FILED NO. 1180
BOOK 115 PAGE 612
1982 MAR -2 PM 4:28
MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee #24.00

SECURITY AGREEMENT AND ASSIGNMENT
OF REAL ESTATE CONTRACT
AS COLLATERAL FOR LOAN

8 pgs

In consideration for any loan or loans which have been made or will be made by Cyrus B. McDonald to Frank Arnold McDonald and Mary M. McDonald, hereinafter referred to as "Assignors", and to secure and provide for the payment of any and all such loan or loans, the Assignors hereby assign, transfer and set over to Cyrus B. McDonald all of their right, title and interest in and to certain real estate contracts, grant Cyrus B. McDonald a security interest in and to the proceeds from said real estate contracts and all sums due and to become due thereon, which real estate contracts are described as follows:

1. Real estate contract from Assignors to I.N.S. Farms, Inc. recorded in Book 115, Page 386 of the Madison County Recorder's Office.

2. Real estate contract from Assignors to Paul B. Nardini and Diana Sue Nardini, recorded in Book 115, Page 251 of the Madison County Recorder's Office.

See copies of real estate contracts attached hereto and marked Exhibits "A" and "B". I.N.S. Farms, Inc. and Paul B. Nardini and Diana Sue Nardini are hereinafter referred to as "Buyers".

1. Payments on Contracts. It is understood that Buyers will make all payments due on the said real estate contracts with Assignors to Cyrus B. McDonald at Rural Route #2, Earlham, Iowa. Cyrus B. McDonald, in his discretion, may take any action or proceedings, either in his own name or in the names of the Assignors, or otherwise, which Cyrus B. McDonald may deem necessary or advisable under the circumstances. It is expressly understood and agreed, however, that Cyrus B. McDonald shall not be required or obliged in any manner to make any demand, or to make any inquiry as to the nature or sufficiency of any payment received by him or to present, or to file any claims or to take any other action to collect or enforce the payment of any amount or amounts which may be or become due or payable under the above-described real estate contracts.

2. Application of Monies Received by Cyrus B. McDonald. The Assignors agree that any and all monies received by Cyrus B. McDonald from either the Buyers, the Assignors, or anyone else, by virtue of this Assignment, shall be applied by Cyrus B. McDonald as follows:

For Release of assignment
per deed Rec 118-348

For Assignment To
Prod. Credit Assn
see deed Rec 117-21

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REC. ✓
PAGE ✓

a. Twenty percent (20%) of all payments received shall be paid to Assignors.

b. Eighty percent (80%) of all payments received shall be applied by Cyrus B. McDonald toward the payment of any and all loans and any and all obligations that Assignors have to Cyrus B. McDonald, the payment of that portion of the loan from John Hancock Life Insurance Company to Assignors, and McDonalds' Porkel Corp. that is the obligation of Assignors and other loans to McDonalds' Porkel Corp which have been personally guaranteed by Assignors.

Application of amounts as between principal and interest and as between particular obligations is to be in the absolute discretion of Cyrus B. McDonald. Any residue from such payments which remains after the payment in full of all obligations, indebtednesses, and liabilities of the Assignors shall be paid by Cyrus B. McDonald to the Assignors.

3. This assignment shall cover all payments and proceeds received upon said contracts.

4. Further Assurances. The Assignors further agree that they will, at any time, upon the request of Cyrus B. McDonald, execute and deliver such further documents and do such other acts and things as Cyrus B. McDonald may specify for the purpose of further assurances, or effecting the purposes of this assignment, and otherwise do any and all things and acts which Cyrus B. McDonald may request in order to perfect this assignment.

5. Warranties. The Assignors hereby warrant that they are legally competent to make this assignment, that they have not transferred, or assigned, or encumbered the real estate contracts or any rights or interest therein, or any monies due or to become due or payable thereunder, and that no proceedings in bankruptcy or insolvency or otherwise at law and equity, which would affect their rights under said real estate contracts, are pending against them.

6. Benefits. The covenants and warranties that the Assignors set forth herein shall inure to the benefit not only of Cyrus B. McDonald, but of his successors and assigns, provided that Cyrus B. McDonald shall not assign or re-assign said contracts without the express written consent of Assignors.

7. Remedies. The rights and remedies of Cyrus B. McDonald hereunder are cumulative and are not in lieu of but are in addition to any other rights and remedies which Cyrus B. McDonald may have under the provisions of any promissory note or agreement, or otherwise.

8. Contract. A copy of the real estate contracts assigned herein are attached hereto and marked Exhibits "A" and "B", and incorporated herein by this reference.

