

DONALD E. DOUGHERTY
JANICE L. CARTER
ROUTE #1, BOX 161
ST. CHARLES, IA 50240

MORTGAGOR
"I" includes each mortgagor above.

Peoples Trust & Savings Bank
114 NORTH HOWARD • P.O. BOX 279
INDIANOLA, IOWA 50125

MORTGAGEE
"You" means the mortgagee, its successors and assigns.

REAL ESTATE MORTGAGE: For value received, I, DONALD E. DOUGHERTY AND JANICE L. CARTER, AS HUSBAND AND WIFE, sell, convey and mortgage to you on FEBRUARY 28, 1992, the real estate described below and all rights, easements, appurtenances, rents, leases and existing and future improvements and fixtures that may now or at anytime in the future be part of the property (all called the "property").

PROPERTY ADDRESS: ROUTE #1, BOX 161 (Street), ST. CHARLES (City), Iowa 50240 (Zip Code)
LEGAL DESCRIPTION:

A PARCEL OF LAND DESCRIBED AS FOLLOWS, TO-WIT: COMMENCING AT THE NORTHEAST CORNER OF SECTION TWO (2), IN TOWNSHIP SEVENTY-FIVE (75) NORTH, RANGE TWENTY-SIX (26) WEST OF THE 5TH P.M., MADISON COUNTY, IOWA, WHICH IS THE POINT OF BEGINNING; THENCE SOUTH 83 DEGREES 59' WEST 1,030.80 FEET ALONG THE NORTH LINE OF SAID SECTION TWO (2); THENCE SOUTH 24 DEGREES 04' WEST 221.22 FEET; THENCE SOUTH 05 DEGREES 51' WEST 298.60 FEET TO THE CENTERLINE OF A COUNTY ROAD; THENCE EASTERLY 161.59 FEET ALONG A 520.87 FEET RADIUS CURVE CONCAVE NORTHERLY WITH A 160.95 FEET CHORD BEARING NORTH 83 DEGREES 53' EAST; THENCE SOUTH 87 DEGREES 58' EAST 755.56 FEET; THENCE EASTERLY 237.50 FEET ALONG A 1,432.40 FEET RADIUS CURVE CONCAVE NORTHERLY WITH A 237.23 FEET CHORD BEARING SOUTH 83 DEGREES 13' EAST TO THE EAST LINE OF SAID SECTION TWO (2); THENCE NORTH 643.73 FEET TO POINT OF BEGINNING, CONTAINING 13.9365 ACRES INCLUDING 0.8898 ACRES OF COUNTY ROAD RIGHT OF WAY.

located in MADISON County, Iowa.

TITLE: I covenant and warrant title to the property, except for encumbrances of record, municipal and zoning ordinances, current taxes and assessments not yet due and _____

SECURED DEBT: This mortgage secures repayment of the secured debt and the performance of the covenants and agreements contained in this mortgage and in any other document incorporated herein. Secured debt, as used in this mortgage, includes any amounts I may at any time owe you under this mortgage, the instrument or agreement described below, any renewal, refinancing, extension or modification of such instrument or agreement, and, if applicable, the future advances described below.

The secured debt is evidenced by (describe the instrument or agreement secured by this mortgage and the date thereof):

ADJUSTABLE RATE NOTE DATED FEBRUARY 28, 1992

The above obligation is due and payable on JANUARY 8, 2001 if not paid earlier.

The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of SIXTY THOUSAND AND NO/100 Dollars (\$ 60,000.00), plus interest.

Future Advances: The above amount is secured even though all or part of it may not yet be advanced. Future advances are contemplated and will be secured to the same extent as if made on the date this mortgage is executed.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF \$ 60,000.00. LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

Variable Rate: The interest rate on the obligation secured by this mortgage may vary according to the terms of that obligation.

A copy of the loan agreement containing the terms under which the interest rate may vary is attached to this mortgage and made a part hereof.

RIDERS: Commercial Construction ADJUSTABLE RATE PAYMT RIDER

I understand that homestead property is in many cases protected from the 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.

Donald E. Dougherty (Signature) 2-28-92 (Date) Janice L. Carter (Signature) 2-28-92 (Date)

SIGNATURES: By signing below, I agree to the terms and covenants contained on both sides of this mortgage and in any riders described above that I have signed. I also acknowledge receipt of a copy of this mortgage on today's date.

