

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release is entered into by and between Suzan D. Erem, E. Paul Durrenberger, and Grant Schultz.

RECITALS

WHEREAS, Suzan D. Erem and E. Paul Durrenberger (jointly "Erem") are Landlords under that certain "Farm Lease" attached hereto as Exhibit "A" and by this reference made a part hereof as though set out fully ("the Farm Lease"); and

WHEREAS, Grant Schultz ("Schultz") is the Tenant under the Farm Lease; and

WHEREAS, Erem, on the one hand, and Schultz, on the other have also entered into and executed additional agreements related to the real property that is the subject of the Farm Lease ("the Property"), viz:

1. "Option Agreement" attached hereto as Exhibit "B";
2. Untitled document modifying the dates on which rent is due attached hereto as Exhibit "C";
3. Untitled document modifying the Option Agreement attached hereto as Exhibit "D";
4. "Agreement" modifying the Farm Lease and Option Agreement attached hereto as Exhibit "E"; and

WHEREAS, disputes have arisen between Erem and Schultz concerning their respective duties, obligations, rights, and privileges under the various documents attached hereto as Exhibit "A" - Exhibit "E"; and

WHEREAS, Erem has filed an action for Forcible Entry and Detainer seeking Schultz's removal from the property styled Suzan Erem and Paul Durrenberger v. Grant Schultz, Johnson County Cause No. SCSC089779 (later transferred to the regular District Court docket); and

WHEREAS, Schultz filed an action against Erem for breach of contract, among other theories of recovery, seeking specific performance and damages, styled Grant Schultz v. Suzan Erem and Paul Durrenberger, Johnson County Cause No. EQCV078540; and

WHEREAS, the Parties desire to resolve the pending litigation and resolve their differences under the various documents attached as Exhibit "A" - Exhibit "E" under the terms set forth in this Settlement Agreement and Mutual Release,

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL OBLIGATIONS AND PROMISES CONTAINED HEREIN, AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. Identity of Parties. The Parties to this Settlement Agreement and Mutual Release are Suzan D. Erem and E. Paul Durrenberger (jointly "Erem") and Grant Schultz ("Schultz"). Erem and Schultz may be referred to collectively herein as "the Parties", and any one of them may be referred to as "a Party".
2. Counsel/Representation. Erem is represented in this matter by Steven E. Ballard, Persephone A. Eglaine, and Leff Law Firm, L.L.P. Schultz is represented in this matter by Rockne O. Cole.
3. Sale and Purchase of Property. Erem shall sell and Schultz shall purchase the Property pursuant to the terms of the "Offer to Buy Real Estate and Acceptance" ("Purchase Agreement") attached hereto as Exhibit "F".
4. Payment of 2016 Rent. Schultz shall pay Erem the total amount of \$51,989.57 in immediately available funds no later than March 1, 2017. This sum comprises the principal amount of 2016 rent (\$50,162.15) plus interest at 10 percent per annum through March 1, 2017 (\$1,827.42). The total amount of \$51,989.57 will be reduced by \$13.74 for each day in advance of March 1, 2017, that Schultz makes the payment.
5. Dismissal of FED. Upon timely payment by Schultz of the amount identified in paragraph 4 above, Erem will execute and file a dismissal with prejudice of their petition filed in the matter styled Suzan Erem and Paul Durrenberger v. Grant Schultz, Johnson County Cause No. SCSC089779, in the form attached hereto as Exhibit "G". Until that amount is paid, Schultz authorizes counsel for Erem to contact Court Administration and request that no action be taken with respect to that matter to permit Schultz the opportunity to perform.

6. Withdrawal of Agricultural Lease Termination. Upon timely payment by Schultz of the amount identified in paragraph 4 above, the "Notice of Intention to Terminate Farm Lease Agreement" attached hereto as Exhibit "H" shall be deemed automatically withdrawn by Erem and held for naught.
7. Dismissal of Schultz Litigation. Upon execution of this Settlement Agreement and Mutual release and the Purchase Agreement, Schultz will execute and file a dismissal with prejudice of his petition filed in the matter styled Grant Schultz v. Suzan Erem and Paul Durrenberger, Johnson County Cause No. EQCV078540, in the form attached hereto as Exhibit "I".
8. Payment of 2017 Rent. Schultz shall pay Erem rent for 2017 in the amount of \$55,000.00 (gross rent) less applicable dividend in immediately available funds no later than October 15, 2017.
9. Fence Line Issues. Schultz shall cause the fence between the Property and the adjoining property owned or controlled by River Products Company, Inc. to be moved, removed, or replaced to the satisfaction of River Products Company, Inc. by April 1, 2017. Erem shall not interfere with any communications between Schultz and River Products Company, Inc., and shall forward any communications from River Products Company, Inc. to Schultz within 24 hours of receipt.
10. Tenant Lease Obligations Through the earlier of closing on the purchase of the Property or termination of Schultz's rights and interests as Tenant, Schultz shall perform each and every obligation imposed upon and may exercise each and every right afforded to Schultz as set forth in the various documents attached hereto as Exhibit "A" - Exhibit "E".
11. Landlord Lease Obligations. Through the earlier of closing on the purchase of the Property or termination of Schultz's rights and interests as Tenant, Erem shall perform each and every obligation imposed upon and may exercise each and every right afforded to Erem as set forth in the various documents attached hereto as Exhibit "A" - Exhibit "E".
12. Restriction on Habitation. Schultz shall not reside or live on the Property unless and until he produces and provides to Erem a signed statement from applicable

Johnson County officials (including Zoning Officials and Health Department Officials) confirming compliance with all County rules, regulations, and codes related to residential occupancy of structures and property.

13. **Landlord Access to the Property.** Through the earlier of closing on the purchase of the Property or termination of Schultz's rights and interests as Tenant, Erem shall have reasonable access to the property, and shall give Schultz at least 24 hours' notice of any intention to come upon the Property, unless emergency or other exigent circumstances make such notice impossible or impracticable.

14. **Release by Schultz.** In consideration of execution of this Settlement Agreement and Mutual Release by Erem and execution of the Purchase Agreement by Erem, Schultz hereby releases, acquits, and fully and forever discharges Erem and any and all other persons, firms, and corporations acting on Erem's behalf from any and all liability whatsoever including all claims, demands, damages, and causes of action of every nature affecting Schultz that Schultz may have, claim, or ever claim to have, whether known or not which may appear or develop, arising from or in any way related to the following:
 - A. Schultz's tenancy at and occupancy of the Property; and
 - B. Schultz's rights and interests appearing and set forth in the various documents attached hereto as Exhibit "A" - Exhibit "E".
 - C. Any other matter related to or involving Erem; and
 - D. All claims and matters that were or could have been asserted in the matter styled Grant Schultz v. Suzan Erem and Paul Durrenberger, Johnson County Cause No. EQCV078540; and
 - E. All claims derivative of paragraphs 14(A-D) above.

15. **Release by Erem.** In consideration of execution of this Settlement Agreement and Mutual Release by Schultz, execution of the Purchase Agreement by Schultz, and the dismissal by Schultz referenced above, Erem hereby releases, acquits, and fully and forever discharges

Schultz and any and all other persons, firms, and corporations acting on Schultz's behalf from any and all liability whatsoever including all claims, demands, damages, and causes of action of every nature affecting Erem that Erem may have, claim, or ever claim to have, whether known or not which may appear or develop, arising from or in any way related to the following:

- A. Schultz's tenancy at and occupancy of the Property; and
- B. Erem's rights and interests appearing and set forth in the various documents attached hereto as Exhibit "A" - Exhibit "E".
- C. Any other matter related to or involving Schultz; and
- D. All claims and matters that were or could have been asserted in the matter styled Suzan Erem and Paul Durrenberger v. Grant Schultz, Johnson County Cause No. SCSC089779; and
- E. All claims derivative of paragraphs 15(A-D) above.

