DELAWARE COUNTY IOWA
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BOOK 2003 PAGE 431
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
14.00

(X) Prepared by: Brian L. Pralle for CSB: 201 E Main: Manchester, IA 52057

REAL ESTATE HYPOTHECATION AGREEMENT

1. COLLATERAL AND OBLIGATIONS. In consideration of any financial accommodations at any time granted by Tracey A. Knake and Deborah P. Knake, Delhi, Iowa, to Hartwick Lake Marina, Incorporated, (Borrower), each of the undersigned Owner(s) pledges and conveys in trust to the Community Savings Bank their interest in the following described property:

LEGAL DESCRIPTION:

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER (NWFR1/4) OF THE NORTHWEST QUARTER (NW1/4) OF SECTION THIRTY (30), TOWNSHIP EIGHTY EIGHT (88) NORTH, RANGE FOUR (4), WEST OF THE FIFTH P.M. DESCRIBED AS COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION THIRTY (30) AND RUNNING THENCE SOUTH 2 DEGREES 15' EAST ONE HUNDRED FORTY ONE AND ONE-TENTH (141.1) FEET, THENCE SOUTH 30 DEGREES 11' EAST THREE HUNDRED TWO AND ONE-TENTH (302.1) FEET, THENCE SOUTH 62 DEGREES 07' EAST ONE HUNDRED SEVENTY FOUR AND SIX-TENTHS (174.6) FEET TO THE POINT OF BEGINNING, THENCE NORTH 46 DEGREES 62' EAST NINETY SEVEN AND FIVE-TENTHS (97.5) FEET, THENCE SOUTH 76 DEGREES 49' EAST THREE HUNDRED FORTY FOUR AND ONE-TENTHS (344.1) FEET, THENCE SOUTH TWO HUNDRED SIX AND SIX-TENTHS (206.6) FEET, THENCE NORTH 62 DEGREES 07' WEST FOUR HUNDRED FIFTY EIGHT AND NINE-TENTHS (458.9) FEET TO THE POINT OF BEGINNING.

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 Tracy A. Knake and Deborah P. Knake 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.

2. WARRANTY OF TITLE. Each Owner executing this agreement warrants that they are 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 25th day of January, 2003.

X Tracy A Knake
Tracy A. Knake

X Deborah P. Knake
Deborah P. Knake

State of Iowa }SS
County of Delaware }

On this 25th day of January, 2003, before me, the undersigned, a Notary Public, in and for said County and State, personally appeared Tracy A. Knake and Deborah P. Knake to me known to be the identical persons named in and who executed the within instrument, and acknowledged that they executed the same as their voluntary act and deed.

Peggy A. Knipper
Notary Public

NOTARIAL SEAL IOWA
PEGGY A. KNIPPER
Commission Number 707482
My Commission Expires
12-26-03