

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN**

In re:

RUTH M. DIETZMAN,

Case No. 16-11979

Debtor In Possession.

**DISCLOSURE STATEMENT OF RUTH M. DIETZMAN
DATED JULY 6, 2016**

I. INTRODUCTION

The above-named Debtor, as Debtor-in-Possession, submits this Disclosure Statement pursuant to 11 U.S.C Section 1125.

Ruth M. Dietzman, Debtor, provides this Disclosure Statement (“Disclosure Statement”) to all of her known creditors in order to disclose the information Debtor deems material, important and necessary for her creditors to arrive at a reasonably informed decision in exercising their right to vote for acceptance of a proposed plan of reorganization.

Once the Court has approved the Debtor’s Disclosure Statement, all creditors will be sent a copy of the Order approving the Disclosure Statement, the approved Disclosure Statement, Debtor’s proposed Plan, and a ballot to be completed by the creditor. Creditors will also be provided notice of the hearing on confirmation of the Plan, and may attend such hearing. As a creditor, your acceptance of the Plan is important. In order for the Plan to be accepted, creditors voting, which hold at least two-thirds in amount and more than one-half in number of the allowed claims of the various classes, must vote for the Plan and holders of two-thirds in amount of equity security interest, in each class voting on the Plan, must vote for the Plan. In the event the requisite acceptances are not obtained, the Court may, nevertheless, confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class rejecting it.

NO REPRESENTATIONS CONCERNING DEBTOR (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR VALUE OF PROPERTY) ARE AUTHORIZED BY DEBTOR OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN, OTHER THAN AS CONTAINED IN THIS STATEMENT, SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION TO ACCEPT OR REJECT DEBTOR’S PLAN, AND ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR DEBTOR TO WHO, IN TURN, SHALL DELIVER SUCH

INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS THE COURT DEEMS APPROPRIATE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THE DATA IN DEBTOR'S POSSESSION IS BASED UPON THE CURRENT RECORDS OF DEBTOR AS OF THE DATE OF THIS DISCLOSURE STATEMENT, UNLESS OTHERWISE STATED. THIS DATA IS BASED ON THE RECORDS KEPT BY DEBTOR, AND IS TRUE AND ACCURATE TO THE BEST OF DEBTOR'S KNOWLEDGE. HOWEVER, DEBTOR IN POSSESSION ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS FREE FROM ERROR, ALTHOUGH EFFORT HAS BEEN MADE TO MAKE SURE THAT THE INFORMATION FAIRLY REPRESENTS THE CURRENT POSITION OF DEBTOR.

II. BACKGROUND OF THE DEBTOR AND EVENTS LEADING UP TO THE CHAPTER 11 CASE

General Background. Ruth Dietzman, the debtor, and her late husband, Robert Dietzman, signed a note in December 2006 with the primary secured lender, BMO Harris Bank, N.A. ("BMO") to purchase the farm property ("the farm") still held by the debtor.

The Dietzmans operated Countrywide Custom Homes, LLC. As the business's name suggests, the company specialized in contracting for the development of custom homes. Business began to sour soon after the farm purchase. A group of three plaintiffs obtained a substantial judgment against Countrywide Custom Homes, LLC, Scott A. Dietzman, the debtor's son, and Robert and Ruth Dietzman. The judgment against the business exceeded \$400,000. A company called Lycon Inc. also obtained a judgment against Countrywide and Ms. Dietzman, for approximately \$6,800, in January 2010.

Sadly, Mr. Dietzman passed away in October 2012. With his passing and the troubles with the business, Ms. Dietzman began to struggle with payments on her mortgage. Ms. Dietzman was able to make payments on the mortgage until the middle of 2014. Soon after this period of non-payment, BMO commenced foreclosure proceedings.

BMO and Ms. Dietzman, who had different counsel, stipulated promptly to a judgment for foreclosure with a six month redemption period. However, the parties all failed to note that the foreclosed property is farm property in excess of 50 acres, and, therefore, the agreed redemption period contradicted the timeframe proscribed by the Wisconsin Statutes. The debtor's current counsel, Krekeler Strother, obtained an agreement of the parties to extend the redemption period by six months to a full 12 (twelve) months.

