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DELAWARE COUNTY IOWA
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PREPARED BY: Michael A. Bowman, 114 S. Cedar St., Monticello, IA 52310, (319) 465-5448

OPTION AGREEMENT

This option agreement, dated this 15 day of June, 2000, by and between John E. Prull and Florence Prull, husband and wife, (hereafter "Sellers") and John D. Timm and Joanne F. Timm, husband and wife (hereafter "Buyers") state as follows:

For and in consideration of $10.00 this day paid, Sellers grant Buyers the option to purchase their 200 acre farm, located in Delaware County, Iowa, to-wit:

The North East Quarter (NE1/4) of Section Number Thirty-Four (Sec. 34) and the North West Quarter (NW1/4) of the North West Quarter (NW1/4) of Section Number Thirty-Five (Sec. 35), all being in Township Number Eighty-Seven (Twp. 87) North of Range Number Three (R#3) West of the Fifth (5th) P.M., and estimated to contain two hundred (200) acres of land

under the following terms and conditions.

1. PRICE. The purchase price shall be $350,000.00, payable at Delaware County, Iowa, as follows: $60,000.00 down payment on date of closing and possession, the balance of $290,000.00 shall be paid as follows: $1,930.00, principal and interest, on April 1, 2001, and $1,930.00, principal and interest, on the first day of each month thereafter until all amounts due hereunder shall be paid in full, and that all amounts shall be due in full no later than five years after both Sellers are deceased. Buyers may prepay without penalty. Interest shall accrue at the rate of 7% per annum from March 1, 2001.

2. REAL ESTATE TAXES. Sellers shall pay taxes as prorated to date of possession, 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.

3. SPECIAL ASSESSMENTS.

A. Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of acceptance of this offer.

B. All other special assessments shall be paid by Buyers.

4. RISK OF LOSS AND INSURANCE. Risk of loss prior to Sellers' delivery of possession of the Real Estate to Buyers shall be as follows:

A. All risk of loss shall remain with Sellers until possession of the Real Estate shall be delivered to Buyers.

5. CARE AND MAINTENANCE. The Real Estate shall be preserved in its present condition and delivered intact at the time possession is delivered to Buyers, provided, however, if 4.A is stricken and there is loss or destruction of all or any part of the Real Estate from causes covered by the insurance maintained by Sellers. Buyers agree to accept such damaged or destroyed Real Estate together with such insurance proceeds in lieu of the Real Estate in its present condition and Sellers shall not be required to repair or replace same.

6. POSSESSION. If Buyers timely perform all obligations, possession of the Real Estate shall be delivered to Buyers on March 1, 2001, with any adjustments of rent, insurance, and interest to be made as of the date of transfer of possession.

7. 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 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.) _____
_____
_____.

8. USE OF PURCHASE PRICE. At time of settlement, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.

9. ABSTRACT AND TITLE. Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of acceptance of this offer, and deliver it to Buyers for examination. It shall show merchantable title in Sellers in conformity with this agreement, Iowa law and 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. Sellers shall pay the costs of any additional abstracting and title work to any act or omission of Sellers, including transfers by or the death of Sellers of their assignees.

10. DEED. Upon payment of the purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by warranty deed, free and clear of all liens, restrictions, and encumbrances.

11. JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE. If Sellers, immediately preceding of this offer, 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 the 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 tenant with full rights 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.

12. 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 or real estate contract for this purpose.

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

14. REMEDIES OF THE PARTIES.

A. If Buyers fail to timely perform this contract, Sellers may forfeit it as provided in the Iowa Code, and all payments made shall be forfeited or, at Seller's option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of such failure (during which thirty days such failure is not corrected) Sellers may declare the entire balance immediately due and payable. Thereafter this contract may be foreclosed in equity and the Court may appoint a receiver.

B. If Sellers fail to timely perform this contract, Buyers have the right to have all payments made returned to them.

C. Buyers and Sellers also are entitled to utilize any and all other remedies or actions at law or in equity available to them and shall be entitled to obtain judgment for costs and attorney fees as permitted by law.

15. STATEMENT AS TO LIENS. If Buyers intend to assume or take subject to a lien on the Real Estate, Sellers shall furnish Buyers with a written statement from the holder of such lien, showing the correct balance due.

16. SUBSEQUENT CONTRACT. Any real estate contract excluded in performance of this contract shall be on a form of the Iowa State Bar Association.

17. APPROVAL OF COURT. If the sale of the Real Estate is subject to Court approval, the fiduciary shall promptly submit this contract for such approval. If this contract is not so approved, it shall be voided.

18. CONTRACT BINDING ON SUCCESSORS IN INTEREST. This contract shall apply to and bind the successors in interest of the parties.

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

20. OTHER PROVISIONS.

A. This contract may not be assigned.

B. Buyers agree to give first preference to Prull family lineal descendants in the event of sale, as the family ownership is an integral part of this agreement.

C. John D. Timm agrees to relinquish his ownership interest to the farm in the event of divorce.

D. This option expires March 10, 2001.

John E. Prull

Florence Prull

John D. Timm

Joanne F. Timm

STATE OF IOWA)
) **ss.**
JONES COUNTY)

On this 15 day of June, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared John E. Prull, Florence Prull, John D. Timm and Joanne F. Timm, known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for said State

Comm exp 6-14-02