REAL ESTATE CONTRACT

This REAL ESTATE CONTRACT is made and entered into this 5 day of February, 1993, between JEFFREY DEAN STATE and CYNTHIA K. STATE, of Delaware County, Iowa, (hereinafter individually and jointly referred to as "States") and EDWARD D. TSCHIGGFRIE, of Dubuque County, Iowa, (hereinafter referred to as "Tschiggfrie").

RECITALS:

A. States are the developers of a residential subdivision in Delaware County, Iowa, which is legally described as follows:

> Riverview Subdivision in part of the Northeast Quarter of Section 9, Township 88 North, Range 5 West of the 5th P.M., Delaware County, Iowa

and which subdivision is hereinafter referred to as "Riverview Subdivision." Riverview Subdivision consists of approximately 14 residential lots and a private road, which is described and platted as Lot 15 of Riverview Subdivision.

B. Access from Riverview Subdivision to the county road is presently provided by a private road owned by States, a portion of which private road is legally described as follows:

> Lots 7, 10, and 3 of State's Subdivision of part of Section 9, Township 88 North, Range 5 West of the 5th P.M. in Delaware County, Iowa, according to the plat recorded in Book 3 Plats, page 228.

C. Under an installment real estate contract with Madeline E. Borrett, Douglas A. Borrett, and John P. Curran, as sellers, Tschiggfrie is purchasing the following described real estate in Delaware County, Iowa:

> Lots 8, 11, 12 and 13 of State's Subdivision of Part of Section 9, Township 88 North, Range 5, West of the Fifth Principal Meridian in Delaware County, Iowa, according to plat recorded in Book 3 Plats, Page 228,

which is located generally south of the private road referred to in Recital B above and which is hereinafter referred to as the "Tschiggfrie property."

D. States have agreed to sell and convey to Tschiggfrie the real estate referred to at Recital B above in consideration of Tschiggfrie's promise to construct a new road upon the Tschiggfrie property for the purpose of serving Riverview Subdivision, all subject to the terms and conditions set forth below.

E. Attached to this agreement as EXHIBIT A and by this reference made a part hereof is a drawing showing the location of

FILE No. 317-834
RECORDING FEE $ 61.00
TRANSFER FEE $
FILED FOR RECORD THE 15 DAY OF September, 1993 AT 1:02 O'CLOCK P M. BOOK 132 PAGE 36
STATE OF IOWA, DELAWARE COUNTY
Deborah L. Peyton, Recorder
LD

the real estate described in Recitals A, B and C above. The parcel shown on Exhibit A as Lot 4 is now platted as Riverview Subdivision. The area marked in blue is the existing private road referred to in Recital B above. The area marked in yellow is the location of the new road to be constructed upon the Tschiggfrie property.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Sale of Real Estate. States agree to sell to Tschiggfrie and Tschiggfrie agrees to purchase from States the following described real estate situated in Delaware County, Iowa, to-wit:

> Lots 7, 10, and 3 of State's Subdivision of part of Section 9, Township 88 North, Range 5 West of the 5th P.M. in Delaware County, Iowa, according to the plat recorded in Book 3 Plats, page 228,

which sale and purchase shall be subject to the terms and conditions set forth below.

2. Condition of Sale. The sale of the real estate described in paragraph 1 above to Tschiggfrie is expressly subject to Tschiggfrie's construction of a new road upon a portion of the Tschiggfrie property and conditional upon such other terms and conditions, all as set forth in the following subparagraphs:

(a) The new road to be constructed upon a portion of the Tschiggfrie property shall be for the purpose of providing access from the county road to Riverview Subdivision in lieu of the current access being provided by the private road owned by States described at paragraph 1 above.

(b) The new road shall be constructed along the south property line of Lots 8, 11, and 12 of State's Subdivision. The road shall commence at that point where the county road lying west of Lot 8 of State's Subdivision adjoins the southwesterly corner of said Lot 8 and shall extend in an easterly direction to a point which is approximately 420 feet east of the westerly boundary line of Lot 12 of State's Subdivision; at that point, the road shall extend north from the southerly boundary line of Lot 12 of State's Subdivision to the north boundary line of said Lot 12, which is also the south boundary line of Lot 5 of State's Subdivision and which shall be the termination point of said newly-constructed road. The approximate location of said road is shown in yellow on Exhibit A attached hereto.

