

MICHELLE UTSLER, COUNTY RECORDER
MADISON IOWA

COMPUTER	✓
RECORDED	✓
COMPARED	✓

Prepared By: PHILIP G. HIGGINS P.O. BOX 575, HAMILTON, MT 59840
406-381-2331
Return To: PEGGY L. HIGGINS P.O. BOX 575, HAMILTON, MT 59840
406-381-2331

MORTGAGE DEED

1. This Mortgage is given by Donald D. Hircock and the Donald D. Hircock Trust dated August 17, 2005, hereinafter called Borrower, of Earlham, Iowa to Peggy L. Higgins, hereinafter called Lender, which term includes any holder of this Mortgage, to secure the payment of the PRINCIPAL SUM of \$100,000.00 as provided in a Note having the same date as this Mortgage, and also to secure the performance of all the terms, covenants, agreements, conditions and extensions of the Note and this Mortgage.

In consideration of the loan made by Lender to Borrower and for the purpose expressed above, the Borrower does hereby grant and convey to Lender, with MORTGAGE COVENANTS, the land with the buildings situated thereon and all the improvements and fixtures now and hereafter a part thereof, being more particularly described in Exhibit A attached hereto and made a part hereof and having a street address of: 1706 Earlham Road, Winterset, Iowa 50273.

Borrower further covenants and agrees that:

1. No superior mortgage or the note secured by it will be modified without the consent of Lender or her assigns or heirs hereunder.
2. In lieu of interest payment, Borrower or his trustee or assigns or heirs agrees that Peggy L. Higgins and/or Philip G. Higgins will reside in the basement apartment of Borrower's home located at 1706 Earlham Road, Winterset, Iowa at their sole discretion and without rent until the property may be sold by the Borrower, his trustee, assigns, or heirs.
3. Lender or her assigns or heirs shall be given the first right of refusal to purchase the said property at the time property is offered for sale, such right to be exercised within 60 days of notification.
4. Borrower or his trustee or assigns or heirs shall not rent the premises to anyone at any time without the expressed written permission of the Lender or her assigns or heirs. Borrower or his trustee or assigns or heirs shall not allow any other person or persons to reside upon the premises at any time without the expressed written permission of the Lender or her assigns or heirs, nor shall the Borrower or his trustee or assigns or heirs allow any other person or persons to store any items of any kind upon the premises without the expressed written permission of the Lender or her assigns or heirs.
5. In the event that Borrower or his trustee or assigns or heirs fails to carry out the covenants and agreements set forth herein, the Lender or her assigns or heirs may do and pay for whatever is necessary to protect the value of and the Lender's rights in the mortgaged property and any amounts so paid shall be added to the Principal Sum due the Lender or her assigns or heirs hereunder.
6. As additional security hereunder, Borrower or his trustee or assigns or heirs hereby

assigns to Lender or her assigns or heirs, Borrower's or his trustee or assigns or heirs rents of the mortgaged property, if any, and upon default the same may be collected without the necessity of making entry upon the mortgaged premises.

7. In the event that any condition of this Mortgage shall be in default for fifteen (15) days, the entire debt shall become immediately due and payable at the option of the Lender or her assigns or heirs. Lender or her assigns or heirs shall be entitled to collect all costs and expenses, including reasonable attorney's fees incurred.

8. In the event that the Borrower or his trustee or assigns or heirs transfers ownership (either legal or equitable) or any security interest in the mortgaged property, whether voluntarily or involuntarily, the Lender or her assigns or heirs may at its option declare the entire debt due and payable.

9. This Mortgage is also security for all other direct and contingent liabilities of the Borrower or his trustee or assigns or heirs to Lender or her assigns or heirs which are due or become due and whether now existing or hereafter contracted.

10. Borrower or his trustee or assigns or heirs shall maintain adequate insurance on the property in amounts and form of coverage acceptable to Lender or her assigns or heirs and the Lender or her assigns or heirs shall be a named insured as its interest may appear.

11. Borrower or his trustee or assigns or heirs shall not commit waste or permit others to commit actual, permissive or constructive waste on the property.

12. Borrower further covenants and warrants to Lender that Borrower is indefeasibly seized of said land in fee simple; that Borrower has lawful authority to mortgage said land and that said land is free and clear of all encumbrances except as may be expressly contained herein.

This Mortgage is upon the STATUTORY CONDITION and the other conditions set forth herein, for breach of which Lender or her assigns or heirs shall have the STATUTORY POWER OF SALE to the extent existing under State law.

Executed under seal this 7 day of FEB, 2006.

BORROWER:



[Signature of Borrower]

Donald D. Hircock

LENDER:

Peggy L Higgins
[Signature of Lender]

Peggy L. Higgins

WITNESS #1:

Carol Spira [Signature of Witness #1]

CAROL SPIRA
[Printed or Typed Name of Witness #1]

WITNESS #2:

Debby Corkrean
[Signature of Witness #2]

Debby Corkrean
[Printed or Typed Name of Witness #2]

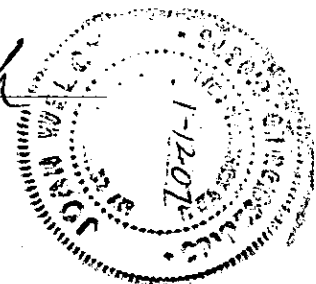
ACKNOWLEDGMENT

STATE OF Iowa
COUNTY OF Madison

On February 7, 2006 before me,
Peggy L Higgins & Donald H Hercock personally appeared

_____,
_____, and
_____ personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person
(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Joan Welch 

Affiant: Known Unknown

ID Produced: _____

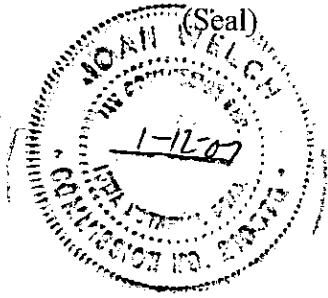


EXHIBIT A

Lot One (1) of Ponderosa Ranch Subdivision a part of Parcel "E" in the Northwest Fractional Quarter of the Northwest Quarter (NW Fr1/4 NW1/4) of Section Seven (7), Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa.