DELAWARE COUNTY IOWA
FILED
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BOOK 2002 PAGE 1601
DEBORAH L. BYDAL
DELAWARE COUNTY RECORDER

RECORDER FEE $ 5.00
AUDITOR FEE $ 5.00

Entered for taxation 30th day
of April A.D. 2002
Sharon McCabe, Auditor
By Deputy
89-115

& CWB. F=LL BANK

THIS INSTRUMENT PREPARED BY: Jeff J. Goedken
Moyer & Bergman, PLC, 2720 1st Ave. NE, PO Box 1943, Cedar Rapids, IA 52406-1943, (319) 366-7331
MAIL PROPERTY TAX STATEMENTS TO: Allen D. Monaghan
1619 180th Avenue, Manchester, IA 52057-8852

REAL ESTATE CONTRACT
(INSTALLMENT SALE)

THIS REAL ESTATE CONTRACT (the "Contract") is entered into on this 26 day of April, 2002, by and between Donald L. Monaghan and Shirley A. Monaghan, husband and wife, of Manchester, Iowa (together, the "Sellers") and Allen D. Monaghan and Keila R. Monaghan, husband and wife, also of Manchester, Iowa (together, the "Buyers").

RECITALS

A. Sellers are the titleholders of the following-described real estate, consisting of approximately 195 acres, situated in Delaware County, Iowa

The South One-half (S1/2) of the South One-half (S1/2) of the Southeast Quarter (SE1/4) of Section 32, Township 90 North, Range 5, West of the 5th P.M., (the "North 40") and

The Northeast Fractional Quarter (NE Fr1/4) of Section 5, Township 89 North, Range 5, West of the 5th P.M.

(the "Home Farm");

B. Sellers are the lessors, and Buyer Allen D. Monaghan is the lessee, under a lease agreement dated June 30, 1995 (the "Swine Building Lease"), which lease agreement applies to approximately two (2) acres of land in the Northeast Quarter (NE1/4) of the Home Farm, upon which certain swine buildings and other agricultural structures are located, which approximately two (2) acre parcel is depicted on the attached Exhibit "A" (the "Leased Premises");

C. Sellers are the landlords, and Buyers are the tenants, under a rental agreement dated May 1, 1999 (the "Farm Home Acreage Lease"), which rental agreement applies to approximately three (3) acres of land in the Northeast Quarter (NE1/4) of the Home Farm, upon which the home in which Buyers reside and other structures are located, which approximately three (3) acre parcel is depicted on the attached Exhibit "A" lying directly to the West of the Leased Premises (the "Farm Home Acreage");

D. Sellers are the lessors and John G. Hoffmann and Lorie N. Hoffman are the Lessees under two leases; a Cash Rent Farm Lease Agreement dated November 20, 1998, with respect to the crop ground on both the Home Farm and the North 40 (the "Hoffmann Land Lease") and a Grain Bin Rental Agreement dated November 13, 1999 with respect to three grain bins located on what is now described as the Leased Premises on Exhibit "A" (the "Hoffman Grain Bin Lease");

E. The parties desire to hereby terminate the Farm Home Acreage Lease, amend the Swine Building Lease, and have the Hoffman Land Lease and the Hoffman Grain Bin Lease assigned from Sellers to Buyers;

F. The Buyers desire to purchase, and the Sellers desire to sell, the Home Farm, subject to the Swine Building Lease as herein amended, all in accordance with and subject to the terms of this Contract; and

G. The Sellers have, on the date hereof, entered into a Real Estate Purchase Agreement under which Sellers will deed the North 40 to Buyers, subject to an option under this Contract.

NOW, THEREFORE, in consideration of the above premises, the parties hereto agree as follows:

1. DESCRIPTION OF REAL ESTATE PURCHASED UNDER THIS CONTRACT. The Buyers hereby purchase under this Contract the following-described real estate, consisting of approximately 155 acres, situated in Delaware County, Iowa:

The Northeast Fractional Quarter (NE Fr1/4) of Section 5, Township 89 North, Range 5, West of the 5th P.M.

(the "Home Farm").