(c) The road right of way shall be 66 feet in width, with a paved road surface 28 feet wide.

(d) Tschiggfrie shall pay the entire cost of designing, constructing and completing said new road. If relocation of utilities is required by reason of the road construction, Tschiggfrie will pay all utility relocation costs.

(e) The area comprising the new road will be platted by Tschiggfrie for the purpose of giving said roadway a separate and identifiable real estate description.

(f) As part of the road construction, Tschiggfrie will grade the road and lay 12 inches of stone on the road, consisting of 8 inches of macadam stone and 4 inches of base stone. Tschiggfrie will also double sealcoat the road and seed the road ditches.

Where the new road meets Lot 5 of State's Subdivision, northbound vehicular traffic on the new road will either continue northerly to the driveway entrance to Riverview Subdivision or will turn right and proceed easterly on Lot 5 of State's Subdivision. At these points, Tschiggfrie agrees to taper the level of the new road to allow smooth transition of vehicular traffic from the new road onto the Riverview Subdivision driveway entrance or onto Lot 5. In addition, the corner where northbound traffic on the new road will turn east onto Lot 5 shall be rounded to facilitate turning. Finally, because of a ditch just south of Lot 5, Tschiggfrie shall construct a culvert at such location.

States shall not be required to accept the new road constructed by Tschiggfrie until said road has been inspected and approved by Tri-State Engineers of Manchester. Tri-State Engineers' inspection shall be for the sole purpose of determining whether the new road has been constructed in accordance with the requirements of this Real Estate Contract; and if so, the road shall be approved by Tri-State Engineers.

(g) Additional landscaping shall be provided along the road as follows:

(1) For that portion of the road running along the southerly boundary line of Lots 8, 11 and 12 of State's Subdivision, three rows of seedling pine trees shall be planted within the 50-foot

strip located from 250 feet to 300 feet north of said road. Tschiggfrie shall pay the cost of purchasing the seedling pine trees, and States shall be responsible for the planting of said seedling pine trees.

(2) For that portion of the roadway extending in a northerly-southerly direction across Lot 12 of State's Subdivision, three rows of seedling pine trees shall be planted within the 50-foot strip located from 370 feet to 420 feet west of said road. Tschiggfrie shall pay the cost of purchasing the seedling pine trees, and States shall be responsible for the planting of said seedling pine trees.

(3) The seedling pine trees referred to in subparagraphs (g)(1) and (g)(2) above shall be spaced at whatever spacing distance is recommended by the State Forestry Service.

(h) Under Tschiggfrie's installment real estate contract with Madeline E. Borrett, Douglas A. Borrett, and John P. Curran, as sellers, Tschiggfrie is required to grant to said sellers a nonexclusive easement for right of way over the northerly-southerly portion of said new road. Such nonexclusive easement in favor of Madeline E. Borrett, Douglas A. Borrett, and John P. Curran, and their successors and assigns, shall expire and terminate at such time as Tschiggfrie pays the entire purchase price under his installment real estate contract with said sellers and receives a warranty deed to all of the Tschiggfrie property. States agree to the granting of said nonexclusive easement for right of way under the terms recited above.

All of Tschiggfrie's obligations as set forth under subparagraphs 2(a) through 2(h) above shall be completed by no later than September 1, 1993. On or prior to September 1, 1993, Tschiggfrie and his spouse will execute and deliver to States a warranty deed conveying the new road in fee simple and free of all liens and encumbrances subject, however, to the following:

(i) Said warranty deed to States shall be subject to easements, if any, for utilities and shall also be subject to the nonexclusive right of way easement over the northerly-southerly section of the new road in favor of Madeline E. Borrett, Douglas A. Borrett, and John P. Curran, as referred to in subparagraph 2(h) above, until such nonexclusive easement terminates. States and Tschiggfrie agree

between themselves that they will attempt to define and limit said right of way easement in favor of Madeline E. Borrett, Douglas A. Borrett, and John P. Curran to a specific and designated crossing point on the northerly-southerly portion of the new road; but any such agreement between States and Tschiggfrie shall be subject to the written approval and consent of said Madeline E. Borrett, Douglas A. Borrett, and John P. Curran.

