THE IOWA STATE BAR ASSOCIATION
Official Form No. 143

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SPACE ABOVE THIS LINE FOR RECORDER

REAL ESTATE CONTRACT (SHORT FORM)

IT IS AGREED between MYRON C. ZUMBACH and CAROL M. ZUMBACH, Husband and Wife

, ("Sellers"), and PAUL H. NORRIS

, ("Buyers")

Sellers agree to sell and Buyers agree to buy real estate in Delaware County, Iowa, described as:

The Southwest Fractional Quarter (SW fr ¼) of Section Thirty-One (31), Township Eighty-Seven (87) North, Range Four (4), West of the Fifth P.M.

Richard Shaffer
Central City, IA 52214

Myron C. Zumbach & Wife
To
Paul H. Norris

BOOK 130 PAGE 307
RECORDER
$35.00

'92 DEC 31 PM 3 34
DELAWARE COUNTY IOWA
FILED

249-1980

with any easements and appurtenant servient estates, but subject to the following: a. any zoning and other ordinances, b. any covenants of record; c. any easements of record for public utilities, roads and highways; and d. (consider: liens; mineral rights; other easements; interests of others.)

(the "Real Estate"), upon the following terms:

1. **PRICE.** The total purchase price for the Real Estate is Two Hundred Thirty-Five Thousand and 00/100---------- Dollars ($ 235,000.00) of which One Hundred Forty-Five Thousand and 00/100-------- Dollars ($ 145,000.00) has been paid. Buyers shall pay the balance to Sellers at date of closing, January 31, 1993, or as directed by Sellers, as follows: **It is agreed and understood that the $145,000.00 down payment has been paid to Sellers, in escrow to be held by A. F. Craig, Jr., as escrow agent until Sellers have good title to this property in their name, and all liens have been released or satisfactory written evidence has been produced showing that all liens will be released at time of final closing.**

2. **INTEREST.** Buyers shall pay interest from _____ on the unpaid balance, at the rate of _____ percent per annum, payable _____.
Buyers shall also pay interest at the rate of _____ percent per annum on all delinquent amounts and any sum reasonably advanced by Sellers to protect their interest in this contract, computed from the date of the delinquency or advance.

3. **REAL ESTATE TAXES.** Sellers shall pay all taxes delinquent with penalty if not paid before October 1, 1993
and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes. Any proration of real estate taxes on the Real Estate shall be based upon such taxes for the year currently payable unless the parties state otherwise.

4. **SPECIAL ASSESSMENTS.** Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of this contract or _____.
All other special assessments shall be paid by Buyers.

5. **POSSESSION.** Sellers shall give Buyers possession of the Real Estate on March 1, 19 93, provided Buyers are not in default under this contract.

6. **INSURANCE.** Sellers shall maintain existing insurance upon the Real Estate until the date of possession. Buyers shall accept insurance proceeds instead of Sellers replacing or repairing damaged improvements. After possession and until full payment of the purchase price, Buyers shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 80 percent of full insurable value payable to the Sellers and Buyers as their interests may appear. Buyers shall provide Sellers with evidence of such insurance.

For Release See Book 131 Page 8/11/93

FILE No. 249-1980	FILED FOR RECORD THE 31 DAY OF	STATE OF IOWA, DELAWARE COUNTY
RECORDING FEE $ 35.00	December, 19 92 AT 3:34	Deborah L. Peyton, Recorder
TRANSFER FEE $	O'CLOCK P M. BOOK 130 PAGE 307	LD

7. **ABSTRACT AND TITLE.** Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of this contract _____, and deliver it to Buyers for examination. It shall show merchantable title in Sellers in or conformity with this contract, Iowa law and the Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyers when the purchase price is paid in full, however, Buyers reserve the right to occasionally use the abstract prior to full payment of the purchase price. Sellers shall pay the costs of any additional abstracting and title work due to any act or omission of Sellers, including transfers by or the death of Sellers or their assignees.

