

HAWKEYE LUMBER COMPANY

GENERAL OFFICE

ESTABLISHED 1901

OPERATING RETAIL YARDS

J. W. PORTER, PRESIDENT & GENERAL MANAGER
J. P. WASS, VICE PRESIDENT

TELEPHONE
AREA CODE 641
673-8686

P. O. BOX 620
OSKALOOSA, IOWA 52577

C. J. BRANDTNER, SECRETARY
J. M. PORTER, TREASURER

FAX NUMBER
AREA CODE 641
673-7816

October 24, 2003

Harvey G. Allbee, Jr.
Muscatine City Attorney
115 East Second Street
P. O. Box 8127
Muscatine, IA 52761-0092

Dear Mr. Allbee:

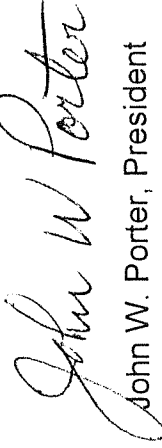
Enclosed is a signed original of the Offer to Buy Real Estate and Acceptance in connection with the sale of our real estate in Muscatine.

Please forward the down payment check at your convenience.

We will then await the results of the Environmental Audit.

Yours truly,

HAWKEYE LUMBER COMPANY


John W. Porter, President

**OFFER TO BUY REAL ESTATE AND ACCEPTANCE**TO Hawkeye Lumber Company of Mahaska County, Iowa, Sellers:

, Sellers:

Muscatine County,

1. REAL ESTATE DESCRIPTION. The Buyers offer to buy real estate in _____ County, Iowa, described as follows:

Block 20, in the City of Muscatine, in Muscatine County, Iowa, except parts conveyed to State of Iowa by Warranty Deeds recorded in Book 206 of Lots, page 567, and in Book 252 of Lots, page 160; and except part conveyed to City of Muscatine, Iowa, by Special Warranty Deed recorded in Book 226 of Lots, page 600; subject to Easement to State of Iowa recorded in Book 252 of Lots, page 163; and subject to Easements to City of Muscatine, recorded in Book 151 of Lots, pages 210; in Book 203 of Lots, page 575; in Book 209 of Lots, page 584; and in Book 277 of Lots, page 1068, as shown by Condemnation proceedings; all references being to the real estate records of Muscatine County, Iowa.

Also that portion of Cypress Street extending from Second Street to Front Street that was vacated by resolution of the City Council of Muscatine on August 19, 1880.

All of the above described real estate being in the City of Muscatine, Iowa.

It is the intent of the Seller to transfer all its interest in any real estate located in the City of Muscatine, Iowa.

with any easements and appurtenant servient estates, but subject to the following: a. any zoning and other ordinances; b. any covenants of record; c. any easements of record for public utilities, roads and highways; and d. (consider: liens, mineral rights; other easements; interests of others.)

None

designated the Real Estate; provided Buyers, on possession, are permitted to make the following use of the Real Estate: any lawful use

2. PRICE. The purchase price shall be \$ 418,250.00, payable at Muscatine County, Iowa,

as follows:

An earnest money deposit in the amount of \$250,000.00 upon the acceptance of this Offer and the balance of the purchase price in the amount of \$168,250.00 to be paid in full on or before March 1, 2004, the closing date and date of possession.

3. REAL ESTATE TAXES. Sellers shall pay real estate taxes pro rated to the date of possession using the standard formula approved by the Muscatine County Bar Association

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. IF a. IS STRICKEN, then Sellers shall pay all installments of special assessments which are a lien on the Real Estate and, if not paid, would become delinquent during the calendar year this offer is accepted, and all prior installments thereof.

c. All other special assessments shall be paid by Buyers.

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 Buyers.

b. IF a. IS STRICKEN, Sellers shall maintain \$ _____ of fire, windstorm and extended coverage insurance on the Real Estate until possession is given to Buyers and shall promptly secure endorsements to the appropriate insurance policies naming Buyers as additional insureds as their interests may appear. Risk of loss from such insured hazards shall be on Buyers after Sellers have performed under this paragraph and notified Buyers of such performance. Buyers, if they desire, may obtain additional insurance to cover such risk.

6. CARE AND MAINTENANCE. The Real Estate shall be preserved in its present condition and delivered intact at the time possession is delivered to Buyers, provided, however, if 5.a. is stricken and there is loss or destruction of all or any part of the Real Estate from causes covered by the insurance maintained by Sellers, Buyers agree to accept such damaged or destroyed Real Estate together with such insurance proceeds in lieu of the Real Estate in its present condition and Sellers shall not be required to repair or replace same.

7. POSSESSION. If Buyers timely perform all obligations, possession of the Real Estate shall be delivered to Buyers on March 1st, 2004, with any adjustments of rent, insurance, and interest to be made as of the date of transfer of possession.

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: (consider: rental items.)

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 Real Estate to Buyers or their assignees, by warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided in 1. a. through 1. d. Any general warranties of title shall extend only to the time of acceptance of this offer, with special warranties as to acts of Sellers continuing up to time of delivery of the deed.

