

## REAL ESTATE CONTRACT

**IT IS AGREED** between Kenneth R. Earnest, as Managing Member of Earnest Farms, L.C. ("Seller") and \_\_\_\_\_

\_\_\_\_\_  
("Buyer"), that Seller agrees to sell and Buyer agrees to buy real estate in Louisa County, Iowa, legally described as: The Northeast Quarter of the Northwest Quarter; and the Northwest Quarter of the Northwest Quarter of Section 31, Township 74 North, Range 3 West of the 5<sup>th</sup> P.M., Louisa County, Iowa ("Real Estate"). The Real Estate is also subject to public road easements, all other easements, and restrictions and agreements of record.

**1. PRICE.** The Buyer covenants and agrees to pay to the Seller as the purchase price for the Real Estate the sum of \$ \_\_\_\_\_, payable in the following manner, to-wit:

Twenty percent (20%) or \$ \_\_\_\_\_ on November 12, 2008, and the balance of \$ \_\_\_\_\_ on or before December 11, 2008, upon delivery of deed and merchantable abstract of title as provided in paragraph 6.

**2. REAL ESTATE TAXES.** Seller shall be responsible for the real estate taxes prorated to date of possession on the basis of the last available tax statement and any unpaid real estate taxes payable in prior years. Buyer shall pay all subsequent real estate taxes.

**3. SPECIAL ASSESSMENTS.** Seller shall pay all special assessments, which are a lien on the Real Estate as of the date of this contract. All other special assessments shall be paid by Buyer.

**4. POSSESSION AND CLOSING.** Seller shall give Buyer possession of the Real Estate at Closing subject to the Lease with the tenant. Closing shall be on or before December 11, 2008.

**5. INSURANCE.** Seller shall maintain existing insurance upon the Real Estate until the date of possession. Buyer shall accept insurance proceeds instead of Seller replacing or repairing damaged improvements.

**6. ABSTRACT AND TITLE.** Seller, at its expense, shall promptly obtain an abstract of title to the Real Estate continued through the date of this contract, and deliver it to Buyer for examination. It shall show merchantable title in Seller in or conformity with this contract, Iowa law and the Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyer when the purchase price is paid in full, however, Buyer reserves the right to occasionally use the abstract prior to full payment of the purchase price. Seller shall pay the costs of any additional abstracting and title work due to any act or omission of Seller, including transfers by or

the death of Seller or their assignees.

7. **SURVEY.** Seller shall not be obligated to furnish a survey.

8. **CARE OF PROPERTY.** Seller shall take good care of the property; shall keep the buildings and other improvements now or later placed on the Real Estate in good and reasonable repair and shall not injure, destroy or remove the property during the term of this contract. Buyer shall be responsible for any desired fencing in accordance with Iowa State Law.

9. **DEED.** Upon payment of purchase price, Seller shall convey the Real Estate to Buyer or his/her assignees, by Warranty Deed, free and clear of all liens and encumbrances except as provided herein. Any general warranties of title shall extend only to the date of this contract, with special warranties as to acts of Seller continuing up to time of delivery of the deed. It shall be the obligation of the Buyer to report to the Louisa County FSA Office and show filed Deed in order to receive any future government payments.

10. **REMEDIES.** In case of the failure of the Buyer to make any of the payments herein provided to be made, or the Buyer's failure to perform any of the covenants and obligations herein contained, the Seller may at the Seller's option and in addition to all other remedies available to the Seller, either at law or in equity, declare a forfeiture of the Buyer's rights hereunder and the Buyer shall forfeit all payments made on this contract and all improvements made and all buildings erected on the Real Estate which payments and improvements, if any, shall become the property of the Seller as compensation for the loss of use of said premises and as liquidated damages for the breach of this contract, and the Buyer and all those claiming by, through or under said Buyer, shall forthwith peaceably remove from said premises, or in default thereof shall be treated as tenants unlawfully holding over after the expiration of a lease and may be evicted without any further notice of termination other than the thirty-day (30) notice of forfeiture as is required by law. It is agreed that no extension of time of payment or waiver of default in the payment of any installment of principal or interest due hereunder, or the waiver of any other default shall affect the right of the Seller to require prompt payment of any subsequent installment of principal or interest, or to declare a forfeiture for any default. In case of suit in equity or action at law to enforce any terms hereof, or the foreclosure of this contract, it is agreed that a reasonable attorney's fee shall be taxed as a part of the costs thereof.

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

12. **CONSTRUCTION.** Words and phrases in this contract shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

13. **RELEASE OF RIGHTS.** Buyer hereby relinquishes all rights of dower, homestead and distributive share in and to the property and waives all rights of exemption as to any of the property.

14. **AS IS CONDITION.** The Buyer acknowledges that he/she has carefully and thoroughly inspected the Real Estate and is familiar with the premises. The Buyer is buying the Real Estate in its "as is" condition and there are no expressed or implied warranties pertaining to the same.

15. **SITE CLEANUP.** If, in the future, a site cleanup is necessary, it will be at the expense of the Buyer.

16. **RESERVATIONS.** Seller reserves all right to the crops and the proceeds therefrom.

**I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.**

Dated: November 12, 2008

Earnest Farms, L.C.  
Seller

By: \_\_\_\_\_  
Kenneth R. Earnest, Managing Member

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Telephone