Heritage Bank
311 Franklin St.
Delhi, IA

331-3718

'97 JUN 17 AM 10 53

44 190

#61.00

THIS INSTRUMENT PREPARED BY: David R. Chanez
Moyer & Bergman, PLC, 2720 1st Ave. NE, PO Box 1943, Cedar Rapids, IA 52406-1943, (319) 366-7551

ALTERNATIVE NONJUDICIAL VOLUNTARY FORECLOSURE AGREEMENT
PURSUANT TO IOWA CODE § 654.18

THIS AGREEMENT is made and entered into by and between Alan D. Mormann and Pamela Mormann, husband and wife, (the "Mortgagors") and Heritage Bank f/k/a Delhi Savings Bank of Delhi, Iowa, (the "Mortgagee"),

RECITALS

A. The Mortgagors and the Mortgagee executed a certain Real Estate Mortgage dated November 10, 1993 and recorded November 16, 1993 in Book 34, Page 22 in the records of the Delaware County Recorder (the "Mortgage") which contained an open-end feature of $50,000.00. A copy of the Mortgage is attached as Exhibit "A". The Mortgage secures payment of a Promissory Note dated November 10, 1993 (the "Note") and amended on November 15, 1994 and November 6, 1995. A copy of the Note and Amendments are attached as Exhibit "B".

B. The Mortgage granted Mortgagee a mortgage lien in the following described property located in Delaware County, Iowa:

> THE SOUTH SEVEN (7) FEET OF LOT SIX (6), AND THE NORTH SIXTY (60) FEET OF LOT SEVEN (7), AND THE WEST ONE-THIRD (W 1/3) OF LOT EIGHT (8), EXCEPT THE SOUTH SEVENTY-TWO (72) FEET THEREOF, AND THE WEST EIGHTY-EIGHT (88) FEET OF THE ALLEY LYING BETWEEN LOTS FIVE (5) AND SIX (6) ON THE NORTH AND SAID LOTS SEVEN (7) AND EIGHT (8) ON THE SOUTH, ALL IN BLOCK THREE (3), DELHI, IOWA, ACCORDING TO PLAT RECORDED IN BOOK A, L.D., PAGES 128-129,

(the "Real Estate").

C. Mortgagors are now in default in the performance of the Note and Mortgage.

D. Mortgagors and Mortgagee desire to avoid the costs and expenses of a judicial foreclosure and desire to proceed with a non-judicial foreclosure.

NOW, THEREFORE, Mortgagors and Mortgagee mutually agree as follows:

1. Mortgagors and Mortgagee elect to follow the alternative nonjudicial voluntary foreclosure procedure outlined in Iowa Code § 654.18.

2. Mortgagors shall convey to Mortgagee all Mortgagors' right, title and interest in the Real Estate subject to the Mortgage. Upon execution of this agreement, Mortgagors shall execute and deliver to Mortgagee a special warranty deed, a copy of which is attached as Exhibit "C".

3. Mortgagee shall accept Mortgagors' conveyance of the Real Estate and waives any right to a deficiency or other claims against the Mortgagors arising from the Mortgage and the Note.

4. Mortgagors acknowledge receipt of duplicate copies of the "Disclosure and Notice of Cancellation" attached as Exhibit "D". Mortgagors further acknowledge that they have read the Disclosure and Notice of Cancellation, have been afforded the opportunity to confer with legal counsel and understand their rights thereunder.

5. Mortgagee shall be entitled to immediate access to the Real Estate for the purpose of maintaining and protecting the Real Estate.

6. Mortgagee shall file this agreement with the Delaware County Recorder to place of record the notice of their election to use the alternative nonjudicial voluntary foreclosure procedure under Iowa Code §654.18.

7. The parties acknowledge that until the completion of the foreclosure pursuant to §654.18 of the Iowa Code, Mortgagee shall hold the Real Estate subject to liens of record at the time of the conveyance by Mortgagors. However, the mortgage lien of the Mortgagee shall remain prior to liens which were junior to the Mortgage at the time of conveyance by Mortgagors to Mortgagee and may be foreclosed as provided otherwise by law.

8. Mortgagee shall not report to a credit bureau that Mortgagors are delinquent on the Mortgage. However, Mortgagee may report that this foreclosure procedure was used.

9. Mortgagors acknowledge that this agreement is entered into

voluntarily by them and without any fraud, misrepresentation, duress or undue influence whatsoever or any misunderstanding on the part of Mortgagee and is not given in preference against any creditors of Mortgagors.

10. Mortgagors assign to Mortgagee all hazard insurance policies now in effect on the Real Estate and Mortgagors further assign to Mortgagee the right to receive payment of any claim payable under the terms of the hazard insurance, including any premium refund now or later payable.

11. This agreement shall bind the personal representatives, heirs, successors and assigns of the parties.

Entered and agreed to this 14th of June, 1997.

HERITAGE BANK, DELHI, IOWA

Alan D. Mormann Mortgagor

By: Tamara K. Danover, Pres
Mortgagee

Pamela Mormann Mortgagor

STATE OF IOWA)
) ss:
COUNTY OF Linn)

This instrument was acknowledged before me on May 14, 1997 by Alan D. Mormann and Pamela Mormann, husband and wife.