(j) In said deed, Tschiggfrie and his successors and assigns will reserve a perpetual and nonexclusive easement for right of way over said new road. Said right of way may not, however, be used by Tschiggfrie or his successors and assigns for any purpose relating to Tschiggfrie's rock quarrying and mining business. Said perpetual nonexclusive easement for right of way reserved by Tschiggfrie and his successors and assigns shall terminate and be released if and when said new road is dedicated to and accepted by any governmental body as a public road.

Following conveyance of the new roadway to States, as described above, it is agreed that said road shall be kept by States in good repair and maintenance, including snow removal. As between States and Tschiggfrie, the cost of said maintenance and repair shall be divided as follows:

(k) Until such time as Tschiggfrie sells or leases (excluding farm leases) any part of Lots 8, 11, 12 and 13 of State's Subdivision, 100% of said maintenance and repair costs shall be paid by States.

(l) After such date that Tschiggfrie sells or leases (other than a farm lease) any portion of the Tschiggfrie property to buyers or lessees (other than States) who utilize the new road, then the cost for maintenance and repair of the road shall be divided between States and Tschiggfrie or Tschiggfrie's assigns. The percentage of total cost of maintenance and repair to be paid by States, as owners of the road, shall equal the following fraction:

Numerator: The number of lot owners of Riverview Subdivision and of the property to the east presently owned by Clifford Bunting and Marilyn Bunting, and any parcels of the Tschiggfrie property acquired by States pursuant to States' right of

first refusal under paragraph 8 herein

Denominator: The sum of (1) the numerator number above, plus (2) the number of property owners and lessees (other than farm lessees) of the Tschiggfrie property who utilize the new road

The percentage cost to be paid by States shall be adjusted, from time to time, to take into account changes in the above numerical formula. Notwithstanding the above, (1) States shall at all times be required to pay at least fifty percent (50%) of the total cost of maintenance and repair, including snow removal, of said road, and (2) States and Tschiggfrie shall each be required to pay fifty percent (50%) of the total cost of the maintenance and repair, including snow removal, of said road in the event Tschiggfrie sells any portion of the Tschiggfrie property and such sold property is subsequently used for any industrial, commercial, farming or other purposes which is not a single family residential dwelling as referred to in paragraph 7(c) herein.

Prior to the conveyance of the new road by Tschiggfrie and his wife to States, Tschiggfrie will deliver to States an abstract of title to the road, which abstract shall show merchantable title thereto in Tschiggfrie. Real estate taxes with respect to said roadway shall be prorated to the date of possession, with States being responsible for payment of all real estate taxes following execution and delivery of the warranty deed.

3. Taxes. Real estate taxes with respect to the real estate described at paragraph 1 above shall be prorated to the date of closing, as referred to in paragraph 5 below.

4. Mortgage. Any mortgage or encumbrance of a similar nature against the real estate shall be timely paid by States so as to not prejudice Tschiggfrie's equity herein. States agree that as of the time of closing any such mortgage or other encumbrance upon the real estate shall be released.

5. Abstract and Deed. Upon performance by Tschiggfrie of his obligations under paragraph 2 above, it is agreed that States will execute and deliver to Tschiggfrie a warranty deed conveying the real estate, as described in paragraph 1 above, in fee simple pursuant to and in conformity with this contract, which deed shall be executed and delivered to Tschiggfrie simultaneously with the execution and delivery of the deed from Tschiggfrie to States of

the new roadway as referred to in paragraph 2 above. For purposes of this agreement, the date that such deeds are executed, delivered, and exchanged shall be the closing date. The sole consideration owing by Tschiggfrie shall be performance of his obligations under paragraph 2 above, and no monetary payment shall be due to States. States have delivered to Tschiggfrie, at Tschiggfrie's expense, an abstract of title to the real estate, receipt of which abstract is acknowledged by Tschiggfrie.

The execution and delivery of a warranty deed from States to Tschiggfrie of the real estate described in paragraph 1 above and presently constituting a private road shall be free and clear of all liens and encumbrances except and subject to the following:

(a) The conveyance shall be subject to any existing utility easements.

