SECURITY AGREEMENT AND MORTGAGE

(Collateral Assignment of Contract Seller's Interest in Real Estate Contract)

THIS SECURITY AGREEMENT AND MORTGAGE ("Agreement") made on the date of execution hereof, by and between the undersigned debtor or debtors jointly and severally ("Debtor") and BANKERS TRUST COMPANY ("Secured Party").

1. SECURITY INTEREST. Debtor (jointly and severally) for value received hereby grants to Secured Party a security interest in all of the right, title and interest of Debtor as seller under that certain real estate contract by and between Debtor as seller and Rodger O. Cockrum and A. Kay Cockrum, husband and wife---------- as buyer ("Buyer") dated May 3, 1978 and recorded June 12, 1978 in Book 108 at Page 64 in the Office of the Madison Co. Recorder, bearing Instrument Number 2714 (the "Contract") for the sale of the following described real property situated in the County of Madison and State of Iowa (the "Real Property"):

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 feet South of the Northwest Corner of said Southwest Quarter, thence North 1049 feet, thence East 2163 feet, thence Southeasterly 1103.7 feet to a point which is 2428.8 feet East of the point of beginning, thence West 2428.8 feet to the point of beginning) of Section 18, Township 77 North, Range 28, West of the 5th P.M., Madison County, Iowa.

2. OBLIGATIONS SECURED - OPEN-END. This Agreement is given to secure performance of the covenants and agreements herein set forth and to secure the payment of all sums due and owing by reason of a promissory note of even date herewith in the principal amount of $169,000.00 (the "Note") executed by Debtor payable to or to the order of Secured Party with interest as set forth therein and for all costs, attorney fees and expenses incurred in the collection thereof, and costs of enforcement of Secured Party's rights hereunder or thereunder and for interest thereon; and for the payment of all extensions and renewals thereof and for all advances made by Secured Party for taxes, levies and repairs to or maintenance of the Real Property or to protect, preserve or enforce the Contract against the claims of others and for interest thereon; and for all money heretofore and hereafter advanced by Secured Party at its option to or for the account of Debtor and all other present or future, direct or contingent liabilities of Debtor to Secured Party of any nature whatsoever and however arising or acquired. All sums payable to Secured Party as set forth in the Note and all other above-described obligations of Debtor in favor of Secured Party are herein collectively called the "Debt".

3. DELIVERY OF THE CONTRACT. Debtor agrees upon the execution hereof to deliver to Secured Party an original executed and recorded counterpart of the Contract or a copy thereof duly certified by the county recorder which shall be held by Secured Party during the term hereof and which may be enforced by Secured Party at such times and in such manner as set forth herein.

Compared

Bankers Trust Company Rel. Mtg. Rec 1-17-45

STATE OF IOWA, MADISON COUNTY, ss. Inst. No. 1881 Filed for Record this 17 day of May 19 83 at 4:12 P.M.
Book 116 Page 710 Recording Fee $24.00 Mary E. Welty, Recorder, By _____ Deputy

M welty

4. ADDITIONAL DOCUMENTS. Debtor agrees to execute and deliver to Secured Party such financing statements and other documents and instruments as are, during the term hereof, required to perfect, preserve and enforce the security interest and mortgage granted herein.

5. RIGHTS OF SECURED PARTY TO PAYMENTS AND ENFORCEMENT. Secured Party is hereby authorized to notify the Buyer of this Agreement and direct the Buyer to make all payments due pursuant to the Contract directly to Secured Party to be used by Secured Party to reduce the Debt.

6. OBLIGATIONS OF SECURED PARTY. The execution of this Agreement shall not bind or obligate the Secured Party to perform any of the duties or obligations of Debtor as seller under the Contract. At such time as all of the Buyer's obligations under the Contract are paid and satisfied in full, Debtor shall convey the Real Property to the Buyer in the manner required by the Contract and Secured Party shall release the security interest and mortgage herein granted.

7. NOTICE OF DEFAULT. Debtor shall immediately notify Secured Party of any default or failure of performance by the Buyer under the Contract. Upon such default or failure of performance, Secured Party may at its election, for and on behalf of Debtor, assert such rights as are available to Debtor under the Contract including but not limited to Debtor's right to forfeit or to foreclose the Contract.

8. WARRANTY. Debtor warrants and represents:

(a) That Debtor is the owner and holder of the Real Property free and clear of any lien or encumbrance, unless specifically set forth herein, except for the rights of the Buyer under the Contract and except for such liens or encumbrances caused, created or incurred by the Buyer;

(b) That Debtor is the owner and holder of the Contract free and clear of any security interest, lien or other encumbrance unless specifically set forth herein;

(c) Debtor will not sell, assign, transfer, convey, grant any security interest in, or otherwise encumber the Contract or the Real Property without the written consent of Secured Party.