8. **FIXTURES.** All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as light fixtures, shades, rods, blinds, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners, automatic heating equipment, air conditioning equipment, wall to wall carpeting, built-in items and electrical service cable, outside television towers and antenna, fencing, gates and landscaping shall be considered a part of Real Estate and included in the sale except: (consider: rental items.) _____

_____.

9. **CARE OF PROPERTY.** Buyers shall take good care of the property; shall keep the buildings and other improvements now or later placed on the Real Estate in good and reasonable repair and shall not injure, destroy or remove the property during the term of this contract. Buyers shall not make any material alteration to the Real Estate without the written consent of the Sellers.

10. **DEED.** Upon payment of purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by general Warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided herein. Any general warranties of title shall extend only to the date of this contract, with special warranties as to acts of Sellers continuing up to time of delivery of the deed.

11. **REMEDIES OF THE PARTIES.** a. If Buyers fail to timely perform this contract, Sellers may, at Sellers' option, forfeit Buyers' rights in this contract as provided in the Iowa Code, and all payments made by Buyers shall be forfeited. If Buyers fail to timely perform this contract, Sellers, at their 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 of all parties concerned, and such receiver shall be liable to account to Buyers only for the net profits, after application of rents, issues and profits from the costs and expenses of the receivership and foreclosure and 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 files an election to waive any deficiency judgment against Buyers 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 Buyers, 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 Buyers or their successor in interest in such action. If the redemption period is so reduced, Buyers or their successors 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 Buyers 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.

b. If Sellers fail to timely perform their obligations under this contract, Buyers shall have the right to terminate this contract and have all payments made returned to them.

c. Buyers and Sellers are also entitled to utilize any and all other remedies or actions at law or in equity available to them.

d. In any action or proceeding relating to this contract the successful party shall be entitled to receive reasonable attorney's fees and costs as permitted by law.

12. **JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE.** If Sellers, immediately preceding this contract, hold title to the Real Estate in joint tenancy with full right of survivorship, and the joint tenancy is not later destroyed by operation of law or by acts of Sellers, then the proceeds of this sale, and any continuing or recaptured rights of Sellers in the Real Estate, shall belong to Sellers as joint tenants with full right of survivorship and not as tenants in common; and Buyers, in the event of the death of either Seller, agree to pay any balance of the price due Sellers under this contract to the surviving Seller and to accept a deed from the surviving Seller consistent with paragraph 10.

13. **JOINDER BY SELLER'S SPOUSE.** Seller's spouse, if not a titleholder immediately preceding acceptance of this offer, executes this contract only for the purpose of relinquishing all rights of dower, homestead and distributive shares or in compliance with Section 561.13 of the Iowa Code and agrees to execute the deed for this purpose.

14. **TIME IS OF THE ESSENCE.** Time is of the essence in this contract.

15. **PERSONAL PROPERTY.** If this contract includes the sale of any personal property, Buyers grant the Sellers a security interest in the personal property and Buyers shall execute the necessary financing statements and deliver them to Sellers.

16. **CONSTRUCTION.** Words and phrases in this contract shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

17. **ADDITIONAL PROVISIONS.**

This contract conditioned upon the parties' signing a lease agreement, Exhibit "A" hereto attached and by this reference made a part hereof.

RICHARD L. SHAFFER NOTARIAL SEAL

Dated: December 31, 19 92

Paul H. Norris

Paul H. Norris

BUYERS

Myron C. Zumbach

Carol M. Zumbach

Myron C. Zumbach

Carol M. Zumbach

SELLERS

STATE OF IOWA, COUNTY OF Delaware, ss:

On this 31 day of December, 19 92, before me, the undersigned, a Notary Public in and for said State, personally appeared Myron C. Zumbach and Carol M. Zumbach, Husband and Wife and Paul H. Norris