Donald E. Dougherty
DONALD E. DOUGHERTY

Janice L. Carter
JANICE L. CARTER

ACKNOWLEDGMENT: STATE OF IOWA, COUNTY OF MADISON ss.

On this _____ day of _____, _____ before me, a Notary Public in the State of Iowa, personally appeared DONALD E. DOUGHERTY AND JANICE L. CARTER,

Individual Acknowledgment: to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that THEY executed the same as THEIR voluntary act and deed.

Corporate Acknowledgment: to me personally known, who being by me duly sworn or affirmed did say that that person is _____ (Title) of said corporation, that (the seal affixed to said instrument is the seal of said) (no seal has been procured by said) corporation and that said instrument was signed and sealed on behalf of the said corporation by authority of its board of directors and the said _____ acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

Michelle Utsler
Notary Public in the State of Iowa

RELEASED 6-8-77 SEE PAGE 200
Mtg RECORD 219

1-13-93

RED

COVENANTS

1. Payments. I agree to make all payments on the secured debt when due. Unless we agree otherwise, any payments you receive from me or for my benefit will be applied first to any amounts I owe you on the secured debt (exclusive of interest or principal), second, to interest and then to principal. If partial prepayment of the secured debt occurs for any reason, it will not reduce or excuse any subsequently scheduled payment until the secured debt is paid in full.

2. Claims against Title. I will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, and other charges relating to the property when due. You may require me to provide to you copies of all notices that such amounts are due and the receipts evidencing my payments. I will defend title to the property against any claims that would impair the lien of this mortgage. You may require me to assign any rights, claims or defenses which I may have against parties who supply labor or materials to improve or maintain the property.

3. Insurance. I will keep the property insured under terms acceptable to you at my expense and for your benefit. This insurance will include a standard mortgage clause in your favor. You will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the secured debt. If you require mortgage insurance, I agree to maintain such insurance for as long as you require.

4. Property. I will keep the property in good condition and make all repairs reasonably necessary. I will give you prompt notice of any loss or damage to the property.

5. Expenses. Except when prohibited by law, I agree to pay all your expenses, including reasonable attorneys' fees, if I breach any covenants in this mortgage or in any obligation secured by this mortgage. I will pay these amounts to you as provided in Covenant 10 of this mortgage.

6. Default and Acceleration. If I fail to make any payment when due or breach any covenants under this mortgage, any prior mortgage or any obligation secured by this mortgage, you may either accelerate the maturity of the secured debt and demand immediate payment or exercise any other remedy available to you. You may foreclose this mortgage in the manner provided by law.

7. Assignment of Rents and Profits. I assign to you the rents and profits of the property. Unless we have agreed otherwise in writing, I may collect and retain the rents as long as I am not in default. If I default, you may, as provided by law, have the court appoint a receiver and the receiver may take possession and manage the property and collect the rents, income and profits. Any amounts so collected shall be applied first to the costs of managing the property, including, but not limited to, all taxes, assessments, insurance premiums, repairs, court costs and attorneys' fees, commissions to rental agents, and any other necessary related expenses. The remaining amounts will then apply to payments on the secured debt as provided in Covenant 1.

8. Prior Security Interests. I will make payments when due and perform all other covenants under any mortgage, deed of trust, or other security agreement that has priority over this mortgage. I will not make or permit any modification or extension of any mortgage, deed of trust or other security interest that has priority over this mortgage or any note or agreement secured thereby without your written consent. I will promptly deliver to you any notices I receive from any person whose rights in the property have priority over your rights.

9. Leaseholds; Condominiums; Planned Unit Developments. I agree to comply with the provisions of any lease if this mortgage is on a leasehold. If this mortgage is on a unit in a condominium or a planned unit development, I will perform all of my duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

10. Authority of Mortgagee to Perform for Mortgagor. If I fail to perform any of my duties under this mortgage, or any other mortgage, deed of trust, lien or other security interest that has priority over this mortgage, you may perform the duties or cause them to be performed. You may sign my name or pay any amount if necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, you may do whatever is necessary to protect your security interest in the property. This may include completing the construction.

