

CLOSING DOCUMENTS
FOR
AGREEMENT

BETWEEN

**IOWA ANNUAL CONFERENCE
OF THE
UNITED METHODIST CHURCH**

OKOBOJI CAMP OWNERS COOPERATIVE, INC.

AND

MICHAEL SPARKS

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AGREEMENT

This AGREEMENT, made and entered into on this 18th day of November, 1993, by and between the following parties: THE IOWA ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH (hereinafter referred to as "Conference"); the Okoboji Camp Owners Cooperative, Inc., an Iowa cooperative corporation organized pursuant to Iowa Code Chapter 499A, members of which are owners of lots in the Methodist Camp Ground, an Official Plat in Dickinson County, Iowa (hereinafter referred to as "Coop"); and MICHAEL SPARKS, Lafayette, Louisiana (hereinafter referred to as "SPARKS").

WITNESSETH:

THAT, WHEREAS, Conference owns in fee, subject to certain easements, covenants, restrictions and agreements, certain real estate described herein in Exhibit A attached hereto and by this reference incorporated herein, which lies within the boundaries of Methodist Camp Ground and of Lots 15, 16 and 17 of Brownell's Beach, Official Plats in Dickinson County, Iowa, which together have been commonly known as the Okoboji United Methodist Camp, upon which it operates a camping ministry. The official plat, Methodist Camp Ground, and lots 15, 16 and 17 of Brownell's Beach are collectively hereinafter referred to as "Campground". The particular real estate within the Campground owned by the Conference and described in Exhibit A is hereinafter referred to as "Conference Camp Property". Conference also provides certain services to other Lot Owners in the Campground (hereinafter referred to as "Lot Owners" whether or not they become members of Coop) as identified in an agreement dated May 23, 1989 ("Mayflower Agreement"). Conference desires to sell a portion of its Conference Camp Property to Coop to enable it to separate its camping ministry from the obligation to provide services to the Lot Owners, and to free its retained property from the burdens and covenants of the "Mayflower Agreement".

WHEREAS, Coop, whose members are Lot Owners at the Campground, desires to purchase some of the Conference Camp Property and assume the obligation to provide services to all the Lot Owners within Campground, whether or not they elect to become members of Coop; and

WHEREAS, Sparks executed an Option Agreement with Conference on July 19, 1993, to purchase all Conference Camp Property and assume the services obligation. Sparks agrees to the new Agreement being reached between Conference and Coop subject to extension of his Option Agreement until after the Annual Conference meeting in June 1994, to determine if the Annual Conference rescinds this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, warrants, and promises herein contained and monetary consideration given by Coop, the parties agree as follows:

I.

CONSIDERATION

- A. Coop will pay Conference \$100,000.00 payable as follows:
- 1) \$25,000.00 on the Closing Date to be held in escrow.
 - 2) Balance of \$75,000.00 by payment of \$25,000 each of the next three years on the Closing Date anniversary. Coop will execute a promissory note at no interest, and a mortgage to secure the unpaid amounts.
 - 3) Conference will grant partial releases from the mortgage if parcels are sold by Coop, but reserves the right to require payment to Conference of up to 50% of the net proceeds of the sale to apply against the outstanding debt in consideration therefor. Lot 4 of Block Q will be excluded from the mortgage.
 - 4) Sparks previously paid Conference \$20,000.00 under the Option Agreement. He agrees to allow his \$20,000.00 to be placed in escrow to apply against the \$25,000.00 due from Coop on Closing. This \$20,000.00 will continue to stand as consideration for the Option Agreement. Any agreement concerning these funds as between Coop and Sparks shall be included in an agreement between them.
- B. Funds paid and deeds delivered at Closing will be escrowed at closing until June 15, 1994, after which time they will be delivered to the appropriate parties as determined if the Annual Conference affirms or rescinds the Agreement, as provided in Section VIII.

II.

TRANSFER OF REAL ESTATE

Description of Transferred/Retained Property (See Exhibits A1 and A2, and Map A3)

- A. Conference transfers to Coop, subject to easements retained as identified in Paragraph II.D., all Conference Camp Property west of the east line of Lewis Boulevard; and east of Lewis Boulevard which is south of the north line of Prairie Street; including streets and alleys owned by Conference within those areas,

including Lewis Boulevard (hereinafter referred to as "Coop Acquired Property") (See Exhibit A1).

- B. Conference retains all Conference Camp Property east of the east line of Lewis Boulevard and north of the north line of Prairie Street including streets and alleys within that area (hereinafter referred to as "Retained Conference Camp Property"). (The manager's house is north of Prairie Street and is retained by Conference along with the open area to the east. The street that runs on the north side of the manager's house and connects with the county highway is not Prairie Street, and is retained by Conference) (See Exhibit A2).
- C. STREET MAINTENANCE - Each party will maintain its own streets. They will cooperate in application to Dickinson County for acceptance of Lewis Boulevard and the road running on the north side of the manager's house, into county ownership and maintenance.
- D. EASEMENTS AND USE. The following easements are retained or granted and will be filed for record in the office of the Dickinson County Recorder in the form as shown by Exhibit B, and reflected in the deeds as shown by Exhibits C1 and C2.

1. STREETS

- a) Conference retains an easement over Lewis Boulevard for access to Retained Conference Camp Property; and over Park Drive, North Park Drive, and South Park Drive for access to the Beach (Lots 16 and 17, Brownell's Beach). These easements will be noted on the deed conveying the Coop Acquired Property.
- b) Conference grants Coop and its members an easement over the road running on the north side of the manager's house for access to Coop's and its members property.