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

Richard L. Shaffer

RICHARD L. SCHFFER _____, Notary Public in and for Said State

EXHIBIT A

FARM LEASE - CASH

THIS LEASE, made and entered this 31 day of December, 1992, by and between Paul H. Norris, hereinafter referred to as Landlord, and , Myron C. Zumbach and Myron L. Zumbach, hereinafter collectively referred to as Tenant,

WITNESSETH: That Landlord, in consideration of the agreements hereinafter mentioned to be kept and performed by Tenant, does by these presents lease to Tenant the following described land, situated in Delaware County, Iowa, to-wit:

The West One-Half (W½) of the Southeast Quarter (SE¼), and the Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Thirty-One (31), Township Eighty-Seven (87) North, Range Four (4), West of the Fifth P.M.

and

The Southwest Fractional Quarter (SW fr ¼) of Section Thirty-One (31), Township Eighty-Seven (87) Range Four (4), West of the Fifth P.M.

and containing 267 acres, more or less, to have and to hold the same to Tenant from the 1st day of March, 1993, to the 28th day of February, 1998. Tenant, in consideration of the leasing of the premises as above set forth, and in consideration of the promises and performances herein undertaken by the Landlord, agrees with Landlord:

1. To pay as rent for the same to the Landlord at his residence in Buchanan County, Iowa or at such other place as he may from time to time direct as follows:

$48,985.00 per year to be paid at the following times:

During the first year of the lease:

25% due on March 1 of the crop year
75% due on December 1 of the crop year

During all other years of the lease term:

50% due on April 1 of the crop year
50% due on December 1 of the crop year

Delinquent payments shall draw interest at the rate of 10% per annum or the maximum level rate of interest allowable under applicable law, whichever is lesser, from the due date, until paid.

2. To prepare such ground and to plant such crops as may be designated and directed by Landlord unless otherwise agreed in writing.

3. Proper Husbandry. Tenant covenants to farm said premises in a good and husbandman-like manner; and consistent therewith, and with the terms of this lease, to get the best crop production the nature of the soil and the season will permit.

4. Harvesting of Crops. Tenant covenants to properly care for all growing crops in good and husbandman-like manner, and to harvest all crops in proper season, and failing so to do, Landlord may enter upon said premises by himself or agents, and properly care for or harvest said crops and charge the cost to Tenant as part of the rental herein, and so secured.

5. Termination of Lease. This lease shall be continued for the lease term herein provided, except as it may be terminated by default of Tenant. Further, such lease shall continue after such agreed term from year to year, upon the same terms and conditions, unless either party gives due timely and legal written notice to the other of election to cancel or terminate any such extended lease period whereupon the tenancy shall terminate December 31, following; provided further such tenancy shall not continue because of absence of notice in case there be default in the performance of the existing rental agreement. Due, timely and legal written notice shall be notice on or before September 1, as provided by law (Section 562.7 I.C.A. as amended).

6. Possession and Condition at end of Term. At the expiration of the term of this lease, Tenant will yield up the possession of said premises to Landlord, and failing thus to deliver up said premises, Tenant agrees to pay Landlord $200.00 per day, as liquidated damages for any holding over period. Said premises at the time of such delivery of possession shall be in as good other and condition as when the same were entered upon by Tenant excusable or insurable loss by fire, inevitable accidents and ordinary wear excepted.

7. Farm Business Only. No business other than operation of this farm shall be conducted by the Tenant, except _____.

8. Care of Soil. Tenant shall haul out and distribute upon the poorest tillable soil on said premises (except as may be otherwise directed by Landlord) all manure and compost suitable to be used whether on said premises at the beginning of this lease or accumulated during the term thereof, but Tenant may use the same on the premises for farming operations.

9. Fertilizer, Lime and Chemicals.

(a) Each shall be furnished, as required by good husbandry, by the parties, and in the percentages, as follows:

		Landlord	Tenant
(1)	Commercial Fertilizer	0%	100%
(2)	Lime and Trace Minerals	0%	100%
(3)	Weed Control Chemicals	0%	100%
(4)	Pest Control Chemicals	0%	100%
(5)	Spraying, Weed or Pest	0%	100%
(6)	Other	0%	100%

(b) Allocation. Tenant agrees to furnish without cost all labor, equipment and application for all fertilizer, lime, trace minerals and chemicals.