NOTARY PUBLIC - STATE OF IOWA

STATE OF IOWA)
) ss:
COUNTY OF Linn)

This instrument was acknowledged before me on May 14, 1997 by Tamara Danover, President of Heritage Bank, Delhi, Iowa.

NOTARY PUBLIC - STATE OF IOWA

F:\USERS\DANA\WP\MISC\HERITAGE.AGR 5/28/97 10:33am Wed

FIDLAR & CHAMBERS CO. FORM 245D-10

NOTE: This form clause for a six months' period of redemption. Use official Form No. 13.2 for the twelve months' period.

REAL ESTATE MORTGAGE – IOWA

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

THIS INDENTURE made this 10th day of November, A.D. 1993 between

Alan Mormann and Pamela Mormann, husband and wife

Mortgagors

of the County of Delaware, and State of Iowa, and

DELHI SAVINGS BANK

DELHI, IOWA

Mortgagee,

of the County of Delaware, and State of Iowa.

WITNESSETH: That the said Mortgagors, in consideration of

Fifty Thousand and no/100----------

DOLLARS

($ 50,000.00) loaned by Mortgagee, received by Mortgagors, and evidenced by the promissory note hereinafter referred to, and such additional loan or loans at the option of the Mortgagee, referred to in Paragraph 1, below, do, by these presents SELL, CONVEY AND MORTGAGE, unto the said Mortgagee It's Successors and/or Assigns

(To create a joint tenancy for more than one Mortgagee, use appropriate words)

the following described Real Estate situated in the County of Delaware, State of Iowa, to-wit:

The South Seven (7) feet of Lot Six (6), and the North Sixty (60) feet of Lot Seven (7), and the West one-third (W 1/3) of Lot Eight (8), except the South Seventy Two (72) feet thereof, and the West Eighty Eight (88) feet of the alley lying between Lots Five (5) and Six (6) on the North and said Lots Seven (7) and Eight (8) on the South, all in Block Three (3), Delhi, Iowa, according to plat recorded in Book A, L.D., Pages 128-129.

together with all personal property that may integrally belong to, or be or hereafter become an integral part of said real estate, and whether attached or detached (such as, light fixtures, shades, rods, blinds, venetian blinds, awnings, storm windows, storm doors, screens, linoleum , water heater, water softener, automatic heating equipment and other attached fixtures), and hereby granting, conveying and mortgaging also all of the easements, servient estates appurtenant thereto, rents, issues, uses, profits and right to possession of said real estate, and all crops raised thereon from now until the debt secured thereby shall be paid in full.

Said Mortgagors hereby covenant with Mortgagee, or successor in interest, that said Mortgagors hold said real estate by title in fee simple; that they have good and lawful authority to sell, convey and mortgage the same; that said premises are Free and Clear of all Liens and Encumbrances Whatsoever except as may be above stated; and said Mortgagors Covenant to Warrant and Defend the said premises against the lawful claims of all persons whomsoever, except as may be above stated.

Each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the above described premises, and waives any rights of exemption, as to any of said property.

CONDITIONED HOWEVER, That if said Mortgagors shall pay or cause to be paid to said Mortgagee, or his successor, or assigns, said sum of money which shall be legal tender in payment of all debts and dues, public and private, at time of payment, all at the time, place, and upon the terms provided by one' promissory note of Mortgagors to Mortgagee, of even date herewith, and as may be supplemented by loans under Paragraph 1 below, and shall perform the other provisions hereof, then these presents will be void, otherwise to remain in full force and effect.

1. **OPEN-END FEATURE.** This mortgage shall stand as security for said note and for any and all future advances made by the holder of said note to the Mortgagors, in any amount so that the total principal herein does not exceed $ 50,000.00 and Mortgagee is hereby given authority to make any such additional advances to Mortgagors herein, upon their signed order or receipt,[3] and secured as the original obligation herein. Such limitation upon the total amount of principal shall not be considered as limiting the amounts secured hereby if for accruing interest or for any amount for any protective disbursement advanced, or that may be taxed as costs to protect the security for loan or loans made, in accordance with the terms and provisions contained in this mortgage. **THIS PARAGRAPH SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL LOANS IN ANY AMOUNT.**

2. **TAXES.** Mortgagors shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against said property, or any part thereof, before same become delinquent, without notice or demand; and shall procure and deliver to said Mortgagee, on or before the fifteenth day of October of each year, duplicate receipts of the proper officers for the payment of all such taxes and assessments then due.

3. **INSURANCE.** Mortgagors shall keep in force insurance against loss by fire, tornado and other hazards, casualties and contingencies as Mortgagee may require on all buildings and improvements, in companies to be approved by Mortgagee in an amount not less than $ _____ . Mortgagors shall deposit such policies with the Mortgagee. Such policies shall be payable to the parties as their interests may appear. Mortgagors shall pay all premiums therefor when due without notice or demand.

4. **REPAIRS TO PROPERTY.** Mortgagors shall keep the buildings and other improvements on said premises in as good repair and condition as same may now be or are hereafter placed, ordinary wear and tear only excepted; and shall not suffer or commit waste on or to said security.