2. BEACH

- a) Conference retains a perpetual easement of use of the Beach (Lots 16 and 17, Brownell's Beach) and the associated docks, rafts, and facilities for the purpose of Conference's camping program's swimming, boating, fishing and lake enjoyment activities. The retention of the easement will be noted on the deed conveying the Coop Acquired Property. In utilizing this easement, Conference expects to meet the camping standards of the American Camping Association (attached as Exhibit

B1 to this AGREEMENT). Coop covenants that it will not interfere with or impede Conference's meeting these ACA standards at Conference's expense, and that it will create no unsafe conditions, affecting those utilizing the easement, which are in violation of the ACA Standards.

- b) Conference's retained easement described in the preceding paragraph a) is limited as follows:
 - 1) The easement shall not serve more than 250 persons who are utilizing the Conference's camping facilities at any one time. These persons include campers, parents of campers, camp staff, those attending retreats and conferences, or those who are bed and breakfast guests on retained Conference Camp Property.
 - 2) The easement is not transferable and terminates upon sale of the Retained Conference Camp property, unless voluntarily continued by Coop.
 - 3) Boats and canoes of Conference may be stored on the Beach only May 15/September 15 and in the Beach location where they are currently stored.
- c) The following specific Agreements with respect to the future of the Beach, as they may impact Conference's Retained Easement, have been reached:
 - 1) Coop covenants and warrants to perpetually have swimming, fishing, and boating facilities on the beach, including docks and raft (or raft substitute such as a temporary or portable swimming platform).
 - 2) Coop covenants and warrants to keep the currently existing facilities, including docks, rafts, and structures, in their present location and in substantially the same condition for a minimum period of six (6) years from June 15, 1994. The Coop may replace or remove the existing swimming raft, if it is compelled to do so by threat of legal action or by requirement of a liability insurance carrier.

- 3) If at any future date, beyond six (6) years from June 15, 1994, Coop makes changes in the docks, rafts, and buildings, such changes shall not terminate Conference's retained easement to use the Beach and the associated facilities. Further, Coop will notify Conference at least thirty (30) days in advance of making any such changes.
 - 4) Coop grants to Conference the right of first refusal to purchase or acquire the Beach (Lots 16 and 17, Brownell's Beach) or any portion thereof, as shown in the form of Exhibit D.
 - 5) Conference will provide its own lifeguard and insurance, and hold Coop and its members harmless with regard to any claim arising out of and based upon Conference's use of the Beach and associated facilities.
- d) Conference will install the docks, including those at the other access points, and the raft by June 15, 1994.

E. **FIXTURES AND PERSONAL PROPERTY.** All property that integrally belongs to or is part of the Coop Acquired Property 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, central air conditioning equipment, wall to wall carpeting, built-in items and electrical service cable, outside television towers and antenna, fencing, gates and landscaping is considered a part of the real estate and included in the conveyance. Excluded from the conveyance is equipment not built-in or not attached to the improvements in a permanent fashion such that removal would cause damage to the improvement to the extent that the equipment would be regarded as fixtures. It is the intent of Conference that equipment within the improvements on the Coop Acquired Property, which are merely connected to the plumbing or electrical systems or lightly attached to the improvement merely to secure the equipment in place, shall not be considered fixtures and shall be excluded from conveyance. Specifically excluded by way of clarification, not by way of limitation, are the public address systems, bell from bell tower, all bunk beds in dormitories and cabins, portable or window air conditioners, all attached tools and contents of the Maintenance Shop and sports equipment owned by the Conference. Docks, lifts, swim rafts and associated equipment at the beach is included in the Coop Acquired

Property.

- F. TITLE. Conveyance to Coop shall be by Warranty Deed for all described lots or portions thereof which are part of Coop Acquired Property. Said Warranty Deed shall, except as provided herein, be with any easements, provided for herein, 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. easements, whether retained herein or otherwise. Coop shall not raise as a title objection any encroachments, nonconforming use, lot line disputes, or any other matter which does not materially impair the title to the lot. If the title to any lot is materially impaired, and Conference is not able or declines to timely clear the title, and the value of the lot is more than 10% of the purchase price on a pro-rata basis, Coop may at its discretion void this Agreement, waive the objection, or except out the lot from this Agreement. If the value of the lot is less than 10% of the pro-rated purchase price, Coop may elect to waive the objection or except out the lot from this Agreement. If a lot is excepted out from this Agreement, the purchase price will be adjusted based on the value of the excepted out lot pro-rated to the total purchase price. The value of the lot, to be excepted out, to the purchase price on a pro-rated basis is defined as follows: The total of all the appraised value of the individual parcels divided by the total purchase price of \$100,000.00 times the appraised value of the individual parcel which is to be excepted out. Conveyance of the remainder of the Coop Acquired Property, including but not limited to streets within the Coop Acquired Property shall be by Quit Claim Deed. Any General warranties of title shall extend only to the date of the AGREEMENT, with special warranties as to acts of Conference continuing up to the date of possession and delivery of the deeds. The documents of conveyance shall be in a form acceptable to the Dickinson County Recorder and Auditor for recording and title transfer purposes.
- G. REAL ESTATE TAXES. Conference shall pay real estate taxes on Coop Acquired Property which become due and payable to the county treasurer and delinquent March 31, 1994, and all prior real estate taxes on such property. Coop will pay all subsequent real estate taxes on the Coop Acquired Property.
- H. SPECIAL ASSESSMENTS. There are no Special Assessments on Conference Camp Property.
- I. RISK OF LOSS. Conference shall maintain full insurable value level of insurance on the improvements on the Coop Acquired Property until possession is given to Coop, and

shall promptly secure endorsements to the appropriate insurance policies naming Coop as an additional insured as its interest may appear. Risk of loss is borne by Coop after Conference has performed under this paragraph. The Coop Acquired Property shall be maintained in its present condition and delivered intact at the time possession is delivered to Coop, provided, however, if there is loss or destruction of all or any part of the Coop Acquired Property from causes covered by the insurance maintained by Conference or Coop, Coop agrees to accept such damaged or destroyed property together with such insurance proceeds in lieu of the real estate in its present condition and Conference shall not be required to repair or replace same. Coop may secure its own insurance in addition to the above if it desires.