9. EXAMINATION OF ABSTRACT. As a condition of the loan evidenced by the Note or at any time during the term hereof upon demand by Secured Party, Debtor will obtain and deliver to Secured Party a current abstract of title covering the Real Property. Expenses of obtaining and continuing such abstract of title shall be paid by Debtor.

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

11. ASSIGNMENTS AND DEFENSES. Secured Party shall have the right to assign or transfer the security interest evidenced by this Agreement and the Note or other evidence of the Debt without notice to Debtor. Debtor specifically agrees that if there is any assignment or transfer of this Agreement or the Note or other evidence of the Debt, the assignee or transferee shall have all of Secured Party's rights and remedies under this Agreement and Debtor will not assert as a defense, counterclaim, set-off, cross complaint or otherwise, any claim, known or unknown, which Debtor now has or hereafter acquires against the original Secured Party.

12. NON-WAIVER, EXTENSIONS, ETC. No extension of time for payment of the Debt or any installment thereof, nor the acceptance of only part of such installment, nor the failure of Secured Party to enforce the strict performance of any covenant, promise or condition herein contained on the part of Debtor to be performed, shall operate as a waiver of the right of Secured Party thereafter to require that the terms hereof be strictly performed according to the tenor hereof. No party to this Agreement or any guarantor or surety hereof shall be discharged from liability to Secured Party by reason of the Secured Party's extending from time to time, even though for a period of time greater than the original term, the time for payment of all or any installment of the Note or other evidence of the Debt, or by reason of the Secured Party's waiver or modification of any terms of the Note or other evidence of the Debt or of any terms of this Agreement.

13. DEFAULT AND ACCELERATION OF OBLIGATIONS. Upon the occurrence of any of the following events, Secured Party may at Secured Party's option, orally or in writing, declare this Agreement to be in default and the whole or any portion of the unpaid balance of the Debt or any other obligation secured by this Agreement, immediately due and payable: (a) Debtor fails to make payments to Secured Party as agreed; (b) Debtor fails to perform all other obligations agreed to be performed by Debtor hereunder or under the Note or other evidence of the Debt; (c) Debtor or any agent of Debtor has made or furnished to Secured Party a statement, representation or warranty false in any material respect or which omits to state a fact material to the accuracy of the statement, representation or warranty made; (d) The suretyship of any surety or the guaranty of any guarantor for payment of all or any part of the Debt or for the performance of Debtors obligation under this Agreement is revoked, rescinded or cancelled; (e) Debtor fails in business, or there occurs the dissolution or termination of its existence, or there is commenced any proceeding under any bankruptcy or insolvency law by or against Debtor or by or against any guarantor or surety upon the Debt, or Debtor makes any assignment for the benefit of creditors; (f) Occurrence of loss, theft, damage or destruction of the Collateral not covered by adequate insurance containing a loss payable clause for the protection of Secured Party; or (g) Secured Party deems itself insecure.

14. REMEDIES. Upon the occurence of any default set forth in paragraph 13 above, Secured Party shall have, in addition to the rights and remedies provided in this Agreement, all the rights and remedies of a Secured Party under the Uniform Commercial Code of Iowa and under any other applicable laws. Debtor agrees to pay all expenses of selling the Contract and all attorney fees and legal expenses incurred by Secured Party in enforcing its

rights under this Agreement, the Note or other evidence of the Debt. All statutory or common law exemptions in favor of or benefiting Debtor are hereby waived.

15. MORTGAGE. In addition to the security interest granted herein covering Debtor's right, title and interest in the Contract, Debtor does hereby sell, convey and mortgage unto Secured Party all of the right, title and interest of Debtor in and to the Real Property subject only to the rights of the Buyer under the Contract and to such other liens or encumbrances as are specifically set forth herein and, as to the Real Property, the parties shall have the following rights, obligations and remedies:

(a) Property Included. The Real Property shall, in addition to that described on page 1 hereof be deemed to include all buildings, improvements and appurtenances now or hereafter located thereon or in any way pertaining thereto, including without limitation whether attached or detached, all elevators, all gas, steam, electric or other heating, air conditioning, lighting, plumbing, ventilating, sprinkling, irrigating, water and power systems, appliances, fixtures, storm and screen windows and doors, and all other fixtures. As to any such personal property, or fixtures, or both, a Security Interest is hereby granted by Debtor, as provided by the Uniform Commercial Code of Iowa.

(b) Release. This Agreement shall be released upon payment of the Debt in full and upon receipt of demand from Debtor that Secured Party execute and record a written release of this Agreement, otherwise this Agreement shall remain in full force and effect.