5. **ATTORNEY'S FEES.** In case of any action, or in any proceedings in any court, to collect any sums payable 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, Mortgagors agree to pay reasonable attorney fees.

FILE No. 335-1524
RECORDING FEE $ 11.00
TRANSFER FEE $ _____

FILED FOR RECORD THE 16 DAY OF Nov, 1993 AT 10:48 O'CLOCK A. M. BOOK 34 PAGE 22

STATE OF IOWA, DELAWARE COUNTY
Deborah L. Peyton, Recorder
TLM CM 31

EXH A

6. **CONTINUATION OF ABSTRACT.** In event of any default herein by Mortgagors, Mortgagee may, at the expense of Mortgagors, procure an abstract of title, or continuation thereof, for said premises, and charge and add to the mortgage debt the cost of such abstract or continuation with interest upon such expense at the highest legal rate.

7. **ADVANCES OPTIONAL WITH MORTGAGEE.** It is expressly understood and agreed that if the insurance above provided for is not promptly effected, or if the taxes or special assessments assessed against property shall become delinquent, Mortgagee (whether electing to declare the whole mortgage due and collectible or not), may (but need not) effect the insurance above provided for, and need not, but may and is hereby authorized to pay said taxes and special assessments (irregularities in the levy or assessment of said taxes being expressly waived), and all such payments with interest thereon at the highest legal rate from time of payment shall be a lien against said premises.

8.1 **ACCELERATION OF MATURITY AND RECEIVERSHIP.** It is agreed that if default shall be made in the payment of said note, or any part of the interest thereon, or any other advance or obligation which may be secured hereby or any agreed protective disbursement, such as taxes, special assessments, insurance and repairs, or if Mortgagors shall suffer or commit waste on or to said security, or if there shall be a failure to comply with any and every condition of this mortgage, then, at the option of the Mortgagee, said note and the whole of the indebtedness secured by this mortgage, including all payments for taxes, assessments or insurance premiums, shall become due and shall become collectible at once by foreclosure or otherwise after such default or failure, and without notice of broken conditions; and at any time after the commencement of any action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said 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 shall be liable to account to said Mortgagors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and the indebtedness, charges and expenses hereby secured and herein mentioned. And it is hereby agreed, that after any default in the payment of either principal or interest, such sums in default secured by this mortgage shall draw interest at the highest legal rate.

8.2 **SIX MONTHS' PERIOD FOR REDEMPTION.** It is further agreed that if this mortgage covers less than 10 acres of land, and in the event of the foreclosure of this mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to 6 months provided the Mortgagee waives in such foreclosure proceedings any rights to a deficiency judgment against the Mortgagors which may arise out of the foreclosure proceedings; all to be consistent with all provisions of Chapter 289, 59th G. A., amending Chapter 628, I. C. A.

9. **DEFINITION OF TERMS.** Unless otherwise expressly stated, the word "Mortgagors," as used here, includes heirs, executors, administrators, assigns and successors in interest of such "Mortgagors"; the word "Mortgagee," as used herein, unless otherwise expressly stated, includes the heirs, executors, administrators, assigns, and successors in interest of such "Mortgagee." All words referring to "Mortgagors" or "Mortgagee" shall be construed to be of the appropriate gender and number, according to the context. This construction shall include the acknowledgment hereof.

10. **The address of the Mortgagee is** 311 Franklin St.
(Street and Number)
Delhi, Iowa 52223
(City) (Zone) (State) (See last sentence of Section 447.9 I.C.A.)

11. **ADDITIONAL PROVISIONS.** The following additional provisions are hereby incorporated herein: **(Insert due date or due dates if desired)**[4] The principal obligation herein, the one promissory note above referred to is payable $ _____ on _____ and _____ on _____.

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.

Alan Mormann 11/10/93 Pamela Mormann 11/10/93
(Signature) (Date) (Signature) (Date)

IN WITNESS WHEREOF, said Mortgagors have hereunto set their hands the day and year first above written.

Alan Mormann
Pamela Mormann
Mortgagors

STATE OF IOWA, Delaware COUNTY, ss:

On this 10th day of November, A.D. 19 93, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared Alan Mormann and Pamela Mormann

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

NOTARIAL SEAL IOWA LARRY R. HILLERS MY COMMISSION EXPIRES 4-7-95

Notary Public in and for said County

[1]Only one original promissory note is contemplated with the use of this mortgage form. But see 3 below.
[3]If later advances are made, the order, receipt or additional promissory note should be signed by husband and wife, and specifically refer to the security of this original mortgage, which should be identified by book and page.
[4]CONSIDER THE STATUTE OF LIMITATIONS. If this loan, and later advances constitute a long term transaction (over ten years), consider the advisability of making the maturity date or dates in the original note a matter of public record by insertion in this mortgage. See Iowa Land Title Examination Standards, Problems 10.4 and 10.5

335-1524

IOWA MORTGAGE No. _____

MORTGAGE

From Alan Mormann & Wife

To Delhi Savings Bank

INDEXED IN CHATTEL MTG. INDEX

Filed for record the _____ day of _____, A.D. 19 _____ at _____ o'clock _____ M., and recorded in Book 34 of Mortgages on page _____