- J. ABSTRACT. Conference, at its expense, shall continue the abstract of title for the Coop Acquired Property through the date of this AGREEMENT, and deliver it to Coop for examination. It shall show merchantable title in Conference in conformity with this AGREEMENT, Iowa law and Title Standards of the Iowa State Bar Association. The abstract shall be provided to Coop for its acquired property and become Coop's property when all terms and conditions of this AGREEMENT have been performed in full. Conference shall pay the costs of any additional abstracting and title work due to any act or omission of Conference.
- K. Conference will, at its expense, obtain a survey of Conference Retained Property as soon as possible after the Agreement is executed and provide Coop a copy. The survey will conform to the standards set forth in Iowa Code Section 355.7 (1993).
- L. TIME IS OF THE ESSENCE. Time is of the essence in this AGREEMENT.
- M. AGREEMENT BINDING ON SUCCESSORS IN INTEREST. This AGREEMENT shall apply to and bind the successors in interest of the parties.
- N. 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.
- O. Possession will be given June 15, 1994, if the Agreement is not rescinded by the Annual Conference as provided for in Section VIII.
- P. CLOSING DATE AND ESCROW. The Closing date shall be thirty (30) days after execution of this AGREEMENT and approval of the Bishop and a majority of the District Superintendents of

the Iowa Annual Conference of the United Methodist Church.

1. ON THE CLOSING DATE:

- a. Conference shall deposit the deeds with the escrow agent to be held until June 15, 1994.
- b. Coop shall deliver Twenty-Five Thousand dollars (\$25,000.00) and a promissory note (in the form shown by Exhibit E), for the amount of Seventy-Five Thousand dollars (\$75,000.00), along with the mortgage (in the form shown by Exhibit F), on the Coop Acquired Property, to the escrow agent to be held until June 15, 1994.
- c. The Twenty Thousand Dollar (\$20,000.00) option payment, paid by Sparks pursuant to the July 19, 1993, Option Agreement will be deposited as part of Coop's \$25,000.00 escrow amount.
- d. On June 15, 1994, if this AGREEMENT has not been rescinded, the deeds will be delivered to Coop, and the \$25,000.00 plus interest, the promissory note and mortgage will be delivered to Conference. If this AGREEMENT has been rescinded, the deeds will be delivered to Conference and the Coop's \$5,000.00 plus any interest earned will be delivered to Coop, along with the promissory note and mortgage. Sparks' \$20,000.00 will be held pending his exercising or non-exercising his Option Agreement.
- e. The escrow agent shall deliver the escrowed deeds, funds and promissory note to the proper parties on June 15, 1994, upon Conference and Coop giving the escrow agent written Notification that the AGREEMENT was ratified or rescinded (In the forms shown by Exhibit G1 and G2, respectively).
- f. The escrow agent shall be Norwest Bank Iowa, N.A. The parties shall execute an escrow agreement in the form as shown by Exhibit H.

2. During the running of the thirty (30) days Conference will deliver the continued abstract and have the Conference Retained Property surveyed, and Coop shall have its attorney examine the continued abstract.

Q. Until possession is given and the deeds are delivered to Coop, title to all the Coop Acquired Property shall remain with Conference.

Pages 9-10-11 Copied from the Agreement between
I.A. Annual Conf. of the L.M. Church
and the Okoboji III. Camp Owners Cooperative,
Inc.

WATER SUPPLY DISTRIBUTION SYSTEM AND WATER PURCHASE CONTRACT,
SEWER SYSTEM, AND ELECTRICAL SERVICE.

5-23-89

- A. Conference entered into a Water Purchase Contract on September 8, 1981, with Osceola County Rural Water System, Inc., Melvin, Iowa, (hereinafter "Osceola Water") whereby Osceola Water agreed to provide bulk water to Conference. A copy of the Water Purchase Contract is attached hereto and marked as Exhibit I. In addition to other provisions of the contract, the contract provided that Conference would make monthly minimum payments to Osceola Water in the amount of \$751.79 (determined after construction costs were determined) for forty (40) years, and pay a per gallon water charge in an amount from time to time amended (\$1.65 per 1,000 gallons used as of June 15, 1993). The contract extends for a term of 40 years from the date of initial delivery of any water, which date is believed to be December 15, 1982. Conference's obligation to make the monthly minimum payment extends to December 15, 2022, based on the believed initial delivery date. Under the contract, Conference's water supply distribution system remained owned by Conference. Provision is made for assignment of the contract in which case the assignee shall succeed to the rights of Conference.
- B. Coop Acquired Property includes the water distribution system exclusively supplying Coop, or its members, and other Lot Owners who are not members of Coop. Conference and Coop will each be responsible for its own water distribution system maintenance and repair. Each will grant the other an easement for access to make any needed repairs and maintenance. To the extent any lines from Osceola Water's point of distribution to the Campground, which supply both Conference and Coop/Lot Owners and can not be confined to supply only one or the other, are in need of repair or maintenance, each party will pay its proportionate share of repair and maintenance to that line. Each party will take reasonable steps as the opportunity arises, at its expense to separate its system from the other party's system, including separate tap and meter from Osceola Water's water main, if feasible.
- C. Conference and Coop will split the monthly minimum payments owing Osceola Water 10% (Conference) - 90% (Coop) between themselves. See Paragraph III.A. above. Conference and Coop will promptly install, at each party's own expense, whatever meters are necessary to

measure their own water usage at the earliest source point possible. Each party will be responsible for only their own water usage fees.

