REAL ESTATE CONTRACT - INSTALLMENTS

IT IS AGREED this 4 day of May, 1995, by and between Delbert G. Burkle and Dorothy A. Burkle of the County of Delaware, State of Iowa, Sellers; and Kevin W. Gentz and Debra S. Gentz, tenants in common 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:

SW 1/4 of SE 1/4 and SE 1/4 of SE 1/4 of Section 20, Township 90 North, Range 3 West of the 5th P.M., Delaware County, Iowa

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 or if and as an itemized list is attached hereto and marked Addendum"A" all upon the terms and conditions following:

1. **TOTAL PURCHASE PRICE.** The buyer agrees to pay for said property the total of $180,000, due and payable at Sellers residence Dyersville, Dubuque County, Iowa as follows:

(a) **DOWN PAYMENT** of $100,000 payable as follows: $5,000 principal RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED: and $10,000 principal when both Seller and Buyer have signed this contract; and $85,000 principal on January 2, 1996.

(b) **BALANCE OF PURCHASE PRICE** $80,000 as follows: $8,000 principal plus interest on or before January 2, 1997, and $8,000 principal plus interest on January 2, 1998 and $8,000 principal plus interest on each and every January 2nd thereafter until all sums due under this contract are paid in full plus interest on unpaid balance thereof at the rate of 8.6% per annum, payable annually from January 2, 1996, date of possession until fully paid. Said payment to be applied first to the interest then unpaid and next upon the balance of the principal. All sums both principal and interest shall be paid in full on January 2, 2006. Parties agree that all first principal monies received by Seller shall be applied to the sale of Section 1245 assets as defined by the Internal Revenue Code until paid and then the next $100,000 principal to the residence until paid, then the remaining principal on all other farm assets of the farm.

(c) All payments to be made 50% to Delbert G. Burkle and 50% to Dorothy A. Burkle.

2. **POSSESSION.** Buyers, concurrently with due performance on their part shall be entitled to possession of said premises on the 2nd day of January, 1996; and thereafter so long as they shall perform the obligations of this contract.

If Buyers are taking subject to the rights of lessees Buyers are entitled to rentals therefrom on and after date of possession.

3. **TAXES.** All regular taxes due and payable in the fiscal year ending June 30, 1996, are to be paid by SELLERS. All regular taxes for the current fiscal year ending June 30, 1996, are to be pro-rated between the BUYERS and SELLERS as of the date of possession. The basis of such pro-ration shall be the last known actual taxes payable. In addition, SELLER shall pay 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.

Purchasers For Assignment to Dubuque Bank & Trust
See Book 1999 Page 348
Date 9-29-99

MOSS, HEIMS & CASEY
LAW OFFICES
DYERSVILLE, IOWA
52040

FILE No. 126-2893
RECORDING FEE $ 51.00
TRANSFER FEE $
FILED FOR RECORD THE 11 DAY OF May, 1995 AT 2:39 O'CLOCK P M. BOOK 135 PAGE 10
STATE OF IOWA, DELAWARE COUNTY
Deborah L. Peyton, Recorder
LD

4. **SPECIAL ASSESSMENTS.** Sellers shall pay the special assessments against this property:

(a) Which are a lien thereon as of date of possession.

(b) 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 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 60% of the then unpaid balance of the purchase price herein provided. 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 the 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 replacement value insurance, insurance premiums therefore 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 replacement 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.

MOSS, HEIMS & CASEY
LAW OFFICES
DYERSVILLE, IOWA
52040

6(B) **INSURANCE.** Buyers shall procure and maintain policies of insurance at their expense insuring Sellers and Buyers from all claims, demands, or actions for injury to or death of any person or persons in an amount not less than $1,000,000.00 and for damage to

property in an amount of not less than $100,000.00 made by or on behalf of, any person or persons, firm or corporations, arising from or relating to the use of the purchased premises. Said liability insurance shall be written on an occurrence basis. Sellers shall be furnished a copy of said insurance policy by Buyers on or before the date of possession and throughout the period covered by the contract. Said insurance policy shall contain a provision requiring the insurer to give Sellers at least ten (10) days notice of any cancellation of such insurance.

The Buyers agree to hold harmless and indemnify the Sellers for any loss, liability or expense Sellers shall become obligated to pay with respect to the aforementioned premises after Buyers take possession.

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 alterations 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.

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.

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 or 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 13 below unless and except this paragraph is stricken from this agreement.

10-1/2. **"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.

11. **TIME IS OF THE ESSENCE** of 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.

12. **EXCEPTIONS TO WARRANTIES OF TITLE.** The warranties of title in any Deed made pursuant to this contract shall be without reservation or qualification EXCEPT; (a) Zoning Ordinance; (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

MOSS, HEIMS & CASEY
LAW OFFICES
DYERSVILLE, IOWA
52040

after equitable title passes to Buyers; (f) Spouse if not a titleholder, need not join in any warranties of the deed unless otherwise stipulated.