FILED
93 NOV 16 AM 10 48
DELAWARE COUNTY IOWA

RECORDER
$11.00

_____ County Records.
Recorder
Deputy

WHEN RECORDED RETURN TO ✓
Delhi Savings Bank
P O Box 185
Delhi, IA 52223

EXHIBIT A-2

BOOK 44 PAGE 190

0.3

BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.	LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	ACCOUNT NUMBER: #0758
THE COUNTRY CUPBOARD 502 THIRD ST., BOX 158 DELHI, IA 52223	DELHI SAVINGS BANK 311 FRANKLIN DELHI, IA 52223	Loan Number 098442-15669 Date NOVEMBER 10, 1993 Maturity Date NOVEMBER 10, 1994 Loan Amount $ 50,000.00 Renewal Of LRH #42-1235142

I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of FIFTY THOUSAND AND NO/100 Dollars $ 50,000.00

☒ **Single Advance:** I have received all of this principal sum. No additional advances are contemplated under this note.

☐ **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. As of today I have received the amount of $ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____

☐ **Open-End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires no later than _____.

☐ **Closed-End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

PURPOSE: The purpose of this loan is BUSINESS : PURCHASE COUNTRY CUPBOARD RESTRAUNT BUSINESS

INTEREST: I agree to pay interest on the principal balance I owe from time to time as stated in this section. Interest will be calculated on a ACTUAL/365 basis.

☒ **Fixed Rate:** I agree to pay interest at the fixed, simple rate of 6.000 % per year.

☐ **Variable Rate:** I agree to pay interest at the initial simple rate of _____ % per year. This rate may change as stated below.

☐ **Index Rate:** The future rate will be _____ the following index rate: _____

☐ **No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

☐ **Frequency and Timing:** The rate on this note may increase as often as _____. An increase in the interest rate will take effect _____.

☐ **Limitations:** The rate on this note will not at any time (and no matter what happens to any index rate used) go above or below these limits.

☐ **Maximum Rate:** The rate will not go above _____.

☐ **Minimum Rate:** The rate will not go below _____.

Post-Maturity Rate: I agree to pay interest on the unpaid balance owing after maturity and until paid in full as stated below.

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to _____.

☒ **ADDITIONAL CHARGES:** In addition to interest, I ☐ have paid ☒ agree to pay the following additional charges _____

PAYMENTS: I agree to pay this note as follows:

☐ **Interest:** I agree to pay accrued interest _____

☐ **Principal:** I agree to pay the principal _____

☒ **Installments:** I agree to pay this note in 12 payments. The first payment will be in the amount of $ 421.99 and will be due on DECEMBER 10, 1993. A payment of $ 421.99 will be due on the 10TH day of each MONTH thereafter. The final payment of the entire unpaid balance of principal and interest will be due NOVEMBER 10, 1994

☐ **Effect of Variable Rate:** An increase in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will be increased. ☐ The amount of the final payment will be increased.

☐ _____

ADDITIONAL TERMS:

SECURITY: I give you a security interest in the following:
(1) any property of mine, whether I own it now or in the future, which is in your possession (This includes, but is not limited to, property I give you for safekeeping, collection, or exchange, and all dividends and distributions from the property.);
(2) the property described below, together with all parts, accessories, repairs, improvements and accessions to the property, and all proceeds and products from the property.

☒ **Inventory:** All inventory wherever it is located which I own now or may own in the future, which I will sell or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in my business.

☒ **Equipment:** All equipment which I own now or may own in the future including, but not limited to, all machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and recordkeeping equipment, and parts and tools. Any equipment described in a list or schedule which I give to you will also be included in the secured property, but such a list is not necessary for a valid security interest in my equipment.

☐ **Farm Products:** All farm products which I own now or may own in the future including, but not limited to:
(a) all poultry and livestock and their young, along with their products and produce;
(b) all crops, annual or perennial, and all products of the crops; and
(c) all feed, seed, fertilizer, medicines, and other supplies used or produced in my farming operations.

☒ **Accounts, Instruments, Documents, Chattel Paper and Other Rights to Payment:** All rights I have now or may have in the future to the payment of money including, but not limited to:
(a) payment for goods sold or leased or for services rendered, whether or not I have earned such payment by performance; and
(b) rights to payment arising out of all present and future debt instruments, chattel paper and loans and obligations receivable.
The above include any rights and interests (including all liens and security interests) which I may have by law or agreement against any account debtor or obligor of mine.

☒ **General Intangibles:** All general intangibles I own now or may own in the future including, but not limited to, tax refunds, applications for patents, patents, copyrights, trademarks, trade secrets, good will, trade names, customer lists, permits and franchises, and the right to use my name.

☒ **Additional Property:** Described as follows:

SPECIFICALLY ALL INVENTORY, ACCOUNTS AND EQUIPMENT USED IN BUSINESS OF THE COUNTY CUPBOARD BUSINESS

Description of real estate if the above property is crops, timber, minerals (including oil or gas) or fixtures: _____

Name of record owner, if not me: _____

☐ If checked, this security agreement should be filed in the real estate records.

I will use the property listed as security above for: ☐ farming operations ☒ business purposes ☐ _____.

