CITY STATE BANK
59 NORTH FOURTH STREET
CENTRAL CITY, IOWA 52214

MORTGAGEE
"You" means the mortgagee, its successors and assigns.

LAWRENCE A. ALTHOFF
RURAL ROUTE #1
COGGON, IOWA 52218

MORTGAGOR
"I," "me" and "my" includes each mortgagor above.

INDEXED IN CHATTEL MTG. INDEX ✓

Lawrence A. Althoff
To
City State Bank

BOOK 121 PAGE 299
RECORDER
$36.00

'94 JAN 10 PM 3 27
DELAWARE COUNTY IOWA
FILED

1-2145

(For recording data)

City State Bank
Central City, IA 52214

Boxes not checked and lines not filled in do not apply to this mortgage.

REAL ESTATE MORTGAGE: For value received, I, LAWRENCE A. ALTHOFF, A SINGLE PERSON (mortgagor), sell, convey and mortgage to you on JANUARY 7, 1994 (date), all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights and all existing and future improvements, structures, and fixtures that may now or at anytime in the future be part of the real estate described below (all called the "Property"). The term Property also includes, but is not limited to, any and all wells, water, riparian rights, ditches, reservoirs, reservoir sites and dams, used or associated with the Property, however evidenced.

PROPERTY ADDRESS: RURAL ROUTE #1 (Street), COGGON (City), Iowa 52218 (Zip Code)

LEGAL DESCRIPTION:

The Northwest Quarter (NW¼) except the North thirty eight and one-tenth (38.1) acres thereof, and further except that part conveyed to the State of Iowa by Warranty Deed recorded in Book 95 L.D., Page 154 in Section Thirty One (31), Township Eighty Seven (87) North, Range Five (5), West of the Fifth P.M.,

For Release, See Book 2000
Page 970 3-29-00

located in Delaware County, Iowa.

The following are applicable to, but do not limit, this mortgage:

☐ This is a "construction loan."

☐ This is a fixture filing. I grant to you a security interest in all Property located on or connected with the real property described above that I own now or in the future and which becomes a fixture under the Uniform Commercial Code, as enacted in the state of Iowa.

☐ A security interest is taken in all crops, timber, and minerals located on the Property as well as all rents, issues, and profits of them including, but not limited to, all Conservation Reserve Program and Payment in Kind payments and similar governmental programs.

☐ A Line of Credit Agreement evidencing a portion of the Secured Debt is attached and is made a part of this mortgage.

☐ Riders described as: _____.

☒ **Variable Rate:** The interest rate on the obligation secured by this mortgage may vary according to the terms of that obligation.

WARRANTY OF TITLE: I covenant that I have the right, power, and authority to execute this mortgage and to grant a security interest in the Property. I covenant and warrant marketable title to the Property, except for encumbrances of record, prior security interests described below, municipal and zoning ordinances, current taxes and assessments not yet due. I covenant that my use of the Property complies with all applicable local, state, or federal laws.

☐ **Prior Security Interests.** In addition to the above, the following prior security interests and liens exist on the Property: _____.

☒ **Agricultural Property.** I covenant and warrant that I am an individual or entity allowed to own agricultural land as specified by law. I also agree to maintain this status during the term of the mortgage.

☐ **Non-Agricultural Property.** I covenant and warrant that the Property is not and will not be used principally for agricultural or farming purposes.

SECURED DEBT: This mortgage secures repayment of the Secured Debt and the performance of the covenants and agreements contained in this mortgage and in any other document incorporated herein. "Secured Debt," as used in this mortgage includes, but is not limited to, any amounts I may at any time owe you under this mortgage, the Security Instrument described below, any renewal, refinancing, extension or modification of the Security Instrument, and, if applicable, the future advances described below.

The Secured Debt is evidenced by: (describe the agreement secured by this mortgage including the date the agreement was entered into): One Promissory Note Dated January 7, 1994 (which shall be termed the "Security Instrument").

The above obligation is due and payable on _____ (date) if not paid earlier.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF $ Sixty nine thousand eighty four and 28/100--- **, LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.**

The above maximum principal indebtedness limit includes precomputed interest and other precomputed charges but does not include other interest, loan charges, commitment fees, brokerage commissions, and other charges validly made pursuant to this mortgage. This amount does not include any amounts disbursed under the terms of this mortgage to protect the security of this mortgage or to perform any of the covenants contained in this mortgage, or interest on such disbursements.