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 Buyers, in the event of the death of either Seller, agree 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 Buyers fail to timely perform this contract, Sellers may forfeit it as provided in the Iowa Code, and all payments made shall be forfeited or, at Seller's option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of such failure (during which thirty days such failure is not corrected) Sellers may declare the entire balance immediately due and payable. Thereafter this contract may be foreclosed in equity and the Court may appoint a receiver.

b. If Sellers fail to timely perform this contract, Buyers have the right to have all payments made returned to them.

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 LIENS. If Buyers intend to assume or take subject to a lien on the Real Estate, Sellers shall furnish Buyers with a written statement from the holder of such lien, showing the correct balance due.

17. SUBSEQUENT CONTRACT. Any real estate contract executed in performance of this contract shall be on a form of the Iowa State Bar Association.

18. APPROVAL OF COURT. If the sale of the Real Estate is subject to Court approval, the fiduciary shall promptly submit this contract for such approval. If this contract is not so approved, it shall be void.

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

20. 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.

21. TIME FOR ACCEPTANCE. If this offer is not accepted by Sellers on or before October 27th, 2003 it shall become void and all payments shall be repaid to the Buyers.

22. OTHER PROVISIONS. Attach Addendum.

See 1 in Addendum

Dated: October 17, 2003

City of Muscatine, Iowa

By Richard W. Brien
Buyer Richard W. O'Brien, Mayor

Attest:

J. Johnson
Buyer A. J. Johnson, City Clerk

THIS OFFER IS ACCEPTED October 24, 2003
Hawkeye Lumber Company of Mahaska County, Iowa

Attest:

By John W. Porter
Seller John W. Porter, President
~~Spouse~~ C. J. Brandtner, Secretary

Spouse

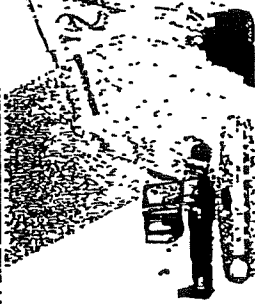
Spouse

Addendum

1. This offer is subject to an environmental audit and inspection by the Buyer at Buyer's expense and Seller shall remediate any environmental hazards revealed by such audit and inspection at Seller's expense, however if the cost thereof exceeds the amount of \$10,000.00, Seller shall have the option of declaring this Offer null and void and the earnest money deposit shall be returned to Buyer. Seller is not aware of any hazardous materials or underground storage tanks on or in the property. Seller shall remove the building at Seller's expense in accordance with the Proposal from Sulzberger Excavating, Inc. dated October 15, 2003, a copy of which is attached hereto. Seller shall remove all product inventory and the free standing sign at Seller's expense, it being the intent of the Buyer and Seller that Seller will transfer possession and title to the property free of all improvements except those which the Buyer and Seller agree may remain on or before March 1, 2004, the date of possession.

LOCAL 15, 2003 10:25 AM EDT SULZBERGER EXCAVATING

FAX NO. 6632630522 NO. 191 P. 2 P. 02



SULZBERGER Excavating, Inc.
1500 South Houser Street
Muscatine, Iowa 52761
(519) 263-1697
Fax (319) 263-0522



PROPOSAL

TO:

Hawkeye Lumber
210 East Second Street
Muscatine IA 52761

PHONE

JOB NAME / LOCATION

Hawkeye Lumber Demo

JOB NUMBER

DATE

October 15, 2003

JOB PHONE

We hereby submit specifications and estimates for:

Price includes the following:

- Demolition and disposal of the Lumber Yard Building located at 910 East Second Street, known as Hawkeye Lumber.
- All demolition debris will be disposed of at an approved landfill and/or dump site.
- Footings and concrete walls will be removed to existing grade.
- Sewer and water disconnects to be performed in accordance with City of Muscatine and Muscatine Power and Water requirements.
- All permits for the demolition will be this Contractor's responsibility.
- Ashbestos abatement and removal is included in this price.

LUMP SUM \$ 68,250.00

Not included in this price:

Price does NOT include any special compaction or compaction testing. No fine grading and/or seeding. Any and/or all hazardous waste of any kind encountered is not the responsibility of this Contractor.

NOTE: Notification to the DNR is a 10 working day period before demolition can begin. Please plan accordingly.

We Propose hereby to furnish material and labor to complete in accordance with the above specifications for the sum of 68,250.00 Dollars (\$ 68,250.00)

Payment to be made as follows:

All projects to be completed by a professional engineer accounting to standard practices. Any alteration or deviation from above specifications involving extra work will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements, including those which affect the liability of the contractor, shall be in writing, and shall be subject to the necessary insurance. Our workers are fully covered by Workers Compensation Insurance.

Authorized
Signature


Gary D. Klebe, Estimator

Note: this proposal may be withdrawn by _____ days if not accepted within _____ days

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature

Date of Acceptance: _____

Signature