(b) The existing agreement between States and Tschiggfrie granting Tschiggfrie a right of way easement to use the real estate shall terminate and become null and void upon Tschiggfrie's acceptance of a deed to the premises.

(c) It is agreed that any person, firm or corporation which presently or in the future has an easement, right of way, or any other rights of use with respect to, over, or across the real estate described in paragraph 1 above, whether express or implied, shall release and surrender all such rights effective as of the date that said warranty deed is executed and delivered by States to Tschiggfrie. By no later than February 20, 1993, States will certify to Tschiggfrie in writing a list of the names and addresses of all such persons, firms or corporations holding any of such rights with respect to the real estate. Prior to March 1, 1993, States agree to obtain a written release from all such persons, firms or corporations of any rights which they have in the premises described in paragraph 1 above, whether in the form of an easement, right of way, or other interest. All such written releases, which must be in recordable form, shall be placed in escrow with an escrow agent mutually satisfactory to States and Tschiggfrie. At such time as the real estate is deeded to Tschiggfrie, the escrow agent shall forward all such releases to Tschiggfrie. States further agree to obtain such written release from any additional persons, firms or corporations who, prior to the deeding of the real estate to Tschiggfrie, acquire any such rights in the real estate. By this subparagraph, it is mutually intended that the real estate described in para-

graph 1 above shall be conveyed to Tschiggfrie by warranty deed free and clear of all such rights, whether in the form of an easement, right of way or otherwise, which may now or in the future be held by any person, firm or corporation.

6. Other Road Improvements. In consideration of the foregoing, Tschiggfrie agrees that within 90 days following the conveyance of the new road to States, as described in paragraph 2 above:

(a) Tschiggfrie will remove and take out, at Tschiggfrie's expense, the road presently located upon the westerly 420 feet of Lot 5 of State's Subdivision.

(b) The rock which presently exists on Lot 3 of State's Subdivision and upon the westerly 420 feet of Lot 5 of State's Subdivision shall be removed by Tschiggfrie at Tschiggfrie's expense and placed on the surface of the private road described as Lot 15 of Riverview Subdivision. In addition, Tschiggfrie agrees, at his expense, to double sealcoat the road on Lot 15 of Riverview Subdivision to the extent of the existing width of said road surface.

7. Restrictive Covenants to Tschiggfrie Property. By no later than September 1, 1993, Tschiggfrie agrees to file restrictive covenants with respect to the Tschiggfrie property, as described at Recital C above. Said restrictive covenants shall provide for the following:

(a) No quarrying or mining activity may be carried on by Tschiggfrie or his successors and assigns within 300 feet of the new road to be constructed upon Lots 8 and 11 of State's Subdivision;

(b) No quarrying or mining activity shall be conducted by Tschiggfrie or his successors and assigns upon any portion of Lots 12 and 13 of State's Subdivision;

(c) Any residence dwelling to be constructed or erected within 300 feet of the new road to be constructed upon Lots 8, 11 and 12 of State's Subdivision shall have a minimum living area of not less than 1,400 square feet, excluding basement or garage. This restriction as to minimum dwelling size shall have no application to any residence constructed more than 300 feet away from the new road and shall expire and terminate on the day 20 years following the recording of the restrictive covenants.

In addition, if Tschiggfrie sells any portion of the Tschiggfrie property lying within 300 feet of the new road in a transaction which is not subject to States' right of first refusal under paragraph 8 below, then the deed of conveyance from Tschiggfrie to the buyer shall contain language restricting the use of said property to single family residential purposes and shall also provide that:

(i) No business or trade shall be carried on in the dwelling or on any portion of the property unless permission is first obtained in writing from all residential homeowners then using said new road. For the purpose of this restriction, any use customarily conducted entirely within a dwelling and carried on by the inhabitants thereof, which use is clearly incidental and secondary to the use of the dwelling for dwelling purposes and does not change the character thereof, such as professional offices, including insurance, beauty shops, barber shops, real estate, and similar professions, shall not be deemed a business or trade and shall not be barred by the provision.

(ii) No trailer, basement, tent, shack or garage erected upon the property shall at any time be used as a residence, temporarily or permanently, nor shall any residence of a temporary character be permitted. No mobile home may be moved onto, constructed or erected on the property at any time.