On December 16, 2015, Ms. Dietzman filed a Chapter 7 case to relieve her of the debt associated with the Countrywide Custom Homes, LLC actions and to better enable her to keep the farm. A Discharge of Debtor Order was entered in that case on March 28 2016, attached as **Exhibit 1**. Ms. Dietzman no longer operates the business.

Reasons for Chapter 11 Filing. Ms. Dietzman was required to file this Chapter 11 case to avoid a renewed foreclosure sale scheduled by BMO and to reorganize the debt owed to BMO secured by the approximately 56 acres that she owns and to protect her interests in those assets. This bankruptcy was also filed to assist her in reorganizing non-dischargeable debt owed to the Internal Revenue Service.

III. DEVELOPMENTS DURING THE CASE

This Chapter 11 case was filed on June 1, 2016. The meeting of creditors was scheduled for June 23, 2016 and has been concluded.

Since the case was filed, the Debtor has obtained an order setting a bar date for creditor claims, has entered into a stipulation with the Office of the United States Trustee regarding a deadline to object to exemptions, and has filed an application to employ Krekeler Strother S.C. as her attorneys in this case. Said application was approved on July 5, 2016.

IV. PLAN OF REORGANIZATION

Debtor's Plan provides for payment in full of all claims. The amortization on these obligations has generally been extended to provide adequate cash flow and to service debt. A copy of the Debtor's proposed Plan of Reorganization ("Plan"), is attached hereto as **Exhibit 2**.

Debtor's income will generate the funds needed to implement the Plan. All assets of the bankruptcy estate shall re-vest into the Debtor. Ms. Dietzman, as a debtor-in-possession and trustee of the estate, holds no causes of action for preference or avoidance recoveries, and does not anticipate receiving funds from any such claims. Debtor's income consists of reliable railroad retirement payments and rental income from a lease of the farm property she has with Karen Thompson and Scott Dietzman. See Lease attached as **Exhibit 3**.

In order to confirm the Plan, the Court must find that confirmation is not likely to be followed by liquidation or the need for further reorganization. The Plan satisfies this requirement, as the Plan provides for manageable debt service to the Debtor's creditors, while allowing the Debtor to maintain adequate cash holdings and meet living expenses. Attached as **Exhibit 4** is the Debtor's cash flow projection taking into account Debtor's projected income and living expenses, and comparing the amount of net income available for debt service to the amount of her proposed Plan payments.

V. LIQUIDATION ANALYSIS

The Debtor believes that liquidation of her assets in Chapter 7 would produce no dividends for any unsecured creditors and, in fact, the Debtor received a Chapter 7 bankruptcy discharge on March 28, 2016. The Debtor has incurred unsecured debt since her Chapter 7 bankruptcy filing in the amount of approximately \$2,750.00, and her proposed Plan provides for payment in full of the unsecured debt within a reasonable time frame, along with payment in full of the priority claim of the Internal Revenue Service.

VI. RISK FACTORS

Certain substantial risk factors are inherent in most Chapter 11 Plans. In the event of a default, creditors would be able to enforce their claims fully. In the Debtor's case, there is a risk that lease income would no longer be available in the future, and, therefore her income could be reduced. In that event, creditors would be entitled to enforce their liens and pursue their rights under the Plan or under applicable non-bankruptcy law.

VII. POTENTIAL TAX CONSEQUENCES OF THE PLAN

The following is a summary of potential federal income tax consequences of the implementation of the Plan. No opinion of counsel has been obtained and no ruling has been requested or obtained from the Internal Revenue Service with respect to any of the tax aspects of the Plan, and the discussion set forth herein is not binding upon the Internal Revenue Service.

ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES TO THEM, UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS. OF THE CONFIRMATION AND CONSUMMATION OF THE PLAN.

Creditors may be required to recognize income or may be entitled to a deduction as the result of the implementation of the Plan. The exact tax treatment will depend on each creditor's method of accounting and the nature of each Claim in the hands of the creditor. In general, holders of Claims should recognize a gain or loss in an amount equal to the difference between (1) the value of the property or cash received and (2) the Claim holder's adjusted tax basis in the Claim. Where gain or loss is recognized by a holder of a Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the Claim was acquired at a market discount or for the sale of inventory, and whether and to what extent the holder had previously claimed a bad debt deduction.