Your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.

Any amounts paid by you to protect your security interest will be secured by this mortgage. Such amounts will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect from time to time on the secured debt.

11. Inspection. You may enter the property to inspect if you give me notice beforehand. The notice must state the reasonable cause for your inspection.

12. Condemnation. I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement.

13. Waiver. By exercising any remedy available to you, you do not give up your rights to later use any other remedy. By not exercising any remedy, if I default, you do not waive your right to later consider the event a default if it happens again.

14. Joint and Several Liability; Co-signers; Successors and Assigns Bound. All duties under this mortgage are joint and several. If I sign this mortgage but do not sign the secured debt I do so only to mortgage my interest in the property to secure payment of the secured debt and by doing so, I do not agree to be personally liable on the secured debt. I also agree that you and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or the secured debt without my consent. Such a change will not release me from the terms of this mortgage.

The duties and benefits of this mortgage shall bind and benefit the successors and assigns of either or both of us.

15. Notice. Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by certified mail addressed to me at the Property Address or any other address that I tell you. I will give any notice to you by certified mail to your address on the front side of this mortgage, or to any other address which you have designated.

Any notice shall be deemed to have been given to either of us when given in the manner stated above.

16. Transfer of the Property or a Beneficial Interest in the Mortgagor. If all or any part of the property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the secured debt. You may also demand immediate payment if the mortgagor is not a natural person and a beneficial interest in the mortgagor is sold or transferred. However, you may not demand payment in the above situations if it is prohibited by federal law as of the date of this mortgage.

17. Release. When I have paid the secured debt, you will release this mortgage without charge to me. I agree to pay all costs to record this mortgage.

18. Waiver of Dower, Distributive Share and Homestead. I hereby waive and relinquish all rights of dower and distributive share in and to the property. I also waive all rights of homestead exemption as to the property.

19. Redemption. If the property is less than ten acres in size and if you waive in any foreclosure action any rights to a deficiency judgment against me, then the period of redemption after sale on foreclosure shall be reduced to six months. If the property is less than ten acres in size and the court finds that the property has been abandoned by me (which finding I agree the court may make) and if you waive any rights to a deficiency judgment against me in the foreclosure action, then the period of redemption after sale on foreclosure shall be reduced to sixty days. The provisions of this paragraph will be construed to conform to the provisions of Iowa Code Sections 628.26 and 628.27.

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 28TH.... day of FEBRUARY, 1992.....
and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security
Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's
Adjustable Rate Note (the "Note") to PEOPLES TRUST & SAVINGS BANK, ORGANIZED AND EXISTING..
UNDER THE LAWS OF THE STATE OF IOWA..... (the "Lender")
of the same date and covering the property described in the Security Instrument and located at:

ROUTE #1, BOX 161, ST. CHARLES, IA 50240.....
[Property Address]

**NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION
ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL
RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER
PAYMENTS.**

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument,
Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

The Note provides for an initial interest rate of 8.750..... %. The Note provides for changes in the in-
terest rate and the payments, as follows:

3. PAYMENTS

(A) Scheduled Payments

All references in the Security Instrument to "monthly payments" are changed to "scheduled payments."

I will pay principal and interest by making payments when scheduled: (mark one):

I will make my scheduled payments on the first day of each month beginning on

I will make my scheduled payments as follows:

ON EVERY 14TH DAY BEGINNING ON MARCH 16, 1992

In addition to the payments described above, I will pay a "balloon payment" of \$
on The Note Holder will deliver or mail to me notice prior to
maturity that the balloon payment is due. This notice will state the balloon payment amount and the date that it is due.

(B) Maturity Date and Place of Payments

I will make these payments as scheduled until I have paid all of the principal and interest and any other
charges described in the Note.

My scheduled payments will be applied to interest before principal. If, on JANUARY 8, 2001.....
....., I still owe amounts under the Note, I will pay those amounts in full
on that date, which is called the "maturity date."

I will make my scheduled payments at 114 N. HOWARD, P.O. BOX 279, INDIANOLA, IA 50125..
..... or at a different
place if required by the Note Holder.

(C) Amount of My Initial Scheduled Payments

Each of my initial scheduled payments will be in the amount of U.S. \$.374.48..... This amount
may change.

