

MICHELLE "MICKI" UTSLER, COUNTY RECORDER  
MADISON IOWA

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### ASSIGNMENT OF SELLER'S INTEREST IN REAL ESTATE CONTRACT (SECURITY AGREEMENT)

<b>BORROWER</b>		<b>OWNER OF COLLATERAL</b>	
DENNIS G. DAGGETT CYNTHIA R. DAGGETT		DENNIS G. DAGGETT CYNTHIA R. DAGGETT	
<b>ADDRESS</b>		<b>ADDRESS</b>	
2253 CARVER ROAD WINTERSET, IA 50273		2253 CARVER ROAD WINTERSET, IA 50273	
<b>TELEPHONE NO.</b>	<b>IDENTIFICATION NO.</b>	<b>TELEPHONE NO.</b>	<b>IDENTIFICATION NO.</b>

**NOTICE:** THIS ASSIGNMENT (MORTGAGE) SECURES CREDIT IN THE AMOUNT OF \$ 102,294.64 . LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO THE INDEBTEDNESS TO OTHER CREDITORS UNDER ANY SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

1. **GRANT.** Owner, for value received, grants, mortgages, and conveys unto Lender, its successors and assigns, all of the Owner's right, title and interest in the real property described in Schedule A attached to this Assignment and incorporated herein, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, 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".

2. **ASSIGNMENT.** Owner hereby sells, assigns, transfers, grants a security interest in, and sets over unto Lender, all of Owner's right, title and interest including all monies due or to become due Lender thereunder in and to the real estate contract conveying the Property dated December 15, 2004 by and between Owner as seller and WILLIAM GILLIAM

as buyer ("Buyer") recorded as Instrument No. \_\_\_\_\_, or in Book 2004 at Page 5695, MADISON County Recorder's Office (the "Contract").

Owner hereby grants Lender a security interest under the Uniform Commercial Code of Iowa in and to the Owner's Accounts, Chattel paper, Instruments, General Intangibles, rising either directly or indirectly from and including but not limited to the Owner's interest in the Contract and all monies due or to become due Owners thereunder.

3. **OBLIGATIONS.** This Assignment shall secure the payment and performance of all of Borrower's and Owner's present and future, joint and/or several, direct and indirect, absolute and contingent, express and implied, indebtedness, (including costs of collection, legal expenses and reasonable attorneys' fees, incurred by Lender upon the occurrence of a default under this Agreement, in collecting or enforcing payment of such indebtedness, or preserving, protecting or realizing on this Assignment), liabilities, obligations and covenants (cumulatively "Obligations") to Lender including, without limitation, (except obligations requiring a notice of the right of rescission required by law, unless such notice is given), those arising under or pursuant to:

a. this Assignment and the following promissory notes and agreements:

INTEREST RATE	PRINCIPAL AMOUNT/ CREDIT LIMIT	FUNDING/ AGREEMENT DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
6.750%	\$102,294.64	12/15/04	12/15/05	10095866	11056679

b.  if checked, all other present or future, evidences of indebtedness, agreements, instruments, guaranties or otherwise of Borrower or Owner to Lender (whether incurred for the same or different purposes than the foregoing);

c. all renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing; and  
d. applicable law.

4. **COVENANTS.** Owner does hereby covenant with Lender that:

- (a) Owner has good and lawful authority to sell, convey, assign and encumber the Property, Contract and all monies due or to become due thereunder;
- (b) The Property, Contract and monies due or to become due thereunder are free and clear of all liens and encumbrances whatsoever except those described in Schedule B attached to this Assignment and incorporated herein by this reference;
- (c) Owner shall warrant and defend the Property and Contract against the lawful claims of all persons whomsoever, except those described in Schedule B; and
- (d) Owner shall observe and perform all of the obligations and agreements imposed upon the Owner as the seller in the Contract.