16. Acknowledgment of Service of Agricultural Lease Termination. Schultz acknowledges service upon him on the 5th day of January, 2017, of the Notice of Intention to Terminate Farm Lease Agreement attached hereto as Exhibit "J". Schultz acknowledges, agrees, and understands that under no circumstances shall he have any Tenant or other rights to or at the Property past March 1, 2018, unless he performs under the terms of the Purchase Agreement. Schultz further acknowledges, agrees, and understands that his Tenant or other rights to or at the Property may be terminated in advance of March 1, 2018, in the event he fails to perform under this Settlement Agreement and Mutual Release and/or under the Purchase Agreement.

17. Events of Default. Erem and Schultz agree that each of the following events, or any of them, constitutes a default by Schultz:

- A. Failure to pay 2016 rent no later than March 1, 2017, as required by paragraph 4.
- B. Failure to pay 2017 rent no later than October 15, 2017, as required by paragraph 8.

- C. Failure to comply with paragraph 9.
 - D. Failure to comply with paragraph 12.
 - E. Failure to close on the purchase of the Property no later than December 31, 2017, as required by the Purchase Agreement.
 - F. Failure to perform any other obligation or duty specified in this Settlement Agreement and Mutual Release.
18. No Right to Cure - Remedies. In the event Schultz defaults in performance of any obligation or duty specified in paragraph 17 of this Settlement Agreement and Mutual Release, Schultz shall not be entitled to any notice of default or right to cure. Rather, upon any such default, Schultz shall immediately and automatically forfeit, remit, relinquish, and give up any and all rights and privileges he had, has, or may have had under the terms of this Settlement Agreement and Mutual Release, including those set forth in the various exhibits attached hereto. Further, upon any such default, Schultz shall remove himself from the Property immediately.
19. No Admission of Liability. Erem and Schultz deny in total any liability to the other, and execution of this Settlement Agreement and Mutual Release and the Purchase Agreement shall in no way be regarded, construed, deemed, or interpreted as an admission of liability by any Party, which liability is expressly denied.
20. Incorporation of Recitals. The recital paragraphs appearing at the beginning of this Mutual Settlement Agreement and Settlement Agreement and Mutual Release are substantive portions hereof and are incorporated by this reference herein.
21. Captions/Titles. The paragraph titles, headings, and/or captions set forth in this Settlement Agreement and Mutual Release have been employed solely as a means of reference and convenience. Such designations shall not affect the interpretation or construction of this Settlement Agreement and Mutual Release and shall not define, limit, extend, or otherwise describe the scope of the Settlement Agreement and Mutual Release or the intent of any provisions hereof. Such designations are not substantive.

22. Exhibits Incorporated by Reference. All exhibits referenced in and attached to this Settlement Agreement and Mutual Release are incorporated into this Settlement Agreement and Mutual Release and those exhibits and each and every term or part of those exhibits are made a part hereof as though set out fully.
23. Governing Law. This Settlement Agreement and Mutual Release was drafted and shall be construed pursuant to the laws of the State of Iowa.
24. Choice of Forum. The Parties agree that any claim or cause of action asserted under the terms of this Settlement Agreement and Mutual Release shall be commenced in the Iowa District Court for Johnson County, Iowa, which will have sole and exclusive jurisdiction to consider any such claims.
25. Entire Agreement. This Settlement Agreement and Mutual Release, including exhibits, sets forth the entire agreement between the Parties, and supersedes any and all prior written or oral agreements or understandings between the Parties pertaining to the subject matter hereof.
26. Construction. Words and phrases used herein shall be construed as singular or plural number, and as masculine, feminine, or neuter gender, according to context.
27. Joint Drafting. This Settlement Agreement and Mutual Release has been drafted jointly and shall not be construed against any Party. The language of all parts of this Settlement Agreement and Mutual Release shall be construed as a whole, according to their fair meaning, and not strictly for or against any Party.
28. Binding Upon Successors. This Settlement Agreement and Mutual Release shall be binding and inure to the benefit of the successors and assigns of the Parties.
29. Attorney Fees and Costs. In the event of any dispute between the Parties relating to this Settlement Agreement and Mutual Release that results in litigation or is resolved without resort to litigation, the non-prevailing Party shall pay (or reimburse) all reasonable legal fees and expenses incurred by the prevailing Party, in addition to such other damages as may be permitted and awarded.

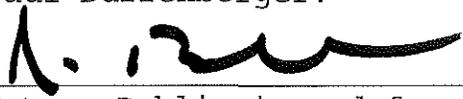
30. Acknowledgment of Understanding. The Parties acknowledge that they have read the foregoing Settlement Agreement and Mutual Release, understand its terms, and freely and voluntarily execute the Settlement Agreement and Mutual Release.
31. Execution in Counterparts; Facsimile Signatures. This Settlement Agreement and Mutual Release may be executed in several counterparts, each of which shall be deemed to be an original and which counterparts shall together contain the signatures of all of the Parties hereto and shall constitute a single binding, and complete Settlement Agreement and Mutual Release. The Parties agree that facsimile signatures are and will be treated the same as original signatures.

CAUTION: THIS IS A RELEASE - READ BEFORE SIGNING

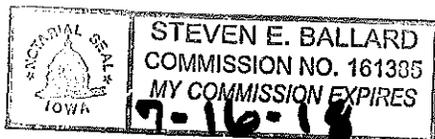
 Suzan D. Erem	1/5/17 Date
 E. Paul Durrenberger	1/5/17 Date
 Grant Schultz	1/5/2017 Date

STATE OF IOWA)
) SS:
COUNTY OF JOHNSON)

This instrument was acknowledged before me on the 5th day of January, 2017, by Suzan D. Erem and E. Paul Durrenberger.

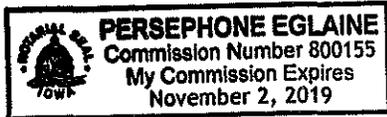


Notary Public in and for the
State of Iowa



STATE OF IOWA)
) SS:
COUNTY OF JOHNSON)

This instrument was acknowledged before me on the 5th day of January, 2017, by Grant Schultz.



Persephone Eglaine

Notary Public in and for the
State of Iowa

EXHIBIT "A"

Farm Lease

This lease agreement is made on 18th day of April 2013 between
Operator, Grant Allen Schultz and
Owners, Suzan Erem and Edward Paul Durrenberger

The parties agree as follows:

1. **Description of farm.** (See attached legal description)

The real estate is located in Johnson County, IA containing 143 acres, more or less, and subject to all easements now existing or which the owner may grant in the future, subject to owner's mortgage given to Farm Credit Services, such that the usefulness of the property to the operator is not reduced. The foregoing notwithstanding, Owner shall not grant any additional easements without the prior written consent of the Operator.

Easements now in effect are as follows:

Access easement benefiting the real estate (across from Wapsi Ave. NE)

2. **Term of lease.** The term of this lease shall be for the period of 5 years beginning April 18, 2013 and ending March 1, 2018 and continuing thereafter from year to year unless either party gives written notice to the other as specified by Iowa law, such to be given on or before September 1 of the final lease year to become effective the following March 1.

3. **Purposes of the lease.** The operator shall have the right to use the property for the production of crops and livestock, operator shall also be granted exclusive hunting rights.