(D) Scheduled Payment Changes

Changes in my scheduled payment will reflect changes in the unpaid principal of my loan and in the interest
rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my
scheduled payment in accordance with Section 4 of the Note.



4. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

(A) Change Dates

Each date on which my interest rate could change is called a "Change Date." (Mark one)

- Interest rate change options: first day of month thereafter, or ON THE 16TH DAY OF FEBRUARY, 1997 and on every 130TH TWO WEEK PERIOD thereafter.

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is: NAT'L AVG. CONTRACT INTEREST RATE FOR PURCHASE OF PREVIOUSLY OCCUPIED HOMES FOR ALL MAJOR TYPES OF LENDERS PUBLISHED BY THE FHLBB ROUNDED TO THE NEAREST 1/4%

The most recent Index figure available as of the date 45 days or 30 DAYS before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by ADDING ZERO AND 750/1000 percentage points (0.750%) to the Current Index. The result of this calculation:

- Options for rounding: will not be rounded off, rounded off by Note Holder to nearest %, rounded up to nearest %, rounded down to nearest %.

Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate until the next change date.

The Note Holder will then determine the amount of the scheduled payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my scheduled payment.

(D) Limits on Interest Rate Changes

* FOUR AND NO/1000

- Options for interest rate limits: never increased or decreased by more than * percentage points, or never greater than 14.750% or less than 6.000%.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new scheduled payment beginning on the first scheduled payment date after the Change Date until the amount of my scheduled payment changes again.

(F) Notice of Changes

At least 25 days, but no more than 120 days, before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my scheduled payment. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. FUNDS FOR TAXES AND INSURANCE

[Mark one]

- Options for Uniform Covenant 2: waived by the Lender, or amended to read as follows:

2. SCHEDULED PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

I will pay to Lender all amounts necessary to pay for taxes, assessments, leasehold payments or ground rents (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make those payments on the same day that my scheduled payments of principal and interest are due under the Note.

Each of my payments under this Paragraph 2 will be the sum of the following:

- (i) The estimated yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument, divided by the number of scheduled payments in a year; plus,
(ii) The estimated yearly leasehold payments or ground rents on the Property, if any, divided by the number of scheduled payments in a year; plus

- (iii) The estimated yearly premium for hazard insurance covering the Property, divided by the number of scheduled payments in a year; plus
- (iv) The estimated yearly premium for mortgage insurance (if any), divided by the number of scheduled payments in a year.

Lender will estimate from time to time my yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the "escrow items." Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amounts that I pay to Lender for escrow items under this Paragraph 2 will be called the "Funds".

(B) Lender's Obligations

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Except as described in this Paragraph 2, Lender will use the Funds to pay the escrow items. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds, for using the Funds to pay escrow items, for analyzing my payments of Funds, or for receiving, verifying and totaling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the Funds; or (ii) the law requires Lender to pay interest on the Funds.

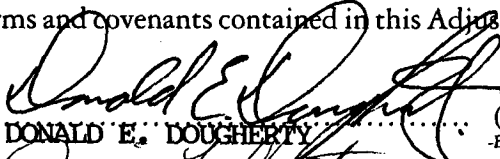
(C) Adjustments to the Funds

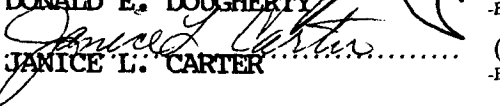
If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and agreements made in this Security Instrument, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future scheduled payments of Funds. There will be excess amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or keeping, plus (ii) the amount of the scheduled payments of Funds which I still must pay between that time and the due dates of escrow items is greater than the amount necessary to pay the escrow items when they are due.

If, when payments of escrow items are due, Lender has not received enough Funds to make those payments, I will pay to Lender whatever additional amount is necessary to pay the escrow items in full. I must pay that additional amount in one or more payments as Lender may require.

When I have paid all of the sums secured, Lender will promptly refund to me any Funds that are then being held by Lender. If, as a result of the exercise by Lender of any of its rights under this Security Instrument, either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, Lender will use any Funds which Lender is holding at the time to reduce the sums secured.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

X  (Seal)
 DONALD E. DOUGHERTY Borrower

X  (Seal)
 JANICE L. CARTER Borrower