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DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

Prepared by: Joseph J. Bitter, 485 Locust Street, Dubuque, IA 52001-6940; Phone: 563-588-4608

STATE OF IOWA)
) SS:
DUBUQUE COUNTY)

I, Kenneth T. Reuter, on my oath depose and state as follows:

1. Together with my wife Lois G. Reuter, I am/we are the owners of the real estate referred to below. We have owned this property since November 1, 2004.

The South one-half (S ½) of the Northwest Quarter (NW ¼) of the Northeast Quarter (NE ¼), the West one-half (W ½) of the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼), the North one-half (N ½) of the Southwest Quarter (SW ¼) of the Northeast Quarter (NE ¼) except the East one hundred thirty-two (132) feet thereof, the North sixty-six (66) feet of the East one hundred thirty-two (132) feet of the North one-half (N ½) of the Southwest Quarter (SW ¼) of said Northeast Quarter (NE ¼) and the North sixty-six feet (66) feet of the Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼), all being in Section Twenty-one (21), Township Eighty-seven North (T87N), Range Four West (R4W) of the 5th P.M., subject to roadways and easements of record. (Consisting of 60 acres, more or less)

2. I know of my own personal knowledge that a certain farm lease to Hogan Brothers filed October 8, 1996, in Book 6 misc., page 190, Records of Delaware County has been terminated and expired for several years, and Hogan Brothers are not farming the land nor making any claim of right to farm the land by virtue of said lease, which has been terminated.

3. There is a Right of First Refusal in favor of John Schlarmann, filed November 1, 2004, in Book 2004, page 4112, Records of Delaware County, Iowa. Said Right of First Refusal requires us to notify John Schlarmann at any time when we have obtained a purchaser who is willing to purchase the property. Mr. Schlarmann then has 14 days in which to submit his written proposal to purchase the property for the price and upon all the same

terms and conditions as proposed by the prospective third-party purchaser. On October 12, 2005, we caused to be mailed to John Schlarmann, both by certified mail and by ordinary mail, a written notice advising him that we had obtained a prospective purchaser who was willing to purchase the property. The "Offer to Buy Real Estate and Acceptance" dated October 10, 2005, was enclosed in the envelope, together with the Notice. Said Notice reminded Mr. Schlarmann of his 14 day Right of First Refusal. A copy of the Right of First Refusal was also enclosed. Said documents were placed in an envelope which was properly addressed to Mr. Schlarmann at the correct address, and the envelope with sufficient postage thereupon containing said documents was deposited in an official mail receptacle of the United State Postal Service. More than 14 days has elapsed, and we have not received any communication from Mr. Schlarmann, either written or otherwise, indicating his intent to exercise his Right of First Refusal. The time having now expired, Mr. Schlarmann's right of First Refusal has now expired. Further, we have learned that Mr. Schlarmann has indicated that he is not interested in purchasing the property or in exercising his right of First Refusal. We are therefore selling the property to Kyle Downs and Kim Downs for the purchase price and on the same terms and conditions as set forth in the Offer to Buy Real Estate and Acceptance, an identical conformed copy thereof having been enclosed in the envelopes above described and mailed to John Schlarmann.

Kenneth T. Reuter

Kenneth T. Reuter

Subscribed and sworn to before me by Kenneth T. Reuter on the 5th day of DECEMBER, 2005.

SHERRY L. CHENEY
Commission Number 140957
My Commission Expires 9/24/07

Sherry L Cheney

Notary Public