

RECORDED

FILED NO. 1022

BOOK 127 PAGE 401

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OPTION

Fee \$ 35.00

MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

This Option Agreement is executed this 1st day of November, 1990, by and between Michael E. Ashby and Sharon K. Ashby, ("Grantors") and Iowa Power Inc., an Iowa corporation, ("Iowa Power").

1. Grant of Option. In consideration of the sum of One Thousand and no/100 Dollars (\$1,000.00) (the "Option Price"), the receipt of which is hereby acknowledged, in hand paid by Iowa Power, Grantors do hereby give and grant to Iowa Power the exclusive right and option to purchase the following described real estate owned by Grantors and situated in Madison County, Iowa:

Land Description:

Commencing at the NE corner of the Southwest Quarter (SW 1/4) of Section 36, thence west 200 feet, thence south 320 feet, thence east 200 feet, thence north 320 feet to the point of beginning. All in Section 36, Township 76 North, Range 27 West of the 5th P.M., Madison County, Iowa. Consisting of 2 acres more or less.

which legal description is subject to confirmation by survey and abstract (the "Property").

2. Purchase Price. The total purchase price for the Property, if this Option is exercised by Iowa Power, shall be Thirty-one Thousand and no/100 Dollars (\$31,000.00) of which the Option Price shall form a part.

3. Expiration Date. This Option shall expire at 5:00 p.m. on September 30, 1992 (the "Termination Date").

4. Exercise of Option. If Iowa Power elects to exercise this Option and purchase the Property pursuant to this Option, it shall give notice of its intent to exercise this Option by written notice (the "Notice") to the Grantors on or before the Termination Date stating that Iowa Power is exercising this Option. The Notice shall be delivered to the Grantors by certified mail, return receipt requested at the Grantors' address as listed below. The Notice shall be deemed to be delivered and received and this Option shall be deemed exercised as of the date that Iowa Power deposits the Notice for delivery to the Grantors' address by certified mail, return receipt requested.

5. Release of Mortgage. Grantors shall provide Iowa Power with a Release of Mortgage, if applicable, covering the parcel legally described above.

6. Closing Date. The Closing Date shall be One Hundred and Twenty (120) days after the receipt of the Notice or such earlier date as the parties may mutually agree.

7. Possession. The Grantors shall deliver possession of the Property to Iowa Power on the Closing Date.

*See Supplement Agreement
see Deed No. 130-435*

8. Real Estate Taxes. The Grantee shall pay the prorated share, to be determined as of the Closing Date, of the real estate taxes for the fiscal year in which possession is given which are due and payable in the subsequent fiscal year.

9. Special Provisions. The Grantors reserve the furnace. Grantee is to pay closing costs, abstracting, etc. Grantee is to pay moving expenses.

10. Special Assessments. The Grantors shall pay in full all special assessments that are certified as liens on the public record as of the Closing Date. All charges for solid waste removal, sewage, and assessments for maintenance that are attributable to the Grantors' possession shall be paid by the Grantors. Any preliminary or deficiency assessments which cannot be discharged by payment shall be paid through an escrow account with sufficient funds to pay such liens and charges when payable. Any unused funds shall be returned to the Grantors.

11. Failure to Exercise Option. If Iowa Power fails to exercise this Option on or before the Termination Date, this Option shall terminate and, except as otherwise stated herein, the Option Price shall be retained by the Grantors.

12. Notices. Any notice which may be or is required to be given pursuant to the provisions of this Option shall be delivered or sent by certified mail, postage prepaid, return receipt requested, and the addressed as follows:

If to the Grantors, to:

Michael E. & Sharon K. Ashby
Rural Route 1, Box 92
Winterset, Iowa 50273

If to Iowa Power, to:

Iowa Power Inc.
James P. Diemer, Supervisor
Real Estate Services
666 Grand Avenue
P.O. Box 657
Des Moines, IA 50303

13. Assignment. This Option may be assigned by Iowa Power, without the consent of the Grantors, provided that, concurrently with such assignment, Iowa Power notifies the Grantors of the assignment and of the name and address of the assignee and sends to the Grantors a copy of such assignment and a written agreement by the assignee to perform all the terms, promises and conditions of this Option. Each subsequent assignment of this Option must also comply with these requirements.

14. Recording of Option. The parties agree that Iowa Power may, but need not, record this Option with the County Recorder of Madison County, Iowa.

15. Environmental Matters.

(a) Definitions. For purposes of this Option, "Hazardous Material" means:

(i) "hazardous substances," as defined by the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq.;

(ii) "hazardous wastes," as defined by the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6902 et seq.;

(iii) "hazardous substances," as that term is defined by The Iowa Environmental Quality Act (Iowa Environmental Act"), Iowa Code Ann. 455B.301 et seq.;

(iv) any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials, or substances within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended;

(v) more than 100 gallons of crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute);

(vi) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. 2011 et seq., as amended or hereafter amended; and

(vii) asbestos in any form or condition.

(b) Representations and Warranties. Grantors hereby represent and warrant to Iowa Power that:

(i) The Property material and the use and operation thereof, are currently in compliance with all applicable laws, ordinances, requirements and regulations relating to public health and safety and protection of the environment ("Environmental Laws"). All governmental permits and licenses required by the business heretofore conducted by the Grantors are in material compliance therewith. All Hazardous Materials generated or handled on the Property have been disposed of in an lawful manner and the Property is free of Hazardous Materials.