☒ If checked, this note is secured by a separate REAL ESTATE MORTGAGE DATED 11/10/93 dated _____. (Failure to list a prior security agreement here does not mean that the agreement does not secure this note.)

NOTICE
Except as limited by the "Secured Obligations" paragraph on the reverse side, this security agreement secures all debts I may owe you now or in the future whether or not the debt is secured by any other collateral or indicates that it is secured by this agreement.

Any person who signs within this box gives you a security interest in the property described above and agrees to the terms of the security agreement. This person does not promise to pay the note.

Signed Date

SIGNATURES: I AGREE TO THE TERMS SET OUT ON THE FRONT AND BACK OF THIS AGREEMENT. I have received a copy of this document on today's date.

THE COUNTRY CUPBOARD

x _____

x _____ ALAN D MORMANN, OWNER

x _____ PAMELA MORMANN, OWNER

© 1994 BANKERS SYSTEMS, INC., ST. CLOUD, MN 56301 FORM UNS-1A 9/10/87

Exhibit "8"

ADDITIONAL TERMS OF THE NOTE

APPLICABLE LAW: The law of the state of Iowa will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce unpaid earned interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this form.

INTEREST: If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. If the interest rate on this note is variable, decreases in the interest rate will have the corresponding opposite effect on my payment that increases will have (as shown on the front of this form). No matter how the interest rate is computed, it will never be higher than the highest rate allowed by law.

INDEX RATES: If you and I have agreed that the interest rate on this note will be variable and will be related to an index rate, then the index we select will function only as a tool for setting the rate on this note. You do not guarantee, by selecting any index, that the rate on this note will have a particular relationship to the rate you charge on any other loans or any type or class of loans with your other customers.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal.

If this is closed-end credit, then repaying a part of the principal will not entitle me to additional credit.

If this is open-end credit, then repaying a part of the principal will entitle me to additional credit, unless the open-end feature has expired. You will not ordinarily make an advance if it would cause the unpaid principal amount to become greater than the maximum principal amount, or if the unpaid principal amount is already greater than the maximum principal amount. You will never be obligated to make such an advance, even if you occasionally do so.

POST-MATURITY RATE: For purposes of deciding when the "Post-Maturity Rate" (shown on the other side) applies, the term "maturity" means the following:

(1) If the note is payable on demand, the date you make your demand or the date you accelerate payment on the note, whichever is earlier;
(2) If the note is payable on demand with an alternate maturity date(s), the date you make your demand or the final alternate maturity date or the date you accelerate payment on the note, whichever is earlier; or
(3) In all other cases, the date of the last scheduled payment of principal or the date you accelerate payment on the note, whichever is earlier.

SET-OFF: You have the right to set-off any amount I owe you under this note against any right I have to receive money from you. If my right to receive money from you is owned by someone else not paying this note, your set-off can only reach funds I could have reached with my own request or endorsement. Your right of set-off does not extend to accounts where my rights are only as a fiduciary. It also does not extend to my IRA or other tax-deferred retirement account.

Your right of set-off applies without your first telling me you are going to use it. It applies no matter what sort or value of collateral is on this loan. It also applies no matter who else has agreed to pay this note.

You will not be liable for dishonor of a check where such dishonor occurs because you set-off this debt against my account.

ATTORNEYS' FEES: If you hire a lawyer to collect this note, I must pay his or her fee, plus court costs (except where prohibited by law).

DEFAULT: I will be in default if any one or more of the following occur:

(1) I fail to make a payment on time or in the amount due;
(2) I fail to keep any promise I have made in connection with this loan or any agreement securing this loan;
(3) I fail to pay, or keep any promise, on any other loan or agreement I have with you;
(4) any other creditor of mine attempts to collect the debt I owe him through court proceedings;
(5) I die;
(6) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; or
(7) anything else happens which causes you to believe that you will have difficulty collecting the amount I owe you.

REMEDIES: If I am in default, in some circumstances you are required by law to give me notice of my right to cure. In such cases you may exercise your remedies only if I fail to cure my default within the time provided by law. However, if I have previously defaulted and you have given me notice of my right to cure or I have voluntarily surrendered possession of the property, the law may permit you to immediately exercise your remedies without providing any notice.

Subject to the above limitations and any applicable limitations of Iowa Code Chapter 654A, if I am in default on this note or any agreement securing this note, you have the following remedies:

(1) you may, without notice, accelerate the due date of this note and make all unpaid principal, interest, and all other charges immediately due and payable;
(2) you may set-off this debt against any right I have to the payment of money from you;
(3) you may demand more security or new parties obligated to pay this note in return for not using any other remedy;
(4) you may make use of any remedy you have under state or federal law; and
(5) you may make use of any remedy given to you in any agreement securing this note.

If this is a multiple advance loan, either upon end or closed end, you may refuse to make advances to me while I am in default. By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By deciding not to use any remedy should I default, you do not waive your right to later consider the event a default if it happens again.

WAIVER: I waive presentment, protest, notice of dishonor and notice of protest.

