Due at Closing</u>						
Contract Closing Fee		500.00				
Prepay 1 Month Taxes		438.83				
Down payment		<u>30,000.00</u>				
Total Cash Due at Closing		<b><u>30,938.83</u></b>				
<u>Future Payoff Balances</u>						
Cumulative Payoff Reduction		5,853.24	12,052.05	18,616.84	25,569.21	32,932.05
Payoff Balance (end of year)		449,146.76	442,947.95	436,383.16	429,430.79	422,067.95

**BORROWER'S INITIALS**

JRM

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