Caveat: Do not use this form for an Iowa Consumer Credit Code transaction

Fee $10.00

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BOOK 120 PAGE 515

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MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

IND. V
CCC V

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

KNOW ALL MEN BY THESE PRESENTS, that Willis M. Smith and Donna L. Smith, its successors and assigns, herein referred to individually and collectively as the "Debtor," for and in consideration of good and valuable consideration received does hereby sell, transfer, assign and set over unto **UNION STATE BANK, WINTERSET, IOWA 50273**, its successors and assigns, herein referred to as the "Bank" the following property:

All of the rights, title and interest of the Debtor as Seller including all monies due or to become due the Debtor pursuant to one certain Real Estate Contract, dated the 3rd day of May, 19 78, by and between Willis M. Smith and Donna L. Smith as Seller and Rodger O. Cockrum and A. Kay Cockrum as Buyer, recorded in Book 108 at Page 64, at the Madison County Recorder's Office, covering the property described below, and herein referred to as the "Contract."

* Also to include an Agreement as set forth after the legal description.

All of the Debtor's right, title and interest in the property described in the Contract which is legally described as follows, to wit:

The South Half (S½) (except the South 87.5 acres of the Southwest Fractional Quarter; and except that part of the Southwest Quarter described as beginning 1049' South of the Northwest Corner of said Southwest Quarter, thence North 1049', thence East 2163', thence South Easterly 1103.7' to a point which is 2428.8', East of the Point of beginning, thence West 2428.8' to the point of beginning) of Section Eighteen (18), Township Seventy-seven (77) North, Twenty-eight (28) West of the 5th P.M., Madison County, Iowa.

* All of the rights, title and interest of the Debtor as Seller including all moneys due or to become due the Debtor pursuant to one certain Agreement dated the 12th day of May, 1985, by and between Willis M. Smith and Donna L. Smith as Sellers, and Rodger O. Cockrum and A. Kay Cockrum as Buyers, said Agreement being filed of record June 28, 1985, in Book 120, Page 13, at the Madison County Recorder's Office, covering the property described above, and herein referred to as the "Agreement".

The Debtor covenants with the Bank faithfully to observe and perform all of the obligations and agreements imposed upon the Debtor as the seller in the Contract. The Bank does not by the acceptance of this Assignment agree to perform any of the obligations of the Debtor under the Contract.

Debtor further represents and agrees that:

(a) Debtor hereby irrevocably appoints the Bank 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 on the Collateral; to receive, open and dispose of all mail addressed to the Debtor; to endorse the name of the Debtor upon any checks, drafts, money orders, or other evidences of payment that may come into the Bank's possession; to sign the Debtor's name on any deed or notice to the Buyer; to sign the Debtor's name on any proof of claim in bankruptcy against the Buyer; and do all other acts and things necessary in the Bank's sole judgment to carry out the terms of this Assignment.

(b) The Contract arose from a bonafide sale. The Contract is genuine and enforceable against the Buyer according to its terms.

(c) Debtor will defend the Collateral against the claims and demands of all other parties; will keep the Collateral free from all security interests or other encumbrances, except as specified herein; and will not sell, transfer, assign, deliver or otherwise dispose of any Collateral or any interest therein without the prior written consent of the Bank.

(d) Debtor will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete records concerning the Collateral; and will permit the Bank or its agents from time to time to inspect the Collateral and to audit and make extracts from such records or any of the Debtor's books, ledgers, reports, correspondence and other records.

(e) Debtor will notify the Bank in writing prior to any change in the Debtor's address specified herein, and prior to any change in the Debtor's name, identity or legal structure;

(f) Debtor, in connection herewith, will execute and deliver to the Bank 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 Bank, and do such other things with respect to the Collateral as the Bank may request.

(g) Debtor will pay or cause to be paid all taxes, assessments and other charges of every nature which may be levied or assessed against the Collateral; will insure or cause to be insured the Collateral against risks, and in coverage, form and amount satisfactory to the Bank with the Bank named as an insured on such policies; and at the Bank's request, will deliver or cause each policy or certificate of insurance thereof to be delivered to the Bank.

(h) Debtor will cause or will take good care of the Collateral and will maintain the Collateral in good condition and repair and not permit its value to be impaired, and will immediately give the Bank written notice of any loss of, or damage to, any of the Collateral.

REMEDIES/DEFAULT. It is understood and agreed between the Debtor and the Bank that in the event of the non-payment or other event of default occurring with respect to any of the Obligations secured by this Assignment 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 the Debtor to keep and perform any of the terms of any Obligations secured hereby, or in the event the Buyer or its successors or assigns fail to observe or perform any of its Obligations under the Contract, that then the whole amount of principal and interest secured by this Assignment and then unpaid shall become due and payable, at the option of the Bank, and without notice to the Debtor 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, the Bank may direct any or all of the Buyers of the Property under the contract to pay to the Bank or its agent such proceeds, payments, issues, profits, revenues, rights and benefits as may now be due or shall hereaftaer become due. The affidavit or written statement of an agent or attorney of the Bank 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 the Debtor shall have no recourse against any Buyer for the proceeds paid to the Bank.

Upon default, the Bank shall have all the rights and remedies of a secured party under the Uniform Commercial Code of Iowa and under any other applicable laws. Any requirements of the reasonable notice by either party to the other or to any guarantors or sureties of the Debtor shall be met if such notice is mailed, postage repaid, to the address of the parties shown on the last page of this Assignment (or to such other mailing address as either party in writing later furnishes to the other) at least ten calendar days (counting the day of sending) before the time of the event or contemplated action set forth in said notice. Debtor agrees to pay all expenses of retaking, holding, preparing for sale, and selling and attorney's fees and legal expenses as may be allowed by law and incurred by the Bank in enforcing its rights under this Assignment. All exemptions in and to any of the Collateral are hereby waived. The rights and remedies herein conferred upon the Bank 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.