FILE No. 1-2145	FILED FOR RECORD THE 10 DAY OF	STATE OF IOWA, DELAWARE COUNTY
RECORDING FEE $ 36.00	January 19 94 AT 3:27	Deborah L. Peyton, Recorder
TRANSFER FEE $	O'CLOCK P M. BOOK 121 PAGE 299	LM CM 31

☒ **FUTURE ADVANCES AND OTHER LOANS.** The above amount is secured even though all or part of it may not yet be advanced. Future advances are contemplated and will be secured to the same extent as if made on the date this mortgage is executed. "Secured Debt" as defined in the mortgage shall also mean any and all renewals or extensions of the Secured Debt together with any and all additional future advances and loans that I now or may in the future owe to you, whether as principal or surety, at any time between this date and the satisfaction of record of the lien created by the mortgage. This provision shall apply notwithstanding the fact that:

a) future advances and loans may be made at your option;
b) notes, agreements, or other evidence of indebtedness with regard to such future advances and loans may not specifically refer to the mortgage;
c) future advances and loans may be made for purposes unrelated to the purpose of the Secured Debt described on the mortgage.

If more than one person signs the Security Instrument as "Borrower," "Debtor," "Grantor," or "Mortgagor," I agree that this mortgage will secure any future advance and loan made by you to any one or more of us. This mortgage will not secure any other debt which is not described on its face if you fail, with respect to such other debt, to make any required disclosure about this mortgage or if you fail to give any required notice of right of rescission.

☐ **ADDITIONAL SECURITY INTEREST.** I grant to you a security interest in all personal property located on or connected with the real property described above. This includes all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property I own now or in the future and which are used or useful in the construction, ownership, operation, management, or maintenance of the described real property, all of which shall be included in the term "Property." The term "Property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

PRIOR SECURITY INTERESTS. I will make payments when due and perform all other covenants under any mortgage, deed of trust, or other security agreement that has priority over this mortgage. I will not make or permit any modification or extension of any mortgage, deed of trust or other security interest that has priority over this mortgage or any note or agreement secured by it without your written consent. I will promptly deliver to you any notices I receive from any person whose rights in the Property have priority over your rights.

Future advances and prior security interests. I [☐ may ☐ may not] request or accept future advances from loans secured by any prior security interests without your prior written consent.

LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. As used in this paragraph, the word "lease" shall mean "sublease" if this mortgage is on a leasehold. I agree to comply with provisions of any lease if this mortgage is on a leasehold. If this mortgage is on a unit in a condominium or a planned unit development, I will perform all of my duties under the covenants, by-laws, or regulations of the condominium or planned unit development. Any lease will remain in full force and effect despite any merger of interests.

I covenant and agree to keep, observe and perform, and to require that the tenants comply with all provisions of any leases of the Property. If I neglect or refuse to do so, then you may at your option enforce the lease in compliance with its terms. Nothing in this paragraph will be construed to bind you to the performance of any lease provision or to otherwise impose liability upon you. I agree that I may not lease the Property to a tenant that may introduce or release Hazardous Materials as defined in this mortgage to the Property in violation of any state or local environmental law. I shall indemnify and hold you harmless from any and all liability, loss, or damage which you may incur by reason of any assignment under this paragraph. I agree that I will not consent to any lease assignment, subletting, modification, cancelation, or subordination affecting the Property without your prior written consent.

☐ **Assignment of Leases.** Upon your request, I will assign to you all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, you shall have the right to modify, extend or terminate the existing leases and to execute new leases, in your sole discretion.

☐ **Assignment of Rents and Profits.** Notwithstanding any other clause contained in this mortgage, I grant to you an absolute assignment of the rents and profits of the Property on the same date this mortgage is executed. Unless we have agreed otherwise in writing, I may collect and retain the rents as long as I am not in default. You are entitled to receive the rents and profits of the Property without taking possession of the Property. If I default you may at your sole discretion and as provided by law take possession of the Property, or have the court appoint a receiver and the receiver may take possession, and manage the Property, and collect the rents, income and profits. Any amounts so collected shall be applied first to the costs of managing the Property, including, but not limited to, all taxes, assessments, insurance premiums, repairs, court costs and attorneys' fees, commissions to rental agents, and any other necessary related expenses. The remaining amounts will then apply to payments on the Secured Debt as provided in the Security Instrument. This assignment will not impose liability upon you for the operation and maintenance of the Property or for carrying out the lease terms before you have entered and taken possession of the Property.