4. **Cash rent**

Operator agrees to pay owner cash rent for the use of part or all of the real estate. Rent will be due and payable as follows:

Annual Rent	Due Date	Amount
Year 1	Apr 19, 2013	10,000
Year 2	Mar 1, 2014	45,000



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EXHIBIT "A"

Year 3	Mar 1, 2015	55,000
Year 4	Mar 1, 2016	55,000
Year 5	Mar 1, 2017	55,000

In the event property taxes increase or decrease by 5 percent or more over the course of the lease, the annual rent payment will adjust to reflect actual change.

In the event the lender, Farm Credit, shall issue or pay any dividends to Owner, Operator shall receive a discount on rent owed for that calendar year in an amount equal to the amount of the dividend paid by the lender, beginning January 1, 2015. If, at the time such dividend is issue or paid, Tenant has already paid all rent due for that calendar year, such amount shall be refunded to the operator.

This payment schedule is designed to allow the operator, a beginning farmer, improved cash flow for his first years in operation.

In the event cash rent is not paid by the due date, interest shall be charged as a rate of ten percent (10%) Annual Percentage Rate, beginning 3 days after the due date until paid.

5. **Payments** received from enrolling the real estate described in this lease in any programs offered by the U.S. Department of Agriculture or other federal, state or county government programs shall go entirely to the operator.
6. **Operator duties and conditions.** Operator agrees to:
 - a. Prepare the land and plant such crops as agreed on in a timely fashion, as weather permits.
 - b. Manage carefully all growing crops and to harvest all crops in a timely fashion as weather permits. In the event operator fails to do so, owner reserves the right, personally or through designated agents, to enter upon the real estate and property care for and harvest all growing crops, charging the cost of the care and harvest to the operator. In the case of termination of this agreement, the operator shall not perform any fall tillage or incur any other expense for the owner for the following year's crop without prior written consent of the owner.
 - c. Farm the land in an efficient and husband-like manner.
 - d. Do what is reasonably necessary to control soil erosion including, but not limited to, providing labor and normal farm equipment for the maintenance of existing watercourses, waterways, ditches, drainage areas, terraces and tile drains, and abstaining from any practice which will cause damage to the real estate. The operator's responsibility

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EXHIBIT "A"

does not include major reconstruction of such improvements made necessary by normal wear and tear or other natural causes.

- e. Use reasonable efforts to control weeds in the fields, fence rows, road ditches, building lots and all other areas of the farm.
- f. Protect all desirable vegetation such as grass field borders, grassed waterways, wildlife cover, shrubs and trees.
- g. Follow a mutually agreeable tillage program for each of the crops planted. Such plan shall meet soil conservation and surface residue requirements as prescribed by the FSA conservation plan.
- h. Conduct soil tests on a regular basis as agreed upon and provide copies of all soil test results to the owner.
- i. Provide the labor and equipment necessary in making minor repairs and improvements to fences made necessary by ordinary wear and tear or by the operator's livestock or equipment.
- j. Investigate broken and inoperative tile lines and report them to the owner. Minor repairs to broken tile, tile inlets, and tile outlets should be the responsibility of the operator and the expenses for their repair shall be paid by the operator.
- k. Comply with all local, state and federal laws and regulations governing all activities related to the application of pesticides and commercial fertilizers, the cultivation of crops and the compliance thereof. Follow label directions in the handling of all chemicals used on the real estate, and follow all applicator's licensing requirements. Comply with local, state and federal laws and regulations pertaining to groundwater contamination, manure disposal and hazardous waste storage or disposal.
- l. Not allow any public use of the land without written consent of the owner.
- m. No genetically modified organisms (GMO), in the form of crops, plants or other vegetation, shall at any time be intentionally planted and/or grown on the Morse Farm unless expressly consented to in writing by Durrenberger/Ersm. For this purpose, a GMO is an organism whose genetic material has been altered using genetic engineering techniques as defined in the Cartagena Protocol on Biosafety (adopted Jan. 9, 2000), being the application of in vitro nucleic acid techniques, or fusion of cells beyond the taxonomic family, that overcome natural

EXHIBIT "A"

physiological reproductive or recombination barriers and are not techniques used in traditional breeding and selection.

- n. No petroleum-derived fertilizers, pesticides, or herbicides shall at any time be used or otherwise applied to any vegetation planted or growing on the Morse Farm unless (i) expressly consented to in writing by Durrenberger/Erem, or (ii) in particular cases when such use is recommended by the federal Natural Resource and Conservation Agency or similar government body as necessary to establish desirable plantings such as in the establishment of native vegetation and tree plantings.

7. Expenses

- a. All materials and services related to the production of agricultural products shall be acquired and paid for by the operator.
- b. If the amount the operator spends on lime exceeds \$100 per year this expense shall be prorated on a 5-year basis. The operator shall be reimbursed proportionately for the unused portion of lime if the lease is terminated earlier than the end of this period, at the rate shown in the schedule at the end of this lease.
- c. If the amount the operator spends on seed or plant material for perennial crops exceeds \$200 per year, this expense shall be prorated on a 5-year basis. The operator shall be reimbursed proportionately for the unused value of the seed or plant material if the lease is terminated before the end of this period, at the rate shown in the schedule at the end of this lease.
- d. No expense shall be incurred for or on account of the owner without first obtaining written permission from the owner. The operator agrees to take no actions that might cause a mechanic's lien to be imposed upon the real estate and agrees to indemnify the owner if actions are taken by the operator that result in such a lien being imposed.

- 8. **Real estate and personal property taxes.** The owner agrees to pay all taxes, assessments, or other public charges levied or assessed by lawful authority against the real estate. The operator agrees to pay all personal property taxes, assessments, or other public charges levied or assessed by lawful authority

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EXHIBIT "A"

against the operator's personal property on the premises, during the term of the lease.

9. Participation in government programs.

The participation in any offered program of the U.S.D.A. or other federal, state, or county government agencies for crop production control, soil and water conservation or other purposes shall be at the option of the operator.

10. Compensation for improvements.

The operator may make improvements to fences, water systems and other items listed in the table below at the operator's own expense and consistent with the terms of the lease, provided consent of the owner has been given and provided these improvements shall not be removed when the operator leaves the farm. The operator will receive compensation from the owner for the undepreciated value of these improvements upon termination of the lease, provided the value, depreciation starting date and rate of depreciation have been agreed upon and entered in the schedule at the end of this lease.

11. Compensation for crop expenses. The owner shall reimburse the operator at the termination of this lease for fieldwork done and for other crop costs incurred for crops to be harvested during the following year. Unless otherwise agreed, current custom rates for field operations involved will be used as a basis of a settlement, provided however such reimbursement shall be required only if the fieldwork and other crop costs incurred have been with the owner's prior written consent.

12. Removal of portable buildings. The owner shall not be responsible for property owned by the operator. The operator shall have the right and obligation to remove from the farm any portable buildings which the operator has placed upon the farm at the operator's expense. Such moving must be done within 30 days following termination of the lease, unless additional time is granted in writing. If such property is not removed, it shall be considered abandoned and operator shall claim no further interest in it except by written agreement between owner and operator.