ADDITIONAL PARTIES AND SECURITY: I understand that I must pay this note even if someone else has signed it. You may sue me, or anyone else who is obligated on the note, or any of us together, to collect this note. You do not have to tell me this note has not been paid. You may, without notice, release any cosigner, release or substitute secured property, fail to perfect any security interest or otherwise impair the secured property, or waive any right you might have against any of us and I will still be obligated to pay the note. Extending new credit, renewing, refinancing, or modifying this note will not affect my duty to pay this note. If any of us have our obligation discharged in bankruptcy, this fact will not affect the obligation of any other person who has agreed to pay this note.

FINANCIAL STATEMENTS: I agree to provide to you, upon request, any financial statements or information you may deem necessary.

GUARANTEE: By signing below, I unconditionally guarantee the payment of any amounts owed under this note and any security agreement. I also agree that all the other terms of the note and any security agreement will apply to me.

X _____

X _____

ADDITIONAL TERMS OF THE SECURITY AGREEMENT

SECURED OBLIGATIONS: This security agreement secures this note and any other debt I have with you, now or later. However, it will not secure other debts if you fail, with respect to such other debts, to make any required disclosure about this security agreement or if you fail to give any required notice of the right of rescission. This security agreement will be in effect until it is discharged in writing.

OWNERSHIP AND DUTIES TOWARD PROPERTY: I represent that I own the property listed as security on the front side. Your security interest in the property is ahead of the claims of any other creditor, and I will do whatever you require to protect your interest.

I will keep the property in my possession at the address listed on the front side. I will not remove the property from that address unless I have given you written notice of the location where I would like to move the property to and you have not objected in writing.

I will use the property only for its intended purposes, and will keep it in good repair. I will notify you of any loss or damage to the property. You may examine and inspect the property wherever it is located at any reasonable time.

I will not sell or transfer the property or any interest in it without first obtaining your written consent, unless the property is inventory. By not objecting to an unauthorized sale or transfer, you do not waive your right to consider any subsequent unauthorized sale or transfer a default.

I will pay all taxes and charges on the property as they become due.

INSURANCE: I agree to keep the property insured against the risks and for the amount you require. I will buy the insurance from a firm which is licensed to do business in this state and which is reasonably acceptable to you. You will be named as loss payee on the insurance policy. The insurance will be in effect until the property is released from this agreement. You may require additional security if you agree that insurance proceeds may be used to repair or replace the property.

ACCOUNTS AS SECURED PROPERTY: If I have given you a security interest in my accounts, I will not settle any account for less than its full value without your written permission.

I will collect all accounts until you tell me otherwise. I will keep the proceeds from all the accounts and any goods which are returned to me or which I have taken back in trust for you, and will not mix them with any other property of mine. At your request, I will deliver the proceeds to you or pay you the full price on any returned or repossessed items.

INVENTORY AS SECURED PROPERTY: If I have given you a security interest in my inventory, I will not dispose of it except in the ordinary course of my business at the fair market value for the property, or at a minimum price that we have agreed upon.

FARM PRODUCTS AS SECURED PROPERTY: If I have given you a security interest in my farm products, I will provide you with a written list of the buyers, commission merchants or selling agents to or through whom I may sell my farm products. As used in this paragraph, the terms farm products, commission merchants and selling agents have the meanings given to them in the Federal Food Security Act of 1985.

RIGHTS OF LENDER: You may take the following actions involving this agreement:

(1) you may notify any account debtor of your interest in the secured property and tell the account debtor to make the payment to you or someone else you name, rather than me; you may endorse any checks received from account debtors;
(2) you may place on any chattel paper or instruments a note indicating your interest in the secured property;
(3) you may, in my name, demand, collect, endorse, receive and give a receipt for, compromise, settle, and handle any suits or other proceedings involving the secured property;
(4) take any action you feel is necessary in order to take possession of the secured property, including performing any part of a contract or endorsing it in my name; and
(5) you may make an entry on my books and records showing the existence of the security agreement.

PAYMENTS BY LENDER: You are authorized to pay, on my behalf, charges I am or may become obligated to pay to preserve or protect the secured property (such as property insurance premiums). You may treat those payments as advances and add them to the unpaid principal under the note secured by this agreement.

PURCHASE MONEY SECURITY INTEREST: For the sole purpose of determining the extent of a purchase money security interest arising under this security agreement: (a) payments on any non-purchase money loan also secured by this agreement will not be deemed to apply to the purchase money loan, and (b) payments on the purchase money loan will be deemed to apply first to the non-purchase money portion of the loan, if any, and then to the purchase money obligations in the order in which the items of collateral were acquired. No security interest will be terminated by application of this formula. As used above, "purchase money loan" means any loan the proceeds of which, either in whole or in part, are used to acquire any collateral securing the loan and all extensions, renewals, consolidations and refinancings of such loan.

REMEDIES: I will be in default on this security agreement if I am in default on any note this agreement secures or if I fail to keep any promise contained in the terms of this agreement. Subject to the limitations of Iowa Code Chapter 654A, if I default, you have all of the rights and remedies provided in the note and under the Uniform Commercial Code. You may require me to make the secured property available to you at a place which is reasonably convenient. You may take possession of the secured property and sell it as provided by law. The proceeds will be applied first to your expenses and then to the debt. I agree that 10 days written notice sent to my address listed on the front side by first class mail will be reasonable notice under the Uniform Commercial Code.