- D. One year after the systems are separated and metered, the 90% - 10% split on the monthly minimum payments will be adjusted based on the amount of water Conference and Coop/Lot Owners actually use in relation to the total water used. Conference and Coop will then negotiate with Osceola Water to rewrite the existing water contract to provide that Coop and Conference will each be liable to Osceola Water for only its own share of the minimum monthly payments based on percentage of water used and its own water usage bill. Osceola Water will then, if it agrees to rewrite the water contract, invoice Conference and the Coop separately.
- E. Coop agrees to incorporate into the documents creating, organizing and governing Coop, a provision stating that as a condition of membership in Coop, the members of Coop agree to be personally liable for their own water usage charge.
- F. In the event Osceola Water does not split the water contract and continues to bill Conference for the monthly minimum payment and for the water usage fees, Coop is liable to Conference for its share of the water payment (including the monthly minimum payment and the water usage fee) and shall make such payments to Conference, notwithstanding any members failure to make their payment to Coop. To the extent Conference remains liable to Osceola Water for any payments, Conference shall have any remedy available to pursue Coop or Lot Owners individually, in equity or law to enforce the provisions of this section.
- G. **SANITARY SEWER:**
 - 1. Coop Acquired Property includes the sanitary sewer lines exclusively serving Coop, its members and Lot Owners who are not members of Coop.
 - 2. Conference will be responsible for usage fees, maintenance and repair of those portions of the sanitary sewer system which serves the Retained Conference Property. Coop and/or the Lot Owners will be responsible for the usage fees, maintenance and repair of those portions of the sanitary sewer system which serves their property.
 - 3. To the extent that sewer lines serving both Conference and Coop and/or its members or Lot

Owners are in need of maintenance or repair, each party will pay its proportionate share of maintenance and repair of those lines.

4. Conference and Coop will negotiate with the Iowa Great Lakes Sanitary Sewer System to split the usage fees between Conference and Coop. If the usage fees are not readily split between Conference and Coop, the usage fees shall be split on the same percentage as the water minimum payment.
5. Each party will take reasonable steps as the opportunity arises, at its expense, to separate its system from the other party's system.

H. ELECTRICAL SERVICE, STREET LIGHTS, AND NATURAL GAS.

1. Coop Acquired Property includes the electrical service system and natural gas distribution lines exclusively serving Coop, its members and Lot Owners who are not members of Coop.
2. Conference will be responsible for electrical usage fees, maintenance and repair for electrical service, street lights, and natural gas which serve the Retained Conference Property. Coop and/or the Lot Owners will be responsible for the electrical usage fees and natural gas fees, maintenance and repair for electrical service, street lights, and natural gas which serve their property.
3. To the extent electrical service or natural gas lines serving both Conference and Coop and/or its members or Lot Owners are in need of maintenance or repair, each party will pay its proportionate share of maintenance and repair of those lines.
4. Electrical meters and gas meters will be installed as necessary to carry out the intent of this section, at the expense of the party receiving the electrical service or natural gas.
5. Each party will take reasonable steps as the opportunity arises, at its expense, to separate its system from the other party's system.
6. Electrical power is received from Iowa Electric Light and Power. Natural gas is received from Peoples Natural Gas Company.

IV.

AGREEMENT OF MAY 23, 1989

- A. Conference entered into an AGREEMENT dated May 23, 1989, with Lot Owners. The Mayflower Agreement was recorded with the County Recorder of Dickinson County, Iowa on July 25, 1989, in Miscellaneous Book 2 on page 541. A copy of this Mayflower Agreement is attached hereto and marked as Exhibit J. (Excluded therefrom are pages merely comprising signatures.) Pursuant to this Mayflower Agreement, Conference and the Lot Owners each benefited from and were burdened by certain rights, obligations, covenants, restrictions, and easements, more particularly contained therein.
- B. Paragraph 8 of the Mayflower Agreement provides for its termination upon written consent of Conference and sixty percent (60.0%) of the Lot Owners. Conference does now state in writing it consents to termination of the Mayflower Agreement effective June 15, 1994. Coop does now state that at least sixty percent (60%) of the Lot Owners are members of Coop and consent to Termination of this Mayflower Agreement effective June 15, 1994, on the condition this Agreement is not rescinded.
- C. Coop shall, from and after June 15, 1994, assume all of the obligations and duties of Conference under said Mayflower Agreement, including but not limited to providing the services described in the Mayflower Agreement to Lot Owners, or other persons entitled to the benefits of the Mayflower Agreement. Coop agrees to indemnify and hold harmless Conference for any claims and/or liabilities (including court costs and reasonable attorney fees incurred by Conference should Coop not defend Conference or a conflict or interest would preclude such a defense) which may be asserted from and after June 15, 1994, based on acts or omissions occurring after June 15, 1994, which might be asserted against Conference by any person arising in whole or in part from the obligations and duties assumed by Coop as described in the Mayflower Agreement, the termination of the Mayflower Agreement, or the termination of easements. It is the intent of the parties to this AGREEMENT that Conference shall have no liability or responsibility to such Lot Owners, or other persons, under the Mayflower Agreement after June 15, 1994, and that if any liabilities or responsibilities do survive this AGREEMENT, Coop shall shall treat any such obligations or liabilities of Conference as if they were those of Coop and

personally, fully and completely indemnify Conference from any liability therefore.

