PCA 528
(Rev. 2-80)

REAL ESTATE MORTGAGE — IOWA

(Open-End: To Secure Present and Future Obligations and Advances)

Date: May 30, 1985

Larry Phillips, (a/k/a Larry M. Phillips), single, Gary Phillips, (a/k/a Gary R. Phillips) and Kathryn Phillips, (a/k/a Kathryn D. Phillips and Kathy Phillips), husband and wife,

Mortgagors, of Madison and Clarke County, Iowa, in consideration of the advance by Mortgagee to Mortgagors of the principal sum specified below, in consideration of any future and additional advances made to Mortgagors at Mortgagee's option, and in consideration of all advances made to Mortgagors for the purchase of Class B stock and/or participation certificates of Mortgagee required by Mortgagee's bylaws and by determination by the Mortgagee's Board of Directors under said bylaws, pursuant to federal law,* to support outstanding indebtedness to Mortgagee, hereby SELL, CONVEY AND MORTGAGE to South Central Iowa Production Credit Association, whose principal office is at Creston, Iowa, Mortgagee, the following-described real estate located in Madison County, Iowa, to wit:

See Attached Sheet

Compared IND AEC PAGE

FILED NO. 2180
BOOK 143 PAGE 241
1985 JUN 10 AM 8:25
MARY E. WELTY
RECORDER
Assessment Roll Entry

Fee $15.00

together with all of the right, title and interest of the Mortgagors in said property now owned or hereafter acquired, all easements and servient estates appurtenant thereto, rents, issues, uses, profits, and right to possession, and all improvements, fixtures and crops placed or raised thereon from now until the debts and obligations secured thereby shall be paid and performed in full.

(1) OBLIGATIONS SECURED. It is understood and agreed between Mortgagors and Mortgagee that this mortgage is given to secure:

(a) The repayment in full by Mortgagors of the advance by Mortgagee in the principal sum of Three Hundred Sixty Thousand and no/100---------- DOLLARS ($ 360,000.00), plus advances for the purchase of Class B stock and/or participation certificates of Mortgagee required by Mortgagee's bylaws and by determination by the Mortgagee's Board of Directors under said bylaws, pursuant to federal law, to support the outstanding indebtedness, and interest on all such advances, all as provided in and evidenced by a promissory note dated April 26, 1984, extended May 30, 1985 given by Mortgagors to Mortgagee, and any instruments taken in refinancing, extending or renewing said indebtedness or any part thereof, all payable according to the terms of said note and other instruments;

(b) The repayment in full by Mortgagors of any and all future and additional advances which may be made by Mortgagee, at its option, at the request of and to or for the account of Mortgagors, or any of them, for any purpose, including, but not limited to, initial and future advances for the purchase of Class B stock and/or participation certificates of Mortgagee required by Mortgagee's bylaws and by determination by the Mortgagee's Board of Directors under said bylaws, pursuant to federal law, to support the outstanding indebtedness, and interest on all such advances, all as provided in and evidenced by promissory notes and other instruments taken in refinancing, extending or renewing such indebtedness or any part thereof, all payable in accordance with the terms of said notes and other instruments; provided, however, that the total principal indebtedness outstanding and secured hereby at any one time shall not exceed the sum of Five Hundred Thousand and no/100---------- DOLLARS ($ 500,000.00), exclusive of interest, said advances for the purchase of Class B stock and/or participation certificates, and protective disbursements as authorized herein; provided, further, that THIS PARAGRAPH SHALL NOT CONSTITUTE A COMMITMENT TO MAKE FUTURE OR ADDITIONAL ADVANCES IN ANY AMOUNT.

(c) The repayment in full by Mortgagors of all amounts advanced by Mortgagee, at its option, to or on behalf of Mortgagors as protective disbursements, as authorized in this mortgage, and interest on all such advances, all payable as provided in this mortgage or in any promissory notes or other instruments which may be taken to evidence such advances or any part thereof.

(d) The payment in full of all other present or future, direct or contingent, debts and liabilities of Mortgagors to Mortgagee of any nature whatsoever.

(2) TERMINATION AND RELEASE. Upon full payment by Mortgagors to Mortgagee of all sums owed to Mortgagee and hereby secured and the performance by Mortgagors of all other obligations imposed hereby, this mortgage will become void and will be released of record by Mortgagee.