As for the Debtor, she does not believe there will be any material state or federal tax consequences as a result of the terms and provisions proposed in her proposed Plan. If the Debtor was forced to liquidate her assets there may be capital gains taxes which would erode any amount that would be available for distribution to unsecured creditors.

VIII. CONCLUSION

All of the information contained in this Disclosure Statement represents the best efforts of the Debtor, Ms. Dietzman, to provide relevant and necessary information to her creditors. This Statement represents the best estimates of the Debtor regarding her assets and liabilities, and her current income and expenses. This Disclosure Statement should be read and reviewed in conjunction with the Debtor's proposed Plan of Reorganization.

Dated this 6th Day of July 2016.

KREKELER STROTHER, S.C.



Kristin J. Sederholm
State Bar No. 1001895
Ryan A. Blay
State Bar No. 1076006
Attorneys for Debtor,
Ruth M. Dietzman

ADDRESS:

2901 W. Beltline Hwy., Suite 301
Madison, WI 53713
(608) 258-8555

Information to identify the case:

Debtor 1 Ruth M Dietzman
First Name Middle Name Last Name

Social Security number or ITIN **xxx-xx-7203**

EIN - - - - -

Debtor 2
(Spouse, if filing) First Name Middle Name Last Name

Social Security number or ITIN - - - - -

EIN - - - - -

United States Bankruptcy Court **Western District of Wisconsin**, <http://www.wiwb.uscourts.gov>

Case number: **3-15-14447-rdm**

12/15

Order of Discharge

IT IS ORDERED: A discharge under 11 U.S.C. § 727 is granted to:

Ruth M Dietzman

This order does not affect any pending adversary proceeding to determine dischargeability.

Dated: 3/28/16

By the court: Marcia M. Anderson, Clerk
United States Bankruptcy Court

Explanation of Bankruptcy Discharge in a Chapter 7 Case

This order does not close or dismiss the case, and it does not determine how much money, if any, the trustee will pay creditors.

This order does not prevent debtors from paying any debt voluntarily or from paying reaffirmed debts according to the reaffirmation agreement. 11 U.S.C. § 524(c), (f).

Creditors cannot collect discharged debts

This order means that no one may make any attempt to collect a discharged debt from the debtors personally. For example, creditors cannot sue, garnish wages, assert a deficiency, or otherwise try to collect from the debtors personally on discharged debts. Creditors cannot contact the debtors by mail, phone, or otherwise in any attempt to collect the debt personally. Creditors who violate this order can be required to pay debtors damages and attorney's fees.

Most debts are discharged

Most debts are covered by the discharge, but not all. Generally, a discharge removes the debtors' personal liability for debts owed before the debtors' bankruptcy case was filed.

Also, if this case began under a different chapter of the Bankruptcy Code and was later converted to chapter 7, debts owed before the conversion are discharged.

However, a creditor with a lien may enforce a claim against the debtors' property subject to that lien unless the lien was avoided or eliminated. For example, a creditor may have the right to foreclose a home mortgage or repossess an automobile.

In a case involving community property: Special rules protect certain community property owned by the debtor's spouse, even if that spouse did not file a bankruptcy case.

For more information, see page 2 >



Some debts are not discharged

Examples of debts that are not discharged are:

- ◆ debts that are domestic support obligations;
- ◆ debts for most student loans;
- ◆ debts for most taxes;
- ◆ debts that the bankruptcy court has decided or will decide are not discharged in this bankruptcy case;
- ◆ debts for most fines, penalties, forfeitures, or criminal restitution obligations;
- ◆ some debts which the debtors did not properly list;
- ◆ debts for certain types of loans owed to pension, profit sharing, stock bonus, or retirement plans; and
- ◆ debts for death or personal injury caused by operating a vehicle while intoxicated.

Also, debts covered by a valid reaffirmation agreement are not discharged.

In addition, this discharge does not stop creditors from collecting from anyone else who is also liable on the debt, such as an insurance company or a person who cosigned or guaranteed a loan.