Dated this 19 day of February, 1982.

Frank A. McDonald
Frank Arnold McDonald

Mary M. McDonald
Mary M. McDonald

STATE OF UTAH :
: ss
COUNTY OF WASHINGTON :

On this 19th day of February, 1982, before me, the undersigned, a Notary Public in and for said County and said State, personally appeared Frank Arnold McDonald and Mary M. McDonald, to me personally known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for the State of ~~Iowa~~ Utah

IOWA STATE BAR ASSOCIATION
Official Form No. 21.2

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF IOWA, MADISON COUNTY, ss. Inst. No. 581 Filed for Record this 9 day of October 1981 at 2:15 P.M.
Book 115 Page 386 Recording Fee 9.00 Mary E. Welty, Recorder, By _____ Deputy

Compared

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REC. ✓
PAGE ✓

REAL ESTATE CONTRACT (SHORT FORM)

It Is Agreed between FRANK A. McDONALD and MARY MARGARET McDONALD, husband and wife

of Madison County, Iowa, **Sellers**, and, I.N.S. FARMS, INC.

of _____ County, Iowa, **Buyers:**

That Sellers hereby agree to sell and Buyers hereby agree to buy the real estate situated in Madison County, Iowa, described as:

The East Half (E½) of the Southwest Quarter (SW¼) of Section Twenty-one (21), Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M.

together with all easements and servient estates appurtenant thereto, upon the following terms:

1. **TOTAL PURCHASE PRICE** for said property is the sum of One Hundred Eighty Thousand and 00/100---------- Dollars ($180,000.00) of which Ten Thousand and 00/100---------- Dollars ($ 10,000.00) has been paid herewith, receipt of which is hereby acknowledged by Sellers; and Buyers agree to pay the balance to Sellers at residence of Sellers, or as directed by Sellers, as follows:

$10,000 on principal on October 1, 1981;
$10,000 on principal on November 1, 1981;
$10,000 on principal on January 1, 1982;
$10,000 on principal on March 1, 1982;
$7,500 on principal on the first day of March in the years 1983 and 1984;
$5,000 on principal on March 1, 1985;
$2,000 on principal on the first day of March in the years 1986, 1987, 1988, 1989, 1990, 1991, and 1992;
$4,000 on principal on the first day of March in the years 1993, 1994, 1995, 1996 and 1997;
$6,500 on principal on the first day of March in the years 1998, 1999, and 2000; and
$56,500 on principal on March 1, 2001

2. **INTEREST.** Buyers agree to pay interest from October 1, 1981 upon the unpaid balances, at the rate of 9 per cent per annum, payable _____ annually, on March 1 of each year, beginning March 1, 1982.

3. **TAXES.** Sellers agree to pay all of the taxes assessed against said real estate payable in the fiscal year beginning July 1, 1981 _____, and any unpaid taxes thereon payable in prior years and any and all special assessments for improvements which have been installed at the date of this contract; and Buyers agree to pay, before they become delinquent, all other current and subsequent taxes and assessments against said premises. **Any proration of taxes shall be based upon the taxes for the year currently payable unless the parties state otherwise.***

4. **POSSESSION.** Sellers agree to give Buyers possession of said premises on or before October 1 19 81, subject to the rights of existing tenant.

5. **INSURANCE.** Sellers agree to carry existing insurance until date of possession and Buyers agree to accept the insurance recovery instead of replacing or repairing buildings or improvements. Thereafter until final settlement, Buyers agree to keep the improvements upon said premises insured against loss by fire, tornado and extended coverage for a sum not less than $ existing or the balance owing under this contract, whichever is less, with insurance payable to Sellers and Buyers as their interests may appear, and to deliver policies therefor to Sellers. Buyer agrees to carry insurance in an amount necessary to satisfy the requirements of any person or company holding a mortgage against said real estate or a security interest against any fixtures or property attached to said real estate.

6. **ABSTRACT.** Sellers agree to forthwith deliver to Buyers for their examination abstract of title to said premises continued to the date of this contract showing merchantable title in accordance with Iowa Title Standards. After examination by Buyers the abstract shall be held by Sellers until delivery of deed. Sellers agree to pay for an additional abstracting which may be required by acts, omissions, death or incompetency of Sellers, or either of them, occurring before delivery of deed. Until full payment of the balance owing on this contract by Buyer, title shall be subject to a mortgage on said premises held by John Hancock Mutual Life Co.