2. PAYMENT OF PURCHASE PRICE. The Buyers hereby purchase the Home Farm for a total purchase price of Three Hundred Thirty Five Thousand and no/100 dollars ($335,000.00), due and payable at Manchester, Iowa, with interest thereon at the rate of 6.95% per annum as follows: $2,217.53 due and payable on the last day of May, 2002, and $2,217.53 due and payable on the last day of each month thereafter, for three hundred fifty-nine (359) months, or until the entire principal balance and accrued and unpaid interest is paid in full.

The Buyers shall not prepay any of the foregoing payments without the prior express written consent of Sellers. The then outstanding principal balance under this paragraph 2 shall become due and payable in full upon Seller making demand upon Buyers, provided Sellers cannot make such demand before April 1, 2012, unless the Buyers fail to timely perform all obligations under this Contract in which case paragraphs 17 17 and 18 shall govern. The Sellers' non-exercise of the right to accelerate payment under paragraphs 17 and 18 shall not constitute a waiver of the right to declare acceleration upon a subsequent breach by Buyers.

3. POSSESSION. Buyers shall be entitled to possession of the Home Farm upon the conditions in paragraph 28 below being satisfied; and thereafter so long as the Buyers shall perform the obligations of this Contract.

4. TAXES. Sellers shall pay the property taxes due in March 2002 and all property taxes payable in prior years. Buyers shall pay all subsequent taxes and assessments on the Home Farm upon possession before they become delinquent. The Buyers shall furnish the Sellers with evidence of payment of such items not later than July 15 of each year. Buyers will receive a credit against the payment in paragraph 2 above for the proration of property taxes through the date of possession.

5. SPECIAL ASSESSMENTS. Buyers shall, upon possession, pay all special assessments against this property.

6. MORTGAGE. Any existing mortgage or encumbrance of a similar nature against the Home Farm 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. Sellers and 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 75% of the then unpaid principal balance of the purchase price herein provided, subject, however, to paragraph 29 below.

7. INSURANCE. Buyers as and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Sellers may reasonably require on all buildings and improvements, now on or hereafter placed on said premises and any personal property which may be 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 Seller 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. F&M Bank of Manchester may, at Buyers' election, be named as a loss payee on any insured loss on the Farm Home Acreage. Sellers shall not be loss payees on losses specific to the Farm Home Acreage following the payment provided for in paragraph 2 above.

8. CARE OF PROPERTY. Buyers shall take good care of the property, shall keep the buildings and other improvements now or hereafter placed on 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 prior express written consent of the Sellers. Buyers shall not use or permit said premises to be used for any unlawful purpose.

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

10. ADVANCEMENT BY SELLERS. If Buyers fail to timely pay property taxes, special assessments and insurance, and make all 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.

11. TERMINATION OF FARM HOME ACREAGE LEASE. The Farm Home Acreage Lease is hereby terminated, effective on the date this Contract is signed. Sellers shall herewith return Buyers' $250.00 security deposit.

12. AMENDMENT OF SWINE BUILDING LEASE. The Swine Building Lease, provided that the conditions in paragraph 28 below have first been satisfied, is hereby amended, effective on the date hereof, as follows:

(a) The leased premises under the Swine Building Lease shall consist of the Leased Premises as shown on Exhibit "A" of this Real Estate Contract.

(b) The Buyers hereunder shall have the option to purchase the Leased Premises for $1.00 upon the final day of the Lease Agreement on June 30, 2010, and for 60 days

thereafter, provided that all lease payments have been timely and fully paid and provided that Buyers are not then in default under this Contract or, if Buyers are then in default of this Contract, provided that either Sellers or Buyers have exercised their option under paragraph 29 below and Sellers have received a warranty deed from Buyers transferring the North 40 back to Sellers, free and clear of all encumbrances of any kind as provided for in paragraph 29 below.

