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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Prepared by: DAVID NELSON (GF), DAVIS LAW FIRM, 666 WALNUT STE 2500, DES MOINES, IOWA 50309

REAL ESTATE CONTRACT

This Agreement is made this 20th day of MARCH, 1997, by and between BERNARD L. HESS AND MARILYN J. HESS, HUSBAND AND WIFE, ("Sellers") and FRAMPTON FARMS, INC. ("Buyers").

Sellers agree to sell and Buyers agree to buy certain real estate in MADISON County, Iowa, and legally described as:

SEE ATTACHED EXHIBIT "A"

SATISFIED 8-8-00 SEE
Deed RECORD 137 PAGE _____

together with any easements and appurtenant servient estates, but subject to : a. any zoning and other ordinances; b. any covenants of record; c. any easements of record for public utilities, roads and highways; and d. _____ (the "Real Estate"), upon the following terms and conditions:

1. **PRICE.** The total purchase price for the Real Estate is TWO HUNDRED EIGHTY-THREE THOUSAND FIVE HUNDRED Dollars (\$283,500.00) of which SIXTY-FIVE THOUSAND and no/100----- Dollars (\$65,000.00) has already been paid to Sellers. Buyers shall pay the balance of TWO HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED and no/100----- Dollars (\$218,500.00) to Sellers at the following address: 2977 CUMMING ROAD, VAN METER, IOWA 50261, or as directed by Sellers, in the following manner: \$ 65,237.00 (principal and interest) payable on or before the 1st day of March 1998 and a like amount on or before the 1st day of March for each of the years, 1999, 2000 and 2001, until all of said principal sum and interest on every part thereof at the rate of 7.50 percent per annum from MARCH, 14, 1997, is fully paid; said payment to be applied first in payment of all interest then accrued and balance then on the remainder of said principal sum. Buyer may prepay all or any part of the principal without penalty:

2. **INTEREST.** This contract shall bear interest from March 14, 1997 at the rate of 7.50 percent per annum. Buyers shall also pay interest at the rate of 7.50 percent per annum on all delinquent amounts and any sum reasonably advanced by Sellers to protect their interest in this contract, computed from the date of the delinquency or advance.

3. **REAL ESTATE TAXES.** Sellers shall pay all real estate taxes on the Real Estate for the period: 7/1/95 to 3/17/97, payable commencing in fiscal year beginning July 1, 1997 such taxes to be credited to buyer at time of closing and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes before they become delinquent. Any proration of real estate taxes on the Real Estate shall be based upon such taxes for the year currently payable unless the parties agree otherwise.

4. **SPECIAL ASSESSMENTS.** Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of this contract or MARCH 17, 1997. All other special assessments shall be paid by Buyers when due.

5. **POSSESSION.** Sellers shall give Buyers possession of the Real Estate on MARCH 17, 1997, provided Buyers are not in default under this contract.

6. **INSURANCE.** Sellers shall maintain insurance and risk of loss insurance upon the Real Estate until the date of possession. Thereafter until full payment of the purchase price, Buyers shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 80 percent of full insurable value payable to the Sellers and Buyers as their interests may appear. Buyers shall provide Sellers with evidence of such insurance upon Sellers request.

7. **MORTGAGE.** Any mortgage or encumbrance of a similar nature against the Real

Estate 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. Sellers, their successors in interest or assigns may, and hereby reserve the right at any time to mortgage their right, title or interest in the Real Estate, subject to buyers rights hereunder for any amount not exceeding 50 % of the then unpaid balance of the purchase price herein. The interest rate and amortization thereof shall be no more onerous than the installment requirements of this contract. Buyers hereby expressly consent to such a mortgage and agree to execute and deliver all necessary documents to aid Sellers in securing such a mortgage which shall be junior to any of Buyers' then rights in the Real Estate. If Buyers have reduced the balance of this contract to the amount of any existing mortgage balance, they may at their option, assume and agree to pay mortgage according to its terms, and subject to such mortgage shall receive a deed to the Real Estate; or Sellers, at their option, any time before Buyers have made such a mortgage commitment, may reduce or pay off such mortgage. Buyers, in the event of acquiring the Real Estate 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 agree 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 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.

8. ABSTRACT AND TITLE. Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of this contract MARCH 14, 1997, and deliver it to Buyers for examination. It shall show merchantable title in Sellers in or conformity with this contract, Iowa law and the 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. However, Buyers reserve the right to occasionally use the abstract prior to full payment of the purchase price. Sellers shall pay the costs of any additional abstracting and title work due to any act or omission of Sellers, including transfers by or the death of Sellers or their assignees. Upon payment of purchase price, Sellers shall convey the Real Estate to Buyer or their assignees, by WARRANTY deed, free and clear of all liens, restrictions, and encumbrances except as provided herein. Any general warranties of title shall extend only to the date of this contract, with special warranties as to acts of Sellers continuing up to time of delivery of the deed.