(c) Insurance. Until the Debt is paid in full, Debtor shall keep, or cause to be kept, the Real Property insured against loss or damage by fire, windstorm and such other hazards as may be required by Secured Party by policies of insurance in form and amounts satisfactory to Secured Party and written by insurance companies approved by Secured Party. Such policies shall be payable to Secured Party and shall not be cancelable without at least twenty (20) days written notice to Secured Party. Debtor shall pay, or cause to be paid, all premiums on such policies on or before the date such premiums become due and shall forthwith furnish to Secured Party evidence of such payments. Full power is hereby conferred on the Secured Party to settle or compromise claims under all such policies, to demand, receive and receipt for all monies becoming payable thereunder, and to assign all such policies to any endorsee of the Note or other evidence of the Debt or to the purchaser of the Real Property at any foreclosure or execution sale. In the event of loss any insurance money paid shall be applied either on the Debt or other sums payable hereunder or in rebuilding or restoring the damaged buildings or improvements as the Secured Party may elect. Certificates or policies of insurance, and abstracts and other title evidence, shall be delivered to and held by Secured Party. Upon foreclosure of this Agreement or other acquisition of the Real Property or any part thereof by Secured Party said policies, abstracts and title evidence shall become the absolute property of Secured Party.

(d) Taxes. Debtor shall pay or cause to be paid, when due, all taxes and assessments of every type or nature levied or assessed against the Real Property or upon Secured Party's interest therein, and any claim, lien or

encumbrance against the Real Property and shall furnish to Secured Party prior to the date when such required payments would become delinquent, certificates or receipts of the proper office showing full payment of all such taxes and assessments.

(e) Escrow. If now or hereafter demanded, Debtor agrees to pay to Secured Party additional monthly installments equal to one-twelfth of such amount as Secured Party shall estimate to be required annually, for the purpose of accumulating a fund with which to pay, when due, taxes, assessments and premiums on insurance policies covering the Real Property.

(f) Optional Payment By Secured Party. Upon failure by Debtor to maintain insurance, pay taxes and assessments, or furnish certificates or receipts as hereinbefore provided, Secured Party may, at its option, procure such insurance, pay such taxes and assessments, redeem the Real Property from any tax sale and procure such certificates or receipts, and Debtor shall upon demand pay to Secured Party all sums so paid or become obligated for, together with interest on all such sums from the date paid at a rate equal to two percent (2%) per annum above the original interest rate provided for in the Note, but not in excess of the maximum lawful rate in effect at the time such sums were paid.

(g) Expenses of Enforcement. Debtor agrees to pay to Secured Party on demand all sums, including costs, expenses and attorney fees which Secured Party may incur in any proceedings, legal or otherwise, to establish or maintain the lien of this Agreement or its priority; or in defending against liens, claims, rights, estates, easements, or restrictions claimed by any person or persons asserting priority over this Agreement; or in payment, settlement, discharge or release of any asserted lien, claim, right, estate, easement or restriction when counsel advises Secured Party that the same is superior to the lien of this Agreement; or for an abstract or an extension of abstract of title covering the Real Property.

(h) Default. If default is made in payment at the time and in the manner provided by the note or by any other evidence of the Debt or payment of interest thereon; or if default is made in payment of any other sums hereby secured; or if waste shall be suffered or committed on the Real Property or if any mechanic's or other liens arising either by contract or law which might be prior to the lien of this Agreement be created upon all or any part of the Real Property for twenty (20) days without the same being paid or released and discharged; or in the event there shall exist upon the Real Property any claim, lien, encumbrance, easement or restriction not herein specifically mentioned prior to this Agreement; or upon default in full performance of any of Debtor's obligations, covenants, or agreements hereunder; OR IF THE DEBTOR SHALL CONVEY THE REAL PROPERTY OR ANY PART THEREOF OR IF THE TITLE THERETO SHALL BECOME VESTED IN ANY PERSON OR PERSONS OTHER THAN DEBTOR IN ANY MANNER WHATSOEVER, then and in any such event the entire Debt with all interest thereon and all other amounts hereby secured shall, at the option of Secured Party be and become immediately due and payable, and may forthwith or at any time thereafter be collected by suit at law, foreclosure, or other proceeding upon this Agreement or by any other proper legal or equitable procedure without declaration of such option and without notice.

(i) Deficiency and Redemption. If this Agreement covers less than ten (10) acres of land, and in the event of the foreclosure of this Agreement and the sale of the Real Property by sheriff's sale in such foreclosure proceedings, the time of one (1) year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided Secured Party in such action files an election to waive any deficiency judgment against Debtor which may arise out of the foreclosure proceedings. The period of redemption after a foreclosure of this Agreement shall be reduced to sixty (60) days if all of the three following contingencies develop: (a) The Real Property is less than ten (10) acres in size; (b) the Court finds affirmatively that said Real Property has been abandoned by the owners and those persons personally liable under this Agreement at the time of such foreclosure; and (c) Secured Party in such action files an election to waive any deficiency judgment against Debtor or its successors in interest in such action.