10. Care of Trees, Shrubs and Grass. Tenant shall preserve and keep the fruit, and ornamental trees, vines and shrubbery, that are now or may be planted upon the premises, from injury by plowing, or from cattle or other stock.

11. Weed Control. All noxious weeds shall be sprayed or otherwise timely destroyed by Tenant. Weeds in fence rows shall by him be timely cut with a mower or scythe or sprayed with herbicide.

12. Landlord's Right of Entry. Landlord reserves the right to plow the ground after Tenant has harvested the crops if notice of the termination of this lease has been properly served. Landlord, or his legal representatives, may enter upon said premises for the purpose of viewing or seeding and making repairs, or other reasonable and ordinary purpose as Landlord.

13. No Removal of Grain or Produce Until Payment of Rent. Tenant further covenants except as arranged with, or agreed by Landlord, not to remove any of the grain or produce raised on said premises, during the term of said lease, until the rent herein specified shall be fully paid nor to sell the same or any part thereof. And if any grain or produce raised on said premises during said term shall be removed or attempted to be removed by any person or persons before the payment of said rent, provided that moving grain to other real property farmed by Tenant shall not be considered removal, or if Tenant should sell or attempt to sell said grain or produce, or any part thereof, except as aforesaid, or if the same or any part thereof shall be claimed or attached or levied upon by execution or claimed by any other person or persons upon any pretense whatsoever before said rent shall be fully paid, then upon the happening of any such contingencies said rent shall immediately become due and payable and Landlord, or his legal representative, shall have the right to enter into said premises and take possession of said grain, wherever the same may be found, and to remove the same and sell the same or any part thereof, or if the same shall not be sufficiently mature for harvesting or gathering to cultivate the same and to preserve or protect the same until it shall be fit, and then harvest and gather or sell the same, or any part thereof, at private or public sale, and apply the proceeds thereof to the payment of the expenses and costs of carrying out the provisions of this lease and the payment of said rent hereby reserved.

14. Violation of Terms of Lease. If Tenant shall fail to cultivate said premises as herein agreed, or shall fail to keep any of the covenants contained in this lease then this lease shall at the election of the Landlord, be null and void, and the Landlord, or his legal representatives, shall have the right to take possession of said premises, using force as may be necessary with or without process of law, and all damages out of the failure to perform any of the covenants of this lease shall be added to and become part of the rent, recoverable as rent. Without limiting the generality of the foregoing, any failure to pay rent when due shall entitle the Landlord to immediate possession, and any violation of the terms of this lease, or failure to pay any cash rent when due, shall cause all unpaid cash rent to become due and collectible at once, and without notice to, or demand upon, Tenant.

15. Landlord's Lien and Security Interest. Tenant's Waiver. Tenant, as to any of his personal property on said premises, hereby waives and relinquishes all rights of exemption from sale or seizure under distress or execution, that he now has or may hereafter have by virtue of any law of the state exempting personal property from seizure and sale to the extent necessary to protect Landlord in the enforcement of his liens herein and in the payment of all rental as agreed. Tenant herein, jointly and severally, in consideration of this lease, and to secure the indebtedness for the cash rent hereof, hereby grants to Landlord a security interest, under Chapter 554, Iowa Code, in all crops or products thereof grown or planted upon the real property described in this lease, in all proceeds therefrom, and in all personal property stored on said real property or used in or incident to production of said crop, (except machinery), during the period covered by this lease, or any extension thereof. Landlord shall have the rights of a Secured Party and Tenant the rights of a Debtor, under Chapter 554, Iowa Code, in regard to said security interest. Landlord may proceed at law or in equity with any remedy by law for the recovery of rent, or from the termination of this lease, because of Tenant's default in its performance.