EXHIBIT "A"

13. **Well and water systems.** Owners shall allow installation of well, water lines, well pumps, septic tanks and related equipment to service the agricultural and residential needs of Operator. Operator shall pay for installation and maintenance costs of well and water systems. In the event the lease is terminated or expires, Owner shall reimburse operator for undepreciated value of all well and water system improvements as per the schedule outlined in the improvement addendum.
14. **Option Agreement.** This lease is subject to and conditioned upon the Owners entering into an option agreement with the Operator, wherein the owners agree in writing to sell the real estate to the operator under mutually acceptable terms and conditions. In the event such an option agreement is not entered into contemporaneously with or within five days after the execution of this lease, then this lease shall become null and void, and any rental paid to the owners shall be returned.
15. **Building Improvements.** Operator is granted permission to improve the property with agricultural and/or residential structures to suit the farming operation to be documented in the Record of Long-term Costs and Improvements.
16. **INSURANCE.** Both the Operator and Owner will keep their respective property interests reasonably insured against hazards and casualties. In the event of any damage to crops, buildings, or improvements by any natural or man-made disaster, the Operator shall inform the Owner with 48 hours. The Operator shall carry the following types and minimum coverage of insurance:
- a. Workers' Compensation Insurance (if applicable).
 - b. Comprehensive General Liability with limits of not less than \$1.0 million.
 - c. Automobile Liability Insurance on all owned, non-owned, hired, or leased automotive equipment in conjunction with operations in amounts not less than \$ 1,000,000.00 for bodily injury and \$500,000.00 for property damage and liability.

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EXHIBIT "A"

Both Owner and Operator hereby release the other from claims for recovery for any loss or damage to any property owned by either party which is Insured under valid and collective insurance policies to the extent of any recovery collectible under such Insurance. It is further agreed that waiver shall apply only when permitted by the applicable policy of insurance.

17. RIGHT OF ENTRY AND INSPECTION. The Owner may enter the real estate at any reasonable time for the purpose of consulting with the Operator, viewing the property, making repairs or improvements, or for other reasonable purposes that do not interfere with the Operator's ability to carry out regular farming operations. Upon properly served notice of termination of the lease and permission of the Operator provided that such permission shall not be unreasonably withheld, the Owner reserves the right to enter the Real Estate and perform fall tillage, seeding, fertilizing or other customary seasonal operations after the Operator has completed the harvesting of crops.

18. OWNER'S LIEN AND SECURITY INTEREST. The Operator acknowledges that a statutory Landlord's Lien exists in favor of the Owner. The Operator grants to the Owner a security interest on, but not limited to, all growing or mature crops on the Real Estate as provided in the Iowa Uniform Commercial Code. The Operator shall sign security agreements and financing statements as requested by the Owner to perfect the Owner's security interests.

19. ATTORNEY'S FEES AND COURT COSTS. In the event a judgement is granted to either party as a result of legal action related to the terms of this lease, the payment and discharge of all costs and attorney's fees or other expenses incurred to enforce the terms of this lease shall be handled as follows

If the Operator is awarded a judgement against the Owner, the Owner shall pay all attorney's fees and legal expenses. If the Owner is awarded a judgement against the Operator, the Operator shall pay all attorney's fees and legal expenses.

20. TRANSFER OF INTEREST. The Operator agrees not to lease or sublet any part of the Real Estate nor assign this lease to any other person, nor sublease any or all of the property described herein without prior written permission of the Owner. This lease shall be binding upon the heirs, assignees, or successors in interest of both parties. If the Owner should sell or otherwise transfer title to the Real Estate, the Owner will do so subject to the provisions of this lease.

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EXHIBIT "A"

21. CHANGES IN LEASE TERMS. The conduct, representation, or statement of either party, by act or omission, shall not be construed as a material alteration of this lease until such provision is reduced to writing and executed by both parties as an addendum to this lease.

22. ARBITRATION. Any disputes between the Owner and Operator not covered by the terms of this lease, if agreed to both Owner and Operator, may be submitted by either party for arbitration by three disinterested persons, one of whom shall be selected by the Owner, one by the Operator, and a third by the previously named two. If and when disputes are submitted, a decision of the arbitrators shall be binding upon the parties to the lease.

23. CONTRACT CONSTRUCTION. Words or phrases herein, including acknowledgment, are construed as in the singular or plural and as the appropriate gender, according to the context.

24. NOTICES. Any notice contemplated in this lease shall be made in writing and shall either be delivered in person, or be mailed by certified U.S. mail, return receipt requested, to the last known mailing address. The notice provisions of this section shall not apply to the notice of termination as set forth in Section 2 of this lease agreement.

25. INDEMNIFICATION. The Operator shall take possession of the premises subject to the usual hazards of operating a farm and assume all of the risks of accidents to the Operator and the Operator's family or agents, in pursuance of the farming operation, and in performing repairs or improvements or other actions pursuant to this lease. The Operator agrees to indemnify, defend, and hold harmless the Owner against any liability and/or pay for any and all damages, losses, or expenses incurred by the Owner in connection with leased premises, beyond that covered by insurance due to Operator's negligence or failure to perform the terms of this lease.

The Owner agrees to indemnify, defend, and hold harmless the Operator against any liability and/or pay for any and all damages, losses, or expenses incurred by the Operator in connection with the leased premises, beyond that covered by insurance, due to Owner's negligence or failure to perform the terms of this lease.

The Owner shall assume liability and shall indemnify and hold the Operator harmless against any liability or expense arising from any condition which

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EXHIBIT "A"

existed, whether known or unknown, at the time of execution of the lease which is not a result of actions of the Operator or which arises after the date of execution but which is not a result of actions of the Operator.

The Owner shall disclose in writing to the Operator the existence of any known wells, underground storage tanks, hazardous waste sites, and solid waste disposal sites on the Real Estate.

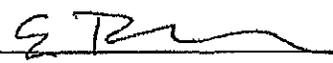
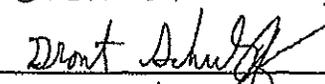
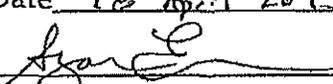
27. YIELDING POSSESSION. The Operator agrees that on termination of the lease, the Operator will yield possession to the Owner without further demand or notice. The premises shall be in as good order and condition as when same were entered by the Operator. Loss by fire, tornado or other forces beyond

Operator's control and ordinary wear and tear are excepted. If the Operator wrongfully withholds possession of the premises after the date of termination, the Operator shall pay to the Owner \$300/day for each day the Operator remains in possession thereafter as liquidated damages.

28. NO PARTNERSHIP. It is understood and agreed that this lease shall not be deemed to be nor intended to give rise to a partnership relation.

It is further understood that both parties have read the terms and provisions of this lease agreement and have agreed to abide by the terms and provisions herein.

30. SIGNATURES.

<small>OWNERS</small> OPERATOR(S):	<small>OWNER(S)</small>	<small>OPERATOR</small>
		
Date <u>18 April 2013</u>		Date <u>April 18, 2013</u>
		
Date <u>4/18/13</u>		Date _____

Optional Notarization

On this ____ day of _____; A.D., 20__ before me the undersigned, a Notary public for the county of _____

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EXHIBIT "A"

Addendum

1. The east half of the northwest quarter (E 1/2 NW 1/4), excepting the north five hundred feet (N 500') of the west seven hundred feet (W 700'), and excepting the remaining north one hundred feet (N 100'), also including that part of the northeast quarter (NE 1/4), lying west of the former C.R.I. & P. Railway right of way, excepting the north one hundred feet (N 100') of the west two hundred fifty feet (W 250'), all lying within Section 16, T.80N., R.5W., of the 5th P.M., Johnson County, Iowa, including a forty foot (40') wide access easement (i) running through Auditor's Parcel 2010019, as recorded in Plat Book 54, Page 349, Plat Records of Jonson County, Iowa, (ii) running through Outlot A, of Paul Miller Subdivision according to the plat thereof recorded in Plat Book 54, Page 350 of the Plat Records of Johnson County, Iowa; and (iii) adjacent to Auditor's Parcel 2011050 according to the Plat of Survey recorded in Plat Book 55, Page 369, Plat Records of Johnson County, Iowa.

and

The Grantor does further, without warranty, Quit Claim and convey to Grantees any and all rights, title, and interest that the Grantor (including its predecessors) may have or claim in and to the Railroad right-of-way bordering the easterly boundary of the real estate described above, including, but not limited to, any such rights, title, interest, and/or reversionary interests in such right of way or portions thereof as reserved by Wm. H. Boyce (a/k/a William H. Boyce) and Margaret Boyce, his wife, in the Right of Way conveyance instrument dated June 3, 1870 and recorded September 28, 1874 in Book 42, page 86 of the Records of Johnson County, Iowa, as located in the northeast quarter (NE 1/4), Section 16, T. 80N., R. 5W., of the 5th P.M., Johnson County, Iowa.