(3) TITLE WARRANTY AND WAIVER. Mortgagors covenant with Mortgagee that Mortgagors hold fee simple title to the above described property, that they have good and lawful authority to mortgage the same, that said property is free and clear of all liens and encumbrances except as may be above stated, and that they will warrant and defend said property against all claimants whomsoever, except as may be above stated; Mortgagors also covenant and agree that they hereby waive and relinquish all rights of dower, homestead, distributive share and exemption in and to the above described property.

(4) Mortgagors further covenant and agree:

(a) TAXES AND LIENS. To pay when due all taxes, assessments, liens and judgments now or hereafter assessed or levied against said property or any part thereof;

(b) INSURANCE. To insure and keep insured all buildings and improvements now on or hereafter placed on such property against loss by such hazards and contingencies, in such amounts, and in such companies as shall be required or approved by Mortgagee, with such insurance payable to Mortgagee as its interests may appear, and to promptly deposit such policies with proper riders with Mortgagee; provided that, in the event of loss, the proceeds so received by Mortgagee may, at Mortgagors' option, and subject to general regulations of the Farm Credit Administration, be used for the reconstruction of the destroyed or damaged improvements or, if not so applied, may, at the option of Mortgagee, be applied to the payment of any indebtedness, matured or unmatured, secured by this mortgage.

(c) CARE OF PROPERTY — WASTE. To keep all buildings and other improvements on said property in as good repair and condition as same may now be or are hereafter placed, ordinary wear and tear only excepted; to continuously practice approved methods of farming, prevent erosion and the spread of noxious and damaging weeds, and preserve the fertility of the soil; and to commit or permit no waste or impairment of the value of the mortgaged property.

(5) PROTECTIVE DISBURSEMENTS. It is expressly understood and agreed that, in the event Mortgagors fail to perform any of the obligations imposed by this mortgage with respect to taxes, assessments, liens, judgments, insurance or care of property, Mortgagee may, at its option and for the purpose of protecting its security, make advances to or on behalf of Mortgagors for the payment of taxes, assessments, liens, judgments, insurance and the costs of necessary repairs and maintenance, and that all such protective disbursements shall become part of the indebtedness secured hereby, due and payable on demand with interest at the current rate of Mortgagee at the time Mortgagee makes any such advancement; provided, however, that the advancement by Mortgagee of any sum as provided in this paragraph shall in no manner relieve Mortgagors of any obligations imposed upon them under this mortgage nor limit the right of Mortgagee to declare a default by Mortgagors and to exercise all rights and remedies herein upon such default.

(6) ATTORNEY FEES. In such cases and to the extent permitted by law, Mortgagors agree that in case of any action, or in any proceedings in any court, to collect any sums payable under or secured by this mortgage, or to protect the lien or title herein of the Mortgagee, or in any other case permitted by law in which attorney fees may be collected from Mortgagors, or charged upon the above described property, to pay Mortgagee's reasonable attorney fees.

(7) DEFAULT. It is agreed that default under this mortgage shall unless otherwise defined by applicable law include the failure by Mortgagors to make full payments to Mortgagee of said principal sums, or of any future advances, or of any of said advances made for the purchase of Class B stock and/or participation certificates, or of any interest thereon, at the time when the same shall be due, or the failure of Mortgagors to timely reimburse, with interest, Mortgagee for any protective disbursements made as provided herein, or the failure of Mortgagors to fully and timely perform or observe any other acts, conditions, agreements or covenants made by or required of them under the terms of this mortgage; provided, however, that delay by Mortgagee in exercising its rights upon default shall not be construed as a waiver thereof and that any act of Mortgagee waiving any specific default shall not be construed as a waiver of any future defaults.

*Reference to advances for purchase of Class B stock and/or participation certificates of Mortgagee required by Mortgagee's bylaws and by determination by Mortgagee's Board of Directors under said bylaws, pursuant to federal law, as used in this Mortgage, means all advances for purchase of Mortgagee's Class B stock and/or participation certificates required by Section 2.13(f) of the Farm Credit Act of 1971, as amended, (Public Law 92-181), as provided in Mortgagee's bylaws and also for the purchase of additional Class B stock and/or participation certificates of the Mortgagee authorized by Section 2.13(h) of said Farm Credit Act of 1971, as amended, as provided in Mortgagee's bylaws.