7. **FIXTURES.** All light fixtures, electric service cable and apparatus, shades, rods, blinds, venetian blinds, awnings, storm and screen doors and windows, attached linoleum, attached carpeting, water heater, water softener, outside TV tower and antenna, attached fencing and gates, pump jacks, trees, shrubs and flowers and any other attached fixtures are a part of the real estate and are included in this sale except

*Decide for yourself if that formula is fair if Buyers are purchasing a lot with newly built improvements.

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"EXHIBIT" A

8. **CARE OF PROPERTY.** Buyers shall not injure, destroy or remove the improvements or fixtures or make any material alterations thereof without the written consent of Sellers, until final payment is made.

9. **DEED.** Upon payment of all sums owing by Buyers to Sellers by virtue of this contract, Sellers agree to contemporaneously execute and deliver to Buyers a warranty deed upon the form approved by The Iowa State Bar Association and which shall be subject to:

(a) Liens and encumbrances suffered or permitted by Buyers, and taxes and assessments payable by Buyers.

(b) Applicable zoning regulations and easements of record for public utilities and established roads and highways.

(c)

10. **FORFEITURE AND FORECLOSURE.** If Buyers fail to perform this agreement in any respect, time being made the essence of this agreement, then Sellers may forfeit this contract as provided by Chapter 656 of the Iowa Code and all payments made and improvements made on said premises shall be forfeited; or Sellers may declare the full balance owing due and payable and proceed by suit at law or in equity to foreclose this contract, in which event Buyers agree to pay costs and attorney fees and any other expense incurred by Sellers. It is agreed that the periods of redemption after sale on foreclosure may be reduced under the conditions set forth in Sections 628.26 and 628.27, Code of Iowa.

11. **PERSONAL PROPERTY.** If this contract includes personalty, then Buyer grants Seller a security interest in such personalty. In the case of Buyer's default, Seller may, at his option, proceed in respect to such personalty in accordance with the Uniform Commercial Code of Iowa and treat such personalty in the same manner as real estate, all as permitted by Section 554.9501(4), Code of Iowa.

12. **JOINT TENANCY IN PROCEEDS AND IN SECURITY RIGHT IN REAL ESTATE.** If, and only if, the Sellers, immediately preceding this sale, hold the title to the above described property in joint tenancy, this sale shall not constitute a destruction of that joint tenancy. In that case all rights of the Sellers in this contract, in the proceeds thereof, and in any continuing or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with full rights of survivorship and not as tenants in common. Buyers, in the event of the death of one of such joint tenants, agree to pay any balance of the proceeds of this contract to the surviving Seller and to accept deed executed solely by such survivor; but with due regard for the last sentence of paragraph 4, above.

13. **"SELLERS."** Spouse, if not a titleholder immediately preceding this sale, shall be presumed to have executed this instrument only for the purpose of relinquishing all rights of dower, homestead and distributive share and/or in compliance with section 561.13 Code of Iowa; and the use of the word "Sellers" in the printed portion of this contract, without more, shall not rebut such presumption, nor in any way enlarge or extend the previous interest of such spouse in said property, or in the sale proceeds, nor bind such spouse except as aforesaid, to the terms and provisions of this contract.

14. **(Here add further terms or provisions)** See additional provisions attached hereto.

Words and phrases herein shall be construed as singular or plural and as masculine, feminine or neuter gender according to the context

Dated this 17th day of September 19 81

I.N.S. FARMS, INC.

By Lynn L. Stine Pres
BUYERS

Marilyn L. Stine Secy

Frank A. McDonald
Frank A. McDonald

Mary Margaret McDonald
Mary Margaret McDonald **SELLERS**

Buyers' Address UTAH WASHINGTON ~~MADISON~~

Sellers' Address

STATE OF ~~IOWA~~ _____ COUNTY, ss:

On this 29th day of Sept, A. D. 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Frank A. McDonald and Mary Margaret McDonald

to me known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed

Lora L. Stringer
St. George Ut. 7-85 Wash. Co., Notary Public in and for said County and State.

NOTARY PUBLIC STATE OF UTAH

Real Estate Contract (Short Form)

TO

Entered for taxation the _____ day of _____, 19__
_____ Auditor
By _____ Deputy

Filed for record the 9 day of October, 1981 at 2:15 o'clock P M., and recorded in Book 115 of Deeds on page 386
of Madison County Records.
Mary E. Kelly Recorder
By _____ Deputy

WHEN RECORDED RETURN TO
Mealight Corporation
West Towne Suite 606

1206-35th St.

