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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

CHEK

REAL ESTATE CONTRACT-INSTALLMENTS

THE IOWA STATE BAR ASSOCIATION

Official Form No. 142

Recorder's Cover Sheet

Preparer Information: (name, address and phone number)

Christopher J. Langpaul, 1820 NW 118th St., Suite 200, Clive, IA 50325, Phone: (515) 225-2600

Taxpayer Information: (name and complete address)

F & S ASSOCIATES, INC., 1709 S 42ND ST., WEST DES MOINES, IA, 50265

Return Document To: (name and complete address)

Christopher J. Langpaul, 1820 NW 118th St., Suite 200, Clive, IA 50325, Phone: (515) 225-2600

Grantors:

F & S ASSOCIATES, INC.

Grantees:

CUNNINGHAM RANCH INCORPORATED

Legal Description: See Page 2

Document or instrument number of previously recorded documents:

REAL ESTATE CONTRACT-INSTALLMENTS

IT IS AGREED this November 20, 2012, by and between F & S ASSOCIATES, INC., an Iowa corporation, of the County Polk State of Iowa, Sellers; and CUNNINGHAM RANCH INCORPORATED, an Iowa corporation, of the County of Dallas, State of Iowa, Buyers;

That the Sellers, as in this contract provided, agree to sell to the Buyers, and the Buyers in consideration of the premises, hereby agree with the Sellers to purchase the following described real estate situated in the County of Madison, State of Iowa, to-wit:

The Northeast Quarter of the Southeast Quarter (NE 1/4 SE1/4 and a part of the Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4) all in Section 1, Township 76 North, Range 27 West of the 5th P.M., Madison County, Iowa, more particularly described as follows:

Beginning at an iron pin at the Southeast corner of said NE 1/4 SE 1/4; thence N89°55'55" W a distance of 1296.23' to an iron pin; thence N00°37'59" E a distance of 1323.69' to an iron pin; thence N00°13'25" E a distance of 93.85' to a 60d zinc nail set in top of post; thence N87°07'35" E a distance of 1288.50'; thence S00°46'00" W a distance of 147.94' to an iron pin; thence S00°09'24" W a distance of 1335.68' to an iron pin; to the point of beginning. Containing 42.97 acres including 0.60 acres of county road right of way easement

together with any easements and servient estates appurtenant thereto, but with such reservations and exceptions of title as may be below stated, and certain personal property if and as may be herein described or if and as an itemized list is attached hereto and marked Exhibit A" (such real estate is sometimes referred to in this contract as the "real estate", "Real Estate", "property" or "Property") all upon the terms and conditions following:

1. TOTAL PURCHASE PRICE. The Buyers agree to pay for said property the total of \$ 171,880.00 due and payable at Polk County, Iowa, as follows:

(a) **A NON-REFUNDABLE DOWN PAYMENT** of \$5,000.00 **RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED:** and

(b) **BALANCE OF PURCHASE PRICE.** \$166,880.00 as follows:
After the \$5,000 non-refundable down payment, which is due with the execution of this Contract, the balance of \$166,880.00 shall be paid by Buyer as follows:

Payment of \$145,000.00 due on or before December 31, 2012. The balance of \$21,880 shall carry interest at 5.0% per year on all principal due and not yet paid, and shall be paid along with all interest due in three payments due on November 15, 2013, November 15, 2014 and November 15, 2015. The first two payments shall be for \$7,293 in principal pay down plus all accrued interest to date, and the final payment shall be for all remaining principal plus interest accrued to date. Seller shall retain title to the real estate until all payments are made by Buyer to Seller in full.

2. POSSESSION/PERMITTED USE/INDEMNIFICATION. Buyers, concurrently with due performance on their part and upon payment in full of the \$145,000.00 set forth in paragraph

1(b) above, shall be entitled to possession of said premises on or before December 31, 2012, and thereafter so long as they shall perform their obligations of this contract.

Upon possession of the real estate by Buyer, Buyer may use the property for its normal farming operations including pasturing animals or cropping. However, until final payment is made to Seller, Buyer shall not otherwise alter the property in any way or construct any buildings thereon without the express written permission of the Seller. Seller shall care for and protect the property in accordance with the standards of best practice applicable to its permitted farming operation.

Until final payment is made by Buyer to Seller under this contract and all obligations of Buyer are fully performed under this contract, Buyer shall fully indemnify and hold harmless the Seller against any and all costs, losses, liabilities, expenses, judgments, fines, and/or amounts paid in settlement incurred in connection with any threatened, pending or completed action, suit or proceeding (including appeal), whether civil, criminal, arbitrational, administrative or investigative, including attorney fees, which are incurred or suffered by Seller as a result of the use or the property by Buyer, including Buyer's agents, employees, contractors, subcontractors and other authorized representatives.