MORTGAGE RELEASE OF ANNEXED MORTGAGE SEE FOR RELEASE RECORD 144 PAGE 1144

(8) DEFAULT REMEDIES. Mortgagors agree that, upon any default by Mortgagors, Mortgagee may at its option have and pursue any or all of the following remedies:

(a) Declare the entire indebtedness secured by this mortgage immediately due and payable and proceed to collect the same at once by foreclosure of this mortgage and/or by other legal means, and without notice of breach of this mortgage unless required by law.

(b) At any time after the commencement of an action in foreclosure, or during any applicable period of redemption, secure the appointment of a *RECEIVER* to take immediate possession of the above described property, and of the rents and profits accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and be liable to account to Mortgagors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the indebtedness, costs and expenses hereby secured or herein mentioned.

(c) Procure an abstract of title, or continuation thereof, for said property, and charge and add the cost of the same to the total indebtedness hereby secured, with interest thereon at the current rate of Mortgagee at the time Mortgagee pays such cost.

(d) Charge and collect from Mortgagors interest upon any sums hereby secured as to the payment of which Mortgagors are in default at the current rate of Mortgagee on the date of default.

(9) CONSTRUCTION. The words "Mortgagors" and "Mortgagee", as used herein, include the successors in interest of such "Mortgagors" and "Mortgagee", respectively. All words herein, including acknowledgments, referring to "Mortgagors" shall be construed to be of the appropriate gender and number, according to the context.

(10) ADDRESS OF MORTGAGEE. The mailing address of Mortgagee is Highway 34 and Airport Road, Creston, Iowa 50801

(11) ADDITIONAL PROVISIONS.

Larry Phillips
(Larry Phillips)

Gary Phillips
(Gary Phillips)

Kathryn Phillips
(Kathryn Phillips)

Mortgagors

CERTIFICATE OF ACKNOWLEDGMENT — Individual

STATE OF IOWA, Clarke COUNTY, ss:

On this 30th day of May, A.D. 19 85, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Larry Phillips, single, Gary Phillips and Kathryn Phillips, husband and wife, 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.

John T. Russell
Notary Public in and for the State of Iowa.
(John T. Russell)

CERTIFICATE OF ACKNOWLEDGMENT — Corporation

STATE OF IOWA, _____ COUNTY, ss:

On this _____ day of _____, A.D. 19 ____, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared _____, to me personally known, who being by me duly sworn did say that he (they) is (are) the _____ 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 said corporation by authority of its board of directors, and acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by him (them) voluntarily executed.

_____
Notary Public in and for the State of Iowa.

IOWA MORTGAGE
No. 2180

FROM

TO
Production Credit Association
of _____, Iowa

Filed for record the 10 day of June, A.D. 19 85, at 8:25 o'clock A.M., and recorded in Book 143 of Mortgages on Page 241 of Madison (County Records, Mary E. Duffy Recorder
By _____, Deputy
Fee 10.00

WHEN RECORDED RETURN TO
PCA
Box 233
Indianola
Attn Bonnie

The following subscribed real estate to wit:

The West Half (½) of the Southwest Quarter (¼) of Section Twenty-eight (28), and the East Half (½) of the Southeast Quarter (¼) of Section Twenty-nine (29) and the North Half (½) of the North Half (½) of the Northwest Quarter (¼) of the Northwest Quarter (¼) of Section Thirty-three (33), all in Township Seventy-four (74) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

AND

The Southwest Quarter (¼) of the Southeast Quarter (¼) and the Southeast Quarter (¼) of the Southwest Quarter (¼) and the East 30 Acres of the Southwest Quarter (¼) of the Southwest Quarter (¼), all in Section Thirty-four (34), in Township Seventy-four (74) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

AND

The North Half (½) of the Southwest Quarter (¼) and the East Half (½) of the Northwest Quarter (¼) and the South 70 Acres of the West Half (½) of the Northwest Quarter (¼) of Section Thirty-three (33), in Township Seventy-four (74) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.