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aw

EXHIBIT "B"

OPTION AGREEMENT

This Agreement made on this 10 day of April, 2013, by and between Suzan Erem and Edward Paul Durrenberger ("Owner") and Grant Schultz ("Operator").

RECITALS

WHEREAS, Owner is the owner of the following described real estate:

(see attached legal description)

143 acres, otherwise known as the Morse Farm.

WHEREAS, the subject real property is currently leased by Operator from Owner, and now the parties wish to enter into an Agreement regarding Operator's option to purchase the real estate.

THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Owner hereby grants to Operator an irrevocable and exclusive option to purchase the subject real property at anytime during the term of the lease between the parties.
2. The purchase price for the above listed real property shall be set at \$940,000.00 to be paid in full on the date on which this option is exercised. The foregoing notwithstanding, the purchase price shall be reduced by the amount of principal paid during the term of the lease between the parties at the time the option is exercised. Owner shall not incur any additional debt secured by the subject property, or refinance the existing debt, without the express written consent of Operator.
3. Owner warrants and represents to Operator that they have the full power and authority to enter into this Agreement, to grant this option and to sell, convey and transfer the subject real property free and clear of all liens and encumbrances, *except those listed in this option.*
4. This Agreement shall be deemed to be a contract under the laws of the State of Iowa and for all purposes shall be construed in accordance with such laws.
5. Operator is currently leasing the subject real property; therefore, at the time of closing, Owner shall deliver to Operator a duly executed Warranty Deed for the subject real property.

KS
KS



KS

KS

EXHIBIT "B"

6. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.
7. This instrument sets forth the entire Agreement between the parties. All negotiations relative to the matters contemplated by this Agreement are merged herein and there are no other understandings or agreements relating to the matters and things set forth other than those incorporated in this Agreement. No provision of this Agreement shall be altered, amended, revoked or waived except by an instrument in writing signed by the parties. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

8. The following deed restrictions may be Made Subject before conveyance to Operator: ^{and/or conservation easement restrictions}

Erem 25
A) No genetically modified organisms (GMO), in the form of crops, plants or other vegetation, shall at any time be intentionally planted and/or grown on the Morse Farm unless expressly consented to in writing by Durrenberger/Erem. For this purpose, a GMO is an organism whose genetic material has been altered using genetic engineering techniques as defined in the Cartagena Protocol on Biosafety (adopted Jan. 9, 2000), being the application of in vitro nucleic acid techniques, or fusion of cells beyond the taxonomic family, that overcome natural physiological reproductive or recombination barriers and are not techniques used in traditional breeding and selection.

Erem 25
B) No ^{petroleum-derived} synthetic fertilizers, pesticides, or herbicides shall at any time be used or otherwise applied to any vegetation planted or growing on the Morse Farm unless (i) expressly consented to in writing by Durrenberger/Erem, or (ii) in particular cases when such use is recommended by the federal Natural Resource and Conservation Agency or similar government body as necessary to establish desirable plantings such as in the establishment of native vegetation and tree plantings.

C) The Morse Farm shall be used contiguously for agricultural production.

9. This Option is given to Operator in Partial consideration of Owner leasing the Real Estate for a term of five years under a written lease dated April __, 2013. This option may only be exercised during the term of said lease and only if buyer is not in breach of the lease. This option shall terminate upon the sooner of:
- 1) A written termination of the lease signed by both Operator and Owners
 - 2) A termination of the lease based upon Operator's breach of lease
 - 3) The expiration of the lease without renewal or Operator exercising the option.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

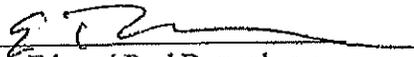
25
Erem

EXHIBIT "B"

OWNER

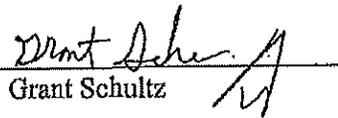
By: 
Suzan Brem

Date: 4/18/13

By: 
Edward Paul Durrenberger

Date: 4/18/2013

OPERATOR

By: 
Grant Schultz

Date: 4/18/2013

EXHIBIT "C"

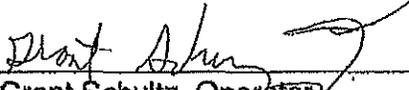
The undersigned parties agree to modify the existing Farm Lease dated April 18th 2014 to change the following terms:

Item 4. Cash Rent

The date payable for all rent payments shall be amended to the following:

Annual Rent	Due Date	Amount
Year 1	Apr 19, 2013	10,000
Year 2	October 15, 2014	45,000
Year 3	October 15, 2016	55,000
Year 4	October 15, 2016	55,000
Year 5	October 15, 2017	55,000

All other terms and conditions for the existing Farm Lease remain unchanged.

 3/14/14
Grant Schultz, Operator Date

 3/13/14
Edward Paul Durrenberger, Owner Date

 3/13/14
Suzan Eren, Owner Date



EXHIBIT "D"

Item 2, Page 1 of the Option Agreement dated 4/18/2013 shall be modified from the current terms to read ²²⁵

~~2. The purchase price for the above listed real property shall be set at \$ to be paid in full on the date on which this option is exercised. The foregoing notwithstanding, the purchase price shall be reduced by the amount of principal paid during the term of the lease between the parties at the time the option is exercised. Owner shall not incur any additional debt secured by the subject property, or refinance the existing debt, without the express written consent of Operator.~~

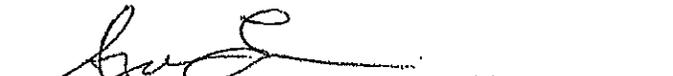
The Option Agreement is modified due to capital improvements of the farm paid for by Owner and/or reimbursed to Operator detailed in the table below:

Option purchase price to be increased by total amount detailed below. = 24,838.66

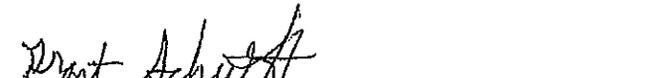
Well Drilling	12,841.00
Well Pump and Controls	9,059.76
Pit Drainage	176.76
Pit	1,466.50
Gravel	431.59
Electrical	864.05
	total 24,838.66


Owner

6/12/2014
Date


Owner

6/12/2014
Date


Operator

6/12/2014
Date



EXHIBIT "E"