SUBORDINATE LIENS. Except as permitted by federal law I agree that I will not allow any lien inferior to this mortgage to be perfected against the Property (either real or personal) without your prior written consent.

PAYMENTS. I agree to make all payments on the Secured Debt when due and in accordance with the terms of the Security Instrument. Unless we agree otherwise, any payments you receive from me or for my benefit will be applied first to any amounts I owe you on the Secured Debt (exclusive of interest or principal), second, to interest and then to principal. If partial prepayment of the Secured Debt occurs for any reason, it will not reduce or excuse any subsequently scheduled payment until the Secured Debt is paid in full.

CLAIMS AGAINST TITLE. I will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, and other charges relating to the Property when due. You may require me to provide to you copies of all notices that such amounts are due and the receipts evidencing my payment. I will defend title to the Property against any claims that would impair the lien of this mortgage. You may require me to assign any rights, claims or defenses which I may have against parties who supply labor or materials to improve or maintain the Property. I will pay, when due, the claims of any persons or entities supplying labor or materials to or in connection with the Property.

PROPERTY, USE OF PROPERTY, ALTERATIONS. I will keep the Property in good condition and make all repairs reasonably necessary. I will give you prompt notice of any loss or damage to the Property. I agree that I will keep the Property free of noxious weeds and grasses. I agree that I will not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restriction limiting or defining the uses which may be made of the Property or any part of the Property, without your prior written consent. I agree to comply with all legal requirements and restrictions, whether public or private, with respect to the use of the Property. I also agree that the nature of the occupancy will not change without your prior written consent.

I agree that no portion of the Property will be removed, demolished or materially altered without your prior written consent except that I have the right to remove items of personal property comprising a part of the Property that becomes worn or obsolete, provided that such personal property is replaced with other personal property of a value at least equal value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this mortgage. I shall not partition or subdivide the Property without your prior written consent.

AUTHORITY OF MORTGAGEE TO PERFORM FOR MORTGAGOR. If I fail to perform any of my duties under this mortgage, or any other mortgage, deed of trust, lien or other security interest that has priority over this mortgage, you may without notice to me perform the duties or cause them to be performed. You may sign my name or pay any amount necessary for performance. If any construction on the Property is discontinued or not carried on in a reasonable manner, you may do whatever is necessary to protect your security interest in the Property. This may include completing the construction.

Your right to perform for me shall not create an obligation to perform and your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.

DEFAULT; ACCELERATION; WAIVER OF REMEDY. If I fail to make any payment when due or breach any covenants under this mortgage, any prior mortgage or any obligation secured by this mortgage, you may either accelerate the maturity of the Secured Debt and demand immediate payment or exercise any other remedy available to you. In some instances, federal and state law will require you to provide me with right to cure or mediation notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, you may foreclose this mortgage in a manner provided by law. I will be in default upon the occurrence of any of the following:

(1) A default or breach under any of the terms of this mortgage, the Security Instrument, any construction loan agreement, security agreement or any other document evidencing, guarantying, securing or otherwise relating to the Secured Debt;
(2) The making or furnishing of any verbal or written representation, statement or warranty to you which is false or incorrect in any material respect by any person or entity obligated on the Secured Debt;
(3) The death, dissolution, appointment of a receiver, insolvency, or application of any debtor relief law to or of any person or entity obligated on the Secured Debt;
(4) A good faith belief by you at any time that you are insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the Property is impaired;
(5) A material adverse change in my business including ownership, management, and financial conditions, which you in your opinion believe impairs the Property or repayment of the Secured Debt;
(6) Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 CFR Part 1940, Subpart G, Exhibit M.

By exercising any remedy available to you, you do not give up your rights to later use any other remedy. By not exercising any remedy, if I default, you do not waive your right to later consider the event a default if it happens again.

TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN THE MORTGAGOR. If all or any part of the Property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the Secured Debt. You may also demand immediate payment if the mortgagor is not a natural person and (1) a benefical interest in the mortgagor is sold or transferred or (2) there is a change in either the identity or number of members of a partnership or (3) there is a change in ownership of more than 25 percent of the voting stock of a corporation. However, you may not demand payment in the above situations if it is prohibited by law as of the date of this mortgage.