This information is only a general summary of the bankruptcy discharge; some exceptions exist. Because the law is complicated, you should consult an attorney to determine the exact effect of the discharge in this case.

UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF WISCONSIN

In re: RUTH M. DIETZMAN

Case No. 16-11979

Debtor.

DEBTOR'S PLAN OF REORGANIZATION Dated July 6, 2016

Ruth M. Dietzman ("Debtor"), pursuant to 11 U.S.C. § 1121, hereby sets forth the following as her proposed reorganization plan (the "Plan"):

**ARTICLE 1
DEFINITIONS**

The following terms shall apply throughout the Plan and, unless the content otherwise requires, shall have the following meanings:

- 1.1 DEBTOR— Ruth M. Dietzman
- 1.2 CREDITORS—Any and all creditors of the Debtors holding claims for unsecured debt, liabilities, demands, or claims of any character whatsoever, including any under-secured creditors.
- 1.3 SECURED CREDITORS—All creditors who hold a lien, security interest, or other encumbrance which has been properly perfected, as required by law with respect to the property owned by the Debtors, prior to the filing of this case, or thereafter as authorized and ordered by the Court.
- 1.4 PRIORITY CREDITORS – All creditors who are deemed a priority under Section 507 of the Bankruptcy Code.
- 1.5 PLAN — Debtor's proposed reorganization plan in its present form or as it may be amended or supplemented from time to time hereafter.
- 1.6 COURT— United States Bankruptcy Court for the Western District of Wisconsin including the United States Bankruptcy Judge presiding in the Chapter 11 case of the Debtors.
- 1.7 CLAIM—A duly listed or timely filed claim which is allowed and ordered paid by the Court.
- 1.8 EFFECTIVE DATE—Fourteen (14) days after the date on which the order confirming the Plan becomes final and non-appealable.



- 1.8 ADMINISTRATIVE EXPENSES—Claims against the Debtors arising under 11 U.S.C. § 503(b) and entitled to priority pursuant to U.S.C. § 507(a)(1) and allowed by the Court.

**ARTICLE 2
CLASSIFICATION OF CREDITORS AND INTERESTS**

- 2.1 CLASS 1— Costs and administration expenses, as defined in the Bankruptcy Code, for which application has been made, provided said costs and expenses are allowed, approved and ordered paid by the Court. Such costs include all pre confirmation fees payable under 28 U.S.C. §1930, which either have been paid or shall be paid on the effective date of the Plan, and all post-confirmation fees as required by law.
- 2.2 CLASS 2— Secured claim of BMO Harris Bank, N.A.
- 2.3 CLASS 3 – Priority claim of the Internal Revenue Service
- 2.3 CLASS 4 — General unsecured creditors
- 2.4 CLASS 5— Equity interests of the Debtor, if any.

**ARTICLE 3
TREATMENT OF CLAIMS AND INTERESTS**

- 3.1 CLASS 1—Holders of administrative expense claims shall be paid in full upon the effective date of the Plan, unless other treatment is specifically set forth herein. This treatment shall not apply to the claims of Krekeler Strother, S.C., counsel for the Debtor. The claims of such counsel shall be paid in full, subject to approval and order of the Court, upon confirmation. The amount of such fees to be approved are estimated to be \$6,000. Any payments, however, shall be made only upon approval by the Court of such administrative expense claims.
- 3.2 CLASS 2—**BMO Harris Bank, N.A. (“BMO”).** This claimant holds an allowed claim in the approximate amount of \$405,000.00. Said claim is secured by three (3) parcels of land totaling 56.29 acres.

BMO’s allowed secured claim in the amount of \$405,000 shall be paid in full with interest at the rate of 3.25 percent amortized over 20 years with regular monthly mortgage payments of \$2,454.22 (principal and interest), with credit to the Debtor for post-petition payments made. All other terms and provisions contained in the loan documents between Debtor and BMO shall remain in full force and effect except for the following:

Should the debtor die prior to payment in full of the allowed secured claim, the

debtor's heirs and assignees, as well as any existing renters of the property subject to a valid lease agreement, shall have the option to resume payments due under this Plan and avoid a default in the terms of the Plan.