PLEDGES: Pledged property is property I am giving to you to keep in your possession to secure the payment of the secured obligations. You may keep this property until the secured obligations are paid in full. You do not have to protect any rights I may have against any prior parties to the property. You or someone you select may be shown as the owner of the property. You may have any prior party make payments on the property to you. You are not liable for any decline in value of the property.

FILING: A carbon, photographic or other reproduction of this agreement may be used as a financing statement where allowed by law.

Exhibit "E 2"

delhi savings bank
PHONE (319) 922-2174, P.O. BOX 185
DELHI, IOWA 52223

DATE: November 15, 1994

FOR VALUE RECEIVED on this 15th day of November, 19 94, it is hereby agreed to by the parties who have signed below, that the terms and conditions of a said note 15359, dated November 10, 1993, in the original amount of $ 50,000.00, and with a current balance due of $ 47,917.62, are hereby changed to read as follows:

The payments of $ 421.99 shall continue on the 10th day of December 19 94, and shall continue on the 10th day of each month, until the 10th day of November 19 95, at which time the remaining principal balance plus interest shall be due and payable.

The interest rate on said note shall continue at the rate of 7.36 %, until the due date of Novmber 10, 19 95.

ALL OTHER TERMS AND CONDITIONS OF SAID NOTE SHALL REMAIN UNCHANGED.

DELHI SAVINGS BANK

BY: Larry R.Hillers
TITLE:

Alan D. Mormann, Owner
Pamela Mormann, Owner

Exhibit "B-3"



DELHI SAVINGS BANK
PHONE 922-2174 AREA CODE 319
DELHI, IOWA 52223

DATE: November 6, 1995

FOR VALUE RECEIVED on this 6th day of November, 19 95, it is hereby agreed to by the parties who have signed below, that the terms and conditions of a said note# 15669, dated 11-10-93, in the original amount of $ 30,000.00, and with a current balance due of $ 46,569.86, are hereby changed to read as follows:

The payments of $ 421.99 shall continue on the 10th day of November 19 95, and shall continue on the 10th day of each month, until the 10th day of November 19 96, at which time the remaining principal balance plus interest shall be due and payable.

The interest rate on said note shall continue at the rate of 6.45 %, until the due date of November 10, 19 96.

ALL OTHER TERMS AND CONDITIONS OF SAID NOTE SHALL REMAIN UNCHANGED.

DELHI SAVINGS BANK

BY:

TITLE:

Alan D. Hormann, Owner

Pamela Hormann, Owner

Exhibit "B-4"

The Country Cupboard
502 Third St, Box 158
Delhi, Iowa 52223
"I" means the BORROWER(S) named above.

Heritage Bank
Delhi, Iowa
"You" means the LENDER named above.

This agreement relates to LOAN NUMBER 098442-15669
ORIGINALLY DATED 11-10 19 93
THIS AGREEMENT DATED 6-17 19 96

Definitions: As used in this agreement, the term "I" means the Borrower(s) named above; "You" means the Lender named above; "Original Obligation" means my previous agreement to pay you money (referred to above by Loan Number and original date), and any related agreements such as a security agreement.

Extension Agreement: You and I have entered into an original obligation which is a commercial loan
By entering into this agreement, we are extending the due date(s) of ____ payments of the original obligation.

The original due date(s) and the amount(s) of the payment(s) extended by this agreement, are as follows:

(a) $ 421.99 originally due 6-10 19 96
(b) $ ____ originally due ____ 19 ____
(c) $ ____ originally due ____ 19 ____
(d) $ ____ originally due ____ 19 ____

The extended due date(s) and the amount(s) then due (including any fees or interest due on the new maturity dates) are as follows:

(a) (*) at new maturity of 9-10-96 19 ____ $ ____
(b) ____ 19 ____ $ ____
(c) ____ 19 ____ $ ____
(d) ____ 19 ____ $ ____

Cost: For this extension, I agree to pay you the fees and/or additional interest as indicated below:

☐ A total fee of $ ____
Upon prepayment of the entire outstanding balance of this obligation:
☐ a portion of this fee may be refunded, as provided by law.
☐ this fee will not be refunded.

☒ Simple interest, on the unpaid balances of principal remaining from time to time at the rate of 6.45 % per year from date above until maturity. This interest rate is same as the rate previously in effect on this obligation.

ADDITIONAL TERMS

*Monthly payments of interest only will be due beginning 7-10-96 thru 9-10-96 when the full balance will be due in full.

This agreement does not in any way, satisfy or cancel the original obligation. Except as specifically amended by this agreement, all other terms of the original obligation remain in effect. This means and includes, but is not limited to: (1) Property which secures the original obligation will continue to secure my total responsibility to pay you as amended by this agreement. (2) All parties who have a responsibility to pay you in any way the original obligation (including any co-makers, endorsers and guarantors) remain responsible for the total amount I owe you as amended by this agreement. If you require the consent to this extension by any additional party, I agree to obtain such consent, and this extension agreement will not be effective if the consent is not obtained. (3) Any post-maturity interest rate provided for in the original obligation (except as specifically contracted for here) shall now begin to apply after the last scheduled payment of the original obligation as amended by this agreement. (4) You will not be responsible to further extend the payments affected by this agreement or any other scheduled payments. All other scheduled payments not affected by this agreement shall remain due as previously scheduled. (5) All provisions for default, remedies, attorneys' fees (if any) etc. remain in effect. (6) My responsibility (if any) to provide insurance on the property which secures the original obligation (if any) shall remain in effect. However, the term of such insurance policy will not be extended to cover any additional term resulting from this agreement unless contracted for and any additional premium is paid. (7) The term of any Credit Life and/or Disability Insurance coverages purchased in connection with the original obligation will not be extended for the additional term provided for in this agreement unless contracted for and any additional premium is paid.