REDEMPTION. If the Property is less than ten acres in size, and if you waive in any foreclosure action any rights to a deficiency judgment against me, then the period of redemption after sale on foreclosure shall be reduced to six months. If the redemption period is so reduced, then (1) I will, in the meantime, be entitled to the possession of the Property, (2) I shall have the exclusive right of redemption for the first three months after sale and (3) the time periods in Iowa Code sections 628.5, 628.15, and 628.16, shall be reduced to four months.

If the Property is less than ten acres in size and the court finds that the Property has been abandoned by me (which finding I agree the court may make) and if you waive any rights to a deficiency judgment against me in the foreclosure action, then the period of redemption after sale on foreclosure shall be reduced to sixty days. If the redemption period is so reduced, then I or my successor in interest or the owner shall have the exclusive right to redeem for the first 30 days after such sale and the times of redemption by creditors provided in Iowa Code sections 628.5, 628.15, and 628.16 shall be reduced to forty days. Entry of appearance by pleading or docket entry by or on my behalf shall be a presumption that the Property is not abandoned.

The provisions of this section shall be construed to conform to the provisions of Iowa Code Sections 628.26 and 628.27.

HAZARDOUS MATERIALS. As used within this mortgage, the term "Hazardous Materials" shall include, but shall not be limited to, the following: (1) the terms "hazardous substance" and "pollutant or contaminant" as defined in 42 U.S.C. § 9601 of the Comprehensive Environmental Response, Compensation, and Liability Act and any element, compound, mixture, solution, or substance designated pursuant to 40 C.F.R. § 302.4; (2) any petroleum, crude oil, natural gas, liquefied natural gas, or synthetic gas of pipeline quality; (3) the term "Hazardous waste" as defined in Iowa Code § 455B.411(4).

I warrant and represent that I have made best efforts in good faith to disclose all knowledge or records regarding any Hazardous Materials that will be introduced or are present on the Property and that no Hazardous Materials have or will be handled or disposed of in any way on the Property by me or any prior owner except those Hazardous Materials that have been identified by substance, location, and date on a Schedule attached to this mortgage. I warrant and represent that no asbestos, asbestos containing materials, or polychlorinated biphenyls (PCB's) have been installed, used, incorporated into, located on, or disposed of on the Property. I warrant and represent that no underground storage tanks are or were located on the Property except those tanks that have been identified by size, location, age, and substance contained on a Schedule attached to this mortgage. I warrant and represent that I have disclosed the location of any public or private landfills or dumps of which I have knowledge or records and which exist on the Property. I agree that I will not initiate or allow the creation of such a site on any of the Property unless you agree to such a plan in writing.

I warrant and represent that no enforcement actions are pending or threatened by any local, state, or federal authority and that I will comply with all state and federal environmental laws. I shall forward any communications I receive from any authority regarding violations or potential violations of laws relating to Hazardous Materials. In the event that Hazardous Materials are introduced or present on the Property I agree that the following will apply:

(1) I agree to remedy any condition of the Property caused by Hazardous Materials that are present now or introduced in the future which is or is likely to be in violation of local, state, or federal law;

(2) I agree to defend against any claims and to indemnify and hold you harmless for any liabilities you incur because of the presence or introduction of any Hazardous Materials to the Property;

(3) I agree that collateral securing any other Secured Debt you may have with me shall, at your option, become collateral for the Secured Debt listed in this mortgage;

(4) I agree that at your discretion you may release this mortgage and in return I will provide you with additional collateral of at least equal value to the Property secured by this mortgage without prejudice to any of your rights under this mortgage.

INSPECTION. You or your agents may, at your option, enter the Property at any reasonable time for the purpose of inspecting the Property. Any inspection of the Property shall be entirely for your benefit and I will in no way rely on your inspection. I agree that you shall be allowed, at your discretion, to periodically test and monitor the property for any Hazardous Materials as defined in this mortgage during normal business hours or as otherwise agreed.

CONDEMNATION. I will give you prompt notice of any action, real or threatened, by private or public entities to purchase or take any or all of the Property, including any easements, through condemnation, eminent domain, or any other means. I further agree to notify you of any proceedings instituted for the establishment of any sewer, water, conservation, ditch, drainage, or other district relating to or binding upon the Property or any part of it. I authorize you to intervene in my name in any of the above described actions or claims and to collect and receive all sums resulting from the action or claim. I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this agreement. This assignment is subject to the terms of any prior security agreement.

