IOWA STATE BAR ASSOCIATION
OFFICIAL FORM NO. 142

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

REAL ESTATE CONTRACT-INSTALLMENTS

BUSINESS AND PERSONAL PROPERTY PURCHASE AGREEMENT

IT IS AGREED this 31 day of December, 19 91, by and between Victor H. Ross and Joyce K. Ross, husband and wife,

of the County Delaware, State of Iowa, Sellers; and Jay C. Hagelberg, a single person,

of the County of Delaware, State of Iowa, Buyers;

That the Sellers, as in this contract provided, agree to sell to the Buyers, and the Buyers 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:

The East one hundred (100) feet of West four hundred (400) feet of North two hundred thirty three (233) feet of North West quarter (NW¼) of North East quarter (NE¼) of Section Thirty Three (33), Township Eighty Nine (89) North, Range Five (5), West of the Fifth P.M.

And Contract for the purchase of business and personal property hereinafter set forth.

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, and certain personal property if and as may be herein described of if and as an itemized list is attached hereto and marked "Exhibit A" all upon the terms and conditions following:

1. TOTAL PURCHASE PRICE. The buyer agrees to pay for said property the total of $ 275,000.00 due and payable at Rural Route #3, Manchester, Delaware County, Iowa, as follows:

(a) DOWN PAYMENT of $ 40,000.00 RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED; and

(b) BALANCE OF PURCHASE PRICE. $ 235,000.00, as follows $ 2,976.88 on or before the 1st day of February, 1992 and $2,976.88 on or before the 1st day of each month thereafter until all sums due under this agreement are paid in full. Attached hereto and identified as Exhibit "A" is amortization schedule. The parties, by affixing their signatures hereto, agree to the payment schedule as listed therein and said Exhibit "A" is incorporated herein by this reference.

2. POSSESSION. Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 1st day of January, 19 92; and thereafter so long as they shall perform the obligations of this contract. If Buyers are taking subject to the rights of lessees and are entitled to rentals therefrom on and after date of possession, so indicate by "yes" in the space following

3. TAXES. Sellers shall pay taxes prorated to date of possession

and any unpaid taxes thereon payable in prior years. Buyers 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 July 15 of each year. Any proration of taxes shall be based upon the taxes for the year currently payable unless the parties state otherwise. (Decide, for yourself, if that formula is fair if Buyers are purchasing a lot with newly built improvements.)

4. SPECIAL ASSESSMENTS. Sellers shall pay the special assessments against this property: (Strike out either (a) or (b) below.)

(a) [redacted].

(b) Which are a lien thereon as of January 1, 1992 (Date).

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

Buyers, 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 Buyers' equity herein. Should Sellers fail to pay, Buyers may pay any such sums in default and shall receive credit on this contract for such sums so paid. MORTGAGE BY SELLERS. Sellers, their successors in interest or assigns may, and hereby reserve the right to at any time mortgage their right, title or interest in such premises or to renew or extend any existing mortgage for any amount not exceeding 50 % 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. Buyers hereby expressly consent 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 Buyers' then rights in said property. DEED FOR BUYERS SUBJECT TO MORTGAGE. If Buyers have reduced the balance of this contract to the amount of any existing mortgage balance on said premises, they may at their 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 their option, any time before Buyers have made such a mortgage commitment, may reduce or pay off such mortgage. ALLOCATED PAYMENTS. Buyers, 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 their protection to divide or allocate the payments to the interested parties as their interests may appear. SELLERS AS TRUSTEES. Sellers agree that they 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 their assigns in said real estate; and if Sellers shall hereafter collect or receive any moneys hereunder beyond such amount, they shall be considered and held as collecting and receiving said money as the agent and trustee of the Buyers for the use and benefit of the Buyers.

6. INSURANCE. Except as may be otherwise included in the last sentence of paragraph 1(b) above, Buyers as and from said date of possession, shall constantly keep in force, insurance, premiums therefor to be prepaid by Buyers (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 Sellers and Buyers as their interests may appear. BUYERS 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. Buyers 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. Buyers shall not make any material alteration in said premises without the written consent of the Sellers. Buyers shall not use or permit said premises to be used for any illegal purpose.