16. Repairs. Tenant shall keep said premises, including the hedges and fences, in proper repair.

17. New Improvements. All buildings, fences and improvements of every kind and nature that may be erected on the above described land during the term of this lease by Tenant shall be deemed as additional rent and shall insure to the premises and become the property of the Landlord unless permission to erect and remove same shall be obtained in writing and made a part of this lease.

18. Expenses Incurred Without Consent of Landlord. No expense shall be incurred for or on account of Landlord without first obtaining his written order. As to this paragraph and as to paragraphs 16 and 20, no mechanics' liens shall be imposed upon or foreclosed against the real estate described herein.

19. Participation in Government Programs. Participation of this farm in any offered program by the U.S. Department of Agriculture for crop production control or soil conservation and the observance of the terms and conditions of same shall be at the option of the Landlord. See paragraph 21 on accounting below.

20. Well, Windmill and Water System. Tenant agrees to keep the well, windmill and water system in good repair at his own expense, except in case of severe windstorm damage or complete destruction which cannot be attributed to his neglect. No guarantee either expressed or implied is made by Landlord for any continuous and adequate water supply.

21. Accounting. Renter must furnish to the owner a copy of the Report of Acreage Farm Summary and a copy of the Estimate Producer Payments as received from the ASCS. Corn base must be maintained at the maximum acres allowed by the ASCS which will allow the renter full participation in the Government set-aside program.

22. Attorney Fees and Court Costs. Tenant also agrees to pay and discharge all costs and attorney fees or any expense that shall arise from enforcing any of the covenants of this lease by landlord and

all crops growing, or in cribs or granary on said premises shall be security for all sums due or to become due from Tenant to Landlord as evidenced by book account or note held by and originally payable to Landlord (or either, if more than one).

23. Changes in Lease Terms. No act of either party, or both parties, shall be construed as an extension of this lease, or any change in the terms and provisions, unless changes are reduced to writing and signed by both parties.

24. Delay In Giving Possession. If Landlord is unable with due diligence, to give Tenant possession at the beginning of the term hereof, the cash rent only shall be rebated on a pro rata basis as to time, until possession can be delivered, which rebated cash rental shall be accepted by Tenant as full settlement of all damages occasioned by said delay; and if possession cannot be delivered within 15 days after the beginning of the said term either Landlord or Tenant may there upon terminate this lease by giving the other party notice of such termination.

25. Taxes and Insurance. Landlord shall pay all real estate taxes and insurance costs for the premises.

26. Right to Purchase. During the term of this lease, the Tenant, individually or collectively, shall have a right to purchase the property above described from Landlord for total purchase price of $480,600.00. If Tenant decides to elect said right to purchase, Tenant shall notify Landlord in writing on or before September 1, of the five years of this lease term, beginning with September 1, 1993. If Tenant does so elect to notify Landlord, the closing of said sale shall be completed and the entire purchase price paid in full on or before the following March 1. The election if made shall be made before September 1, 1993, 1994, 1995, 1996 or 1997. The last date to exercise said option shall be September 1, 1997. If Tenant elects to purchase the property, the sale shall be on the usual terms of farm contracts, for date of possession, abstract, and real estate taxes. It is agreed that if this lease is terminated at any time, for any reason, prior to September 1, 1997, this option to re-purchase shall terminate at the same time that the lease is terminated. The option to purchase shall terminate under any conditions on September 1, 1997.

27. Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as the appropriate gender, according to the context.

28. Additional Provisions. By express agreement, the following special provisions are made a part of this lease;

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year first above written.

Myron C Zumbach
Myron C. Zumbach, Tenant

Paul H. Norris
Paul H. Norris, Landlord

Myron L Zumbach
Myron L. Zumbach, Tenant

State of Iowa, County of Delaware;
On this 31 day of December 1992, before me, the undersigned, a Notary Public in and for the State of Iowa personally appeared Myron L. Zumbach, Myron C Zumbach and Paul H Norris to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged to me that they executed the same as their voluntary act and deed.

Notary Public in and for State of Iowa