(c) The base rental provided for in paragraph 5.B of the Swine Building Lease, which payments shall not reduce the payments provided for in paragraph 1 above, shall remain at $2,138.74 per month for the remainder of the Swine Building Lease term. The Lessee shall be directly responsible for paying ALL utility expenses on the Leased Premises. Lessee shall be responsible for making and paying for ALL repairs to the Leased Premises, including structural maintenance and repairs, and Lessee shall pay ALL insurance expenses and property taxes on the Leased Premises.

(d) A default by the Lessee under the Swine Building Lease, as amended, shall be a default under this Real Estate Contract. However, a default by Buyers under this Contract shall not be a default under the Swine Building Lease.

Except to the extent that the Swine Building Lease is above amended, such Swine Building Lease as previously amended shall remain in full force and effect in accordance with its terms. In the event this Contract is foreclosed or forfeited, the amendments set forth in this paragraph 12 shall cease and the Swine Building Lease shall revert to its terms prior to such amendment.

13. 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.

14. EXCEPTIONS TO WARRANTIES OF TITLE. The warranties of title in any Deed made pursuant to this contract (see paragraph 15) 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, 4, and 5 of this contract; and (e) Sellers shall give Special Warranty as to the period after equitable title passes to Buyers.

15. 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 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. The deed will be delivered to F&M Bank as escrow agent upon Buyers' payment of the amount due under paragraph 2 above. F&M Bank will hold the deed in escrow until all amounts due under this Contract to Sellers have been paid in full. The 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. 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 the performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract.

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

17. 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 the Monaghan Farm, or assessed against it, by any taxing body before any such items become delinquent; or (c) fail to keep all of such 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, including continued and timely performance of Buyers obligations under the Swine Building Lease as herein amended; or (f) the Buyers default on their promissory note to F&M Bank for the purchase money loan to buy the North 40; the 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. This paragraph shall not apply to the Farm Home Acreage, which parcel shall instead be deeded outright to the Buyers on or before the date the Sellers exercise their remedies under this paragraph 17 or paragraph 18.

18. FORECLOSURE AND REDEMPTION. If Buyers fail to timely perform the 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 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 upon the contract obligation.

It is agreed that if the 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 file 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 months after such right of redemption shall be exclusive to the Buyers, and the time periods in Sections 626.5, 628.15 and 626.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of the 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 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 Buyer or their successor in interest in such action. If the redemption period is so reduced, Buyers or their successor 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 creditor as provided in Section 628.5, 628.15 and 628.16 of the Iowa Code

shall be reduced to forty (40) days. Entry of the appearance by pleading or docket entry by or on behalf of Buyers shall be the presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 626 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 626 of the Iowa Code.

19. ATTORNEY'S FEES. In case of any action, or in any proceedings of 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 attorney's fees.

20. INTEREST ON DELINQUENT AMOUNTS. The Buyers will pay interest at the rate of twelve percent (12%) on all amounts herein as and after they become delinquent, and/or on cash reasonably advanced by the Sellers pursuant to the terms of this Contract, as protective disbursements.

21. 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.

22. 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 Buyer's rights in said real estate shall concurrently operate as the forfeiture or foreclosure hereof against all such personal property.

23. 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."

24. ASSIGNMENT OF RENTAL UNDER HOFFMANN LEASES. The rental payments due from the Hoffmann's to Sellers under the Hoffmann Land Lease and the Hoffmann Grain Bin Lease after April 1, 2002, shall be paid to the Buyers. The Sellers hereby assign all their right, title and interest in such leases to Buyers. The Sellers have received a $1,989.00 Production Flexibility Payment for the year 2002 and they have received the March 15, 2002 rental payment from the Hoffmans in the amount of $11,154.00 (*i.e.*, a total of $13,143.00). The $13,143.00 payments will be applied as credits against the payments Buyers are otherwise required to make under paragraph 2 above for the months of May through October 2002 (*i.e.*, these first six monthly payments will be deemed to have been paid by Sellers' retention of the $13,143.00).

25. 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 the 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 15 above unless and except this paragraph is stricken from this agreement.

26. PERSONAL PROPERTY. The Sellers, as further consideration for this Contract, hereby convey their International Harvestor 544 tractor to Buyers.