FILE No. 150-1764	FILED FOR RECORD THE 3 DAY OF	STATE OF IOWA, DELAWARE COUNTY
RECORDING FEE $ 30.00	January, 19 92 AT 11:33	Jane A. Lloyd, Recorder
TRANSFER FEE $	O'CLOCK A.M. BOOK 129 PAGE 22	LD

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

9. ADVANCEMENT BY SELLERS. If Buyers fail 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 Buyers' 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, hold 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 continuing and/or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with rights of survivorship and not as tenants in common; and Buyers, 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 this 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 Buyers; (f) Spouse if not titleholder, need not join in any warranties of the deed unless otherwise stipulated:

(g) _____
(Mineral reservations of record?)

(h) _____
(Liens?) (Easements not recorded?) (Interests of other parties?) (Lessees?)

[illegible]

15. APPROVAL OF ABSTRACT. Buyers have not examined the abstract of title to this property and such abstract is not accepted.

16. FORFEITURE. If Buyers (a) fail to make the payments aforesaid, or any part thereof, as same become due; or (b) fail 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) 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.

17. FORECLOSURE. If Buyers fail, in any one or more of the specified ways to comply with this contract, as in (a), (b), (c), (d) or (e) of numbered paragraph 16 above provided, Sellers may upon thirty (30) days written notice of intention to accelerate the payment of the entire balance, during which thirty days such default or defaults are not removed, declare the entire balance hereunder immediately due and payable; and thereafter at the option of the Sellers this contract may then be foreclosed in equity and a receiver may be appointed to take charge of said premises and collect the rents and profits thereof to be applied as may be directed by the Court.

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 Buyers, or imposed upon them, or upon the above described property, Buyers 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 become 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. If this contract includes the sale of any personal property, then in the event of the forfeiture or foreclosure of this contract, such personalty shall be considered indivisible with the real estate above described; and any such termination of Buyers' rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof against all such personal property.

22. CONSTRUCTION. Words and phrases herein, including acknowledgements hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. See paragraph 11 above, for construction of the word "Sellers."

23. SPECIAL PROVISIONS.

See attached Exhibit "B" which is incorporated herein by this reference.

STATE OF IOWA, DELAWARE COUNTY, ss:

On this 31 day of December, A. D. 19 91, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Victor H. Ross and Joyce K. Ross, husband and wife,

DANIEL H. SWIFT
MY COMMISSION EXPIRES
November 1, 1993

to me known to be the identical persons named in and who executed the within and foregoing instrument, **to which this is attached,** and acknowledged that they executed the same as their voluntary act and deed.

DANIEL H. SWIFT
MY COMMISSION EXPIRES
November 1, 1993

Notary Public in and for said County and State

Victor H. Ross
Joyce K. Ross
SELLERS
Rural Route #3, Box 244
Manchester, Iowa 52057
Sellers' Address

Jay C. Hagelberg
BUYERS
Rural Route #1
Manchester, Iowa 52057
Buyers' Address

STATE OF IOWA, DELAWARE COUNTY, ss:

On this 31 day of December A.D. 19 91 before me, the undersigned, a Notary Public in and for said State, personally appeared Jay C. Hagelberg, a single person,

DANIEL H. SWIFT
MY COMMISSION EXPIRES
November 1, 1993

to me known to be the identical persons named in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for said State

EXHIBIT "B"

Realistic STA-85 AM/FM Stereo System; 2 Ember Glo Steamers; Dairy Queen Mix Pump, Model MP1D, 5 DPR Mix Pumps and 4 Security Cameras with Monitor. These items of personal property are subject to the forfeiture and foreclosure provisions of this Contract. These items are also subject to all provisions of and performance in connection with the Real Estate Contract. Upon full and complete performance of the Contract, Sellers shall deliver to Buyer a Bill of Sale for said property.