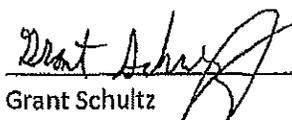
AGREEMENT

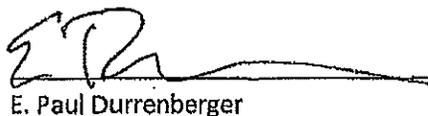
between

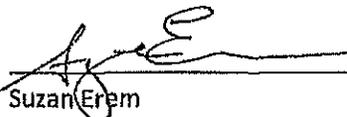
Grant Schultz (Grant) – tenant and
Suzan Erem (Suzan) and E. Paul Durrenberger (Paul) - owners

On this the 23rd day of November, 2014, In the interest of providing full time year-round living quarters for Grant on the property currently known as Versaland (the farm) located at 5133 Strawbridge Rd. Iowa City IA the following is agreed:

1. Suzan and Paul will allocate up to \$50,000 for permanent improvements to the farm to be made, between Jan. 1 and Aug. 1, 2015.
2. Grant will use these resources to have installed a septic system and building that contains a bathroom, shower and kitchen, properly plumbed for running water and waste water, and with electricity, all of which will meet or exceed any applicable local, county, state or federal laws or ordinances.
3. Grant will keep a record of all costs of services and materials but will have those directly billed to Suzan and Paul who will pay them in a timely manner.
4. The total expense not to exceed \$50,000 will be considered a permanent improvement and added to the farm price as an addendum to the agreement currently in place for Grant to purchase the farm.
5. Failure to meet the requirements of #2 above by Aug. 1, 2015 will result in the current lease being modified to specifically exclude the right or permission of persons to reside on the property.


Grant Schultz
11/23/14
Date


E. Paul Durrenberger
11/23/14
Date


Suzan Erem
11/24/14
Date



**OFFER TO BUY REAL ESTATE AND ACCEPTANCE
(NONRESIDENTIAL)**

TO: Suzan D. Erem and E. Paul Durrenberger, Sellers
1398 Franklin Avenue
West Branch, Iowa 52358

1. REAL ESTATE DISCRIPTION.

- a. The undersigned buyer, Grant Schultz, hereby offers to buy and the undersigned sellers, Suzan D. Erem and E. Paul Durrenberger by their acceptance agree to sell the real property situated in Johnson County, Iowa, legally described as:

The east half of the northwest quarter (E 1/2 NW V.), excepting the north five hundred feet (N 500') of the west seven hundred feet (W 700'), and excepting the remaining north one hundred feet (N 100'), also including that part of the northeast quarter (NEV.), lying west of the former C.R.I. & P. Railway right of way, excepting the north one hundred feet (N 100') of the west two hundred fifty feet (W 250'), all lying within Section 16, T.80N., R.SW., of the 5th P.M., Johnson County, Iowa, including a forty foot (40') wide access easement (i) running through Auditor's Parcel 2010019, as recorded in Plat Book 54, Page 349, Plat Records of Jonson County, Iowa, (ii) running through Outlot A, of Paul Miller Subdivision according to the plat thereof recorded in Plat Book 54, Page 350 of the Plat Records of Johnson County, Iowa; and (iii) adjacent to Auditor's Parcel 2011050 according to the Plat of Survey recorded in Plat Book 55, Page 369, Plat Records of Johnson County, Iowa,

together with any easements and appurtenant servient estates, but subject to any reasonable easements of record for public utilities or roads, any zoning restrictions customary restrictive covenants and mineral reservations of record, if any, herein referred to as the "Property," upon the following terms and conditions.

- b. Buyer agrees to take subject to the following deed restrictions:
- i. No genetically modified organisms (GMO), in the form of crops, plants, or other vegetation, shall at any time be intentionally planted and/or grown on the Property. For this purpose, a GMO is an organism whose genetic material has been altered using genetic engineering techniques as defined in the Cartagena Protocol on Biosafety (adopted Jan. 9, 2000), being the application of in vitro nucleic acid techniques, or fusion of cells beyond the taxonomic family, that overcome natural physiological reproductive or recombination barriers and are not techniques used in traditional breeding and selection.



- ii. No petroleum-derived fertilizers, pesticides, or herbicides shall at any time be used or otherwise applied to any vegetation planted or growing on the Property except in particular cases when such use is recommended by the federal Natural Resource and Conservation Agency or similar government body as necessary to establish desirable planting such as in the establishment of native vegetation and tree plantings.
 - iii. The Property shall be used continuously for agricultural purposes.
 - iv. Structures related to agricultural use or production shall constitute an "agricultural purpose" and may be placed anywhere on the property adjacent to an agricultural use. Educational or residential structures may be placed anywhere on the property so long as they relate to an agricultural purpose.
2. **PURCHASE PRICE.** The Purchase Price shall be \$936,599.33. The method of payment shall be as follows:
- a. \$23,314.00 no later than October 15, 2017 (this sum is included in and part of the 2017, rent payment (in the gross amount of \$55,000.00 less the applicable dividend) and represents the amount of principal reduction in Sellers' mortgage loan balance attributable to that rent payment).
 - b. \$8,360.36 no later than October 15, 2017 (this sum is included in and part of the 2017, rent payment and represents rent attributable to the period from closing (December 31, 2017) to the end of the lease year (March 1, 2018) such that Buyer is credited for that amount of rent and is not paying rent for the Property once he owns it).
 - c. The balance of the purchase price, \$904,924.97, will be due, in cash, at closing.
 - d. Although not additional components of the purchase price, as an additional term and condition of this offer, Buyer agrees to pay Sellers 2016 rent in the amount of \$51,989.57 no later than March 1, 2017.
 - e. Payment of 2016 rent and 2017 rent is non-refundable under all circumstances.
 - f. This transaction is not subject to Buyer obtaining financing. Buyer's non-payment of 2016 rent no later than March 1, 2017, and/or nonpayment of 2017 rent no later than October 15, 2017, and/or non-payment of the purchase price at the time of closing constitutes default by Buyer and gives Sellers grounds for a forfeiture of this contract.
3. **REAL ESTATE TAXES.** Sellers shall pay all real estate taxes due and payable in the current fiscal year and a portion of the real estate taxes due and payable in the next fiscal year, prorated through the date of closing, and any unpaid real estate taxes payable in prior years. Buyers shall pay all subsequent real estate taxes. Any proration of real estate

taxes on the Real Estate shall be based upon such taxes for the year currently payable unless the parties state otherwise.

4. SPECIAL ASSESSMENTS.

- a. Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of acceptance of this offer.
- b. All other special assessments shall be paid by Buyer.

5. RISK OF LOSS AND INSURANCE. Risk of loss prior to Seller's delivery of possession of the Real Estate to Buyers shall be as follows:

- a. All risk of loss shall remain with Sellers until possession of the Real Estate shall be delivered to Buyer.
- b. Sellers and Buyer shall maintain their respective insurance coverage on as provided in the Farm Lease dated April 18, 2013.

6. CARE AND MAINTENANCE. Buyer is a tenant on the Property pursuant to the Farm Lease dated April 18, 2013. Buyer is in current possession of the real estate. Buyer will accept possession of the real estate "as is."

7. POSSESSION AND CLOSING. If Buyer timely performs all obligations, possession of the Real Estate shall be delivered to Buyer at closing on or before December 31, 2017, or sooner if the parties mutually agree, with any adjustments to be made as of the date of transfer of possession and closing.

8. FIXTURES. All property that integrally belongs to or is part of the Real Estate, whether attached or detached, such as light fixtures, shades, rods, blinds, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners, automatic heating equipment, air conditioning equipment, wall to wall carpeting, built-in items and electrical service cable, outside television towers and antenna, fencing, gates and landscaping shall be considered a part of Real Estate and included in the sale except: None.

