DELAWARE COUNTY IOWA
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DEBORAH L. HEIN
DELAWARE CO. RECORDER
$10.00

Prepared by: (x) Envr
Arlyn D. Maifeld
C/o Community Savings Bank
101 East Union, PO Box 77, Edgewood, IA 52042

REAL ESTATE HYPOTHECATION AGREEMENT

1. COLLATERAL AND OBLIGATIONS. In consideration of any financial accommodations at any time granted by Community Savings Bank, Edgewood, Iowa, to **Greeley Commercial Club Incorporated**, (Borrower), each of the undersigned Owner(s) pledges and conveys in trust to the Community Savings Bank his interest in the following described property:

LEGAL DESCRIPTION: **THE NORTH FIFTY TWO AND ONE-HALF (52 ½) FEET OF THE WEST SEVENTY SIX AND ONE-HALF (76 ½) FEET OF LOT TEN (10), BLOCK TWO (2), BAKER'S ADDITION TO GREELEY, IOWA.**

The real estate so described shall secure all debts, obligations, and liabilities to the Community Savings Bank arising out of any existing or future credit granted by the Community Savings Bank to the Owner(s) or the Borrower(s), in which such extension of credit shall be secured by a mortgage on the said real estate. The obligation of the owners and the Mortgage on the real estate described herein shall not at any time, exceed $**24,000.00**. Community Savings Bank, in granting credit to **Greeley Commercial Club Incorporated** and require the pledge of the real estate described herein by **Charles Watters Post No. 566 Department of Iowa, The American Legion**. In consideration of the agreement by owners, Community Savings Bank has proceeded with the loan to borrowers.

2. WARRANTY OF TITLE. Each Owner executing this agreement warrants that he is a holder of title in the above described real estate.

3. PRESERVATION OF COLLATERAL. The said Owner(s) executing this agreement shall preserve and maintain the above described real estate, and keep the same free from all liens for labor and materials and unpaid taxes.

4. INSURANCE. The Owner(s) executing this agreement shall maintain adequate insurance coverage against all common hazards in a sufficient amount, and said Owner(s) shall provide the Community Savings Bank with proof of said coverage.

5. AUTHORITY OF BANK TO PERFORM. Upon the occurrence of any event of default, including the failure of the Owner(s) to perform any of the agreements set forth herein, the Community Savings Bank is authorized to take any action allowed by law for the foreclosure of its mortgage and the collection of the amounts due to it.

6. ACTS NOT AFFECTING OBLIGATIONS. None of the following shall affect the liabilities of any Owner or Borrower under this agreement, or the obligations, or the rights of the Community Savings Bank with respect to the above described real estate; (a) acceptance or retention by the Community Savings Bank of other property or interest as security for the obligations, or for the liability of any person other than a Owner with respect to the obligations; (b) the release of any or all of the above described real estate or other security for any of the

obligation; (c) any release, extension, renewal, modification or compromise of any of the obligations or liability of any obligor thereon; or (d) failure by the Community Savings Bank to resort to other security or any person liable for any other obligations before the resorting to the above described real estate.

7. DEFAULT. The following occurrences shall constitute default of this agreement:

   A. The Borrower or the Owner(s) fail to pay when due any of the obligations, or to perform any of the provisions of this agreement;

   B. The Borrower or Owner(s) become insolvent or subject to bankruptcy proceedings;

   C. Any warranty or representation made to induce the Community Savings Bank to extend credit to the Borrower is false in any material respect;

   D. Any other event which causes the Community Savings Bank to deem itself insecure.

8. REMEDIES UPON DEFAULT. Upon default all of the obligations shall at the option of the Community Savings Bank and without any notice or demand, become immediately payable; and the Community Savings Bank shall have all rights and remedies for default provided by the Code of Iowa. The Owner(s) shall reimburse the Community Savings Bank for any expense incurred by the bank in protecting or enforcing its rights under this agreement, including but not limited to reasonable attorney's fees and legal expenses. After deduction of such expenses, the Community Savings Bank may apply the proceeds of disposition of the above described real estate to the obligations in such order and amounts as its elects.

9. PERSONS BOUND. Each person signing this agreement is a holder of an interest in the above described real estate. All owner(s) are jointly and severally liable under this agreement, except that the liability of any owner who is not a borrower is limited to the above described real estate and those rights in regard to it. This agreement benefits Community Savings Bank, its successors and assigns, and binds the Owner(s) and their respective heirs, personal representatives, successors and assigns.

10. OTHER PROVISIONS.

Dated this 6th day of December, 2001.

Charles Watters Post No. 566 Department of Iowa, The American Legion

X David J. Mullis 12/6/01
Dave Mullis a/k/a David J. Mullis, President

X Thomas Heffernan
Tom Heffernan a/k/a Thomas Heffernan, Secretary

STATE OF Iowa, COUNTY OF Delaware, ss:

On this 6th day of December, 2001, before me, the undersigned, a Notary Public in and for the said State, personally appeared Dave Mullis a/k/a David J. Mullis and Tom Heffernan a/k/a Thomas Heffernan, to me personally known, who being by me duly sworn, did say that they are the President and Secretary, respectively, of the corporation executing the within and foregoing instrument **to which this is attached,** that (no seal has been procured by the) (~~the seal affixed thereto is the seal of the~~) corporation; that the instrument was signed (~~and sealed~~) on behalf of the corporation by authority of its Board of Directors; and that Dave Mullis a/k/a David J. Mullis and Tom Heffernan a/k/a Thomas Heffernan as officers acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.

Donna Knipper

, Notary Public in and for said State.

NOTARIAL SEAL IOWA
DONNA KNIPPER
Commission Number 223743
My Commission Expires
1-28-02

(Section 558.39, Code of Iowa)

Acknowledgment: For use in the case of corporations

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