5. **REPRESENTATIONS AND WARRANTIES.** Owner further represents, warrants, and agrees that:

- (a) Owner irrevocably appoints Lender its true and lawful attorney, with power of substitution, to take control in any manner of any cash or non-cash items received in payment of the Contract; to receive, open and dispose of all mail addressed to the Owner; to endorse the name of the Owner upon any checks, drafts, money orders, or other evidences of payment that may come into Lender's possession; to sign Owner's name on any deed or notice to the Buyer; to sign Owner's name on any proof of claim in bankruptcy against the Buyer; and do all other acts and things necessary in Lender's sole judgment to carry out the terms of this Assignment;
- (b) The Contract arose from a bona fide sale and is genuine and enforceable against the Buyer according to its terms;
- (c) Owner will notify Lender in writing prior to any change in Owner's address specified herein, and prior to any change in the Owner's name, identity or legal structure;
- (d) Owner will pay or cause to be paid all taxes, assessments and other charges of every nature which may be levied or assessed against the Property; will insure or cause to be insured the Property against risks, and in coverage, form and amount satisfactory to Lender with Lender named as an insured on such policies; and at Lender's request, will deliver or cause each policy or certificate of insurance thereof to be delivered to Lender.
- (e) Owner will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete records concerning the Property, Contract; and will permit the Lender or its agents from time to time to inspect the Property, Contract and to audit and make extracts from such records or any of the Owner's books, ledgers, reports, correspondence and other records.
- (f) Owner, in connection herewith, will execute and deliver to the Lender such financing statements or other documents, pay all costs of title searches and of filing financing statements and other documents in all public offices requested by the Lender, and do such other things with respect to the Property, Contract as the Lender may request.

(g) Owner will cause to be taken or will take, good care of the Property, Contract and will maintain the Property, Contract in good condition and repair and not permit its value to be impaired, and will immediately give the Lender written notice of any loss of, or damage to, any of the Property, Contract.

(h) Owner will give notice to its Buyer to pay all amounts due on the Contract directly to Lender, such notice to be in such form and given at such time as may be requested by Lender.

(i) Owner hereby authorizes Lender to give notice to Owner's Buyer to pay all amounts due on the Contract directly to Lender, which notice may be given in Owner's or Lender's name.

(j) All payments received by Lender upon the Contract shall be, at Lender's option, deposited in a special account at Lender styled "Property, Contract Account". Funds in said account shall be subject to Lender's security interest granted herein to secure any indebtedness of Owner to Lender, and shall be applied by Lender first towards the payment of costs, charges and expenses, if any, incurred in the collection of the funds and then towards the payment of Owner's indebtedness to Lender.

**6. REMEDIES/DEFAULT.** It is understood and agreed between the Owner and Lender that in the event of the non-payment or other event of default occurring with respect to any of the indebtedness evidenced by the promissory note(s) or other agreements executed by Borrower or Owner secured by this Assignment (collectively "Obligations") in accordance with the terms of the Obligations or at maturity, whether such maturity be by acceleration or otherwise, or in the event of the failure of Owner or Borrower to keep and perform any of the conditions, stipulations and covenants contained in this Assignment or required to be kept by the terms of any Obligations secured hereby, or in the event the Buyer or its successors or assigns fails to observe or perform any of its obligations under the Contract, that then the Obligations, including the whole amount of principal and interest secured by this Assignment and then unpaid shall become due and payable, at the option of Lender, and without notice to Owner or Borrower and suit may be brought for the collection thereof and for the enforcement of this Assignment.

After the occurrence of a default as described above, Lender may direct any or all of the Buyers of the Property under the Contract to pay to Lender or its agents such proceeds, payments, issues, profits, revenues, rights and benefits as may now be due or shall hereafter become due. The affidavit or written statement of an agent or attorney of Lender stating that there has been a default shall constitute conclusive evidence thereof, and any Buyer or other person is authorized and directed to rely thereon without liability or the determination of the actual existence of any default under this Assignment and Owner shall have no recourse against any Buyer for the proceeds paid to Lender.

Upon default, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code of Iowa and under any other applicable laws. Owner agrees to pay all expenses of retaking, holding, preparing for sale, and selling (including attorney's fees and legal expenses) as may be allowed by law and incurred by Lender in enforcing its rights under this Assignment. All exemptions in and to any of the Property or Contract are hereby waived. The rights and remedies herein conferred upon Lender shall be cumulative and not alternative and shall be in addition to and not in substitution of or in derogation of rights and remedies conferred by the Uniform Commercial Code of Iowa, and other applicable laws.

Any requirements of reasonable notice by either party to the other or to any guarantors or sureties of the Owner shall be met if such notice is mailed, postage prepaid, to the address of the parties shown on the first page of this Assignment (or to such other mailing address as either party in writing later furnishes to the other).