9. USE OF PURCHASE PRICE. At time of settlement, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.

10. ABSTRACT AND TITLE. Sellers, at their expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of acceptance of this offer, and deliver it to Buyers for examination. It shall show merchantable title in Sellers in conformity with this agreement, Iowa law and 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. 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.

11. **DEED.** Upon payment of the purchase price, Sellers shall convey the Property to Buyer by warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided in this contract. General warranties of title shall extend to the time of delivery of the deed excepting liens or encumbrances suffered or permitted by Buyer, specifically including but not limited to those granted in favor of Hills Bank and Trust Company, Farm Credit Services of America, United States Department of Agriculture, and any and all others Buyer has granted.
12. **JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE.** If Sellers, immediately preceding acceptance of this offer, 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 the 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 rights of survivorship and not as tenants in common; and Buyer, in the event of the death of either Seller, agrees 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 paragraph 11.
13. **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 Iowa Code and agrees to execute the deed or real estate contract for this purpose.
14. **TIME IS OF THE ESSENCE.** Time is of the essence in this contract.
15. **REMEDIES OF THE PARTIES.**
 - a. If Buyer fails to timely perform this contract, or if other reasons exist constituting grounds for forfeiture of this contract and all of Buyer's rights in this contract, then Sellers may forfeit it as provided by Iowa law, and all payments made shall be forfeited, retained by Sellers and not returned to Buyer. Reasons constituting grounds for forfeiture include, but are not limited to:
 - i. Nonpayment of 2016 rent no later than March 1, 2017.
 - ii. Nonpayment of 2017 rent no later than October 15, 2017.
 - iii. Noncompliance with the provisions of Paragraph 22(b) of this offer.
 - iv. Noncompliance with the provisions of Paragraph 22(c) of this offer.
 - v. Failure to close on this transaction no later than December 31, 2017

The Buyer waives all rights to notice of default or notice forfeiture by the Sellers

with respect to these grounds for forfeiture and likewise waives all rights to cure any of the acts or omissions giving rise to these grounds for forfeiture.

Forfeiture of this contract will likewise act as a forfeiture of all Buyer's rights under the Option Agreement and the various documents attached as Exhibit "C" – Exhibit "E" of the Settlement Agreement and Mutual Release executed contemporaneously with this contract and made a part of this contract by this reference as though set out fully here. In the event of forfeiture, Buyer will waive all rights and claims to title to the Property and permit Sellers to use all legal remedies to regain possession of the Property and recover damages, including reasonable attorneys' fees and expenses, resulting from forfeiture of this contract. Furthermore, in the event of forfeiture, Buyer shall immediately remit, relinquish, and give up any and all rights and privileges he had, has, or may have had under the terms of this contract, and Buyer shall remove himself from the Property immediately.

- b. If Sellers fail to timely perform this contract, Buyer has the right to have all payments made returned to him except for the payment for rent as provided in Paragraph 2(a), 2(b), and 2(d) of this offer.
- c. Buyers and Sellers also are entitled to utilize any and all other remedies or actions at law or in equity available to them and shall be entitled to obtain judgment for costs and attorney fees as permitted by law.

16. **STATEMENT AS TO LEINS.** Sellers will not provide a statement of amount due for any current lien or encumbrance on the real estate created by Buyer. If Buyer intends to assume or take subject to a lien on the Real Estate not created by Buyer, Sellers shall furnish Buyer with a written statement from the holder of such lien, showing the correct balance due.

17. **CONTRACT BINDING ON SUCCESSORS IN INTEREST.** This contract shall apply to and bind the successors in interest of the parties.

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

19. **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.

20. **TIME FOR ACCEPTANCE.** If this offer is not accepted by Sellers on or January 6, 2017, it shall become void.

21. **INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM.** The Property is served by a private sewage disposal system, or there is a private sewage disposal system on the Property. Seller and Buyer agree to the provision selected in the attached Addendum for Inspection of Private Sewage Disposal System.

22. **OTHER PROVISIONS.**

a. Buyer will accept conveyance of the Property subject to the deed restrictions contained in Paragraph 1, Section (b) of this contract. These restrictions shall be covenants running with the land, and shall be binding upon Buyer and Buyer's respective heirs, administrators, representatives, executors, successors, transferees and assigns, and shall inure to the benefit of Sellers and to Sellers' successors and assigns. In order to assess compliance with the deed restrictions, either Sellers or their agents may have access to the property twice a year upon seven (7) days' written notice to Buyer and Buyer's counsel, Rockne Cole. Notice served by mail is made and completed seven days' after the notice is enclosed in a sealed envelope, with the proper postage on the envelope, addressed to the party or a successor of the party at the last known mailing address and deposited in a mail receptacle provided by the United States postal service. Buyer and Sellers agree that Sellers maintain standing to enforce and renew these deed restrictions. In the event any of the deed restrictions set forth above are violated, Sellers, or their respective heirs, administrators, representatives, executors, successors, transferees and assigns, retain the right to use any and all legal and equitable remedies to enforce the deed restrictions, including but not limited to mandatory specific performance, injunction, equitable relief, and damages. These deed restrictions will remain in effect for twenty-one years (21) from the recording of the Warranty Deed. Sellers, or their respective heirs, administrators, representatives, executors, successors, transferees and assigns, retain the right to extend these deed restrictions by filing a document extending the deed restrictions with the Johnson County Recorder's Office. Reasonable attorneys' fees and expenses will be recoverable for any action brought to enforce the deed restrictions. The deed restrictions and Buyer's obligations with respect to those restrictions shall survive closing on this transaction.

b. Buyer shall cause the fence between the Property and the adjoining property owned or controlled by River Products Company, Inc. to be moved, removed, or replaced to the satisfaction of River Products Company, Inc. by April 1, 2017. Sellers shall not interfere with any communications between Buyer and River Products Company, Inc., and shall forward any communications from River Products Company, Inc. to Buyer within 24 hours of receipt.

c. Buyer shall not reside or live on the Property unless and until he produces and

provides to Sellers a signed statement from applicable Johnson County officials (including Zoning Officials and Health Department Officials) confirming compliance with all County rules, regulations, and codes related to residential occupancy of structures and property.

- d. Until closing, Buyer shall perform each and every obligation imposed upon and may exercise each and every right afforded to Buyer as set forth in the various documents attached to the parties' Settlement Agreement and Mutual Release as Exhibit "A" – Exhibit "E".
- e. Until closing, Sellers shall perform each and every obligation imposed upon and may exercise each and every right afforded to Sellers as set forth in the various documents attached to the parties' Settlement Agreement and Mutual Release as Exhibit "A" – Exhibit "E".

Accepted: January 5, 2017
SELLERS

Dated: January 5, 2017
BUYER

Suzan Erem
SS# ***slr2ss***

Grant Schultz
SS# ***byr2ss***

Paul Durrenberger
SS# ***slr2ss***

Address : ***byraddress***
Telephone: ***byrphone***

Address : 1398 Franklin Avenue
West Branch, Iowa 52358

Telephone: (319) 643-4055

**Addendum for
Inspection of Private Sewage Disposal System**

Buyer and Seller agree on the following initialed alternative to comply with the time of transfer inspection of private sewage disposal systems:

1. _____ There is a private sewage disposal system on this Property which serves the Property. Seller has obtained or shall obtain at Seller's expense within ___ days a certified inspector's report which documents the condition of the private sewage disposal system, that it is of sufficient capacity to serve the Property, that the continued use of the system is permitted, and whether any modifications are required to conform to standards adopted by the Department of Natural Resources. Seller shall attach the inspection report to the Groundwater Hazard Statement to be filed at closing.