ADDITIONAL PROVISIONS

McDONALD - I.N.S. FARMS, INC. REAL ESTATE CONTRACT

a. Subject to the approval of any person or company holding a mortgage against said real estate or a security interest against fixtures or property attached to said real estate, Sellers authorize Buyer to remove any building on the real estate, except the grain bins.

b. Buyer does not have the right to make additional payments on the principal without the consent of Seller.

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF IOWA, Dallas COUNTY, ss:

On this _____ day of October, A.D. 1982, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Ira S. Stine and Marilyn L. Stine, to me personally known, who, being by me duly sworn, did say that they are the President and Secretary respectively, of said corporation executing the within and foregoing instrument to which this is attached, that (no seal has been procured by the said) corporation; that said instrument was signed (and sealed) on behalf of (the seal affixed thereto is the seal of said) said corporation by authority of its Board of Directors; and that the said Ira S. Stine and Marilyn L. Stine 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.

LESTER C. MEALIFF NOTARIAL SEAL IOWA

Lester C. Mealiff

expires 9-30-82, Notary Public in and for said County and State.

IOWA STATE BAR ASSOCIATION
Official Form No. 12 (Trade-Mark Registered, State of Iowa, 1967)
This Printing: September, 1978

(Sections 558.39 and 558.69, Code of Iowa)
808226

REAL ESTATE CONTRACT (SHORT FORM)

It Is Agreed between Frank A. McDonald and Mary Margaret McDonald, Husband and Wife,

of Madison County, Iowa, **Sellers,** and Paul B. Nardini and Diana Sue Nardini, husband and wife,

of Boone County, Iowa, **Buyers:**

That Sellers hereby agree to sell and Buyers hereby agree to buy the real estate situated in Madison County, Iowa, described as:

The West Half (W½) of the Northwest Quarter (NW¼) of Section Twenty-eight (28), Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M.

Compared

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BOOK 115 PAGE 251

1981 AUG -6 AM 10:07

MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

together with all easements and servient estates appurtenant thereto, upon the following terms:

1. **TOTAL PURCHASE PRICE** for said property is the sum of TWO HUNDRED TWELVE THOUSAND------ Dollars ($212,000.00) of which THIRTY THOUSAND---------- Dollars ($30,000.00) has been paid herewith, receipt of which is hereby acknowledged by Sellers; and Buyers agree to pay the balance to Sellers at residence of Sellers, or as directed by Sellers, as follows:

$10,000.00 on principal on each March 1st during the years 1982, 1983 and 1984;
$5,000.00 on principal on each March 1st during the years 1985 thru 1996 inclusive;
$7,500.00 on principal on each March 1st during the years 1997 thru the year 2000 inclusive; and
The entire unpaid balance shall be due and payable on March 1, 2001.

2. **INTEREST.** Buyers agree to pay interest from April 1, 1981 upon the unpaid balances, at the rate of 9 1/2 per cent per annum, payable annually.

3. **TAXES.** Sellers agree to pay one-half of the taxes assessed against said real estate payable in the fiscal year beginning July 1, 1981, and any unpaid taxes thereon payable in prior years and any and all special assessments for improvements which have been installed at the date of this contract; and Buyers agree to pay, before they become delinquent, all other current and subsequent taxes and assessments against said premises. **Any proration of taxes shall be based upon the taxes for the year currently payable unless the parties state otherwise.***

4. **POSSESSION.** Sellers agree to give Buyers possession of said premises on or before April 1, 1981.

5. **INSURANCE.** Sellers agree to carry existing insurance until date of possession and Buyers agree to accept the insurance recovery instead of replacing or repairing buildings or improvements. Thereafter until final settlement, Buyers agree to keep the improvements upon said premises insured against loss by fire, tornado and extended coverage for a sum not less than $ existing or the balance owing under this contract, whichever is less, with insurance payable to Sellers and Buyers as their interests may appear, and to deliver policies therefor to Sellers.

6. **ABSTRACT.** Sellers agree to forthwith deliver to Buyers for their examination abstract of title to said premises continued to the date of this contract showing merchantable title in accordance with Iowa Title Standards. After examination by Buyers the abstract shall be held by Sellers until delivery of deed. Sellers agree to pay for an additional abstracting which may be required by acts, omissions, death or incompetency of Sellers, or either of them, occurring before delivery of deed. Until full payment of the balance owing on this contract by Buyer, title shall be subject to a mortgage on said premises held by John Hancock Mut. Life Ins. Co.

7. **FIXTURES.** All light fixtures, electric service cable and apparatus, shades, rods, blinds, venetian blinds, awnings, storm and screen doors and windows, attached linoleum, attached carpeting, water heater, water softener, outside TV tower and antenna, attached fencing and gates, pump jacks, trees, shrubs and flowers and any other attached fixtures are a part of the real estate and are included in this sale except

*Decide for yourself if that formula is fair if Buyers are purchasing a lot with newly built improvements.