The holder of this claim shall retain its security interest upon the foregoing parcels until such time as the allowed secured claim has been paid in full, at which time the holder of this claim shall execute documents reasonably necessary to release its security interest in all said property.

3.3 **CLASS 3 – PRIORITY CLAIMS (Impaired).**

The Internal Revenue Service has filed a Priority claim in the amount of \$6,399.99. The amount of this allowed priority claim shall be paid in full with interest thereon at the rate of 3.0% percent per annum amortized over a period of approximately five (5) years so that this sum plus interest is paid within five (5) years from the date the bankruptcy petition was filed. Monthly payments are estimated to be in the amount of approximately \$115.00, principal and interest.

The debtor maintains that the unsecured general claim of the IRS in the amount of \$7,718.75 was discharged in her prior Chapter 7 bankruptcy, and thus proposes to pay \$0 to this claim and object as necessary to the unsecured general portion of the claim.

3.4 **CLASS 4—NONPRIORITY UNSECURED CLAIMS (Impaired).**

Undisputed, non-priority unsecured claims, are in the approximate amount of \$2,750. All of these allowed claims are impaired in that such claimants shall be paid with interest at the rate of 0% amortized over 24 months at the rate of approximately \$114.58 per month. Please see the note on Class 3 above regarding treatment of the unsecured general portion of the Internal Revenue Service claim.

3.5 **CLASS 5—** The equity interest of Debtor, if any, shall be retained by her, same being of nominal or no value to creditors.

ARTICLE 4

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

4.1 Any and all executory contracts or unexpired leases to which the Debtor were a party as of the Petition Date shall be deemed rejected as of the Effective Date, except with respect to the lease Debtor has with Karen Thompson and Scott Dietzman for use of the Debtor's real estate. The Debtor formally assumes this lease and intends to complete performance of said lease agreement.

**ARTICLE 5
IMPLEMENTATION OF PLAN**

- 5.1 The Debtor shall retain all property of the Estate, and no transfer of estate property is anticipated at this time except as particularly set forth herein. The Debtor reserves the right to sell or transfer any of her property, with the proceeds to be distributed to lien holders according to their priorities.
- 5.2 The Debtor shall fund the plan with her regular income, which includes social security income and monthly rents.
- 5.3 All outstanding judgment liens shall be satisfied upon the effective date of the Plan, and all pending suits shall be dismissed.
- 5.4 Interest on all allowed secured claims shall commence upon the effective date of the Plan.
- 5.5 Unless otherwise expressly set forth herein, payments to creditors under the Plan shall commence within 30 days from the Effective Date of this Plan.
- 5.6 Claims will be allowed in the amounts of the Proofs of Claims filed unless objected to. If no Proof of Claim is filed, the claim will be allowed as set forth in the Debtors' schedules. If payments have, during this case, been made to any creditor, such payments shall be credited as though paid hereunder unless otherwise agreed with the Debtors.
- 5.7 All objections to claims shall be filed within sixty (60) days of confirmation of this Plan.
- 5.8 Except as otherwise provided herein, general, unsecured claims shall share pro rata. Distributions shall be made on or before the 15th day of each month beginning on the 15th day of the first full month following the Effective Date of the Plan.
- 5.9 The Debtor may prepay any amount to any Class or Creditor at any time without penalty.
- 5.10 Any distribution checks which have not been negotiated and cleared six months after their distribution may be cancelled by the Debtor without further liability for that distribution.
- 5.11 All distributions shall be mailed to creditors at the addresses shown on the Debtor's schedules, except that creditors who have filed Proofs of Claim or notices of appearance in this action shall have their distribution checks sent to the addresses shown on those documents. Any creditor may change the address for mailing of its distribution check by written notice to counsel for the Debtor. Any distribution checks properly sent to such addresses which are returned shall

become the property of the Debtor without further liability for such distributions.