13. **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 Special 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; or as of such earlier date if and as designated in the next sentence. This contract supersedes the previous written offer of Buyers to buy the above described property if it was accepted by Sellers. 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 the terms of this contract. Sellers shall pay all taxes on any such personal property and all taxes thereon payable prior thereof, in same manner as payment of taxes as provided in Paragraph 3 herein. Sellers obligated to update abstract one time only and no more.

14. **APPROVAL OF ABSTRACT** Buyers have examined the abstract of title to this property and such abstract is accepted.

15.1 **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.

15.2 **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 15.1 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.

16. **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 reasonable attorney's fees may be collected from Buyers, or imposed upon them, or upon the above described property, Buyers agree to pay reasonable attorney's fees.

17. **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.

18. **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.

In the event that Buyers sell, convey, assign or transfer their interest by any means, form, or manner in the real estate purchased herein, or any portion thereof, then at the option of the Sellers, all sums due under this contract shall be due and payable in full.

19. **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.

20. **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. See paragraph 10-1/2 above, for construction of the word "Sellers".

21. **PARTIAL INVALIDITY**. If any provision of this contract or any specific application shall be invalid or unenforceable, the remainder of this contract, or the application of the provision in other circumstances, shall not be affected, and each provision of this contract shall be valid and enforceable to the fullest extent permitted by law.

23. **HOMESTEAD EXEMPTION**. **I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.**

Dated this 4 day of May, 1995.

Kevin W. Gentz, Buyers Debra S. Gentz, Buyers

24. **CONDITION OF PROPERTY**. As to the present and continuing habitability, the Buyer has inspected the property and fixtures and acknowledges that they are in a reasonable and acceptable condition of habitability or for their intended use and that the price agreed upon is fair and reasonable in this community for premises in their condition. The entire premises and improvements are sold "As Is".

25. **PERSONAL PROPERTY.** Also included in this sale are the following items of personal property: See attached Addendum "A". THESE ITEMS ARE SOLD "AS IS", AND THE SELLER MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EITHER EXPRESS OR IMPLIED.

MOSS, HEIMS & CASEY
LAW OFFICES
DYERSVILLE, IOWA
52040

26. (a) **COMPLETE AGREEMENT.** This contract constitutes the full and complete agreement of the parties. The buyers are purchasing the above described property on the terms and conditions stated herein and are not relying on any statements made by the sellers or their agents that are not contained in this contract.

(b) The obligation of Buyers herein shall be joint and several.

27. Property described herein is sold "as is" and Buyers herein do hereby jointly and severally release and forever discharge and by these presents do severally jointly for ourselves and for our heirs, executors, administrators, and assigns, do hereby remise, release and forever discharge the Sellers and his, her, their and its successors and assigns, of and from any and all claims, demands, rights, and causes of action of whatsoever kind or nature, arising from or by reason of any and all known and unknown, foreseen and unforseen bodily and/or personal injury or sickness, loss and/or damaged personal property, livestock. and/or the consequences thereof, resulting to and result from Sellers not being in compliance with all Environmental Laws, and.or ordinances of any Federal, State or Local Laws including regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to the environment or hazardous substance including but not limited to the Toxic Substance Act, The Clean Air Act, the Clean Water Act, the regulations of the Environmental Protection Agency and regulations of any state department of natural resources or State Environmental protection agency now or at any time hereafter in effect.

28. See Addendum "B" attached hereto and by this reference made a part hereof.

Delbert G. Burkle

Dorothy A. Burkle SELLERS

R.R. 2 Box 74

Enfield, Iowa 50041

Seller's Address

Kevin W. Gentz

Debra S. Gentz BUYERS

R.R. 1 Box 32

Colesburg, Iowa 52035

Buyer's Address

STATE OF IOWA, Delaware COUNTY, SS:

On this 4 day of May, A.D., 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Delbert G. Burkle and Dorothy A. Burkle 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.

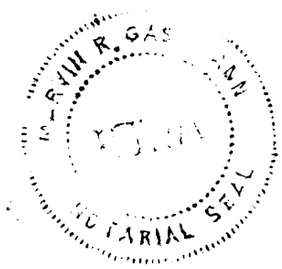
Marvin R. Gassmann
Notary Public
In and for said County & State
MARVIN R. GASSMANN

MOSS, GEMS & CASEY
LAW OFFICES
DYERSVILLE, IOWA

STATE OF IOWA, Delaware, COUNTY, SS:

On this 4 day of May, A.D., 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Kevin W. Gontz and Debra J. Gontz 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 County & State
MARVIN R. GASSMANN



MOSS, HEIMS & CASEY
LAW OFFICES
DYERSVILLE, IOWA
52040

ADDENDUM "A"

IN RE: Real Estate Contract, Installment Dated May 4, 1995 Between Delbert G. Burkle and Dorothy A. Burkle, SELLERS, and Kevin W. Gentz and Debra S. Gentz, BUYERS