INSURANCE. I will keep the Property and all improvements to the Property insured under terms acceptable to you at my expense and for your benefit. This insurance will include a standard mortgage clause in your favor. You will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the Secured Debt. If you require mortgage insurance, I agree to maintain such insurance for as long as you require. Such insurance policy shall also contain a provision under which the insurer shall give you at least 10 days notice before the cancellation, termination or material change in coverage.

FUNDS FOR TAXES AND INSURANCE. Unless applicable law provides otherwise, at your option I will pay to you on the day payments of principal or interest are due under the Secured Debt, a sum (which shall be termed "Funds") equal to a proportionate share of the yearly taxes and assessments which may attain priority over this mortgage, and ground rents on the property, if any, plus the same proportionate share of yearly premium installments for required insurance, as determined by you from time to time on the basis of assessments, bills, and reasonable estimates. The proportionate share of yearly taxes, assessments, insurance premiums and ground rents shall bear the same proportion to the total yearly taxes, assessments, insurance premiums and ground rents as the amount of any payment of principal or interest bears to the sum of all the payments of principal or interest due in one year.

The Funds shall be held by you, and the Funds shall be applied to pay the taxes, assessments, insurance premiums and ground rents. You may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless you pay me interest on the Funds and applicable law permits you to make such a charge. You and I may agree in writing at the time of execution of this mortgage that interest on the Funds shall be paid to me, and unless such agreement is made or applicable law requires such interest to be paid, you shall not be required to pay me any interest on the Funds. You shall give to me without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this mortgage.

If the amount of the Funds held by you together with the future installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at my option, either promptly repaid to me or credited to the Funds. If the amount of the Funds held by you shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, I will pay to you any amount necessary to make up the deficiency within 30 days from the date notice is mailed to me by you requesting payment.

Upon payment in full of all sums secured by this mortgage, you shall promptly refund to me any Funds held by you. If the Property is sold or the Property is otherwise acquired by you, you shall apply Funds held as a credit against the sums secured by this mortgage.

FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. I will provide to you upon request, any financial statement or information you may deem necessary. I warrant that all financial statements and information I provide to you are or will be accurate, correct, and complete. I agree to sign, deliver, and file as you may reasonably request any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under the Secured Debt and your lien status on the Property. If I fail to do so, you may sign, deliver, and file such documents or certificates in my name and I hereby irrevocably appoint you or your agent as attorney in fact to do the things necessary to comply with this provision.

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EXPENSES AND ADVANCES ON COVENANTS AND ATTORNEYS FEES. Except when prohibited by law, I agree to pay all your expenses, including reasonable attorneys' fees, if I breach any covenants in this mortgage or in any obligation secured by this mortgage. I will also repay upon demand all of your expenses incurred in collecting, insuring, conserving or protecting the Property or in any inventories, audits, inspections or other examination by you in respect of the Property. I agree to pay all costs and expenses incurred by you in enforcing or protecting your rights and remedies under this mortgage, including, but not limited to, reasonable attorneys' fees, court costs, and other legal expenses. I will pay these amounts to you as provided in this mortgage. All such amounts will be due on demand and will bear interest at the highest rate provided in any agreement, note or other instrument evidencing the Secured Debt, and permitted by law at the time of the advance.

INTEREST AND FEES. I do not agree or intend to pay, and you do not agree or intend to charge or collect more for the Secured Debt (or any part of it) than the maximum you would be permitted by state or federal law, as applicable. Any such excess interest or unauthorized fee shall be first applied to interest and charges accrued which are outstanding and unpaid on any part of the Secured Debt, then to principal and, when the principal of the entire Secured Debt has been paid in full, refunded to me.

JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this mortgage are joint and individual. If I sign this mortgage but do not sign the Security Instrument I do so only to mortgage my interest in the Property to secure payment of the Secured Debt and I do not agree to be personally liable on the Secured Debt. I also agree that you and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or the Security Instrument without my consent. Such a change will not release me from the terms of this mortgage. The duties and benefits of this mortgage shall bind and benefit the successors and assigns of either or both of us.

If this mortgage secures a guaranty between you and I and does not directly secure the obligation due under the Security Instrument, I agree to waive any rights that may prevent you from bringing any action or claim against me or any party indebted under the Security Instrument including, but not limited to, anti-deficiency or one-action laws.

