

OFFER TO BUY REAL ESTATE AND ACCEPTANCE

TO Estate of Teddy Cockayne, Sellers:

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

as described in attached Exhibit A

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.) designated the Real Estate; provided Buyers, on possession, are permitted to make the following use of the Real Estate: Residential

2. PRICE. The purchase price shall be \$ _____, payable at Henry County, Iowa, or at such other place as Seller may designate in writing to Buyer as follows: 10% of the purchase price with this Offer as earnest money, receipt of which is hereby acknowledged by Seller and the balance of \$ _____ upon closing and delivery of possession.

3. REAL ESTATE TAXES. Sellers shall pay the real estate taxes for the fiscal year 2006-07, payable in fiscal year 2007-08, and a proration of the real estate taxes for fiscal year 2007-08, payable in fiscal year 2008-09, prorated to the date of possession, 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. INSPECTION. The Buyers acknowledge that they have carefully and thoroughly inspected the real estate and are familiar with the premises. The Buyers are buying this real estate in its "as is" condition and there are no expressed or implied warranties pertaining to the same.

5. SPECIAL ASSESSMENTS. Sellers shall pay all special assessments which are a lien on the Real Estate as of the date of acceptance of this offer. All other special assessments shall be paid by Buyers.

6. RISK OF LOSS AND INSURANCE. All risk of loss shall remain with Sellers until possession of the Real Estate shall be delivered to Buyers.

7. 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.

8. POSSESSION. If Buyers timely perform all obligations, possession of the Real Estate shall be delivered to Buyers on September 16, 2008, with any adjustments of rent, insurance, and interest to be made as of the date of transfer of possession.

9. 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)

10. 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.

11. 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.

12. DEED. Upon payment of the purchase price, Sellers shall convey the Real Estate to Buyers or their assignees, by court officer's 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.

13. 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 1 1.

14. 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.

15. TIME IS OF THE ESSENCE. Time is of the essence in this contract.

16. 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.

17. 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.

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 August 16, 2008, it shall become void and all payments shall be repaid to the Buyers.

22. LEAD-BASED PAINT CONTINGENCY. Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

23. OTHER PROVISIONS.

Included in the sale of the real estate is the refrigerator and stove. The stove and refrigerator are being sold "as is" without warranties, express or implied.

Seller reserves from the sale of the real estate all furniture, personal property and aircompressor.

DATED: _____

Buyer _____ Buyer _____

This offer is accepted _____ day of _____, 200__.

ESTATE OF TEEDY J. COCKAYNE

By Warren Cockayne