ITEMS OF PERSONAL PROPERTY
INCLUDED IN THIS SALE TRANSACTION

- All heating and air-conditioning equipment, water heater and water softener in the dwelling.
- The large freezer in the basement
- All stanchions and drinking cups in the dairy barn
- Surge pipeline milking system, 4 milking units and automatic washer
- Milk house package including the Fre-heater, Water heater, washing sinks, 600 gallon bulk milk tank with automatic washer and L-B White heater.
- 51 foot hay conveyor in barn loft.
- All automatic cattle and hog waterers
- All steel gates and panels in and around cattle yards
- Two steel bulk feed bins, auger feeding system, all feeders and waterers and fans in the confinement hog building
- All farrowing crates and related equipment, fans and L-B White heaters in the two farrowing houses.
- Two steel bulk feed bins, auger feeding system with drops and feeders and medicator and parts and material to repair the floor and ventilation system in the Nursery building. Buyer is to make the necessary repairs to the floor and ventilation system.
- Two silo unloaders and bunk feeders
- One seven (7) ton Pax protein bin
- One seven (7) ton Eaton Protein bin.
- Extra gates for finishing buildings that are located on the premises as of the date of this contract and no more.

ITEMS OF PERSONAL PROPERTY
NOT INCLUDED IN THIS TRANSACTION

Two nine (9) ton Pax Protein bins. Chopper pump for cleaning hog pit is not included as Sellers do not own a pump.

Four L.P. gas tanks located on the premises are not owned by Seller and will not be a part of the sale.

ADDENDUM "B"

1) LEASE AGREEMENT. Buyers shall enter into a lease agreement with the Sellers to rent the remaining north 80 acres for cash rental of $150.00 per acre. The initial lease agreement shall run for a period of five years and renewed annually thereafter unless terminated by either party. The lease agreement shall be prepared by owner's attorney and at the owner's expense.

2) OPTION TO PURCHASE. If and only if Buyers enter into a lease agreement as set out hereinabove Buyers shall then have the option to purchase the remaining 80 acres described as the NW 1/4 of SE 1/4 and NE 1/4 and SE 1/4 of Section 20 in Colony Township, Delaware County, Iowa, if Buyer has highest last bid accepted. Said option shall extend to January 1, 2001 and the purchase price shall be at least $200,000. Should Buyers elect to purchase, notice must be given to Sellers of such election on or before September 1, 2000 or this option shall be null and void. This sale shall be for cash. Buyers shall have the opportunity to have the last bid which bid must be at least $50 higher per acre than the last highest bid.

3) Early possession of livestock building and livestock yards. As of 11-1-95 (or earlier as may be mutually agreed to). Buyers shall be allowed the use of the premises and ingress and egress except for the residence and garage and all other facilities other than those normally used to house and feed livestock. Buyer shall be allowed, and granted permission to make repairs to the premises at Buyers expense in accord with Number 7 of the contract, however not allowing any liens to be attached to the premises of Sellers.

In exchange for this privilege, Buyers shall be wholly liable for any and all damages that may result to the premises and shall carry replacement value insurance on said buildings and liability insurance in accord with Number 6 of the contract. Buyers shall care for and maintain said premises in a reasonably safe and serviceable condition including but not limited to any sewer and water plumbing, water pipes and electrical wiring. Buyer shall not cause waste and shall promptly take care of leakage and stoppage and shall prevent freezing of pipes. Heat of any kind shall be at expense of Buyers. Electricity to the premises shall be wholly paid by Buyers, except Sellers shall reimburse $50 per month (or a fraction thereof) for use in the residence.

Both Sellers and Buyers shall each keep its respective property interest in the premises and its liability in regard thereto, and the personal property on the premises reasonably insured against hazards and casualties and Buyers will procure and deliver to the Sellers a certificate from the respective insurance companies to that effect. Such insurance shall be made payable to the parties hereto as their interest may appear, except that the Buyers share of such insurance proceeds are hereby assigned and made payable to the Sellers to secure obligations due and owing Sellers by Buyers.

5) Should Buyers take early possession (prior to 1-2-96) then and in that event Number 28 of the contract shall be applicable to such period.

6) Well water shall be tested by Seller at Sellers expense to meet and satisfy the requirements necessary to sell Grade A milk to "Grande"

7) Buyers shall be allowed to make repairs to the nursery floor and ventilation system at Buyers expense. Seller to provide 9 planks for flooring support and power pack and materials on the premises to run the ventilation system.

8) Possession of dwelling. Buyers agree to grant to Sellers a period of time to occupy the dwelling and garage and ingress and egress up to 30 days beyond the closing date or until 2-1-96 at no expense to Seller except Seller to pay $50 for said month for electricity and a reasonable figure for fuel for heat.

9) Parties agree that $100,000 of principal payments shall apply to the personal residence located on the hereinabove describe premises.

10) Buyers therefore herein WARRANT and GUARANTY to Sellers and further agree to defend and indemnify Sellers and hold Sellers harmless from any loss, damage, injury or accrued obligations of any sort whether known or unknown at the time of the purchase contract, for the period up to date of closing.

11) Any and all payment to Sellers shall be 50% to Delbert Burkle and 50% to Dorothy Burkle.