**ARTICLE 6
OTHER REQUIRED PROVISIONS**

- 6.1 Any payments made or to be made by the Debtor for services or for costs and expenses in connection with this case, or in connection with the Plan and incident to this case, has been approved by, or is subject to the approval of, the Court as reasonable.
- 6.2 All quarterly fees payable under 28 U.S.C. Section 1930 shall be paid on or before the effective date of the Plan, as required by 11 U.S.C. Section 1129(a)(12). The reorganized Debtor shall continue to file quarterly fee statements and pay quarterly fees when due until this case is converted, dismissed, or closed. The Bankruptcy Court shall retain jurisdiction necessary to enforce the provisions of this paragraph.
- 6.3 Confirmation of this Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under this Plan.
- 6.4 The Debtor has no retirement benefits which are required to be continued under 11 U.S.C. Section 1129(a)(13).

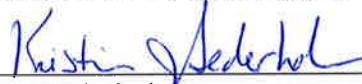
**ARTICLE 7
CONCLUSION**

The proposed Plan set forth herein reflects the Debtor's best efforts to reorganize in an orderly fashion. The Plan provides for full payment to secured and priority creditors and a substantially greater dividend to unsecured creditors than they are likely to receive if Debtor liquidates her assets.

This Plan deals fairly and equitably with all of the creditors involved and we hope you will vote your approval of this Plan.

Dated this 6th of July, 2016

KREKELER STROTHER, S.C.



Kristin J. Sederholm
State Bar No. 1001895
Ryan A. Blay
State Bar No. 1076006
Attorneys for Debtor,
Ruth M. Dietzman

ADDRESS:

2901 W. Beltline Hwy., Suite 301
Madison, WI 53713
(608) 258-8555

FARM LAND and FARM BUILDINGS LEASE

This Lease, is made and executed as of May 1, 2016, by and between Ruth M. Dietzman (hereinafter "Lessor"), and Scott Dietzman and Karen Thompson (hereinafter "Lessees"), for valuable consideration and the mutual promises and obligations of the parties:

1. Description of the Premises. Lessor hereby leases to Lessees approximately 56 acres of farmland located in Richland County, Wisconsin. Said premises consist of vacant tillable land and include a home and facilities/buildings and improvements thereon. Legal Description:

Parcel I:

The South One-half (S ½) of the Northeast quarter (NE ¼) lying North of the centerline of a Town Road (Tony Lane) and East of the centerline of Highway "58", in Section Four (4), Township Ten (10) North, Range Two (2) East, Richland County, Wisconsin.

Parcel II:

The Northeast quarter (NE ¼) of the Northeast quarter (NE ¼) of Section Four (4), Township Ten (10) North, Range Two (2) East, Richland County, Wisconsin lying East and Southeast of the centerline of STH "58".

EXCEPTING THEREFORM those portions conveyed to the State of Wisconsin in Volume 351 of Records on page 674 as Document No. 246652.

Parcel III:

Subject to and together with a non-exclusive 66' wide easement for ingress and egress across an existing road beginning at the East right-of-way of Highway "58" and running across the North one-half (N ½) of the Northeast quarter (NE ¼) of Section Four (4), Township Ten (10) North, Range Two (2) East, Richland County, Wisconsin.

Lessor shall retain ownership of the homestead, buildings, and any road/lane access located on approximately 56 acres of farmland. Lessor's equipment may be parked on or around the premises.

2. Term. The term of this lease shall be five (5) years, from May 1, 2016 through April 30, 2021. Lessees shall have the option to renew this Lease for an additional term of five (5) years, provided Lessees are not in default or have not, during the term of this Lease, breached any of the terms and conditions of this Lease. This option must be exercised by notice in writing to Lessor no later than three (3) months prior to the expiration of the original term of this Lease.

3. Rent. Lessees agree to pay a total cash rent of \$180,000 for a lease term of 1 years. Lessees shall make said lease payments in the amount of \$3,000 each per month beginning May 1, 2016. Said lease payments shall continue to be paid monthly and shall

EXHIBIT

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be due and payable upon the 1st day of each month thereafter, upon execution of this Lease.

4. Use of Premises. The parties acknowledge that Lessees shall use the premises for the purpose of growing crops and raising livestock.

Lessees shall farm the premises and maintain presently existing conservation practices, cooperate with Lessor regarding additional conservation practices which Lessor may reasonably request, farm the premises in accordance with good farming practices and shall generally follow the crop rotation practices now in effect and shall follow any Farm Plan for the premises that may have been developed by the Soil Conservation Service and ASCS (now FSA).