9. CARE OF PROPERTY. Buyers shall take good care of the Real Estate; shall keep the buildings and other improvements now or later placed on the Real Estate in good and reasonable repair and shall not injure, destroy or remove any improvements during the term of this contract. The Buyer shall not commit any act of waste to the Real Estate.

10. REMEDIES OF THE PARTIES.

a. If Buyers fail to timely perform this contract, Sellers may, at Sellers' option, forfeit Buyers' rights in this contract as provided in Chapter 656 of the Iowa Code (the "Code"), and all payments made by Buyers shall be forfeited. If Buyers fail to timely perform this 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 of the Code. Thereafter this contract may be foreclosed in equity and a court ~~may appoint a receiver to take immediate possession of the Real Estate and of 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.~~

b. If Sellers fail to timely perform their obligations under this contract, Buyers shall have the right to terminate this contract and have all payments made returned to them.

c. Buyers and Sellers are also entitled to utilize any and all other remedies or actions at law or in equity available to them.

d. In any action or proceeding relating to this contract the successful party shall

be entitled to receive reasonable attorney's fees and costs.

11. **JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE.** If, immediately preceding this contract, Sellers 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 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 tenants with full right 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 this contract.

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 Code and agrees to execute the deed for this purpose.

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

14. **PERSONAL PROPERTY.** If this contract includes the sale of any personal property, in the event of forfeiture or foreclosure, such personalty shall be considered indivisible with the Real Estate, and any termination of Buyer's rights in the Real Estate shall also automatically forfeit or foreclose the Buyer's interest in the personalty.

15. **CONSTRUCTION.** Words and phrases in this contract shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to their context.

16. **ASSIGNMENT.** In the event this contract is assigned by the Buyer, or the premises sold or conveyed, then the unpaid balance of the contract shall become immediately due and payable in full.

17. **ADDITIONAL PROVISIONS.**

A. SELLERS AGREE TO SUPPORT AND COOPERATE WITH THE BUYER DURING TERM OF THE CONTRACT TO ENROLL THE PROPERTY IN ANY GOVERNMENTAL PROGRAMS DESIROUS OF AND AVAILABLE TO THE BUYER, INCLUDING EXECUTING ANY DOCUMENTS REASONABLY REQUIRED .

Dated: March 20, 1997

Bernard L. Hess
BERNARD L. HESS

Marilyn J. Hess
MARILYN J. HESS

FRAMPTON FARMS, INC. BY:
George H. Frampton
GEORGE H. FRAMPTON, PRESIDENT
FRAMPTON


STATE OF IOWA)

) ss.

COUNTY OF MADISON)

On this 20th day of March, 1997, before me, a Notary Public in and for said State, personally appeared BERNARD L. HESS AND MARILYN J. HESS, husband and wife, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged to me that they executed the same as their voluntary act and deed.

John P. [Signature]
 Notary Public in and for Said State



FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

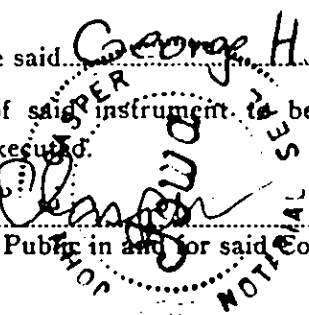
STATE OF IOWA, Polk COUNTY, ss:

On this 20th day of March, A. D. 1997, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared George H. Frampton and

he is President ~~and~~ respectively, of said corporation executing the within and foregoing instrument to which this is attached, that (no seal has been procured by the said) corporation; that said instrument was signed ~~(and sealed)~~ on ~~(the seal affixed thereto is the seal of said)~~

behalf of said corporation by authority of its Board of Directors; and that the said George H. Frampton ~~and~~ acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

John P. [Signature]
 Notary Public in and for said County.




IOWA STATE BAR ASSOCIATION
 Official Form No. 12 (Trade-Mark Registered, State of Iowa, 1987)
 T-255



EXHIBIT "A"

The North Half (1/2) of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Thirty-two (32), AND the Southwest Quarter (1/4) AND the Northwest Quarter (1/4) of the Southeast Quarter (1/4) of Section Twenty-nine (29), all in Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa, EXCEPT Parcel A located in the Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section Twenty-nine (29), Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa, more particularly described as follows: Beginning at the center of Section Twenty-nine (29), Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa; thence South 83°29'15" West along the North line of the Southwest Quarter (1/4) of said Section Twenty-nine (29), 514.11 feet; thence South 6°14'33" East along an existing fence-line, 945.00 feet; thence North 83°29'15" East, 410.68 feet to a point on the East line of the Southwest Quarter (1/4) of said Section Twenty-nine (29); thence North 0°00'00" East along the East line of the Southwest Quarter (1/4) of said Section Twenty-nine (29), 951.13 feet to the point of beginning. Said excepted parcel contains 10.031 acres, including 0.646 acres of county road right-of-way,