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BOOK **64** PAGE **83**

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When Recorded, Return to:

Gregory B. Wilcox
700 Walnut, Suite 1600
Des Moines, Iowa 50309

REC'D **20⁰⁰**
AUG 8
RECORDED **1⁰⁰**

COMPUTER
RECORDED
COMPARED _____

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Prepared by: Gregory B. Wilcox of Nyemaster, Goode, Voigts, West, Hansell & O'Brien, P.C., 700 Walnut, Suite 1600, Des Moines, Iowa 50309-3899 (515) 283-3128

MEMORANDUM OF RIGHT OF FIRST REFUSAL AND OPTION AGREEMENT

THIS MEMORANDUM OF RIGHT OF FIRST REFUSAL AND OPTION AGREEMENT ("Memorandum") is entered into as of the 30th day of June, 2000 by and among Timothy B. Brandt and Ronald W. Parr (hereinafter collectively referred to as the "Owners") and MAHLE-Parr Filter Systems, Inc., a Delaware corporation (f/k/a MAHLE Acquisition Corp.) (hereinafter referred to as "MAHLE").

1. Owners are the owners of the real estate described in Exhibit A attached hereto (the "Property").
2. On June 29, 2000, Owners and MAHLE executed a Right of First Refusal and Option Agreement, with an effective date of June 30, 2000 (the "Agreement"), with respect to the Property.
3. The Agreement provides MAHLE with an option to purchase the Property, in accordance with the terms of the Agreement, at any time during the period commencing on the date of the Agreement and ending December 31, 2009 (the "Option Period").
4. The Agreement also provides MAHLE with a right of first refusal to purchase the Property, in accordance with the terms of the Agreement, at any time during the Option Period.
5. This Memorandum is executed and recorded for the purpose of placing all persons on notice of the existence of the Agreement. Inquiries regarding the Agreement should be directed to the parties at the following addresses:

MAHLE:

MAHLE-Parr Filter Systems, Inc.
3001 McKinley Avenue
Des Moines, Iowa 50321
Attention: President

Owners:

Timothy B. Brandt
1604 42nd Street
West Des Moines, Iowa 50265

and

Ronald W. Parr
3216 Southern Woods Drive
Des Moines, Iowa 50321

6. This Memorandum is qualified in its entirety by the terms and conditions of the Agreement and this Memorandum does not amend, modify, change or supplement, in whole or in part, any of the terms or conditions of the Agreement, reference to which is hereby made for the agreement between Owners and MAHLE.

7. This Memorandum is being executed on June 29, 2000; however, the effective date of this Memorandum shall be June 30, 2000.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date and year first above written.


OWNERS:

MAHLE:



Timothy B. Brandt

MAHLE-PARR FILTER SYSTEMS, INC.

By 

Gerhard Pietsch, Vice President

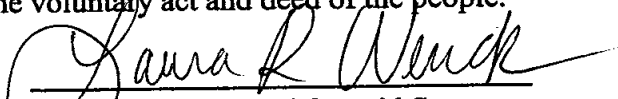


Ronald W. Parr

STATE OF IOWA)
)SS
COUNTY OF POLK)

On this 29th day of June, 2000, before me, the undersigned, a Notary Public in and for the said State, personally appeared Timothy B. Brandt and Ronald W. Parr, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that those persons executed the instrument as the voluntary act and deed of the people.





Notary Public in and for said State

STATE OF IOWA)
)SS
COUNTY OF POLK)

On this 29th day of June, 2000, before me, the undersigned, a Notary Public in and for the said State, personally appeared Gerhard Pietsch, to me personally known, who being by me duly sworn, did say that he is the Vice President of the corporation executing the within and foregoing instrument to which this is attached, that the instrument was signed on behalf of the corporation by authority of its Board of Directors; and that Gerhard Pietsch as such officer acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by him voluntarily executed.



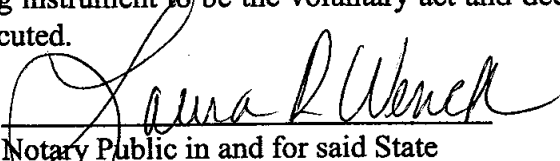

Notary Public in and for said State

EXHIBIT "A"

Parcel "A", located in the South Half (S½) of the Southwest Fractional Quarter (SWfr¼) of Section 30, Township 76 North, Range 27 West of the 5th P.M., more particularly described as follows: Beginning at the Northeast Corner of Lot 5, Plat 2, Helen McCall Huntoon Addition to the City of Winterset, Iowa; thence along the North line of the South Half (S½) of the Southwest Fractional Quarter (SWfr¼) of Section 30, Township 76 North, Range 27 West of the 5th P.M., S89°54'17"E 449.04 feet; thence S00°05'43"W 547.31 feet to the Northerly line of Plat 3, Helen McCall Huntoon Addition; thence along said Northerly line S75°38'00"W 64.00 feet; thence S75°08'07"W 105.32 feet; thence S85°12'51"W 157.73 feet; thence S76°00'44"W 110.00 feet to the Southeast corner of Lot 6, Plat 2, Helen McCall Huntoon Addition; thence along the Easterly line of said Plat 2 N02°10'16"W 270.90 feet; thence N89°57'16"W 7.20 feet; thence N00°28'16"W 360.00 feet to the point of beginning, according to Plat of Survey recorded on January 5, 1995, in Record 2, at Page 238.