4. DISCLAIMER OF WARRANTIES - Said machinery and equipment is sold "AS IS" and "WITH ALL FAULTS". Sellers hereby disclaim any implied warranties of merchantability, usage of trade, and/or fitness for a particular purpose. Sellers disclaim and make no warranty of merchantability concerning the equipment and machinery sold hereunder and there are no warranties which extend beyond the description on the face hereof. Buyer has examined said equipment and machinery and same is satisfactory to him.

5. INVENTORY - This agreement includes the purchase of all inventory in the posssession of Sellers as of the 1st day of January, 1992.

6. COVENANT NOT TO COMPETE - In consideration of $50,000.00 of this agreement, Sellers agree that they shall not engage in a business similar to that involved in this transaction in any capacity, directly or indirectly, within Delaware County, Iowa, for a period of ten years from the date of possession.

7. FRANCHISE AGREEMENT - Attached hereto and identified as Exhibit "E" is Agreement for Franchise dated August 23, 1961; attached hereto and identified as Exhibit "F" is Mr. Misty and Mr. Misty Twins Store Sublicense Agreement Between State or District Operator and Store Operator; attached hereto and identified as Exhibit "G" is Building Design Agreement; attached hereto and identified as Exhibit "H" is Assignment and Consent to Assignment "Dairy Queen" Store Number 11563, 1101 East Main Street, Manchester, Iowa; said Exhibits "E", "F", "G" and "H" are hereby incorporated herein by this reference. Sellers agree to execute attached Exhibit "H" upon closing hereunder. A material consideration between the parties is the assignment of the Franchise Agreement which is being purchased hereunder. While Sellers consent to the use of the franchise by Buyer during the term of this Contract, title to said franchise shall not pass to Buyer until full and complete performance of all of the provisions of this Contract. In the event of forfeiture, foreclosure, and/or default by Buyers with any of the terms and conditions of this Contract, said Franchise Agreement and said attached Exhibits "E", "F", "G" and "H" shall revert back to Victor H. Ross and Joyce K. Ross and Buyer shall have no right, title, and interest in and to same. Buyer has no right, title, and interest in and to same or ownership of same until full and complete performance of all of the provisions of this agreement, other than Buyer's right to purchase same under this Contract pursuant to the terms and conditions set forth herein.

The Sellers represent that they are the sole owners with

EXHIBIT "B"

1. 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 Buyers have been complied with, Sellers will execute and deliver to Buyers 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 Buyers 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. This Contract supersedes the previous written offer of Buyers to buy the above-described property which was accepted by Sellers on the 26th day of August, 1991. 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. If any personal property is a part of this agreement, then upon due performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with terms of this Contract. Sellers shall pay all taxes on any such personal property payable in 1991, and all taxes thereon payable prior thereto. Buyers have examined the abstract of title to this property and such abstract is accepted.

2. SECURITY AGREEMENT - Buyers hereby agree to provide to Sellers a security interest in personal property and inventory. Buyer agrees to execute Security Agreement and UCC-1 Financing Statement for purposes of filing with the Secretary of State and the Delaware County Recorder. Attached hereto and identified as Exhibit "C" is copy of said Security Agreement and Buyers agree to execute same in said form. Further attached hereto and identified as Exhibit "D" is UCC-1 Financing Statement. Buyers agree to execute two UCC-1 Financing Statements for purposes of filing.

3. PERSONAL PROPERTY - Sellers agree to sell to Buyers and Buyer agrees to buy the following personal property which is subject to this Contract: Dairy Queen Triple Head Ice Cream Machine, serial number CV996; Dairy Queen Single Head Ice Cream Machine, serial number JQ2516; H.C. Duke Ice Cream Machine, serial number 693WD67; TK 2100 Cash Register, serial number 6202228; TK 1200 Cash Register, serial number 6200710; TK 1000 Cash Register, serial number 4202328; H.C. Duke Blizzard Machine, serial number G04252BM-1; H.C. Duke Blizzard Machine, serial number EQ2287; Universal Nolan Triple Door Freezer, serial number 11110300; 7-Section Menu Board; Drive-Thru Menu Board, job # 16212; Misty Machine, serial number 8165661514; 3 Fry Master Fryers; Vulcan Hart Gas Grill; Stainless Steel Fry Stand and Hood; Ansul Fire Extinguisher, serial number 95375; Duke 97 Sandwich Unit Refrigerated Salad Bar; Amana Commercial Microwave; Stainless Steel 4-Door Freezer; Hobart Meat Slicer; 8' X 10' Walk-In-Freezer, serial number HA40782; Compressor Walk-In Freezer, serial number 91A80215;