Until the occurrence of any act or omission which constitutes a default as described above, the installment payments as they become due under the terms of the Contract may be paid to Owner to retain, use and enjoy the same.

**7. ESCROW.** Owner shall deposit the abstract and an executed warranty deed to the subject Property of the Contract with Lender in escrow. The abstract and deed are to remain in escrow and not to be delivered to the Buyer until the Contract is paid in full. The abstract and deed will be returned to Owner if all Obligations hereunder are performed and satisfied in full. Lender is authorized to release and deliver to the Buyer the deed and abstract upon payment in full of the Contract price by the Buyer. It is hereby agreed that Lender is not acting as an escrow agent as the term is defined in Iowa Code s 524.905(3) and the accounting and other requirements of that section shall not be applicable to this transaction.

This Assignment involves agricultural land as that term is defined in Iowa Code §172C.1 and notice is hereby given that an instrument of conveyance has been deposited with Lender and Owner's name and address is referenced on the first page of this document.

The grantee's name and address is: **WILLIAM GILLIAM**

This is pursuant to Iowa Code §558.44.

**LENDER: FIRST AMERICAN BANK**

**BY: Janet K. Olson**

**TITLE: Assistant Vice President**

**8. INSURANCE AND TAXES.** In the event the Owner shall fail to provide adequate fire and hazard insurance, pay taxes, or perform any other duty set forth herein, Lender may, without notice, at its option, but without any obligation or liability to do so, procure insurance, pay taxes or perform any other duty set forth herein and add said sum to the balance of the Obligations. Owner hereby appoints Lender the agent and attorney for Owner in adjusting and cancelling such insurance and endorsing settlement drafts.

**9. MORTGAGE.** In the event Owner shall acquire either through forfeiture, foreclosure, deed in lieu of foreclosure, or any other method or manner the interest of the Buyer in the real estate contract hereby assigned, Owner hereby agrees that this document shall constitute a mortgage without the requirement of any further documentation or filing. Owner further agrees that this Mortgage may be foreclosed pursuant to Chapter 654 of the Code of Iowa.

Owner hereby agrees that in the event of judicial foreclosure of this Mortgage, the Mortgagee may, at its sole option, elect:

- (a) Pursuant to Iowa Code § 628.26 to reduce the period of redemption after sale on foreclosure to six months, or
- (b) Pursuant to Iowa Code § 628.27 to reduce the period of redemption after sale on foreclosure to sixty days, or
- (c) Pursuant to Iowa Code § 628.28 or any other Iowa Code Section to reduce the period of redemption after sale on foreclosure to such time as may be then applicable and provided by law, or
- (d) Pursuant to Iowa Code § 654.20 to foreclose without redemption.

It is further agreed that if this agreement is foreclosed pursuant to Chapter 654 of the Code of Iowa, the Lender shall be entitled to the appointment of a receiver as provided therein.

**10. PERFORMANCE.** Lender does not by the acceptance of this Assignment agree to perform any of the obligations of Owner under the Contract.

**11. WAIVER OF HOMESTEAD AND OTHER EXEMPTIONS.** Owner hereby waives all homestead or other exemptions to which Owner would otherwise be entitled under any applicable law and waives all rights of dower and distributive share in the Property.

**12. MODIFICATION AND WAIVER.** The modification or waiver of any of Owner's or Borrower's Obligations or Lender's rights under this Assignment must be contained in a writing signed by Lender. Lender may perform any of Owner's or Borrower's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Owner's obligations under this Assignment shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or release any of the Obligations belonging to any Owner or Borrower, third party or any of its rights against any Owner, Borrower, third party or the Property.

**13. SUCCESSORS AND ASSIGNS.** This Assignment shall be binding upon and inure to the benefit of Owner and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees and devisees.

**14. NOTICES.** Any notice or other communication to be provided under this Assignment shall be in writing and sent to the parties at the addresses described in this Assignment or such other address as the parties may designate in writing from time to time.

**15. SEVERABILITY.** If any provision of this Assignment violates the law or is unenforceable, the rest of the Assignment shall continue to be valid and enforceable.