- D. Coop agrees to incorporate into the documents creating, organizing or governing Coop, provisions stating that as a condition of membership in Coop, the members consent to the terms of this AGREEMENT and are bound by the terms and provisions contained herein; further the members specifically agree to the following:
1. The Mayflower Agreement will terminate and all rights and obligations of Conference and Lot Owners pursuant to the Mayflower Agreement will terminate as of June 15, 1994, provided this Agreement is not rescinded by the Annual Conference of the Iowa Annual Conference of the United Methodist Church.
 2. The members release Conference from all duties and obligations to provide services to them, imposed on Conference by the Mayflower Agreement or any other written or unwritten agreement.
 3. All easements on Retained Conference Camp Property and Coop Acquired Property, whether or not written, other than as provided herein are terminated effective June 15, 1994, provided this Agreement is not rescinded..
 4. Coop will provide Conference with documents in support of the above (Articles and By-Laws) and will provide an affidavit, in the form shown by Exhibit K.
- E. Effective, June 15, 1994, Coop and its members release Conference from all liability arising out of or based upon the Mayflower Agreement, and from all past acts or omissions of Conference whether or not based upon a claim under the Mayflower Agreement.
- F. Effective June 15, 1994, Conference releases all Lot Owners, who become members of Coop, from all liability arising out of or based upon the Mayflower Agreement, and all past acts or omissions, other than as provided by the terms of this AGREEMENT.
- G. Notwithstanding Coop's assumption of Conference's obligations under the Mayflower Agreement, Coop shall have no obligation to provide Conference with services for or upon Conference Retained Property or upon Coop Acquired Property except as set forth herein.

- H. Until possession is given on June 15, 1994, the Mayflower Agreement shall remain in effect and all parties thereto shall continue their obligations and retain their rights as provided therein. If this Agreement is rescinded, the Mayflower Agreement will remain in effect.
- I. CAMP BUDGET AND FEE ASSESSMENT
1. Conference will prepare a camp budget for 1994. The 1994 Lot Owners assessments will be \$300.00 plus any actual increase in expenses (not to exceed five percent of \$300.00).
 2. If the Agreement is not rescinded by the Annual Conference, assessments will end on June 15, 1994, and the 1994 assessments will be pro-rated to that date.
 3. If the Agreement is rescinded by the Annual Conference, a budget and fee assessment will need to be prepared for Conference's continuation of services, and approved by the appropriate parties/boards/committees consistent with the provisions of the Mayflower Agreement.
 4. Conference and Coop agree that the Lot Owners assessment for 1992 and 1993 was \$300.00.
 5. Conference is presently providing Lot Owners an accounting for contingency funds collected as part of the assessment and water charge, and will continue to do so. If this Agreement is not rescinded Conference will turn over non-expended contingency funds to Coop. Coop agrees to account to all Lot Owners for said funds.
- J. Conference agrees that Coop or its members may have use of the tennis courts on Conference Retained Property at such times as do not conflict with previously scheduled camper use. Coop and its members shall schedule tennis court use with the appropriate camp staff person designated by Conference. Coop agrees to hold Conference and its employees or agents harmless with regard to any claims arising from the Coop's or its members' use of the tennis courts.
- K. Conference agrees to allow Coop or its members to use Epworth Hall for church services on Sunday mornings during the summer (May 15 - September 15) at no charge. Conference agrees to rent Epworth Hall for other uses, whenever not previously spoken for, to Coop or its

members upon request in accord with the from time to time established custodial fee.

V.

OPTION AGREEMENT OF JULY 19, 1993

- A. Conference agrees in the context of this Agreement to extend Spark's Option Agreement until thirty (30) days after the Annual Conference session in June 1994.
- B. In the event the Agreement is not rescinded by the Annual Conference, Conference agrees to pay Coop the sum of \$7,500.00 to reimburse Coop for any sums it pays to Sparks to defray the expenses incurred by Sparks in relation to Option Agreement. If this Agreement is not rescinded by Conference the Option Agreement will become null and void, ab initio, other than for provisions expressly provided for herein.
- C. If the Annual Conference rescinds the Agreement, Conference will reimburse Coop for attorney fees, travel, and other expenses up to a maximum of \$10,000.00.

VI.

USE OF METHODIST NAME

- A. Coop recognizes that as set forth in Section 2502 in the Book of Discipline of the United Methodist Church (1992) the words "Methodist" and "United Methodist" are not to be used as, or as a part of a trade name or trademark or as a part of the name of any business firm or organization except by corporations or other business units created for the administration of work undertaken directly by the United Methodist Church.
- B. Coop agrees it will comply with the above requirement and not use the words "Methodist" or "United Methodist" as part of a trade name or trade mark or as part of a name of any business firm or organization.

VII.

ZONING

Conference and Coop recognize that Dickinson County, Iowa, through its zoning authority, controls usage of real estate within the county. Coop agrees to use its best efforts to cast a favorable light to the county zoning authorities concerning Conference camping activities, Conference improvement and

maintenance of Conference Retained Property, and also improvements upon and usage of other real estate owned by Conference adjacent to the Campground, and will encourage its members to do so likewise.

