Form FmHA-Iowa 427-1
(Rev. 3-13-81)

NOTICE AGREEMENT

Date Dec. 20, 1985

In consideration of a loan to be made or insured by the United States of America, acting by and through the Administrator of the Farmers Home Administration (hereinafter referred to as the "Government"), pursuant to the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), or Title V of the Housing Act of 1949 (42 U.S.C. 1471), to Terry K. Phillips and Nancy D. Phillips (hereinafter referred to as the "Borrower(s)"), which loan is to be secured wholly or partly by a real estate mortgage granted by the borrower to the Government on the following described real estate in the County of Madison, State of Iowa, to wit:

The South Half (½) of the Southwest Quarter (¼) of Section Thirty-three (33) and the Southwest Quarter (¼) of the Southeast Quarter (¼) of Section Thirty-three (33) except a tract of land described as follows: Commencing at the Northeast corner of said 40-acre tract and running thence West 40 rods, thence South to the middle of South River, thence down said River to the East line of said 40-acre tract, thence North to the place of beginning, said exception containing 13 acres, more or less; all in Township Seventy-four (74) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

Filed for Record this 23 day of December 19 85 at 3:53 PM
Recording Fee $5.00 Mary E. Welty, Recorder, By Shirley A. Stanley Deputy
Inst. No. 1286 Book 37 Page 16

The undersigned for themselves, their heirs, executors, administrators, and assigns, hereby agree that in the event the borrower shall make a default under his contract with the undersigned for the purchase of the above described real estate, dated May 6, 1978, and recorded on July 21, 1978, in Book No. 108 (Deed Record), Page 175, of the Misc. Records, Madison County, Iowa, the undersigned shall, at least 90 days prior to the exercise of their right of cancellation of said contract, give written notice by certified mail, to the Government, at the Office of the Iowa State Director of the Farmers Home Administration, Des Moines, Iowa, informing the Government of said default and of their intention to cancel said contract not less than 90 days thereafter, unless said default is removed prior to said date. It is also hereby agreed that in this event or in the event the Government exercises its right of foreclosure, the Government may pay in full the amount still due on said contract.

Signed Richard E. Phillips (SEAL)
Richard E. Phillips
Alice Phillips (SEAL)
Alice Phillips

ACKNOWLEDGMENT

STATE OF IOWA)
COUNTY OF Madison)

STATE OF IOWA, MADISON COUNTY, ss.

On this 20th day of December, 19 85, before me _____, a Notary Public in and for said county, personally appeared Richard E. Phillips and Alice Phillips, to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that they (he, they) executed the same as their (his, their) voluntary act and deed.

(SEAL)

G. STEPHEN WALTERS NOTARIAL SEAL

G. Stephen Walters
Notary Public in and for said County
G. Stephen Walters

My commission expires: 8-15-'85