(ii) No generation, manufacture, storage, treatment, transportation or disposal of Hazardous Material has occurred or is occurring on or from the Property, except the use of normal farm chemicals applied to crops in accordance with manufacturer's label instructions. No environmental or public health or safety hazards currently exist with respect to the Property or the business or operations conducted thereon. No underground storage tanks (including petroleum storage tanks) are present on or under the Property, except as has been disclosed in writing to and

approved by Iowa Power.

(iii) There have been no past, and there are no pending or threatened: (a) actions or proceedings by any governmental agency or any other entity regarding public health risks or the environmental condition of the Property, or the disposal or presence of Hazardous Material, or regarding any Environmental Laws; or (b) liens or governmental actions, notices of violations, notices of noncompliance or other proceedings of any kind that could impair the value of the Property.

(c) Iowa Power and its agents and representatives shall have the right, but not the obligation, to enter upon the Property at any time prior to the Closing Date to undertake sampling and/or site assessments of the Property. The Grantors shall, upon request of Iowa Power, provide to Iowa Power a description of all known operations, past and present, undertaken at the Property and any existing maps and diagrams designating the location of past and present operations and past and present storage and/or disposal of Hazardous Material, above and below ground, on the Property. If Iowa Power's site assessments and/or sampling reveal that there has been a spill or discharge of a Hazardous Material on the Property or that the Property does not comply with all Environmental Laws, Iowa Power shall have the right to void this Option on or before the Termination Date, upon notice to the Grantors, in which event neither party shall have any further obligation to the other.

(d) In the event that Iowa Power undertakes site assessments and/or sampling of the Property, then such site assessments and/or sampling shall be completed at Iowa Power's expense.

(e) The Grantors shall indemnify, defend and hold harmless Iowa Power from and against any and all claims, liabilities, losses, damages and costs, foreseen and unforeseen, including, without limitation, attorney fees, engineering and other professional or expert fees, which Iowa Power may incur by reason of the Grantors' action or inaction with regard to the Grantors' obligations under this paragraph or otherwise.

16. Insurance. Grantors shall maintain existing insurance upon Property until the Closing Date.

17. Abstract and Title. Iowa Power at its expense shall obtain an abstract of title to the Property. The abstract of title shall be the property of Iowa Power.

18. Deed. Upon payment of the Purchase Price, Grantors shall convey the Property to Iowa Power, or its assignee, by warranty deed free and clear of all liens, encumbrances, taxes and assessments as provided herein.

19. Joint Tenancy. If Grantors immediately preceding this Option hold title to the Property in joint tenancy, then the proceeds paid under this Option and any continuing rights of Grantors in the Property shall belong to the Grantors as joint tenants with full rights of survivorship and not as tenants in common.

20. Time if of the Essence. Time is of the essence of this Option.

21. Warranties and Obligations to Survive Closing. All warranties and obligations of the parties contained in this Option shall survive the Closing Date.

22. Crops. If this Option is exercised at such a time that Grantors are unable to harvest any growing crops, Iowa Power shall reimburse Grantor for such crops which Grantors are unable to harvest by reason of Iowa Power's purchase of the Property.

23. Grantors agree to keep payments current in accordance with the real estate contract between the Grantors and Conrad Jungman. In the event that the Grantors are unable to keep the payments current and a notice of forfeiture is received, the Grantors shall immediately notify the Grantee. Grantee, at its option, may take action to assist the Grantors in order to avoid forfeiture. If a payment is made by the Grantee so as to avoid forfeiture, it shall form a part of the total purchase price.

24. Grantors warrant that the granting of this option and the possible exercise of this option do not violate any provisions of the real estate contract between Grantors and Conrad Jungman.

25. Release of Marital Rights. Sharon K. Ashby joins in the execution of this Option to evidence her consent to its terms, including the release of her dower interests and of any other marital rights which she may have in the property, if and when it is conveyed pursuant to this Option.

Dated this 1st day of November, 1990.

IOWA POWER INC.

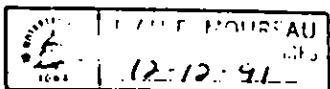
By



Lynn K. Vorbrich
President and Chief Operating Officer

STATE OF IOWA)
) ss.
 COUNTY OF POLK)

On this 1st day of November, 1990, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Lynn K. Vorbrich, to me personally known, who, being by me duly sworn, did say that he is the President and Chief Operating Officer of Iowa Power Inc. executing the within and foregoing instrument, that the seal affixed by said instrument is the seal of said Iowa Power Inc.; that said instrument was signed and sealed on behalf of Iowa Power Inc. by authority of its Board of Directors; and that the said Executive Vice President as such officer acknowledged the execution of said instrument to be the voluntary act and deed of Iowa Power Inc. by it and by him voluntarily executed.



Jean E. Moursau

 Notary Public in and for the State of Iowa

ACCEPTANCE

The Grantors accept the terms of this Option and acknowledge receipt of the Option Price of \$ 1,000.00.

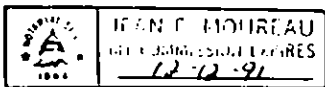
Dated this 1st day of November, 1990.

Michael E Ashby

Sharon K. Ashby

STATE OF IOWA)
) ss.
COUNTY OF Polk)

On this 6th day of NOVEMBER, 1990, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Michael E Ashby and Sharon K Ashby, to me 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.



Jean E Moreau
Notary Public in and for the State of Iowa