VIII.

RECISION

- A. This AGREEMENT shall close on the Closing Date, and possession given on the Possession Date if this AGREEMENT is not rescinded by non-approval by the Iowa Annual Conference of the United Methodist Church at its June 1994 session, scheduled to be held prior to June 15, 1994.
- B. In the event this AGREEMENT is rescinded by the Annual Conference, Conference shall give Coop and Sparks written notice in the form shown by Exhibit L that this AGREEMENT was rescinded, and cause the same to be recorded with the Dickinson County Recorder, and send the escrow agent the Notice of Recision (Exhibit G2).
 - 1. The escrow agent shall without further instruction:
 - a. Return the escrowed Deeds, Declarations of Value, and Groundwater Hazard Statements to Conference.
 - b. Return the escrowed \$5,000.00, promissory note, and mortgage to Coop and return Spark's Option \$20,000.00 payment to Conference.
 - 2. This AGREEMENT shall become null and void, except as provided herein.
 - 3. The Option Agreement dated July 19, 1993, shall remain exercisable until thirty (30) days after the Annual Conference session in June 1994.
 - 4. The Mayflower Agreement and Water Purchase Contract shall remain in effect ab initio.
- C. In the event this Agreement is ratified by Conference will give notice to Coop and Sparks that the Annual Conference ratified this AGREEMENT, in the form as shown by Exhibit M, and cause the same to be recorded with the Dickinson County Recorder, and send the escrow agent the Notice of Ratification (Exhibit G1).

1. The escrow agent shall without further instruction:
 - a. Deliver the escrowed Deeds, Declarations of Value, and Groundwater Hazard Statements to Coop.
 - b. Deliver the escrowed Promissory Note, Mortgage, and \$25,000.00 to Conference.
2. This Agreement shall have full force and effect.
3. The Option Agreement dated July 19, 1993, shall become null and void.
4. The Mayflower Agreement will terminate effective July 15, 1994.

IX.

BINDING NATURE

This AGREEMENT, unless rescinded, shall be binding upon the assigns or successors in interest of each of the parties and upon the assigns and successors in interest of the members of Coop, and it shall, to the extent applicable, run with the land in Methodist Camp Ground/Brownell's Beach owned by each of the parties, or by the members of Coop.

X.

MEMORANDUM AND RECORDING

- A. Conference and Coop shall, on the Closing Date, execute a Memorandum of Agreement, in the form of Exhibit N, to be recorded with the Dickinson County Recorder, setting forth a summary of this Agreement.
- B. Conference, Coop, and Sparks agree that the following documents will be recorded, after closing, with the Dickinson County Recorder:

Exhibit N - Memorandum of Agreement

- C. Conference, Coop, and Sparks agree the following documents will be recorded after June 15, 1994, if the Annual Conference ratifies this Agreement:

Exhibit B - Easements

Exhibit B1 - American Camping Association Standards

Exhibit C1 - Warranty Deed
Exhibit C2 - Quit Claim Deed
Exhibit D - Right of First Refusal
Exhibit F - Mortgage
Exhibit K - Secretary's Affidavit
Exhibit M - Notice of Ratification

- D. Conference, Coop, and Sparks agree the following document will be recorded after June 15, 1994, if the Annual Conference rescinds this Agreement:

Exhibit L - Notice of Recision

XI.

NOTICE

Any notice required to be given by one party to another shall be given by mailing by U.S. Mail, first class, postage prepaid, or by facsimile transmission as follows:

Iowa Annual Conference of the United Methodist Church
Attn: William R. Johnson, Treasurer and Director of
Administrative Services
1019 Chestnut Street
Des Moines, Iowa 50309
FAX Number: (515)288-1906

Copy to: A. Roger Witke
Whitfield & Eddy, P.L.C.
317 Sixth Avenue, Suite 1200
Des Moines, Iowa 50309-4110
FAX Number: (515)246-1474

Okoboji Camp Owners Cooperative, Inc.
Donald J. Hemphill, Registered Agent
P.O. Box 2125
Spencer, Iowa 51301
FAX Number: (712)262-2018

Michael Sparks
216 LaRue France
Lafayette, LA 70598
FAX Number: _____

Copy to: William R. Stiles
Tenth Floor, Equitable Bldg.
Des Moines, Iowa 50309-3715
FAX Number: (515)244-1328

XII

SUBJECT TO APPROVAL

This AGREEMENT is subject to approval by the Bishop and a majority of the District Superintendents of the Iowa Annual Conference of the United Methodist Church.

THE IOWA ANNUAL CONFERENCE OF THE
UNITED METHODIST CHURCH

Date: November 18, 1993

By Marie H. Whiteing
Marie Whiteing, President of the
Board of Trustees of the Iowa
Annual Conference of the United
Methodist Church

Date: November 18, 1993

By William R. Johnson
William R. Johnson, Treasurer,
Iowa Annual Conference of the
United Methodist Church

Date: November 18, 1993.

This AGREEMENT has been approved by the Bishop and a majority of District Superintendents of the Iowa Annual Conference of the United Methodist Church, subject to the right of the Annual Conference of the Iowa Annual Conference of the United Methodist Church to rescind the AGREEMENT at its session in June 1994. Transfer of Conference's property under this AGREEMENT is in conformity with The Book of Discipline of the United Methodist Church (1992) as set forth in Paragraph 2516.

Charles W. Jordan
Charles W. Jordan, Bishop of Iowa
Annual Conference of the United
Methodist Church

OKOBOJI CAMP OWNERS COOPERATIVE, INC.