Lessees shall timely report acreages to ASCS (now FSA) and other governmental agencies and take all other actions as may be requested by Lessor to maintain crop bases and acreages and to qualify for ASCS (now FSA) and other governmental programs and benefits, if so required.

At the termination of this Lease for any reason, Lessees hereby agree to execute and deliver any and all releases or other documents requested by Lessor from time to time to release, waive, surrender and renounce any claim of Tenants to continue to participate in any ASCS (now FSA) or other governmental programs, entitlements or benefits on account of or arising out of occupancy of these premises to permit Lessor, and future Lessors and Lessees, to participate in such programs on these premises solely or in conjunction with others. This Agreement shall survive the termination of this Lease.

5. Equipment and Fences. Lessees to lease their own equipment for feeding livestock. Lessees may build fences and maintain at their expense, utilizing such fencing materials as Lessees reasonably deem appropriate. The fence shall remain with the property and become the Lessor's property at the termination of this lease. The milking parlor, freestall barns, and electrical work will be brought up to condition consistent with good operating condition at Lessees' sole expense.

6. Manure Practices. Lessor has first option for contract to remove manure. Lessor will continue to own the manure removal equipment and shall be responsible, at her sole expense, if applicable, for all labor, maintenance, repairs, replacement, machinery, or other expenses of any kind or nature in connection with or arising from the removal, utilization or disposal of manure which accumulates in the manure pits. Lessor shall as necessary remove and dispose of all manure accumulated in the pits during the term of this lease.

7. Health Control. During the term of this lease, Lessor and Lessees shall agree to maintain strict health safeguards and procedures of all livestock on the premises.

8. Cropping Practices. Lessees will not commit waste on or damage to the premises and will use diligence to prevent noxious weeds from going to seed thereon. Lessees will keep in good repair all terraces and open ditches, will preserve all established water courses or ditches and will refrain from any operation or practice that will injure them. Lessees will operate the premises in an efficient and husbandlike way, and will do the plowing, seeding, cultivating and harvesting in a manner that will conserve the premises.

9. Taxes. Lessor shall during the term of this lease, pay when due all real and personal property taxes, assessments, special assessments, and all other charges of every nature levied upon, assessed against or attributable to the real estate, the buildings an/or the leased premises, except for personal property taxes relating to Lessee's personal property located in or upon the leased premises. Lessees shall pay all personal property taxes relating to Lessees' personal property located in or upon the leased premises.

10. Water and Utilities. Lessor shall be responsible for providing and shall provide all water necessary for Lessees and Lessees' use in connection with the premises, both for consumption by Lessees' animals, if any, and for cleaning and hygiene purposes, including the use of pressure washers. Lessor shall at its sole expense provide an adequate supply of clean water for such purposes, and shall be responsible for all expenses of any kind or nature whatsoever with respect thereto.

Lessees shall, however, pay all electrical bills for the pumping of water used by Lessees. The parties acknowledge that the premises are presently metered for electricity by a single meter. Lessee shall provide a separate meter or other reasonable and accurate metering device or equipment, for the purpose of measuring and determining the amount of electricity being consumed by Lessees.

Lessees shall pay the full cost of its telephone service to the premises, in any, and any other utilities which may be separately metered to the premises.

11. Assignment of Lease. Lessees shall have no right whatsoever to assign this lease or to sublease the premises. Lessees shall remain fully obligated for all payments due hereunder and for compliance with all other provisions and terms of this lease.

12. Insurance. Lessor shall provide and maintain fire and extended coverage insurance upon the buildings and the premises, insuring Lessees against loss by fire and extended coverage hazards in an amount not less than full insurable value. Lessee shall be fully responsible to insure itself against any loss or damage to supplies, livestock and/or personal property belonging to Lessee and in or upon the premises.