(iii) No livestock or animals shall be kept, raised or bred on the property with the exception that dogs, cats and ordinary household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose. Such household pets shall not be allowed to run freely and must be either on leash or under supervision.

(iv) No habitual parking of any vehicle shall be allowed on the new road.

8. States' Right of First Refusal. If Tschiggfrie shall desire to sell, for non-single family residential purposes, any portion of Lot 12 or Lot 13 of State's Subdivision, or any portion of Lot 8 or Lot 11 of State's Subdivision which is located within 300 feet of the new road, and Tschiggfrie obtains a bona fide offer from a third party for said property, then States shall be given written notice of any such offer; and States shall have the option to purchase said property for the amount of the bona fide offer

made by the third party and upon the same terms as set forth in the third party offer. States shall have 20 days following receipt of such written notice of the third party offer in which to exercise their option to purchase, notice of which exercise shall be given in writing to Tschiggfrie within said 20-day period. In the event States exercise their option to purchase under the terms of this paragraph, closing of the purchase shall occur as soon as possible and no later than 30 days following exercise of States' option to purchase.

If States fail to exercise their option to purchase within the 20-day period referred to above, then Tschiggfrie shall be free to proceed with the proposed sale to a third party upon the terms set forth in the bona fide offer.

This paragraph shall have no application and States shall have no right of first refusal with respect to any proposed sale of the Tschiggfrie property for single family residential purposes.

9. Assignment. In case of assignment of the rights under this agreement by either of the parties, prompt notice shall be given to the other party, who shall at the time of such notice be furnished with a duplicate of such assignment by the assignor or assignors. Any such assignment shall not terminate the liability of the assignor to perform.

10. 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.

11. Memorandum for Recording Purposes. It is mutually agreed that a short form memorandum of this agreement shall be jointly executed and acknowledged by the parties and filed of record in Delaware County, Iowa. The purpose of said short form memorandum shall be to give notice to third parties of Tschiggfrie's interest as a contract purchaser of the real estate described at paragraph 1 above.

12. Consent of Easement Holders. Attached hereto as EXHIBIT B and by this reference made a part hereof is a consent form to be signed by all persons who presently hold or in the future may hold an easement, right of way, or other rights of use with respect to, over or across the real estate described in paragraph 1 above. By executing said consent, all such persons agree to the provisions of paragraph 5(c) of this Agreement.

13. Successors and Assigns. This agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

Dated this 5 day of February, 1993.

Jeffrey Dean State

Cynthia K. State

Edward D. Tschiggfrie

STATE OF IOWA)
COUNTY OF Delaware) ss:

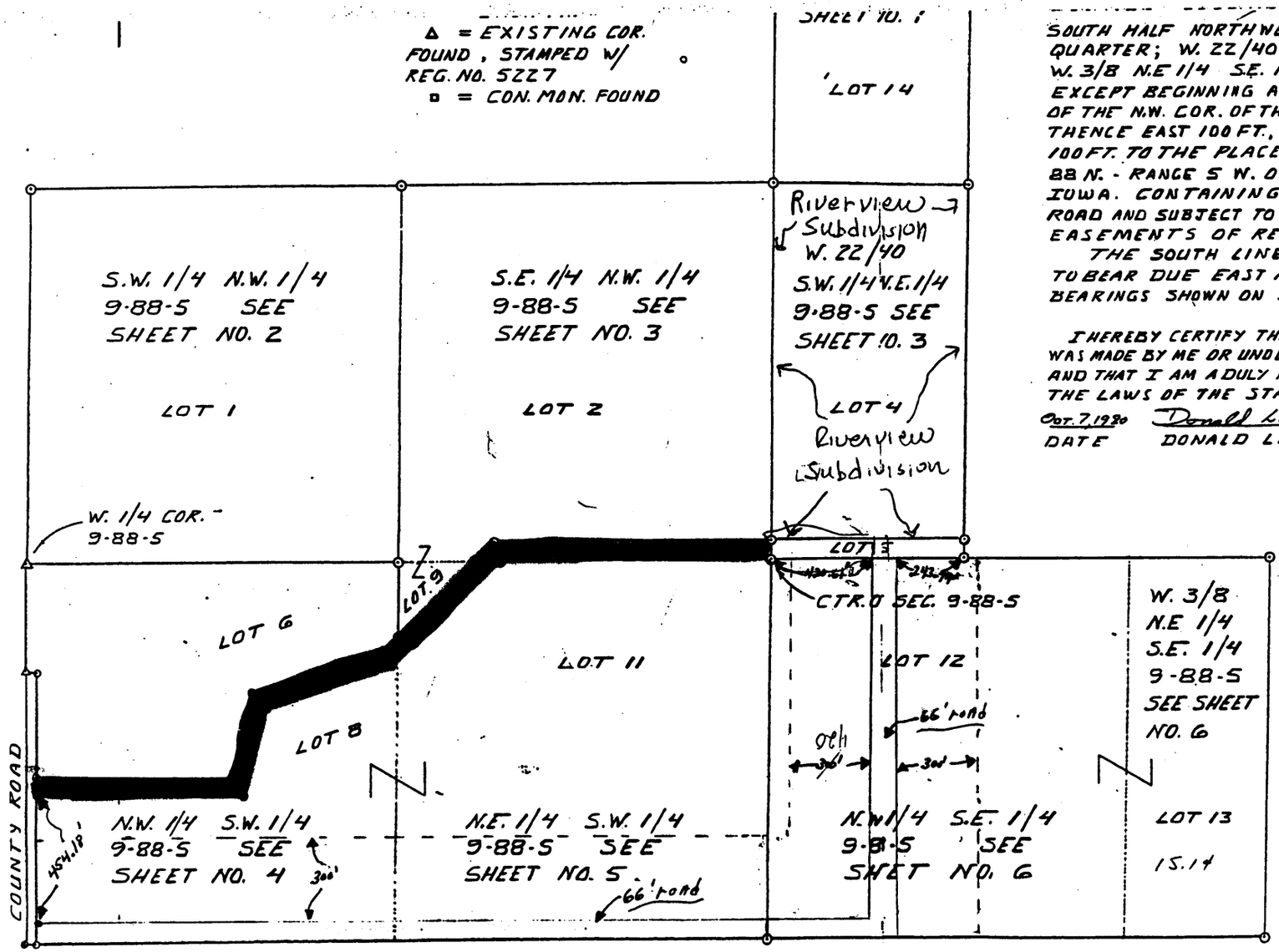
On this 5 day of February, 1993, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Jeffrey Dean State and Cynthia K. State, to me known to be the identical persons named in and who executed the within and foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for State of Iowa
THOMAS J. HANSON

STATE OF IOWA)
COUNTY OF ~~DUBUQUE~~ Delaware) ss:

On this 5 day of February, 1993, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Edward D. Tschiggfrie, to me known to be the identical person named in and who executed the within and foregoing instrument and acknowledged that he executed the same as his voluntary act and deed.

Notary Public in and for State of Iowa
THOMAS J. HANSON



SOUTH HALF NORTHWEST QUARTER; NORT
QUARTER; W. 22/40 S.W. 1/4 N.E. 1/4 ;
W. 3/8 N.E 1/4 S.E. 1/4 ; AND W. 22/40
EXCEPT BEGINNING AT A POINT 310 FT. SOUT
OF THE N.W. COR. OF THE N.E. 1/4, RUNNING
THENCE EAST 100 FT., THENCE SOUTH 100 F
100 FT. TO THE PLACE OF BEGINNING, A
88 N. - RANGE 5 W. OF THE 5TH P.M. IN
IOWA. CONTAINING 259.40 ACRES
ROAD AND SUBJECT TO THE RIGHTS OF THE
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THE SOUTH LINE OF THE S.W. 1/4
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BEARINGS SHOWN ON STATE'S SUBDIVISI

I HEREBY CERTIFY THAT THIS PLAT, MAP,
WAS MADE BY ME OR UNDER MY DIRECT PERSO
AND THAT I AM A DULY REGISTERED LAND S
THE LAWS OF THE STATE OF IOWA.

Oct. 7, 1980 Donald L. Bunting
DATE DONALD L. BUNTING L.S.

STATE'S SU
BUNTING - LAN
HOWARD R. G
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Exhibit A