APPLICABLE LAW; SEVERABILITY; AND INTERPRETATION. This mortgage shall be governed by the laws of the jurisdiction in which you are located; may not be amended or modified orally; and except as provided elsewhere in this mortgage, shall be binding on both you and me as well as our legal representatives, successors and assigns. Any provision or clause of the mortgage, riders, or any agreement issued in connection with the Secured Debt which conflicts with applicable law will not be effective unless that law expressly or impliedly permits variations by agreement. If any provision or clause of any document issued in connection with the Secured Debt cannot be enforced according to its terms, this fact will not affect the enforceability of the balance of this mortgage, riders, or any other document issued in connection with the Secured Debt. Nothing in this mortgage shall be construed to limit your remedies to those described in this mortgage. The captions and headings of the paragraphs of this mortgage are for convenience only and are not to be used to interpret or define the mortgage provisions. Time is of the essence in this mortgage.

NOTICE. Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at the Property Address or any other address that I tell you. I will give any notice to you by mailing it first class to your address on the first page of this mortgage, or to any other address that you have designated in writing. Any notice shall be deemed to have been given to either of us when given in the manner stated above.

WAIVER OF DOWER, DISTRIBUTIVE SHARE AND HOMESTEAD. I hereby waive and relinquish all rights of dower and distributive share in and to the Property. I also waive all rights of homestead exemption as to the Property.

ADDITIONAL WARRANTIES.

I understand that homestead property is in many cases protected from the claims of creditors and exempt from judicial sale; and that by signing this contract, I voluntarily give up my right to this protection for this property with respect to claims based upon this contract.

X Lawrence A Althoff 1/7/94
(Signature) Lawrence A. Althoff (Date) (Signature) (Date)

SIGNATURES: By signing below, I agree to the terms and covenants contained on all pages of this mortgage and in any riders described above that I have signed. I also acknowledge receipt of a copy of this mortgage on today's date.

☐ Actual authority was conferred to the parties signing below by the resolution signed and dated _____, _____.

X Lawrence A Althoff 1/7/94
(Signature) Lawrence A. Althoff (Date) (Signature) (Date)

(Signature) (Date) (Signature) (Date)

ACKNOWLEDGMENT: STATE OF IOWA, COUNTY OF Linn } ss.
On this 7th day of January, 1994 before me, a Notary Public in the State of Iowa, personally appeared Lawrence A. Althoff,

☒ **[Individual]** to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

☐ **[Corporate or Joint-stock Association]** to me personally known, who being by me duly sworn or affirmed did say that that person is _____ of said corporation or association, that (the seal affixed to said instrument is the seal of said or no seal has been procured by said corporation or association) and that said instrument was signed and sealed on behalf of the said corporation or association by authority of its board of directors and the said _____ acknowledged the execution of said instrument to be the voluntary act and deed of said corporation or association by it voluntarily executed.

☐ **[Partnership]** to me personally known, who being by me duly sworn, did say that the person is one of the partners of _____, a partnership, and that the instrument was signed on behalf of the partnership by authority of the partners and the partner acknowledged the execution of the instrument to be the voluntary act of and deed of the partnership by it and by the partner voluntarily executed.

JOHN B. DIRKS
MY COMMISSION EXPIRES
3/1/95

John B. Dirks
Notary Public In The State Of Iowa

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ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this ....7TH... day of ..JANUARY, 1994..... and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to ....CITY STATE BANK, CENTRAL CITY, IOWA..... ..... (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

....RURAL ROUTE #1, COGGON, IOWA 52218.....
[Property Address]

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

The Note provides for an initial interest rate of .....7.85..... %. The Note provides for changes in the interest rate and the payments, as follows:

3. PAYMENTS

(A) Scheduled Payments

All references in the Security Instrument to "monthly payments" are changed to "scheduled payments."

I will pay principal and interest by making payments when scheduled: (mark one):

☐ I will make my scheduled payments on the first day of each month beginning on .....
.....

☒ I will make my scheduled payments as follows: THE 31ST DAY OF DECEMBER EACH YEAR, BEGINNING DECEMBER 31, 1994.

☐ In addition to the payments described above, I will pay a "balloon payment" of $ ..... on ..... The Note Holder will deliver or mail to me notice prior to maturity that the balloon payment is due. This notice will state the balloon payment amount and the date that it is due.

(B) Maturity Date and Place of Payments

I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described in the Note.

