

RESOLUTION #189

AGREEMENT AND CONTRACT
FOR SALE OF REAL ESTATE

Osage Development Corporation, hereafter ODC, and Fox River Mills, Inc., hereafter Fox River, agree as follows:

1. Sale of Real Estate. ODC agrees to sell to Fox River, and Fox River agrees to purchase from ODC the following described real property located in Mitchell County, Iowa:

A. Block Twenty-one (21), in the City of Osage, Iowa, according to the recorded plat thereof, including the vacated East-West alley area in Block Twenty-one (21); and

B. Former Third Street right-of-way between Block Twenty-one (21) and former Block Twenty (20);

subject to Zoning Ordinances, highways and recorded easements.

ODC agrees to assign to Fox River all its right, title and interest in and to that certain contract between Mitchell County, Iowa, seller and ODC, buyer for sale of parcels described at subparagraphs A. and B. above, which contract is dated April 23, 1986, filed April 25, 1986, and is recorded in Book 59 of Miscellaneous at Pages 153-155, Mitchell County Recorder.

2. Price. The price is \$100,640.16 and shall be paid by Fox River as follows:

A. Fox River shall be credited with payment of \$100,000 of the price by accepting assignment of the Mitchell County, Iowa contract of April 23, 1986, subject to the unpaid balance owing thereon. ODC warrants to Fox River that the unpaid balance of said contract will be \$100,000, and interest will accrue thereon at nine percent (9%) per annum from date of transfer of possession herein from ODC to Fox River.

B. Fox River shall pay the balance of \$640.16 by payment of the paying assessment lien in that amount owed by ODC with respect to Block Twenty-one (21).

3. Possession. ODC shall transfer possession to Fox River on or before April 1, 1988.

4. Real Estate Taxes. The property is not subject to real estate taxation because it has been owned by Mitchell County, Iowa. Fox River shall pay real estate taxes levied for the time after transfer of possession herein, and ODC shall pay for real estate taxes, if any, owed for the time prior to transfer of possession herein.

5. Insurance. Fox River will insure the buildings on the property as required by the Mitchell County, Iowa contract of April 23, 1986.

6. Other Considerations. As additional considerations, the parties further agree:

- A. ODC hereby reduces the option price by \$14,034.17, from \$52,034.17 to \$38,000.00, which option price Fox River must pay on or before February 28, 1991, to exercise its option to purchase certain other real property from ODC pursuant to that certain LEASE-PURCHASE CONTRACT between the parties dated January 27, 1971 filed June 8, 1971 and recorded in Book 31 of Miscellaneous at Pages 343 to 351, Mitchell County Recorder.
- B. ODC agrees to further reduce the option price in said LEASE-PURCHASE CONTRACT of June 8, 1971 by up to \$12,000, from \$38,000 to as low as \$26,000, as an incentive if employment at Fox River in Osage, Iowa, increases. For each net additional job added by Fox River after January 1, 1988, on or before February 28, 1991, the option price shall be reduced by \$1,000, up to a total option price reduction of \$12,000. A "job" means a full-time equivalent job as defined by State of Iowa. Employment at Fox River shall be measured at each calendar quarter ending date beginning with June 30, 1988, and also on February 28, 1991. If any such dates fall on Saturday, Sunday or holiday, the next business day will be used. Fox River will provide ODC written notice of the number employed on each measurement date. Once Fox River has reported a net job increase of twelve (12) or more full-time equivalent jobs, Fox River shall have met this incentive standard, the \$12,000 option price reduction shall have been earned, and no further employment reports shall be required. ODC may inspect Fox River personnel records to verify employment. Fox River warrants its employment at Osage, Iowa on January 1, 1988 was 205 full-time equivalent jobs. Net additional jobs shall be determined by subtracting the number of full-time equivalent jobs on January 1, 1988 from the highest number of full-time equivalent jobs at Fox River on any measurement date after January 1, 1988, and on or before, and including, February 28, 1991.
- C. ODC will cause Mitchell County, Iowa to remove all underground storage tanks from Block Twenty-one (21), and to fill the ground surface with limestone screenings from where the tanks and from where the North pole building were removed, and blade these areas.
- D. ODC will cause Mitchell County, Iowa to remove the North pole building on Block Twenty-one (21). ODC will cause Mitchell County, Iowa to be responsible for damages or injuries caused by the removal, and to hold ODC and Fox River harmless therefrom, and to protect and indemnify ODC and Fox River from any damages or injuries caused by the removal.

E. City of Osage, Iowa has vacated the former East-West alley in Block Twenty-one (21). ODC will cause City of Osage, Iowa to transfer to Mitchell County, Iowa by Quit Claim Deed any interest City of Osage, Iowa may have in said former alley. Mitchell County, Iowa and ODC agree that the description of Block Twenty-one (21), in their April 23, 1986 Contract, referred to at paragraph 1. hereof, includes the former East-West alley in Block Twenty-one (21), and that upon full payment of said Contract Mitchell County, Iowa will execute and deliver to Fox River a deed which includes the former alley in Block Twenty-one (21).