exclusive rights in and to the trade name and trademark (Dairy Queen) in Delaware County, Iowa, and are in full compliance with the agreement dated August 23, 1961, attached hereto as Exhibit "E". Sellers further represent that said agreement has not been amended and that the payments required by the Sellers and their assigns to the predecessors in interest for the trade name and trademark rights continues to be $.15 per gallon of mix purchased by Buyers.

Sellers represent that American Dairy Queen Corporation is the sucessor to the Mid-States Dairy Queen, Inc. As Licensor on Exhibit "F" attached to this Contract. Exhibit "F" represents the entire agreement between the Sellers and Licensor and same has not been amended.

Sellers further represent that to the best of their knowledge the building being purchased by the Buyer is in compliance with the specifications as contained in attached Exhibit "G".

8. BULK SALES COMPLIANCE - On or before the 15th day of December, 1991, Sellers shall furnish to Buyer a sworn list of all Sellers' creditors as required by Section 554.6104 of the Iowa Uniform Commecial Code. Such list shall contain the names and business addresses of all creditors of the Sellers, with the amounts due to each, when known, and also the names and addresses of all persons who are known to the Sellers to assert claims against the Sellers, even though such claims are disputed. Buyer shall then give appropriate notice to all such creditors at least ten days prior to the closing date, and shall pay or interplead the funds for any unsatisfied claims from the payment otherwise due Seller under this agreement, all as provided by Section 554.6106 of the Iowa Uniform Commercial Code. Sellers agree to fully cooperate with Buyer in providing such additional information as may be necessary to comply with the Bulk Sales Law.

9. REPRESENTATIONS - Except as expressly contained in this agreement, no representations by or on behalf of Sellers has been made to Buyer as to: (a) The condition of the permises; (b) Any restrictions related to the development of the premises; (c) The applicability of any governmental requirements; (d) The suitability of the property for any purpose whatsoever; or (e) The existence of any hazardous material in, under, or adjacent to the premises. Buyers have made their own independent investigation of the premises and are relying solely on that investigation. Buyers acknowledge that Seller has no expertise concerning governmental environmental requirements or hazardous materials and that Buyer is not relying on the representation of Sellers as to the condition of the premises. Buyer indemnifies and holds harmless Sellers and their successors and assigns, each jointly and severally, from any claims, damages, costs, expenses, liabilities (including, without limitation, reasonable attorney fees) arising from or in connection with any hazardous material emitted from, released in, or otherwise entering or deriving from the premises after the date Buyer takes possession of the premises under this Real Estate Contract.

EXHIBIT "B"

10. ALLOCATION OF PURCHASE PRICE - Buyer and Sellers agree to the following allocation of the purchase price for the Dairy Queen business:

Land	$ 15,000.00
Building, paving, parking lot improvement and sign	90,000.00
Franchise	10,000.00
Covenant not to compete	50,000.00
Goodwill	5,000.00
Inventory	5,000.00
Seating booths	20,000.00
Ice cream machine	16,000.00
Ice cream machine	16,000.00
Ice cream machine	15,500.00
Cake freezer	15,000.00
Misty machine	5,400.00
3 fry master fryers	4,900.00
All other equipment	7,200.00
	$ 275,000.00

Buyer acknowledges that he is buying an undivided interest in the entire operation by executing this Contract and will not obtain ownership or title to any of the items set forth in this paragraph until the total purchase price has been paid, the Warranty Deed has been delivered from escrow, and the Bill of Sale has been delivered from escrow.

Victor H. Ross

Victor H. Ross

Joyce K. Ross

Joyce K. Ross

J C Hagelberg

Jay C. Hagelberg