27. MANURE LICENSE. To be effective after forfeiture or foreclosure under paragraphs 17 or 18, the Sellers hereby grant Buyers a license to spread hog manure from the swine buildings on the Leased Premises on the Home Farm and North 40, provided that the manure will be spread only at times convenient to and consistent with the production of crops being grown on such land by the tenant then in possession thereof and using application rates that are consistent with the production of crops being grown thereon, such license to continue in effect only for so long as the Sellers retain an ownership interest in such land; provided, however, that this license shall terminate with respect to any portion or all of the Home Farm and North 40 that is later sold to a third party by Sellers, whether by deed or contract, such termination to occur on the date the third party buyer first takes possession of the land.

28. CONDITIONS. The parties' obligations to perform this Contract are subject to and conditioned upon the following first occurring: (a) the Buyers obtaining satisfactory financing from F&M Bank; (b) the Buyers making full payment for the purchase of the North 40 in the amount of $150,000; and (c) the Sellers having provided Buyers with a warranty deed to the North 40.

29. OPTIONS UPON FORFEITURE OR FORECLOSURE. In the event of a forfeiture or foreclosure by Sellers as provided for in paragraphs 17 and 18 above, the parties shall have the following purchase options:

(a) **Sellers' Option to Purchase North 40**. Sellers shall have an option to purchase the North 40, which option must be exercised within 90 days after completion of forfeiture or foreclosure proceedings, such proceedings being deemed to be completed after all redemption periods have expired. The Sellers shall exercise their option and pay for the North 40 by tendering to Buyers a warranty deed to the Farm Home Acreage, free and clear of any liens or encumbrances of third parties resulting from acts of the Sellers (i.e., this is an option to exchange properties).

(b) **Buyers' Option to Purchase Farm Home Acreage**. Buyers shall have the option to purchase the Farm Home Acreage, which option must be exercised within 90 days after completion of forfeiture or foreclosure proceedings, such proceedings being deemed to be completed after all redemption periods have expired. The Buyers shall exercise their option and pay for the Farm Home Acreage by tendering to Sellers a warranty deed to the North 40, free and clear of any liens or encumbrances of third parties resulting from acts of the Buyers (i.e., this is an option to exchange properties).

(C) Any third party who may assert an interest in the North 40 and/or the Farm Home Acreage are hereby notified that the parties' options under this paragraph 29 constitute prior liens on the North 40 and the Home Farm.

(d) Upon the exercise, of either of the forgoing options, the Sellers shall, at their expense, undertake to have the Farm Home Acreage and the Leased Premises formally surveyed and platted such that such parcels can be independently transferred.

30. REPRESENTATIONS OF PARTIES. The parties hereto represent and warrant to each other that this Contract has been reviewed thoroughly on their respective behalfs by their own counsel. Attorney

Jeff Goedken has represented only the Sellers in this transaction and the Buyers have fully relied upon independent counsel in the negotiation and drafting of this Contract. Counsel for Sellers has in no way evaluated the impact of this transaction on Buyers or Buyers' lender(s).

Donald L. Monaghan

Allen D. Monaghan

Shirley A. Monaghan

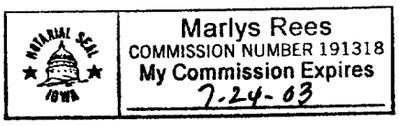
Kella R. Monaghan

1011 North Franklin Street
Manchester, IA 52057-1248

1619 180th Avenue
Manchester, IA 52057-8852

STATE OF IOWA)
) ss
COUNTY OF)

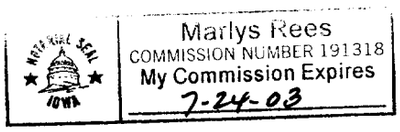
On this 26 day of April, 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Donald L. Monaghan and Shirley A. Monaghan, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



Marlys Rees
Notary Public in and for said State

STATE OF IOWA)
) ss
COUNTY OF)

On this 26 day of April, 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Allen D. Monaghan and Keila R. Monaghan, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



Marlys Rees
Notary Public in and for said State

Monaghan Acreage - April 2002
Exhibit A