F. Fox River agrees to prepare legal documents to complete this transaction.

G. Until Fox River has paid the Mitchell County, Iowa contract of April 23, 1986 in full, Fox River agrees that if it desires to transfer all or any part of Block Twenty-one (21), or any of the buildings situated thereon, Fox River shall give ODC the first opportunity to purchase the property or building intended to be transferred. Fox River shall send ODC sixty (60) days advance written notice of intent to transfer, stating the property to be transferred, the name and address of the proposed transferee, the price and the terms of payment. ODC shall have sixty (60) days to purchase for the price and upon the terms as set forth in the notice. If ODC does not so exercise its opportunity to purchase, then Fox River may transfer the property to the transferee for the price upon the terms, all as set forth in the notice, free of the right of ODC to purchase. A mortgage given by Fox River is not deemed a transfer under this subparagraph.

7. Forfeiture. If Fox River fails to timely perform this AGREEMENT AND CONTRACT FOR SALE OF REAL ESTATE, ODC may forfeit this AGREEMENT AND CONTRACT FOR SALE OF REAL ESTATE as provided in Chapter 656, Code of Iowa, and all payments made by Fox River shall be forfeited, and ODC may retake possession of the property.

8. Abstract. ODC will furnish to Fox River an abstract, certified to March 29, 1988, for the real property described at Paragraph 1. A., showing good and merchantable title, free of all liens and encumbrances, except \$640.16 paving assessment and except the Mitchell County, Iowa contract of April 23, 1986, according to Iowa Bar Association Title Standards.

9. Alteration of Buildings. Fox River may alter or modify the buildings on the property to meet its needs, except that Fox River shall not be permitted to tear down, remove or diminish the value of the buildings.

10. Poplar Street. Fox River does not hereby consent to further vacation of Poplar Street North of Block Twenty-one (21). Notwithstanding the Mitchell County, Iowa Contract of April 23, 1986, no further street vacation is required.

11. Mitchell County, Iowa. Mitchell County, Iowa signs this AGREEMENT AND CONTRACT FOR SALE OF REAL ESTATE for the purpose of consenting hereto.

Date May 18, 1988.

Osage Development Corporation

Fox River Mills, Inc.

By Thomas T. Buchelt
Thomas L. Buchelt, President

By John J. Lessard
John J. Lessard, President

By Charles A. Young
Charles A. Young, Secretary

By Jeffrey T. Lessard
Jeffrey T. Lessard, Secretary

STATE OF IOWA)

ss

MITCHELL COUNTY)

On this 18th day of May, 1988, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Thomas L. Buchelt and Charles A. Young, to me personally known, who, being by me duly sworn, did say that they are the President and Secretary, respectively, of said corporation executing the within and forgoing instrument, that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said Thomas L. Buchelt and Charles A. Young as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Kevin M. Kolbert
in and for said County & State

STATE OF IOWA)

ss

MITCHELL COUNTY)

On this 18th day of May, 1988, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared John J. Lessard and Jeffrey T. Lessard, to me personally known, who, being by me duly sworn, did say that they are the President and Secretary, respectively, of said corporation executing the within and forgoing instrument, that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said John J. Lessard and Jeffrey T. Lessard as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Kevin M. Kolbert
in and for said County & State

CONSENT

Mitchell County, Iowa consents to the foregoing Agreement and Contract for Sale of Real Estate between Osage Development Corporation and Fox River Mills, Inc. The consent of Mitchell County shall be for the purpose of acknowledging the following additional responsibilities and liabilities of Mitchell County as they pertain to the foregoing contract. This consent shall not be construed to impose upon Mitchell County, Iowa any other obligations, liabilities or responsibilities than those specifically described and enumerated herein.

1. With reference to paragraph 6 (E). In the event Mitchell County, Iowa, has, or shall acquire in the future, any right, title or interest to the East-West alley in Block 21, Mitchell County, Iowa agrees to convey the same to ODC or Fox River as the case may be, by Quit Claim Deed. This paragraph shall not be interpreted as the assumption of any responsibility on the part of Mitchell County, Iowa to acquire any such right, title or interest, that being the sole and absolute responsibility of ODC.

2. With reference to paragraph 6 (C). Mitchell County, Iowa agrees to assume the responsibilities detailed in paragraph 6 (C).

3. With reference to paragraph 10. Mitchell County agrees to the provisions of paragraph 10 but makes no guarantee that such vacation will not occur.

4. With reference to paragraph 9. Mitchell County agrees to the provisions of paragraph 9.

Dated May 23rd, 1988.

Mitchell County, Iowa

By: Betty McCarthy, Chairperson
Board of Supervisors

By: Dorothy Kindschuh
Mitchell County Auditor

STATE OF IOWA)
) SS
MITCHELL COUNTY)

On this 23rd day of May, 1988, before me, Kevin M. Kelly a Notary Public in and for the state of Iowa, personally appeared Betty McCarthy and Dorothy Kindschuh, to me personally known, and who, being by me duly sworn, did say that they are the Chairperson of the Board of Supervisors and County Auditor, respectively, of the County of Mitchell, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its Board of Supervisors, as contained in Ordinance No. 189 passed (the Resolution adopted) by the Board of Supervisors under Roll Call No. 189 of the Board of Supervisors, on the 23rd day of May, 1988, and Betty McCarthy and Dorothy Kindschuh acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

By: Kevin M. Kelly Notary Public in
and for said County and State.