Date: November 18, 1993

By David Nelson
David Nelson, President

Date: November 18, 1993

By Donald Stevenson
Donald Stevenson, Secretary/Treasurer

Date: November 18, 1993

Michael Sparks
Michael Sparks

STATE OF IOWA, COUNTY OF POLK. ss:

On this 18th day of November, 1993, before me, the undersigned notary public, personally appeared Marie Whiteing and William R. Johnson to me personally known, who, being by me duly sworn, did say that they are the President of the Board of Trustees of the Iowa Annual Conference of the United Methodist Church and Treasurer of the Iowa Annual Conference of the United Methodist Church, respectively, of said corporation; that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Trustees; and that the said individuals 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.

A. Roger Witke
Notary Public in the State of Iowa

STATE OF IOWA, COUNTY OF POLK, ss:

On this 18th day of November, 1993, before me, the undersigned notary public, personally appeared Charles W. Jordan, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that he is the current presiding Bishop of the Iowa Annual Conference of the United Methodist Church and that he executed the same as his voluntary act and deed.

A. Roger Witke
Notary Public in the State of Iowa

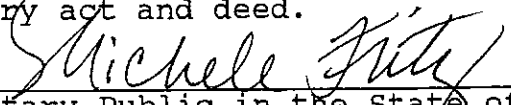
STATE OF IOWA, COUNTY OF Clay, ss:

On this 12th day of November, 1993, before me, the undersigned notary public, personally appeared David Nelson and Donald Stevenson to me personally known, who, being by me duly sworn, did say that they are the President and Secretary/Treasurer, respectively, of said Okoboji Camp Owners Cooperative, Inc.; that (no seal has been procured by the said or the seal affixed hereto 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 individuals 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.


Notary Public in the State of Iowa

STATE OF IOWA, COUNTY OF POLK, ss:

On this 19th day of November, 1993, before me, the undersigned notary public, personally appeared Michael Sparks*, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.


Notary Public in the State of Iowa

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*by William R. Stiles under Power of Attorney

EXHIBIT A

Lots 16 and 17, in the Plat of Brownell's Beach, Dickinson County, Iowa;

AND, the following real estate located in the Methodist Camp Ground, Dickinson County, Iowa:

All of Block X, subdivision of the North 290 feet of Block V, Methodist Camp Ground, not taken for highway;

Lots 6, 7, 8, 9, and 10, Block W, subdivision of the North 290 feet of Block V, Methodist Camp Ground;

Lots 1, 5, 16, 17, 18, 19, 30, and 31 in the subdivision of the South 390 feet of Block V, Methodist Camp Ground;

All Block V except the subdivision of the North 290 feet, and except the subdivision of the South 390 feet of Block V, and except that part taken for highway;

Lots 1, 3, and 5, Block B;

Lots 2 and 3, Block P;

Lots 2, 4, 6, and 8, Block M;

Lots 1, 3, 4, and 5, Block Q;

Lots 1, 2, 3, and 4, Block R;

South Park;

Block J (Asbury Park);

The South 10 feet of Lot 1, and the South 8 feet of Lot 3, Block F;

That portion of Lot 2, in Block F, Plat of Methodist Camp Ground described as follows: Commencing at the Southwest Corner of said lot and running thence North on the West line of said lot about 3.18 feet; thence East parallel to and 3 feet distant from the South line of said lot to a point 18 feet West of the East line of said lot; thence to the left on a curve concave Northwesterly and with a radius of about 12.8 feet to a point on the East line of said lot and tangent thereto, said point being about 21.18 feet North of the Southeast Corner of said lot; thence to the said Southeast Corner, and thence to the point of beginning.

All streets and alleys in the Methodist Camp Ground, not taken for highway purposes.

EXHIBIT A1
COOP ACQUIRED PROPERTY

BY WARRANTY DEED:

Lots 16 and 17, Brownell's Beach, an Official Plat, Dickinson County, Iowa.

The following Lots in Methodist Camp Ground, an Official Plat, Dickinson County, Iowa.

Lots 1, 5, 16, 17, 18, 19, 30, and 31, in the Subdivision of the South 390 feet of Block V.

Lots 1, 3, and 5 of Block B.

Lots 2 and 3 of Block P.

Lots 2, 4, 6, and 8 of Block M.

Lots 1, 3, 4, and 5 of Block Q.

Lots 1, 2, 3, and 4 of Block R.

South Park.

Block J.

The South Ten (10) feet of Lot 1, and the South Eight (8) feet of Lot 3, and that portion of Lot 2 described as follows:

Commencing at the Southwest Corner of said lot and running thence North on the West line of said lot about 3.18 feet, thence East parallel to and 3 feet distant from the South line of said lot to a point 18 feet West of the East line of said lot, thence to the left on a curve concave Northwesterly and with a radius of about 12.8 feet to a point on the East line of said lot and tangent thereto, said point being about 21.18 feet North of the Southeast Corner of said lot, thence to the Southeast Corner, thence to the point of beginning.

All in Block F.

BY QUIT CLAIM DEED:

Prairie Street, Alta Vista Street, Mitchell Avenue, Okoboji Street, and the East Fifty (50) feet and the South Fifty (50) feet of the Subdivision of the South 390 feet of Block V not taken for highway.

Lewis Boulevard.

Hickory Street, Ravine Street, Linn Street, Park Drive, North Park Drive, South Park Drive, Burr Oak Street, Ash Street, Harmon Lane, Wesley Avenue, 1st Lane, 2nd Lane, 3rd Lane, 4th Lane, 5th Lane, 6th Lane, 7th Lane, Street North of Block N.