3. TAXES. Seller shall pay all real estate taxes that are due and payable as of December 31, 2012, and which constitute a lien against the Property, including any unpaid real estate taxes for any prior years. Seller shall further pay its prorated share, through Buyer's actual possession date, of the real estate taxes for the current fiscal year and due and payable in the subsequent fiscal year, or the Buyer shall be given a credit for such proration against the Buyer's November 15, 2013 installment payment based upon the last known actual net real estate taxes payable according to public record. Buyer shall pay all subsequent real estate taxes incurred or accrued after the Buyer takes possession of the real estate.

4. SPECIAL ASSESSMENTS. Sellers shall pay the special assessments against this property as of the date of possession:

(a) Which, if not paid, in the year 2012, would become delinquent and all assessments payable prior thereto.

(b) Including all sewage disposal assessments for overage charge heretofore assessed by any municipality having jurisdiction as of date of possession.

Buyers, except as above stated, shall pay all subsequent special assessments and charges, before they become delinquent.

5. MORTGAGE. Any existing mortgage or encumbrance of a similar nature against the said property 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 so paid. Until title passes to the Buyer, Buyer shall not mortgage the property or otherwise encumber said property.

6. INSURANCE. Except as may be otherwise included in the last sentence of paragraph 1 (b) above, Buyers on and from said date of possession, shall constantly keep in force insurance, premiums therefore to be prepaid by Buyers (without notice or demand) against loss by fire, tornado and other hazards, casualties and contingencies as Sellers may reasonably require on all buildings and improvements, now on or hereafter placed on said premises and any personal property which

may be the subject of this contract, in companies to be reasonably approved by Sellers in an amount not less than the full insurable value of such improvements and personal property or not less than the unpaid purchase price herein whichever amount is smaller with such insurance payable to Sellers and Buyers as their interests may appear. Sellers' interest shall be protected in accordance with a standard or union-type loss payable clause. BUYERS SHALL PROMPTLY DEPOSIT A CERTIFICATE OF INSURANCE EVIDENCING SUCH POLICY WITH PROPER RIDERS WITH SELLERS for the further security for the payment of the sums herein mentioned. In the event of any such casualty loss, the insurance proceeds may be used under the supervision of the Sellers to replace or repair the loss If the proceeds be adequate; if not, then some other reasonable application of such funds shall be made; but in any event such proceeds shall stand as security for the payment of the obligations herein.

7. CARE OF PROPERTY. Upon possession by Buyer, but subject to fulfillment of all of Buyer's obligations in this contract, Buyer shall have the complete care, custody and control of the property. Buyers shall take good care of this property. Buyers shall not make any material alteration in said premises without the written consent of the Sellers. Buyers shall not use or permit said premises to be used for any illegal purpose.

8. LIENS. No mechanics' lien shall be imposed upon or foreclosed against the real estate described herein.

9. ADVANCEMENT BY SELLERS. If Buyers fail to pay such taxes, special assessments and insurance and effect necessary repairs, as above agreed, Sellers may, but need not, pay such taxes, special assessments, insurance and make necessary repairs, and all sums so advanced shall be due and payable on demand or such sums so advanced may, at the election of Sellers, be added to the principal amount due hereunder and so secured. (For Buyers' rights to make advancements, see paragraph 5 above.)

10. JOINT TENANCY IN PROCEEDS AND SECURITY RIGHTS IN REAL ESTATE. If and only if, the Sellers immediately preceding this sale, hold the title to the above described property in joint tenancy, and such joint tenancy has not later been destroyed by operation of law or by acts of the Sellers, this sale shall not constitute such destruction and the proceeds of this contract, and any continuing and/or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with rights of survivorship and not as tenants in common; and Buyers, in the event of the death of one of such joint tenants, agree to pay any balance of the proceeds of this contract to the surviving Seller (or Sellers) and to accept deed solely from him or them consistent with paragraph 14 below unless and except this paragraph is stricken from the agreement.

11. INTENTIONALLY DELETED.

12. TIME IS OF THE ESSENCE. Time is of the essence in this Agreement. Failure to promptly assert rights of Sellers herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default.

13. EXCEPTIONS TO WARRANTIES OF TITLE. The warranties of title in any Deed made pursuant to this contract (See paragraph 14) shall be without reservation or qualification EXCEPT: (a) Zoning ordinances; (b) Such restrictive covenants as may be shown of record; (c)

Easements of record, if any; (d) As limited by paragraphs 1, 2, 3 and 4 of this contract; (e) Sellers shall give Special Warranty as to the period after equitable title passes to Buyers; (f) Spouse if not titleholder, need not join in any warranties of the deed unless otherwise stipulated:

(g) _____

(h) _____

14. DEED AND ABSTRACT, BILL OF SALE. Upon execution of this contract, Seller shall continue the Abstract and deliver same to the Buyer for Buyer's use. If all said sums of money and interest are paid to Sellers during the life of this contract, and all other agreements for performance by Buyers have been complied with, Sellers will execute and deliver to Buyers a Warranty Deed conveying said premises in fee simple pursuant to and in conformity with this contract and Sellers will at this time deliver to Buyers an abstract showing merchantable title, in conformity with this contract. Such abstract shall begin with the government patent (unless pursuant to the Iowa State Bar Association title standards there is a lesser requirement as to period of abstracting) to said premises and shall show title thereto in Sellers as of the date of this contract; or as of such earlier date if and as designated in the next sentence. Sellers shall also pay the cost of any abstracting due to any act or change in the personal affairs of Sellers resulting in a change of title by operation of law or otherwise. If any personal property is a part of this agreement, then upon due performance by Buyers, Sellers shall execute and deliver a Bill of Sale consistent with the terms of this contract.

15. APPROVAL OF ABSTRACT. As of the date of this contract, Buyers have not examined the abstract of title to this property.

16. FORFEITURE. If Buyers (a) fail to make the payments aforesaid, or any part thereof, as same become due; or (b) fail to pay the taxes or special assessments or charges, or any part thereof, levied upon said property, or assessed against it, by any taxing body before any of such items become delinquent; or (c) fail to keep the property insured; or (d) fail to keep it in reasonable repair as herein required; or (e) fail to perform any of the agreements as herein made or required; then Sellers, in addition to any and all other legal and equitable remedies which they may have, at their option, may proceed to forfeit and cancel this contract as provided by law (Chapter 656 Code of Iowa). Upon completion of such forfeiture Buyers shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and/or improvements if any shall be retained and kept by Sellers as compensation for the use of said property, and/or as liquidated damages for breach of this contract; and upon completion of such forfeiture, if the Buyers, or any other person or persons shall be in possession of said real estate or any part thereof, such party or parties in possession shall at once peacefully remove therefrom, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of a lease, and may accordingly be ousted and removed as such as provided by law.

17. FORECLOSURE AND REDEMPTION. 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, The Code, and all amounts paid to date shall be forfeited. Thereafter this contract may be foreclosed in equity and the court may appoint a receiver to take immediate possession of the property and of the revenues and income accruing therefrom and to rent or cultivate the same as the receiver may deem best for the interest at 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 end upon the contract obligation.

18. ATTORNEY'S FEES. In case of any action, or in any proceedings in any Court to collect any sums payable or secured herein, or to protect the lien or title herein of Sellers, or in any other case permitted by law in which attorney's fees may be collected from Buyers, or imposed upon them, or upon the above described property, Buyers agree to pay reasonable attorneys' fees.

19. INTEREST ON DELINQUENT AMOUNTS. Either party will pay interest at the highest legal contract rate applicable to a natural person to the other on all amounts herein as and after they became delinquent, and/or on cash reasonably advanced by either party pursuant to the terms of this contract, as protective disbursements.

20. ASSIGNMENT. Buyer shall not assign this contract without the express written consent of the Seller. Seller may assign this contract. In case of the assignment of this contract by Seller, prompt notice shall be given to the Buyer, who shall at the time of such notice be furnished with a duplicate of such assignment by such assignors. Any such assignment shall not terminate the liability of the assignor to perform, unless a specific release in writing is given and signed by the other party to this contract.

21. INTENTIONALLY DELETED.

22. CONSTRUCTION. Words and phrases herein, including acknowledgments hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. See paragraph 11 above, for construction of the word "Sellers."

23. RELEASE OF RIGHTS. Each of the Seller hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waives all rights of exemption as to any of the property.

24. INTENTIONALLY DELETED.

25. CERTIFICATION. Buyers and Sellers each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

26. INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM. Seller represents and warrants to Buyer that the Property is not served by a private sewage disposal system, and there are no known private sewage disposal systems on the property.

27. SPECIAL PROVISIONS. Buyer acknowledges the property is sold "as-is" with no representations or warranties by Seller about the property whatsoever including its soils. Buyer shall make all investigations concerning the suitability of the property for Buyer's intended use, and

shall provide the Seller with copies of all tests and/or inspections conducted on the property. Buyer shall be responsible for the repair or replacement of all boundary and other fences on or adjacent to the property as Buyer sees fit. Seller shall pay for the costs of the initial survey, continuation of the abstract, and Seller's closing costs. Buyer shall pay for all other costs associated with this agreement.

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: 11/20/12

Cunningham Ranch Inc.
CUNNINGHAM RANCH INCORPORATED, Buyer
By: TERRY LYON
As: V.P.

Executed in duplicate or triplicate

R. Steven Gillotti
F & S ASSOCIATES, INC., Seller
By: R. Steven Gillotti
As: President

Cunningham Ranch Inc.
CUNNINGHAM RANCH
INCORPORATED, Buyer
By: TERRY LYON
As: V.P.

