COLLATERAL MORTGAGE

Iowa Only

WHEREAS, George Porter, hereinafter referred to as Mortgagor, is now or will be principal, or has agreed or will agree to indemnify the mortgagee as surety on any and all bonds, and

WHEREAS, Merchants Bonding Co.(Mutual), hereinafter referred to as Mortgagee, is now or will be the surety for the principal on the bonds above described;

NOW THEREFORE, as part of the consideration for the Mortgagee becoming surety on a bond and on any other bonds as to which mortgagor may be either the principal or an indemnitor, and the mortgagee is the surety, whether presently in force or to be executed in the future, the mortgagor (joined by Una, his wife), does hereby convey unto the mortgagee, the following described real estate, to-wit:

LOT TEN (10) OF THE PLAT OF THE SUBDIVISION OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION THREE (3), TOWNSHIP NINETY (90) NORTH, RANGE FIVE (5), WEST OF THE FIFTH P.M., DELAWARE COUNTY, IOWA, ACCORDING TO PLAT RECORDED IN BOOD 5 PLATS, PAGE 104

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The Mortgagor does hereby convenant with the said Mortgagee and its successors in interest, that said Mortgagor holds said real estate by title in fee simple; that he has good and lawful authority to sell and convey the same; that said premises are free and clear of all liens and encumbrances whatsoever, except mortgages and other contract liens of record, if any, and said Mortgagor convenants to warrant and defend the said premises against the lawful claims of all persons whomsoever.

Each of the undersigned hereby relinquish all rights of dower, homestead and distributive share in and to the above described premises.

This conveyance is given as collateral security to secure the mortgagee for any and all sums which are now or may in the future be due to the mortgagee from the mortgagor by reason of the fact that mortgagee has executed or renewed or may in the future execute or renew certain bonds as surety in which the mortgagor is or will be either the principal, or has agreed to indemnify the mortgagee as surety, and specifically including any bonds to be executed by it as surety in the future, wherein mortgagor is either the principal on the bond or has agreed to indemnify the mortgagee as the surety on the bond. It is understood that this instrument secures all sums due or which may become due to mortgagee pursuant to the terms of all applications, indemnify agreements and other instruments now executed or which may be executed in the future by the mortgagor in connection with any such bonds, and also all sums due or which may become due to the mortgagee from the mortgagor by operation of law, statutory or otherwise, in connection with any such bonds.

This conveyance shall be in addition to any other security which the mortgagee now has or may in the future require from the mortgagor, and is not intended to in any manner limit any other or additional rights and remedies that mortgagee now has or may have in the future against the mortgagor, and in the event the mortgagor fails to pay any indebtedness which this mortgage secures promptly when due, then the mortgagee may without demand or notice, proceed to foreclose this mortgage or take any other action it deems proper at law or equity to enforce the terms hereof.

Mortgagor agrees to pay all taxes and special assessments against the real estate herein conveyed before the same become delinquent, and if not so paid, mortgagee may at its option pay the same, and all such payments with interest thereon at the highest legal rate from time of payment, shall be a lien against said premises.

In case of any action, or in any proceedings in any court, to collect any sums payable or secured by this mortgage, or to protect the lien or title herein of the mortgagee, or in any other case permitted by law in which attorney fees may be collected from mortgagor, or charged upon the above described property, they agree to pay reasonable attorney fees.

In event of any default herein by mortgagors, mortgagee may, at the expense of mortgagors, procure an abstract of title, or continuation thereof, for said premises, and charge and add to the mortgage debt the cost of such abstract or continuation with interest upon such expense at the highest legal rate.

At any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said property, and of the rents and profits accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and shall be liable to account to said Mortgagor only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and the indebtedness, charges and expenses hereby secured and herein mentioned. And it is hereby agreed, that after any default in the payment of either principal or interest, such sums in default secured by this mortgage shall draw interest at the highest legal rate for an individual.

This mortgage shall remain in full force and effect so long as any indebtedness which it secures, whether liquidated or unliquidated, or whether certain or contingent, remains unsatisfied.

It is further agreed that if this mortgage covers less than 10 acres of land, and in the event of the foreclosure of this mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to 6 months provided the Mortgagee, in such action files an election to waive any deficiency judgment against the Mortgagors which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628, Code of Iowa. It is further agreed that the period of redemption after a foreclosure of this mortgage shall be reduced to 60 days if all of the three following contingencies develop: (1) the mortgaged real estate herein is less than 10 acres in size; (2) the Court finds affirmatively that said real estate has been abandoned by the owners and those persons personally liable under this mortgage at the time of such foreclosure; and (3) the Mortgagee in such action files an election to waive any deficiency judgment against the Mortgagors or their successor in interest in such action. If the redemption period is so reduced, the Mortgagors or their successors in interest or the owner shall have the exclusive right to redeem for the first 30 days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Code shall be reduced to 40 days. Entry of appearance by pleading or docket entry by or on behalf of the Mortgagors shall be a presumption that the property is not abandoned. Any such short redemptive period shall be consistent with all of the provisions of Chapter 408, 62nd G. A., amending Chapter 628, Code of Iowa.

Unless otherwise expressly stated the word "Mortgagors", as used here, includes successors in interest of such "Mortgagors"; the "Mortgagee", as used herein, unless otherwise expressly stated, includes the successors in interest of such "Mortgagee". All words referring to "Mortgagor" or "Mortgagee" shall be construed to be of the appropriate gender and number, according to the context. This construction shall include the acknowledgment hereof.

FILE No. 56-349
RECORDING FEE $ 11.00
TRANSFER FEE $

FILED FOR RECORD THE 2 DAY OF August, 19 94 AT 10:45 O'CLOCK A M. BOOK 124 PAGE 66

STATE OF IOWA, DELAWARE COUNTY
Deborah L. Peyton, Recorder
LM CM 31

The address of the Mortgagee is 2100 Grand Avenue
(Street & Number)

Des Moines (City) Iowa (State) 50312 (Zip Code)

Dated this 26 day of July, 19 94.

(Name of Corporation) George Porter (Mortgagor) (Type Name)

By (Type Name & Title) George Porter

Una Porter (Mortgagor's Spouse) (Type Name) Una Porter

ACKNOWLEDGMENT FOR INDIVIDUALS

STATE OF IOWA

ss:

Delaware COUNTY

On this 26 day of July, 19 94, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared George and Una Porter

to me known to be the identical persons named in and who executed the within and foregoing instrument, to which this is attached, and acknowledged that they executed the same as their voluntary act and deed.

Lisa A Dugan
Notary Public in and for said County
(Type name of Notary)

LISA A. DUGAN
MY COMMISSION EXPIRES
4-26-96

CORPORATE ACKNOWLEDGMENT

STATE OF IOWA

ss:

_____ COUNTY

On this _____ day of _____, A.D. 19_____, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared _____

and _____, to me personally known, who, being by me duly sworn, did say that they are the _____ and _____ respectively, of said corporation executing the within and foregoing instrument to which this is attached, that (no seal has been procured by the said) corporation; that said instrument was signed (and sealed) on behalf of (the seal affixed thereto is the seal of said) corporation by authority of its Board of Directors; and that the said

_____ and _____ 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 and for said County and State
(Type name of Notary)

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DELAWARE COUNTY IOWA
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DEBORAH L. PEYTON
DELAWARE CO. RECORDER

INDEXED IN
CHATTEL MTG. INDEX

Merchants Bonding Co.
2100 Grand Ave
Des Moines, IA 50312-9913

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