This FINANCING STATEMENT is presented to THE FILING OFFICER for filing pursuant to the Uniform Commercial Code:

1 Debtor(s) (Last Name First) and Address(es)

JAMES B. HARBACH AND RANDY R. HARBACH PARTNERSHIP
1409 NORTH FRANKLIN
MANCHESTER, IA 52057

2 Secured Party(ies) and Address(es)

Peoples State Bank
101 Madison Street
PO Box B
Winthrop, IA 50682

3 For Filing Officer
(Date, Time, Number, and Filing Office)

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BY [illegible] RECORDER
INDEXED IN CHATTEL MTG. INDEX

4 This financing statement covers the following types (or items) of property:

All inventory, Chattel Paper, Accounts, Equipment, General Intangibles and Fixtures; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds).

5 Name and Address of Assignee

6 Description of Real Estate

This Financing Statement is to be recorded in the real estate records. Some or all of the collateral is located on the following described real estate: SEE EXHIBIT "A"

James B Harbach Record Owner
Randy R Harbach Record Owner

7 Check if applicable: [X] Products of Collateral are covered [ ] Debtor is a transmitting utility as defined in UCC 9 105(1)

Michael J Funke
Signature of Secured Party

Michael J Funke

Peoples State Bank
Type or Print all names (Iowa code 335.2)

Signature of Debtor

Signature of Debtor

(Secured party or other appropriate signature may be substituted for debtor(s) signature only in cases covered by UCC 9-402(2), and 9-408, and must be identified as such when used.)

RANDY R. HARBACH and JAMES B. HARBACH
Type or print all names (Iowa Code 335.2)

(1) Filing Officer Copy – Alphabetical
STANDARD FORM – UNIFORM COMMERCIAL CODE – FORM UCC-1

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EXHIBIT "A"

That part of the Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) of Section Twenty (20), Township Eighty-nine (89) North, Range Five (5) West of the 5th P.M., described as commencing at a point 157.65 feet North of the intersection of the South line of said Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) with the center line of the public highway, running thence North along center line of said highway 157.65 feet, thence East 210.2 feet, thence South 157.65 feet, thence West 210.2 feet to the point of beginning;

and

That part of the Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) of said Section Twenty (20), described as commencing at the point of intersection of the South line of said Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) with the center of Iowa Highway No. 13, thence North along the center line of said highway a distance of 157.65 feet, thence East 210.2 feet, thence South 157.65 feet, thence West 210.2 feet to the point of beginning; all being in Section Twenty (20), Township Eighty-nine (89) North, Range Five (5), West of the 5th P.M., Delaware County, Iowa, subject to highways and easements of record:

EXCEPT, that part of the Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) of said Section Twenty (20), described as commencing at the Northeast Corner of the Southeast Quarter (SE¼), thence South 90°00'00" West 1868.38 feet along the North line of said Southeast Quarter (SE¼), thence South 01°45'20" West 1000.16 feet along the centerline of Iowa Highway No.13, thence South 90°00'00" East 54 feet to the point of beginning, thence South 90°00'00" East 156.71 feet, thence South 01°51'57" West 66.38 feet, thence North 90°00'00" West 156.6 feet, thence North 01°45'20" East 66.38 feet to the point of beginning. The North line of the Southeast Quarter (SE¼) of said Section Twenty (20) is assumed to bear South 90°00'00" West, as conveyed by Warranty Deed dated the 10th day of September, 1990, and filed for record in the office of the Delaware County Recorder on the 12th day of September, 1990, in Book 126 L.D., Page 343, per plat recorded in Book 6 Plats, Page 91.