(j) Possession of Premises. Upon maturity of the Debt or other sums hereby secured, whether by acceleration or otherwise, Secured Party shall have the right to forthwith enter into and upon the Real Property and take possession thereof or to appoint an agent for collection of the rents, issues and profits thereof. The net income from such rents, issues and profits, after allowing a reasonable fee for the collection thereof and management of the Real Property may be applied toward payment of taxes, assessments, insurance premiums and other debts and charges against the Real Property, or in reduction of the Debt or other sums hereby secured, in such manner and proportion as Secured Party may elect. Such rents, issues and profits are hereby specifically pledged to the payment of the Debt and all other sums hereby secured.

(k) Receivership. If at any time, in the opinion of Secured Party, a receivership may be necessary to protect the lien of this Agreement against the Real Property, or the rents, issues, and profits as herein provided, whether before or after maturity of the Debt or other sums hereby secured or at the time of or after institution of suit to collect the Debt or other sums hereby secured, or to enforce or foreclose this Agreement, Secured Party shall, regardless of the value of the Real Property as security for the Debt or of the solvency or insolvency of any party bound for the payment of the Debt or other sums hereby secured, have the right to the appointment, on ex-parte appliction and with or without notice, by any proper Court having jurisdiction, of a receiver who shall, under the direction of the Court of appointment, take possession of, and manage and control the Real Property as authorized and directed by the Court, and who shall collect the rents, issues and profits of the Real Property and, after payment of the expenses of the receivership and management of the Real Property apply the same toward payment of taxes, assessments, insurance premiums and other debts and charges against the Real Property or in reduction of the Debt.

(l) Waiver. Debtor hereby waives and relinquishes all statutory and common law rights of dower, homestead and distributive share in and to the Real Property and Debtor hereby waives and relinquishes all statutory and common law rights of exemption as to the Real Property.

16. RIGHTS AND REMEDIES CUMULATIVE. The rights and remedies herein conferred upon Secured Party 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 law.

17. LAW APPLICABLE. This Agreement shall be construed according to the laws of the State of Iowa. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid or unenforceable provision had not been contained herein.

18. CONSTRUCTION. Words and phrases herein shall be construed as defined in the Uniform Commercial Code of Iowa and, including acknowledgment hereof, if any, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context. The term "Debtor" as used herein shall be construed to mean "Mortgagor" to the extent this Agreement constitutes a mortgage.

19. POWER OF ATTORNEY. Debtor hereby appoints Secured Party to be the Debtor's attorney-in-fact (without requiring Secured Party to act as such) for the purpose of carrying out the provisions hereof and taking any action and executing any document or instrument which Secured Party may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, Secured Party shall, as attorney-in-fact of Debtor, have the right to receive, collect and endorse all checks made payable to Debtor, or Debtor's order representing any payment due under the Contract and to give full discharge therefor.

20. OTHER PROVISIONS.

Dated at Des Moines, Iowa this 14th day of May, ~~1981~~ 1983.

Willis M. Smith

Willis M. Smith

Donna L. Smith

Donna L. Smith

"DEBTOR"

BANKERS TRUST COMPANY

By Joseph J. Bustin

Joseph J. Bustin, Vice President

By ~~xxx~~

"SECURED PARTY"

County of)
) ss:
State of Iowa)

On this 19 day of May, 1983, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Willis M. Smith and Donna L. Smith, husband and wife 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.

Donald Kainer
Notary Public in and for ~~said County~~ the ~~and~~ State of Iowa.

County of Polk)
) ss:
State of Iowa)

On this _____ day of _____, 1983, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared _____ ~~and~~ _____ to me personally known, who, being by me duly sworn, did say that ~~they are the~~ _____ ~~and~~ _____ ~~respectively~~, of said corporation executing the within and foregoing instrument, that (~~no seal has been procured by the said~~)(the seal affixed thereto is the seal of said) corporation; that said instrument was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and that the said _____ and _____ as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by ~~them~~ him voluntarily executed.

_____
Notary Public in and for ~~said County~~ the ~~and~~ State of Iowa.

County of)
) ss:
State of)

On this _____ day of _____, 19___, before me the undersigned, a Notary Public in and for the State of _____, personally appeared _____ and _____ to me personally knwon, who, being by me duly sworn, did say that they are the _____ and _____, respectively, of said corporation executing the within and foregoing instrument, that (no seal has been procured by the said)(the seal affixed thereto is the seal of said) corporation; that said instrument was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and that the said _____ and _____ 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.

_____
Notary Public in and for said County
and State