13. Damage or Destruction. If the premises are damaged or partially destroyed by fire or other casualty, Lessees shall within 30 days thereof, notify Lessor in writing whether Lessees elect to have Lessor restore and repair the premises or to terminate this lease. If Lessees elect to have Lessor restore or repair the premises, Lessor shall initiate and pursue the necessary work with all reasonable dispatch, in a manner consistent with sound construction methods. Lessor shall not be responsible for any repair costs exceeding the amount of the insurance proceeds therefore, unless otherwise agreed in writing by the parties. If Lessees elect to terminate this lease, such termination shall be upon such date as Lessees shall specify, thereby granting Lessees a reasonable period to provide for the removal of Lessees livestock and property. In such event, Lessees shall surrender possession as of the date of such termination specified by Lessees, and shall be entitled to a pro rata refund of the rent paid by Lessees for the lease year during which such termination took place.

14. Termination. Lessees agree that at the expiration or termination of this lease they will yield up possession of the premises to the Lessor, without further demand or notice, in as good order and condition as when the same were entered upon by the Lessees, ordinary wear excepted.

15. Default. If Lessees shall fail to keep any of the covenants of this lease, then at the election of Lessor this lease shall be null and void and Lessor or its legal representation shall have the right to take possession of the said premises. Lessees shall further agree to pay and discharge all costs and attorney's fees and expenses that shall arise from Lessor enforcing any of the covenants of this lease.

16. Quiet Enjoyment. If and while Lessees shall perform the covenants, conditions and agreements herein agreed to be performed by Lessees, Lessor shall and does warrant and defend Lessees in the enjoyment and peaceful possession of premises during the term of this lease, excluding reasonable farm operation noise and working conditions. In the event of a breach of this lease, both parties shall be entitled to all legal and equitable remedies available.

17. No Partnership Created. This lease shall not be deemed to give rise to a partnership relation, and neither party shall have authority to obligate the other in any way or manner. Neither party shall be responsible for the debts or liabilities incurred by the other, nor have any right whatsoever to incur debts or liabilities for the other.


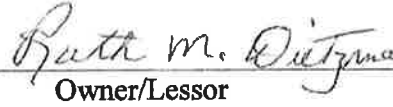
18. Surrender. Lessees agree that upon the expiration or termination of this lease Lessees shall surrender the premises to Lessor, without further demand or notice.


19. No Waiver. The waiver by Lessor of any breach or default in any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition.

20. Binding Agreement. This lease sets forth all covenants, agreements, conditions and understandings between Lessor and Lessees concerning the lease of the premises. There are no covenants, agreements, conditions and understandings, either oral or written, concerning the rental of the premises other than as herein set forth. No subsequent change or addition to this lease shall be binding upon either Lessor or Lessees unless in writing and signed by Lessor and Lessees. Subject to the provisions of Paragraph 12 hereof, the terms, covenants, agreements and conditions of this lease shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, administrators, successors and assigns.

21. Termination of lease due to bankruptcy. If the anticipated bankruptcy filing of Lessor results in a dismissal of the bankruptcy during the term of this lease, Lessees, at their option, may elect to terminate the lease upon 30 days written notice with no further payments due under the lease and no monetary penalties for said termination.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the date above first written.

 (SEAL) By:  (SEAL)
, Lessee Owner/Lessor

 (SEAL) By: _____ (SEAL)
, Lessee , Owner/Lessor

Projected Cash Flow for Ruth M. Dietzman

		Monthly Net
Income		
	Social Security	\$1,839.46
	Rental income from farm property	\$3,000.00
	Total Income	\$4,839.46
Living Expenses		
	Farm and Car Insurance	\$196.00
	Utilities and Phone	\$284.84
	Food	\$200.00
	Transportation	\$50.00
	Life Insurance	\$40.00
	Apartment Rent	\$855.00
	Property Taxes	\$443.00
	Living Expense Total	\$2,068.84
Plan Payments		
Attorney's Fees	Paid in full at confirmation	\$0.00
BMO Harris	\$405,000 at 3.25% interest over 20 years	\$2,297.14
US Trustee Fees	\$325 per quarter until case receives administrative discharge	\$108.33
Unsecured Creditors	Paid in full (\$2,750) with 0% interest over 2 years	\$91.67
Internal Revenue Service	\$6,399.99 at 0% over 2 1/2 years	\$213.33
	Plan Total	\$2,497.14
	Monthly Total	\$4,565.98

