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DELAWARE COUNTY IOWA
23-14511

Prepared by: Rosemary Drees, 101 E. Main, Manchester, IA 52057 319-927-4475

ASSIGNMENT OF SELLER'S INTEREST IN REAL ESTATE CONTRACT FOR SECURITY PURPOSES ONLY

KNOW ALL MEN BY THESE PRESENTS, that Austin E. Armstrong Family, L.C., herein referred to as "Assignor", for value received, grant and convey unto Farmers & Merchants Savings Bank, Cedar Rapids, Iowa its successors and assigns, herein referred to as "Assignee" the following described property situated in Delaware County, Iowa, to-wit:

The South half of Lot 28, A.R. Loomis Addition to Manchester, Iowa, according to the Plat recorded in Book 15 LD Page 410, subject to easements and records

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, profits, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Assignment; and all of the foregoing, together with said property are herein referred to as the "Property".

Assignor hereby sells, assigns, transfers and sets over unto Assignee, all of Assignor's right, title and interest including all monies due or to become due Assignor thereunder in and to the real estate contract covering the Property dated the 1st day of June, 1997 by and between Austin E.Armstrong,a/k/a Austin Armstrong, as seller and John E. Johnson and Faye P. Johnson, husband and wife as buyer recorded in Book 56 at Page 181, Delaware County Recorder's Office herein referred to as "Contract".

Assignor hereby grants Assignee a security interest under the Uniform Commercial Code of Iowa in and to the Assignor's interest in the Contract and all moneys due or to become due Assignor thereunder.

The Assignor does hereby covenant with Assignee that the Assignor has good and lawful authority to sell, convey, assign and encumber the Property, Contract and all moneys due or to become due thereunder; that said Property, Contract and moneys due or to become due thereunder are free and clear of all liens and encumbrances whatsoever except as may be stated; and Assignor covenants to warrant and defend the said Property and Contract against the lawful claims of all persons whomsoever, except as may be above stated.

Provided, that this Assignment is made in trust for the following uses and purposes:

To secure the performance of the covenants and agreements herein set forth and the payment of the indebtedness evidenced by the promissory note(s) or other instruments executed by Assignor, to the order of Assignee and any other indebtedness of Assignor to Assignee, whether now existing or hereafter incurred, of every kind and character, direct or indirect, whether as maker, endorser, guarantor, surety or by way of overdrafts, and whether such indebtedness is from time to time reduced and thereafter increased or entirely extinguished and thereafter reincurred, including, without limitation, any sums advanced by Assignee in the performance of Assignor's obligations hereunder, including the payment of any fees, insurance, repairs, taxes and amounts secured by encumbrances with respect to the Property, and any attorney fees and other charges and expenses incurred in the collection of the obligations secured hereby, it is the intention of Assignor to secure payment to Assignee of any indebtedness now or hereafter owing by Assignor to Assignee and also to secure payment of any extensions or renewals of any such indebtedness or any part thereof. The security granted or to be granted hereby is and shall be continuing until specifically terminated in writing by the Assignee.

Assignee does not by the acceptance of this Assignment agree to perform any of the obligations of Assignor under the Contract.

Assignor hereby agrees to pay all taxes and assessments, general or special, upon or against any of the Property, before such taxes or special assessments become delinquent and agree to pay, when due, all monies secured by liens or encumbrances that may be upon or against any of the Property and agree to pay when due all amounts payable on the Contract. Assignor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included with the term "extended coverage", and such other hazards as Assignee may require and in such form and amounts and for such periods as Assignee may require; provided, that Assignee shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Assignment. Assignor agrees to include Assignee as having an insurable interest in and to the improvements erected on the property and to include Assignee as a loss payee and to provide to Assignee a copy of the insurance contract on said property evidencing the inclusion of Assignee as a loss payee. Assignor shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Assignor agree that all contract payments shall be made jointly to Assignor and Assignee if requested by Assignee.

AUSTIN E. ARMSTRONG FAMILY, L.C.

Austin E. Armstrong, Manager
(Assignor)

STATE OF IOWA)
) ss.
COUNTY OF LINN)

On this 3RD day of November, 1997, before me, a Notary Public in and for the said State, personally appeared Austin E. Armstrong, to me personally known, who being by me duly sworn did say that that person is Manager (Insert title of executing member) of said limited liability company, that (no seal has been procured by the said) limited liability company and that said instrument was signed on behalf of the said limited liability company by authority of its manager and the said Austin E. Armstrong acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.

NOTARIAL SEAL IOWA
JOCK D. STEVENSON
MY COMMISSION EXPIRES
12-9-99

Notary Public in and for the State of Iowa
Jock D. STevenson

DATE 11-7-97 BOOK 56 PAGE 183