1709 S 42ND ST., WEST DES MOINES, IA,
50265
Sellers' Address

1434 UNION LN, VAN METER, IA, 50261
Buyers' Address

STATE OF IOWA, COUNTY OF POLK :

This instrument was acknowledged before me on November 20, 2012, by R. Steven Gillotti as President of F & S Associates, Inc.



Michelle Finch
, Notary Public

STATE OF IOWA, COUNTY OF POLK :

This instrument was acknowledged before me on November 20, 2012, by Terry Lyon as President (Vice) of Cunningham Ranch Incorporated.



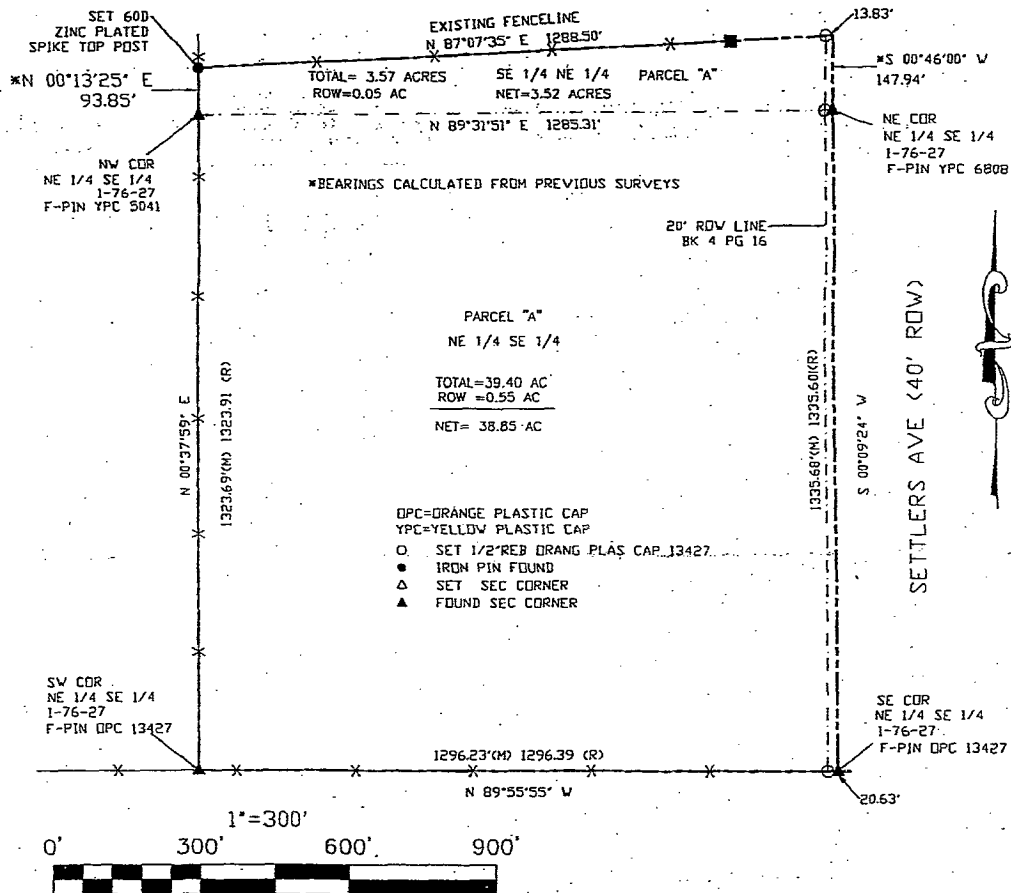
Michelle Finch
, Notary Public

EXHIBIT "A"

Plat of Survey

The Northeast Quarter of the Southeast Quarter (NE 1/4 SE 1/4 and a part of the Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4) all in Section 1, Township 76 North, Range 27 West of the 5th P.M., Madison County, Iowa more particularly described as follows:

Beginning at an iron pin at the Southeast corner of said NE 1/4 SE 1/4; thence N89°55'55" W a distance of 1296.23' to an iron pin; thence N00°37'59" E a distance of 1323.69' to an iron pin; thence N00°13'25" E a distance of 93.85' to a 60d zinc nail set in top of post; thence N 87°07'35" E a distance of 1288.50'; thence S00°46'00" W a distance of 147.94' to an iron pin; thence S 00°09'24" W a distance of 1335.68' to an iron pin; to the point of beginning. Containing 42.97 acres including 0.60 acres of county road road right of way easement.



	I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Iowa.		Proprietor: F&S Associates
	Signature: <i>Craig S. Boldman</i>	Date: 10-5-12	Requested by: Terry Lyon
	Name: Craig S. Boldman PLS No. 13427		Date of Survey: Sept 26, 2012
	Renewal date is December 31, 2012		Project No: 12047