My scheduled payments will be applied to interest before principal. If, on .DECEMBER 31, 2013..... ..... , I still owe amounts under the Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my scheduled payments at .....CITY STATE BANK, CENTRAL CITY, IOWA..... ..... or at a different place if required by the Note Holder.

(C) Amount of My Initial Scheduled Payments

Each of my initial scheduled payments will be in the amount of U.S. $ ..6,948.31..... This amount may change.

(D) Scheduled Payment Changes

Changes in my scheduled payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my scheduled payment in accordance with Section 4 of the Note.

4. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

(A) Change Dates

Each date on which my interest rate could change is called a "Change Date." (Mark one)

☐ The interest rate I will pay may change on the first day of ..... and on that day every ..... month thereafter.

☒ The interest rate I will pay may change ..... EVERY 60 MONTHS ..... and on every 60 MONTHS ..... thereafter.

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is: ..... THE NATIONAL AVERAGE CONTRACT INTEREST RATE FOR MAJOR LENDERS ON THE PURCHASE OF PREVIOUSLY OCCUPIED HOMES. .....

The most recent Index figure available as of the date ☒ 45 days ☐ ..... before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by ..... ADDING ONE AND ONE-QUARTER ..... percentage points (..... +1.25 ..... %) to the Current Index. The result of this calculation:

☒ will not be rounded off.

☐ will be rounded off by the Note Holder to the nearest _____ %.

☐ will be rounded off by the Note Holder up to the nearest _____ %.

☐ will be rounded off by the Note Holder down to the nearest _____ %.

Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate until the next change date.

The Note Holder will then determine the amount of the scheduled payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my scheduled payment.

(D) Limits on Interest Rate Changes

☐ My interest rate will never be increased or decreased on any single change date by more than ..... percentage points from the rate of interest I have been paying for the preceding period.

☒ My interest rate will never be greater than 15.85 .....% or less than 6.00 .....%.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new scheduled payment beginning on the first scheduled payment date after the Change Date until the amount of my scheduled payment changes again.

(F) Notice of Changes

At least 25 days, but no more than 120 days, before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my scheduled payment. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. FUNDS FOR TAXES AND INSURANCE

[Mark one]

☒ Uniform Covenant 2 of the Security Instrument is waived by the Lender.

☐ Uniform Covenant 2 of the Security Instrument is amended to read as follows:

2. SCHEDULED PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

I will pay to Lender all amounts necessary to pay for taxes, assessments, leasehold payments or ground rents (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make those payments on the same day that my scheduled payments of principal and interest are due under the Note.

Each of my payments under this Paragraph 2 will be the sum of the following:

(i) The estimated yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument, divided by the number of scheduled payments in a year; plus,

(ii) The estimated yearly leasehold payments or ground rents on the Property, if any, divided by the number of scheduled payments in a year; plus

(iii) The estimated yearly premium for hazard insurance covering the Property, divided by the number of scheduled payments in a year; plus

(iv) The estimated yearly premium for mortgage insurance (if any), divided by the number of scheduled payments in a year.

Lender will estimate from time to time my yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the "escrow items." Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amounts that I pay to Lender for escrow items under this Paragraph 2 will be called the "Funds".

(B) Lender's Obligations

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Except as described in this Paragraph 2, Lender will use the Funds to pay the escrow items. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds, for using the Funds to pay escrow items, for analyzing my payments of Funds, or for receiving, verifying and totaling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the Funds: or (ii) the law requires Lender to pay interest on the Funds.

(C) Adjustments to the Funds

If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and agreements made in this Security Instrument, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future scheduled payments of Funds. There will be excess amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or keeping, plus (ii) the amount of the scheduled payments of Funds which I still must pay between that time and the due dates of escrow items is greater than the amount necessary to pay the escrow items when they are due.

If, when payments of escrow items are due, Lender has not received enough Funds to make those payments, I will pay to Lender whatever additional amount is necessary to pay the escrow items in full. I must pay that additional amount in one or more payments as Lender may require.

When I have paid all of the sums secured, Lender will promptly refund to me any Funds that are then being held by Lender. If, as a result of the exercise by Lender of any of its rights under this Security Instrument, either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, Lender will use any Funds which Lender is holding at the time to reduce the sums secured.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Lawrence A. Althoff (Seal)
LAWRENCE A. ALTHOFF -Borrower

..... (Seal)
-Borrower