Entered for taxation 13th day
of June A.D. 2003
Sharon McCrabb, Auditor
By Carol Becker, Deputy
88-174

DELAWARE COUNTY IOWA
FILED
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BOOK 3 PAGE 2822
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
RECORDER FEE $ 16.00
AUDITOR FEE $ 5.00

⊗ Farmers State Bank
Document Prepared by Laurie Graham, Farmers State Bank, 1240 8th Avenue, Marion, IA 52302-3504, 319-377-4891

ASSIGNMENT AND MORTGAGE OF PURCHASER'S EQUITY IN CONTRACT FOR THE SALE OF REAL ESTATE

In consideration of all existing obligations and all future loans and advances made by Farmers State Bank hereafter referred to as "Assignee," to Children on First, Inc., hereafter referred to as "Assignor," the Assignor does hereby assign, transfer, mortgage, pledge and set over to Assignee all rights, title and interest in and to the following described real estate, to-wit:

Lot Three (3) of Stone's Fourth Addition to Delaware County, Iowa, a Subdivision of Part of Lot Twenty Eight (28) of Stone's First Addition to Delaware County, Iowa, according to plat recorded in Book 5 Plats, Page 130.

and all of the rents, income, issues, use and profits of said real estate and the crops raised thereon, together with all the right, title and interest in the contract of purchase between Assignor and Children on First, Inc. covering the above described real estate, which contract **dated** November 20, 2002, is recorded at **Volume** 2002, **Page** 4545 of the records of the Delaware County, Iowa, Recorder.

The interest of Assignor in said real estate and in all rents, income issues, use and profits of said real estate is hereby transferred, mortgaged, pledged and conveyed to Assignee to secure all obligations now existing or hereafter incurred by Assignor to Assignee. The interest granted hereby is and shall be continuing until specifically terminated in writing by Assignee.

NOTICE: This assignment and Mortgage secures credit in the amount of $37,000.00. Loans and advances up to this amount, together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages or liens.

The Assignee is hereby given authority to make such additional advancements to Assignor herein, upon the signed order or receipt of Assignor, or any one of the Assignors if there is more than one Assignor, and secured as the original obligation herein. **THIS PARAGRAPH SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ANY ADDITIONAL LOANS IN ANY AMOUNT.**

It is further agreed that if property insurance is not promptly effected, or if the taxes or special assessments assessed against said property shall become delinquent, Assignee (whether electing to declare the whole mortgage due and collectible or not), may (but need not) effect the insurance and pay said taxes and special assessments (irregularities in the levy or assessment of said taxes being expressly waived), and all such payments with interest thereon at the highest legal rate shall be a lien against said premises.

It is hereby expressly agreed by Assignor that in the event of the nonpayment of any note, obligation or liability secured hereby in accordance with their terms or at maturity, whether such maturity be by accelerations or otherwise, or in the event of the failure of Assignor to keep and perform any of the conditions, stipulations and covenants herein contained or required to be kept by the terms of any obligation secured hereby, that then the whole amount of principal and interest secured by this Assignment and Mortgage and then unpaid shall become due and payable absolutely, at the option of Assignee, its successors or assigns, and without notice to Assignor, suit may be brought for the collection thereof, and for the foreclosure of this Assignment and Mortgage, and a Receiver may be appointed to take charge of the premises and collect the rents and profits thereof to be applied as may be directed by the Court.

Assignor hereby agrees that in the event legal proceedings by foreclosure or otherwise are instituted to collect any note or obligation or liability hereby secured or in the event of the collection of any such note or obligation by an attorney at law, that a reasonable attorney's fee and also the reasonable cost and expense of an abstract of title and title search shall be allowed and added to the debt secured hereby and become a lien upon all of the property herein above described. Assignor agrees to pay such attorney's fees, abstract expense and title search expense, and such attorney's fees and expenses shall be taxed as part of the costs in any judgment or decree rendered in such proceedings.

Assignor hereby agrees that in the event of foreclosure of this Assignment and Mortgage, Assignee may, as Assignee's sole discretion, elect:

(i) pursuant to Iowa Code Section 628.26 to reduce the period of redemption after sale in foreclosure to six (6) months; or

(ii) pursuant to Iowa Code Section 628.27, to reduce the period of redemption after sale in foreclosure to sixty (60) days; or

(iii) pursuant to Iowa Code Section 628.28 to any other Iowa Code section to reduce the period of redemption after sale in foreclosure to such time as may be then applicable and provided by law.

HOMESTEAD WAIVER

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: 06/03/2003

X _____
Children on First, Inc.

Dated:06/03/2003

_____
Gregory C Bulicek, President

This Assignment and Mortgage is exempt from real estate transfer tax and the filing of a Declaration of Value Statement since it is a conveyance which secures a debt or other obligations.

Words and phrases herein including acknowledgment hereof shall be construed in the singular or plural number, and as masculine or feminine gender, according to the context.

DATED at Hiawatha, Iowa, this 3rd day of June, 2003.

_____
Children on First, Inc.

_____
Gregory C. Bulicek, President

STATE OF IOWA

COUNTY OF Linn

On this 3rd day of June, 2003, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Children on First, Inc. and Gregory C Bulicek, to me known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

_____
Notary Public in and for the State of Iowa

STEVEN K. NEIGHBOR
Commission Number 184016
My Comm. Exp. 4-3-05