"EXHIBIT" B

8. **CARE OF PROPERTY.** Buyers shall not injure, destroy or remove the improvements or fixtures or make any material alterations thereof without the written consent of Sellers, until final payment is made.

9. **DEED.** Upon payment of all sums owing by Buyers to Sellers by virtue of this contract, Sellers agree to contemporaneously execute and deliver to Buyers a warranty deed upon the form approved by The Iowa State Bar Association and which shall be subject to:

(a) Liens and encumbrances suffered or permitted by Buyers, and taxes and assessments payable by Buyers.

(b) Applicable zoning regulations and easements of record for public utilities and established roads and highways.

(c)

10. **FORFEITURE AND FORECLOSURE.** If Buyers fail to perform this agreement in any respect, time being made the essence of this agreement, then Sellers may forfeit this contract as provided by Chapter 656 of the Iowa Code and all payments made and improvements made on said premises shall be forfeited; or Sellers may declare the full balance owing due and payable and proceed by suit at law or in equity to foreclose this contract, in which event Buyers agree to pay costs and attorney fees and any other expense incurred by Sellers. It is agreed that the periods of redemption after sale on foreclosure may be reduced under the conditions set forth in Sections 628.26 and 628.27, Code of Iowa.

11. **PERSONAL PROPERTY.** If this contract includes personalty, then Buyer grants Seller a security interest in such personalty. In the case of Buyer's default, Seller may, at his option, proceed in respect to such personalty in accordance with the Uniform Commercial Code of Iowa and treat such personalty in the same manner as real estate, all as permitted by Section 554.9501(4), Code of Iowa.

12. **JOINT TENANCY IN PROCEEDS AND IN SECURITY RIGHT IN REAL ESTATE.** If, and only if, the Sellers, immediately preceding this sale, hold the title to the above described property in joint tenancy, this sale shall not constitute a destruction of that joint tenancy. In that case, all rights of the Sellers in this contract, in the proceeds thereof, and in any continuing or recaptured rights of Sellers in said real estate, shall be and continue in Sellers as joint tenants with full rights of survivorship and not as tenants in common. Buyers, in the event of the death of one of such joint tenants, agree to pay any balance of the proceeds of this contract to the surviving Seller and to accept deed executed solely by such survivor; but with due regard for the last sentence of paragraph 6, above.

13. **"SELLERS."** Spouse, if not a titleholder immediately preceding this sale, shall be presumed to have executed this instrument only for the purpose of relinquishing all rights of dower, homestead and distributive share and/or in compliance with section 561.13 Code of Iowa; and the use of the word "Sellers" in the printed portion of this contract, without more, shall not rebut such presumption, nor in any way enlarge or extend the previous interest of such spouse in said property, or in the sale proceeds, nor bind such spouse except as aforesaid, to the terms and provisions of this contract.

14. (Here add further terms or provisions) Buyer shall have the right to make additional payments on the principal at any time except that Buyer does not have the right to receive a warranty deed from Sellers until March 1, 2001.

Words and phrases herein shall be construed as singular or plural and as masculine, feminine or neuter gender according to the context

Dated this 2nd day of June 19 81

Paul B. Nardini

Diana Sue Nardini **BUYERS**

X Frank A. McDonald
Frank A. McDonald

X Mary Margaret McDonald
Mary Margaret McDonald **SELLERS**

Buyers' Address

Sellers' Address

STATE OF IOWA, MADISON COUNTY, ss:
On this 24 day of July, A. D. 19 81, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Frank A. McDonald and Mary Margaret McDonald

to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed

JERROLD B. OLIVER
MY COMMISSION EXPIRES
September 30, 1982

Jerrold B. Oliver

Jerrold B. Oliver, Notary Public in and for said County and State.

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF IOWA, Polk COUNTY, ss:

On this 14th day of July, A. D. 19 81, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Paul B. Nardini and Diana Sue Nardini

to me known to be the identical persons named in and who executed the within and foregoing instrument, **to which this is attached**, and acknowledged that they executed the same as their voluntary act and deed.

Debra S. Davis

Debra S. Davis Notary Public in and for the State of Iowa

IOWA STATE BAR ASSOCIATION
Official Form No. 11 (Trade-Mark Registered, State of Iowa, 1967)
P-4521 This Printing: July 14, 1976

(Section 558.39, Code of Iowa)