2. _____ If Seller receives an unsatisfactory report, the basis of which cannot be resolved between Buyer and Seller within ___ days of delivery of a copy to Buyer, then upon written notice from Buyer to Seller, this agreement shall be null and void and all earnest money paid hereunder shall be returned immediately to Buyer. There is a private sewage disposal system on this Property. Weather or other temporary physical conditions prevent the certified inspection of the private sewage disposal system from being conducted. Buyer shall execute a binding acknowledgment with the County Board of Health to conduct a certified inspection of the private sewage disposal system at the earliest practicable time and to be responsible for any required modifications to the private sewage disposal system as identified by the certified inspection. Buyer shall attach a copy of the binding acknowledgment to the Groundwater Hazard Statement to be filed at closing. When the inspection is completed, an amended Groundwater Hazard Statement shall be filed with the certified inspection and shall include the document numbers of both the real estate transfer document and the original Groundwater Hazard Statement.

Seller agrees at closing to deposit the sum of \$ 0.00 Dollars into escrow with N/A ("Escrow Agent") to reimburse Buyer for expenses incurred for the cost of the inspection and any required modifications to the private disposal system. Escrow Agent shall pay to Buyer, up to the amount held in escrow, amounts for required modifications after any such modifications are completed and upon submission to Escrow Agent of a detailed invoice. If no modifications are required, the entire escrow account shall be returned to Seller. Any funds remaining in the escrow account after any required modifications shall be returned to Seller. Seller shall not be responsible for any cost in excess of the escrow deposit.

3. _____ There is a private sewage disposal system on this Property. The building to which the sewage disposal system is connected will be demolished without being occupied. Buyer shall execute a binding acknowledgement with the county board of health to demolish the building within an agreed upon time period. Buyer shall attach a copy of the binding acknowledgement to the Groundwater Hazard Statement to be filed at closing.

4. _____ There is a private sewage disposal system on this Property. The private sewage disposal system has been installed within the past two years pursuant to permit number

_____. Buyer installed the private sewage disposal system on this
Property.

IN THE IOWA DISTRICT COURT IN AND FOR JOHNSON COUNTY

SUSAN EREM AND PAUL
DURRENBERGER,

Plaintiffs,

vs.

GRANT SCHULTZ,

Defendant.

)
)
) Case No. SCSC089779
)
)

) DISMISSAL WITH PREJUDICE
)
)

GRANT SCHULTZ,

Plaintiff,

vs.

SUSAN EREM AND PAUL
DURRENBERGER,

Defendants.

)
)
) Case No. EQCV07540
)
)

) DISMISSAL WITH PREJUDICE
)
)

COMES NOW plaintiff, Grant Schultz, by and through counsel, and hereby dismiss his petition previously filed herein with prejudice pursuant TO Iowa R.Civ.P. 1.943 (2017).

Grant Schultz

Rockne O. Cole, AT1675
COLE & VONDRA, P.C.
209 E. Washington St., Ste. 105
Iowa City, Iowa 52240
Telephone: (319) 358-1900
Facsimile: (319) 358-1902
email: rocknecole@gmail.com
ATTORNEY FOR GRANT SCHULTZ



NOTICE OF INTENTION TO TERMINATE FARM LEASE AGREEMENT
(Iowa Code § 562.5)

Date: August 31, 2016

To: Grant Schultz
5133 Strawbridge Rd.
Iowa City, IA 52240

YOU ARE HEREBY NOTIFIED that the farm tenancy of the property at the address listed above is terminated effective March 1, 2017. You are further notified that the reasons for this Farm Lease termination are due to the following lease violations:

1. You have failed to prepare the land and plant crops only with the mutual agreement of Suzan Erem and Paul Durrenberger, Owners, in violation of Farm Lease Section 6(a).
2. You have failed to farm the land in an efficient and husband-like manner in violation of Farm Lease Section 6(c) by failing to cultivate the land under the USDA hoop house.
3. You have failed to farm the land in an efficient and husband-like manner in violation of Farm Lease Section 6(c) by keeping livestock unfenced and allowing livestock to cross onto neighboring land.
4. You have failed to farm the land in an efficient and husband-like manner in violation of Farm Lease Section 6(c) by not maintaining the beehives located on the land.
5. You have otherwise failed to farm the land in an efficient and husband-like manner in violation of Farm Lease Section 6(c).
6. You have failed to do what is necessary to control soil erosion in violation of Farm Lease Section 6(d) by maintaining your main farm road directly up the vertical incline of a hill, resulting in erosion.
7. You have failed to abstain from any practice that will cause damage to the real estate in violation of Farm Lease Section 6(d) by maintaining your main farm road directly up the vertical incline of a hill, resulting in erosion.



8. You have otherwise failed to do what is necessary to control soil erosion and abstain from any practice that will cause damage to the real estate in violation of Farm Lease Section 6(d).
9. You have failed to use reasonable effort to control weeds in the fields, fence rows, road ditches, building lots and all other areas of the farm in violation of Farm Lease Section 6(e).
10. You have failed to follow a mutually agreeable tillage program for each of the crops planted on the land in violation of Farm Lease Section 6(g)
11. You have failed to obtain or even seek the Owners' agreement for a tillage program in violation of Farm Lease Section 6(g).
12. You have failed to conduct soil tests on a regular basis as required by Farm Lease Section 6(h).
13. You have failed to provide copies of all soil test results to the Owners in violation of Farm Lease Section 6(h).
14. You have allowed public use of the land without the written consent of the Owners by holding classes and field days without written consent of the Owners in violation of Farm Lease Section 6(l).
15. You have prevented the Owners from entering the real estate at reasonable times to view the property, make repairs or improvements, or for other reasonable purposes in violation of Farm Lease Section 17.
16. You have subleased the real estate or parts of the real estate without the written permission of the Owners in violation of Farm Lease Section 20.
17. You have committed waste on the land in violation of the Farm Lease.
18. You have otherwise violated the terms of the Farm Lease.

YOU ARE FURTHER NOTIFIED that Suzan Erem and Paul Durrenberger demand that you vacate and surrender possession of the property at the address listed above no later than March 1, 2017.

This notice is being given to you in accordance with the provisions of Iowa Code § 562. You will therefore take notice and govern your accordingly.

/s/ _____
Steven E. Ballard, AT0000651
LEFF LAW FIRM, L.L.P.
222 South Linn Street
Iowa City, Iowa 52244
Telephone: (319) 338-7551
Facsimile: (319) 338-6902
email: ballard@lefflaw.com
ATTORNEY FOR OWNERS,
SUZEN EREM AND
PAUL DURRENBERGER

NOTICE OF INTENTION TO TERMINATE FARM LEASE AGREEMENT
(Iowa Code § 562.5)

Date: January 5, 2017

To: Grant Schultz
5133 Strawbridge Rd.
Iowa City, IA 52240

YOU ARE HEREBY NOTIFIED that the farm tenancy of the property at the address listed above is terminated effective March 1, 2018.

You are further notified that the reasons for this Farm Lease termination is due to the following reason:

1. Lease term of the Farm Lease executed April 18, 2013 between Suzan Erem, Paul Durrenberger ("Owners") and Grant Schultz ("Operator") ends March 1, 2018.

YOU ARE FURTHER NOTIFIED that Suzan Erem and Paul Durrenberger demand that you vacate and surrender possession of the property at the address listed above no later than March 1, 2018.

This notice is being given to you in accordance with the provisions of Iowa Code § 562. You will therefore take notice and govern yourself accordingly.



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