**16. APPLICABLE LAW.** This Assignment shall be governed by the laws of the state indicated in Lender's address.

**17. MISCELLANEOUS.** Owner and Lender agree that time is of the essence. Owner waives presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Owner in this Assignment shall include all persons signing below. If there is more than one Owner their obligations shall be joint and several. This Assignment and any related documents represent the complete integrated understanding between Owner and Lender pertaining to the terms and conditions of those documents.

**18. ADDITIONAL TERMS.**

Owner acknowledges that Owner has read, understands, and agrees to the terms and conditions of this Assignment, and that Owner has received an exact copy of this Agreement.

**IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. BORROWER MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE ALSO APPLIES TO ANY OTHER CREDIT AGREEMENTS (EXCEPT EXEMPT TRANSACTIONS) NOW IN EFFECT BETWEEN YOU AND THIS LENDER.**

DATED: December 15, 2004

OWNER: DENNIS G. DAGGETT

OWNER: CYNTHIA R. DAGGETT

*Dennis G. Daggett*  
DENNIS G. DAGGETT

*Cynthia R. Daggett*  
CYNTHIA R. DAGGETT

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

**AGRICULTURAL HOMESTEAD DISCLOSURE: OWNER UNDERSTANDS THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, OWNER VOLUNTARILY GIVES UP OWNER'S RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.**

DATED:

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

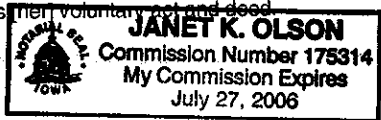
OWNER:

OWNER:

STATE OF IA  
COUNTY OF Polk } SS:

On this 15<sup>th</sup> day of December, 2004, before me, the undersigned, a Notary Public in and for said county and state, personally appeared Dennis G. & Cynthia R. Daggett

to me personally known to be the identical person named in and who executed the within and foregoing instrument, and acknowledged that he [she] executed the same as his [her] voluntary act and deed.



*Janet K. Olson*  
\_\_\_\_\_, Notary Public  
in and for said County and State

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared \_\_\_\_\_

to me personally known, who being by me duly sworn, did say that the person is one of the partners of \_\_\_\_\_ a partnership, and that the instrument was signed on behalf of the partnership by authority of the partners and the partner acknowledged the execution of the instrument to be the voluntary act and deed of the partnership by it and by the partner voluntarily executed.

\_\_\_\_\_, Notary Public  
in and for said County and State

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

} SS:

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned, a Notary Public in and for said county and state, personally appeared \_\_\_\_\_

to me personally known, who being by me duly sworn, did say that they are the \_\_\_\_\_

respectively, of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said \_\_\_\_\_

as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

(Seal) \_\_\_\_\_  
\_\_\_\_\_, Notary Public  
in and for said County and State

**SCHEDULE A**

The street address of the Property (if applicable) is: **2253 CARVER ROAD  
WINTERSSET, IA 50273**

The legal description of the Property is:

**THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION TWELVE (12), TOWNSHIP SEVENTY-FIVE (75) NORTH, RANGE TWENTY-EIGHT (28) WEST OF THE 5TH P.M., MADISON COUNTY, IOWA, EXCEPT THE FOLLOWING DESCRIBED REAL ESTATE: PARCEL "A" LOCATED IN THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION TWELVE (12), TOWNSHIP SEVENTY-FIVE (75) NORTH, RANGE TWENTY-EIGHT (28) WEST OF THE 5TH P.M., MADISON COUNTY, IOWA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION TWELVE (12), TOWNSHIP SEVENTY-FIVE (75) NORTH, RANGE TWENTY-EIGHT (28) WEST OF THE 5TH P.M., MADISON COUNTY, IOWA; THENCE SOUTH 89 DEGREES 45'36" WEST 369.42 FEET; THENCE NORTH 00 DEGREES 00' 00" 353.75 FEET; THENCE NORTH 89 DEGREES 45' 36" EAST, 369.42 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION TWELVE (12); THENCE, ALONG SAID EAST LINE, SOUTH 00 DEGREES 00' 00" 353.75 FEET TO THE POINT BEGINNING. SAID PARCEL "A" CONTAINS 3.000 ACRES, INCLUDING 0.575 ACRES OF COUNTY ROAD RIGHT-OF-WAY.**

**SCHEDULE B**

5695  
12-3.04