It is understood and agreed that 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 the Debtor to retain, use and enjoy the same.

ESCROW. The Debtor has heretofor or will deposit herewith the abstract and an executed warranty deed to the subject Property of the Contract. 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 wil be returned to the Debtor if all Obligations of the Debtor hereunder are performed and satisfied in full by the Debtor. The Bank 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 the Bank is not acting as an escrow agent as that term is defined in Iowa Code §524.905(3) and the accounting and other requirements of that section shall not be applicable to this transaction.

If this Assignment involves agricultural land as that term is defined in Section 172C.1 of the Code of Iowa, then notice is hereby given that an instrument of conveyance has been deposited with the Bank and the grantor's name and address is _____ _____ and the grantee's name and address is **UNION STATE BANK, 201 West Court, Winterset, Iowa 50273**, all pursuant to Iowa Code § 558.44.

UNION STATE BANK

By _____

INSURANCE AND TAXES. In the event the Debtor shall fail to provide adequate insurance, pay taxes, or perform any other duty set forth herein, the Bank 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 herein accured. Debtor hereby appoints the Bank the agent and attorney for the Debtor in adjusting and cancelling such insurance and endorsing settlement drafts.

SUCCESSORS AND ASSIGNS. The rights and privileges of the Bank under this Assignment shall inure to the Benefit of its successors and assigns. All covenants, representations, warranties and agreements of the Debtor contained in this Assignment are joint and several if the Debtor is more than one and shall bind the Debtor's personal representatives, heirs, successors and assigns.

NON-WAIVER, EXTENSIONS, ETC. Any extension of time for payment of any installment of any of the Debtor's Obligations or the acceptance of only part of such installment, or the failure of the Bank to enforce the strict performance of any convenant, promise or condition herein contained (or in any other note, obligation or agreement) on the part of the Debtor to be performed, shall not operate as a waiver of the right of the Bank thereafter to require that the Debtor's Obligations and the terms herein be strictly performed according to the tenor thereof and hereof. No party to this Assignment shall be discharged from liability to the Bank by reason of the Bank's extending the time for payment of an installment or installments owing or due upon any such Obligation, or by reason of the Bank's waiver or modification of any terms of this Assignment. All parties hereto severally waive presentment for payment, notice of non-payment, protest, notice of protest and deligence in bringing suit against any party. The Debtor agrees that the Bank may, without thereby releasing the Debtor, substitute, release, alter or make any other disposition of any Collateral and further agree that the Bank is not required to first resort for payment to any such Collateral. Debtor grants Bank, as further security for the Obligations secured hereby, a security interest and lien in any credit balance (and other money) now or hereafter owed the Debtor by the Bank or any assignee of the Bank and, in addition, agrees that the Bank may, without prior notice or demand, set off against any such credit balance (or other money) any amount owing upon the Obligations secured hereby. No waiver of any provision of this Assignment shall be effective unless in writing and signed by the Bank.

MORTGAGE. In the event Debtor 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, Debtor hereby agrees that this document shall constitute a mortgage without the requirement of any further documentation or filing. Debtor further agrees that this Mortgage may be foreclosed pursuant to Chapter 654 of the Code of Iowa and that in the event of foreclosure and sheriff's sale of the property involved, the period of redemption from the date of sale may be reduced to six (6) months, at the option of the Bank, if the Bank waives in said foreclosure proceedings any rights to a deficiency judgment against the Debtor which may otherwise have arisen out of said foreclosure proceedings. It is further agreed, under Chapter 628 of the Code of Iowa, as amended, that in the event of such foreclosure, and in the event of the finding by the court decree in such foreclosure that the real estate hereinabove set out has been abandoned by the owners and the persons personally liable under the mortgage at the time of foreclosure, the period of redemption from foreclosure sale will be reduced to sixty (60) days if in such event the Bank waives rights to a deficiency judgment against the Debtor or its successor in interest, subject to the other provisions of the above-referenced law as amended. The provisions of 628.28 shall apply where applicable. It is further agreed that if this agreement is foreclosed pursuant Chapter 654 of the Code of Iowa, the Bank shall be entitled to the appointment of a receiver as provided therein.

CONSTRUCTION. The Debtor hereby relinquishes all rights of dower, homestead and distributive shares in and to the Property. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine, or neuter gender according to the context. The paragraph headings of this Assignment are for convenience only and shall not limit the terms of this Assignment. The validity, construction and enforcement of this Assignment shall be determined and governed by the laws of Iowa. All terms not otherwise defined shall have the meaning assigned to them by the Uniform Commercial Code of Iowa. If any provisions of this Assignment shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Assignment shall be construed as if such invalid or unenforceable provision had never been contained herein.

Executed this 22 day of January, 19 86.

Willis M. Smith
Willis M. Smith

Donna L. Smith
Donna L. Smith

STATE OF IOWA
} SS:
COUNTY OF Madison

On this 22 day of January, 19 86, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Willis M. Smith and Donna L. Smith and _____, to me personally know to be the identical persons named in and who executed the foregoing instrument, and acknowledged that he/they executed the same as his/her voluntary act and deed.

LEANN R. NELSON NOTARIAL SEAL Iowa

Leann R. Nelson
Notary Public in and for said
County and State

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