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LISA SMITH, COUNTY RECORDER  
MADISON COUNTY IOWA

CHEK

**OPTION AGREEMENT**  
Recorder's Cover Sheet

**Preparer Information:**

Jerrold B. Oliver, PO BOX 230, Winterset, IA 50273

**Taxpayer Information:**

KC Real Estate, L.C., 4949 Westown Parkway, Ste. 200, West Des Moines, IA 50266

**/Return Address**

Jerrold B. Oliver, PO BOX 230, Winterset, IA 50273

**Grantors:**

KC Real Estate, L.C.

**Grantees:**

Kent Kiburz

**Legal Description:** SEE PAGE 2

**Document or instrument number if applicable:**

## OPTION AGREEMENT

**This Agreement, made and entered into by and between KC Real Estate, L.C., “Seller”, and Kent Kiburz, “Buyer”:**

For \$160,000.00 Seller hereby grants Buyer an option to purchase the following described real estate:

**See Exhibit “A” attached.**

upon the following terms:

1. The option shall be exercised by Buyer at any time, on or before March 1, 2013, by Buyer delivering Seller written notice of Buyer’s intention to exercise this option.
2. In the event that Buyer fails to notify the Seller in writing on or before such date that Buyer intends to exercise this option, this option shall be null and void and no longer in force and effect, and Seller shall be entitled to retain the option price of \$160,000.00 without further obligation to Buyer.
3. The abstract of title to said real estate shall be continued to date by Seller showing merchantable title in Seller and delivered to Buyer or Buyer’s attorney upon execution of this Option Agreement. Upon the approval of the abstract by Buyer’s attorney, the Buyer shall pay the option price of \$160,000.00 to Seller.
4. In the event Buyer exercises this option the terms of purchase shall be as follows:
  - A. The purchase price of said property shall be \$960,000.00 and Buyer shall be allowed credit against the purchase price in the amount of \$160,000.00, the option price. The balance of \$800,000.00 shall be payable within 20 days of delivery of abstract to Buyer’s attorney showing merchantable title and in exchange for the

delivery of Warranty Deed, which date shall be referred to as the "date of closing" in later paragraphs of this Agreement. Such abstracting shall be paid for by Buyer, except Seller shall pay for any additional abstract or title work due to any act or omission of Seller or Seller's assignees.

- B. Seller shall pay all of the real estate taxes payable in the fiscal year beginning July 1st, in which possession is given, and any unpaid taxes payable in prior years. Taxes payable in the fiscal year beginning July 1st, after the fiscal year in which possession is given, shall be prorated to date of possession. Buyer shall pay all subsequent real estate taxes. The proration of real estate taxes shall be based upon taxes for the year currently payable.
- C. Seller shall pay all special assessments which are a lien against the real estate as of date of possession. All other special assessments shall be paid by Buyer.
- D. Seller shall give Buyer possession of the real estate as owner upon payment of the entire purchase price and delivery of Warranty Deed, subject to rights of existing tenant for current crop year.
- E. If Buyer exercises this option and purchases the property, Buyer is purchasing the property in its existing condition, "as is".

5. Seller shall give any tenant of the above described real estate Notice of Termination of Farm Tenancy prior to September 1<sup>st</sup> of each year during the term of this option. Seller shall not enter into a new lease with a tenant until on or after March 1<sup>st</sup> of each year.

6. In lieu of full payment of the purchase price, Buyer may elect to pay interest only at 5 percent per annum upon the unpaid balance of \$800,000.00 from the date of exercise of this option. Interest shall be payable semi-annually on September 1<sup>st</sup> and March 1<sup>st</sup> following the

date of exercise of the option and the entire unpaid balance of \$800,000.00 plus accrued interest shall be due and payable on March 1, 2013. If Buyer elects the method of payment set forth in this paragraph, Seller shall deliver the abstract of title continued to date of exercise of option to Buyer's attorney. Such abstracting shall be paid for by Buyer, except Seller shall pay for any additional abstract or title work due to any act or omission of Seller or Seller's assignees. Seller shall give Buyer possession of the real estate as owner upon the exercise of such option subject to the rights of existing tenant for the current crop year.