Private Alleys in Blocks A, B, C, D, E, F, G, H, I, K, L, M, P, Q, R, S, and T.

EXHIBIT A2
RETAINED CONFERENCE CAMP PROPERTY

All of Block X of the Subdivision of the North 290 feet of Block V, not taken for highway.

Lots 6, 7, 8, 9, and 10, and the North-South Alley, Block W, in the Subdivision of the North 290 feet of Block V.

Bond Avenue, Seward Street, and the Six (6) foot strip to the North of Block X and Bond Avenue and Lot 10 of Block W and the Alley in Block W, all except that part taken for highway, all in Block V.

All of Block V, except the Subdivision of the North 290 feet, and except the Subdivision of the South 390 feet, and except Prairie Street, and except that part taken for highway.

All the above in Methodist Camp Ground, an Official Plat, Dickinson County, Iowa.

Dickinson
County
Taken for
Highway

N ↑

Access
to
Highway
Prairie St
No Access
to Highway

Conference
Retained
Camp
Property

Mahlers
House

Blvd.

LEWIS

W. F. CARLTON, ABSTRACTS AND INSURANCE, SPIRIT LAKE, IOWA

EXHIBIT A3

Draws attention
to
small parcels

Property
Transferred
to
Association

plus streets
except those
within Conference
Retained Camp
Property

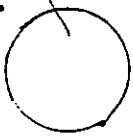


EXHIBIT B
NOTICE OF EASEMENTS

COMES NOW the Iowa Annual Conference of the United Methodist Church (hereinafter "Conference"), record titleholder of certain real estate located within Brownell's Beach and Methodist Camp Ground, Official Plats, Dickinson County, and hereby gives notice that pursuant to a certain Agreement dated November 18, 1993, it agreed to transfer a portion of its real estate to Okoboji Camp Owners Cooperative, Inc. (hereinafter "Coop") subject to certain retained easements and certain granted easements.

The following easements are retained or granted, all located in Brownell's Beach and Methodist Camp Ground, Dickinson County, Iowa:

1. STREETS.

- a) Conference retains an easement over Lewis Boulevard for access to real estate retained by Conference and not transferred to Coop located in Block V, Methodist Camp Ground; and over Park Drive, North Park Drive, and South Park Drive for access to the Beach (Lots 16 and 17, Brownell's Beach).
- b) Conference grants Coop and its members an easement over the unplatted road in Block V, Methodist Camp Ground, running on the north side of the manager's house and having access to the county highway on the East side of Block V for access to Lewis Boulevard and Coop's and its members' property.

2. BEACH

- a) Conference retains a perpetual easement of use of the Beach (Lots 16 and 17, Brownell's Beach) and the associated docks, rafts, and facilities for the purpose of Conference's camping program's swimming, boating, fishing and lake enjoyment activities. In utilizing this easement, Conference expects to meet the camping standards of the American Camping Association (attached as Exhibit B1 to this AGREEMENT). Coop covenants

that it will not interfere with or impede Conference's meeting these ACA standards at Conference's expense, and that it will create no unsafe conditions, affecting those utilizing the easement, which are in violation of the ACA Standards.

- b) Conference's retained easement described in the preceding paragraph a) is limited as follows:
 - 1) The easement shall not serve more than 250 persons who are utilizing the Conference's camping facilities at any one time. These persons include campers, parents of campers, camp staff, those attending retreats and conferences, or those who are bed and breakfast guests on retained Conference Camp Property.
 - 2) The Beach easement is not transferable and terminates upon Conference's sale of the real estate retained by Conference and not transferred to Coop located in Block V, unless voluntarily continued by Coop.
 - 3) Boats and canoes of Conference may be stored on the Beach only May 15/September 15 and in the Beach location where they are currently stored.
- c) The following specific Agreements with respect to the future of the Beach, as they may impact Conference's Retained Easement, have been reached:
 - 1) Coop covenants and warrants to perpetually have swimming, fishing, and boating facilities on the beach, including docks and raft, or raft substitute such as a temporary or portable swimming platform.
 - 2) Coop covenants and warrants to keep the currently existing facilities, including docks, rafts, and structures, in their present location and in substantially the same condition for a minimum period of six (6) years from June 15, 1994. The Coop may replace or remove the existing swimming raft, if it is compelled to do so, by threat of legal action or by requirement of a liability insurance carrier.
 - 3) If at any future date, beyond six (6) years from June 15, 1994, Coop makes changes in the docks, rafts, and structures, such changes shall not terminate Conference's Retained

Easement to use the Beach and the associated facilities. Further, Coop will notify Conference at least thirty (30) days in advance of making any such changes.

- 4) Coop grants to Conference the right of first refusal to purchase or acquire the Beach (Lots 16 and 17, Brownell's Beach) or any portion thereof.
- 5) Conference will provide its own lifeguard and insurance, and hold Coop and its members harmless with regard to any claim arising out of and based upon Conference's use of the Beach and associated facilities.

Iowa Annual Conference of the
United Methodist Church

Dated: _____

By: _____
Marie Whiteing

By: _____
William Johnson

STATE OF IOWA, COUNTY OF POLK, ss:

On this _____ day of _____, 1993, before me, the undersigned notary public, personally appeared Marie Whiteing and William Johnson, to me personally known, who, being by me duly sworn, did say that they are the _____ and _____, respectively, of said corporation; that (no seal has been procured by the said or the seal affixed hereto 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 individuals 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.

Notary Public in the State of Iowa