7. If the date of closing or the date of the exercise of option pursuant to paragraph 5 occurs on a date other than a March 1<sup>st</sup>, Buyer shall be entitled to receive a portion of the cash rent for said premises for the crop year in which such option is exercised. Crop year is hereby defined to mean a one year period from March 1<sup>st</sup> to February 28<sup>th</sup>. The amount of cash rent to be paid to Buyer shall be determined by a fraction, the numerator of which shall be the number of days from the date of closing as determined in paragraph 4, or the date of exercise of the option if the Buyer elects to pay the interest and purchase price pursuant to paragraph 5 until the next February 28<sup>th</sup> and the denominator shall be 365. Such fraction shall be multiplied by the annual cash rent to determine the cash rent to be paid to Buyer. If any other arrangement is entered into by Seller for the operation of such farm, such as custom farming or a crop share lease, Buyer shall receive a prorated share of the crops after the deduction of input costs computed in the same manner as set forth in this paragraph by multiplying the fraction said forth above by the amount received for crops less input expenses.

8. Time is of the essence in this option Agreement.

9. Any notice required to be given by this Agreement shall be given by one party to the other party by written notice, certified mail, return receipt requested to the following addresses:

KC Real Estate, L.C.	Kent Kiburz
4949 Westown Pkwy, Ste. 200	2303 W Summit
West Des Moines, IA 50266-6704	Winterset, IA 50273


10. This Agreement shall be binding on the parties, their heirs, successors and assigns.

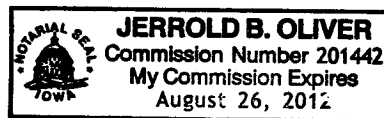
Dated this 22<sup>nd</sup> day of March, 2010.

  
\_\_\_\_\_  
Kent Kiburz

STATE OF IOWA, COUNTY OF MADISON

This instrument was acknowledged before me on this 22 day of March, 2010, by Kent Kiburz.

  
\_\_\_\_\_  
Notary Public in and for said State of Iowa



**KC REAL ESTATE, L.C.**  
an Iowa limited liability company

By: William C. Knapp, L.C., Member

By: Gerard D. Neugent  
Gerard D. Neugent, Manager

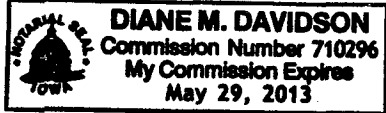
[William C. Knapp or William C. Knapp II could also sign as Managers.]

By: JSC Properties, Inc., Member

By: Paul D. Hayes  
Paul D. Hayes, President

STATE OF IOWA                    )  
  )ss:  
COUNTY OF POLK                )

The foregoing instrument was acknowledged before me on this 24<sup>th</sup> day on March, 20010, by Gerard D. Neugent, Manager of William C. Knapp, L.C., as Member of KC Real Estate, L.C.

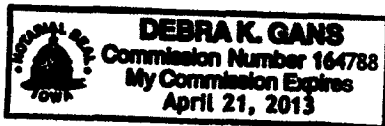


(Stamp or Seal)

Diane M. Davidson  
Notary Public

STATE OF IOWA                    )  
  )ss:  
COUNTY OF POLK                )

The foregoing instrument was acknowledged before me on this 25<sup>th</sup> day on March, 20010, by Paul D. Hayes, President of JSC Properties, Inc., as Member of KC Real Estate, L.C.



(Stamp or Seal)

Debra K. Gans  
Notary Public

EXHIBIT "A"

A parcel of land located in the Southwest Quarter (¼) of Section Thirty-five (35) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5<sup>th</sup> P.M., Madison County, Iowa, containing 142.22 acres, as shown in Property Line Retracement Survey filed on August 17, 2006, in Book 2006, Page 3397 of the Records of the Recorder of Madison County, Iowa.