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF LENDER
Tammy Loper

SIGNATURE(S) FOR BORROWERS - BY SIGNING BELOW, I AGREE TO THE EXTENSION. I HAVE RECEIVED A COPY OF THIS AGREEMENT ON TODAY'S DATE.
X [illegible]
X [illegible]

© 1982 BANKERS SYSTEMS, INC., ST. CLOUD, MN 56301 FORM-LEA 5/26/93

The Country Cupboard
502 Third Street
Delhi, Ia 52223
"I" means the BORROWER(S) named above.

Heritage Bank
Delhi, Ia 52223
"You" means the LENDER named above.

This agreement relates to LOAN NUMBER 13669
ORIGINALLY DATED 11-10 19 93
THIS AGREEMENT DATED 11-8 19 94

Definitions: As used in this agreement, the term "I" means the Borrower(s) named above; "You" means the Lender named above; "Original Obligation" means my previous agreement to pay you money (referred to above by Loan Number and original date), and any related agreements such as a security agreement.

Extension Agreement: You and I have entered into an original obligation which is a Commercial loan
By entering into this agreement, we are extending the due date(s) of ~~payments~~ due date of the original obligation.

The original due date(s) and the amount(s) of the payment(s) extended by this agreement, are as follows:

(a) $ 42,318.99 originally due Sept 10 19 96
(b) $ ____ originally due ____ 19 ____
(c) $ ____ originally due ____ 19 ____
(d) $ ____ originally due ____ 19 ____

The extended due date(s) and the amount(s) then due (including any fees or interest due on the new maturity dates) are as follows:

(a) Feb 1 19 97 $ 42,318.99 plus all accrued int.
(b) ____ 19 ____ $ ____
(c) ____ 19 ____ $ ____
(d) ____ 19 ____ $ ____

Cost: For this extension, I agree to pay you the fees and/or additional interest as indicated below:

☒ A total fee of $ 975.11 int due to date
Upon prepayment of the entire outstanding balance of this obligation:
☐ a portion of this fee may be refunded, as provided by law.
☒ this fee will not be refunded.

☐ Simple interest, on the unpaid balances of principal remaining from time to time at the rate of 9.50 % per year from date until Paid. This interest rate is (higher) the rate previously in effect on this obligation.

ADDITIONAL TERMS

This agreement does not in any way, satisfy or cancel the original obligation. Except as specifically amended by this agreement, all other terms of the original obligation remain in effect. This means and includes, but is not limited to: (1) Property which secures the original obligation will continue to secure my total responsibility to pay you as amended by this agreement. (2) All parties who have a responsibility to pay you in any way the original obligation (including any co-makers, endorsers and guarantors) remain responsible for the total amount I owe you as amended by this agreement. If you require the consent to this extension by any additional party, I agree to obtain such consent, and this extension agreement will not be effective if the consent is not obtained. (3) Any post-maturity interest rate provided for in the original obligation (except as specifically contracted for here) shall now begin to apply after the last scheduled payment of the original obligation as amended by this agreement. (4) You will not be responsible to further extend the payments affected by this agreement or any other scheduled payments. All other scheduled payments not affected by the agreement shall remain due as previously scheduled. (5) All provisions for default, remedies, attorneys' fees (if any) etc. remain in effect. (6) My responsibility (if any) to provide insurance on the property which secures the original obligation (if any) shall remain in effect. However, the term of such insurance policy will not be extended to cover any additional term resulting from this agreement unless contracted for and any additional premium is paid. (7) The term of any Credit Life and/or Disability Insurance coverages purchased in connection with the original obligation will not be extended for the additional term provided for in this agreement unless contracted for and any additional premium is paid.

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF LENDER
X ____

SIGNATURE(S) FOR BORROWERS - BY SIGNING BELOW, I AGREE TO THE EXTENSION. I HAVE RECEIVED A COPY OF THIS AGREEMENT ON TODAY'S DATE.
X [illegible]
X ____

© 1982 BANKERS SYSTEMS, INC., ST. CLOUD, MN 56301 FORM-LEA 5/26/93

THIS INSTRUMENT PREPARED BY: STEPHEN C. NELSON
Moyer & Bergman, PLC, 2720 1st Ave. NE, PO Box 1943, Cedar Rapids, IA 52406-1943, (319) 366-7331

SPECIAL WARRANTY DEED

Alan D. Mormann and Pamela Mormann, husband and wife, in consideration of One Dollar and other good and valuable consideration in hand paid, does hereby Convey to Heritage Bank of Delhi, Iowa, an Iowa corporation, the following described real estate situated in Delaware County, Iowa:

THE SOUTH SEVEN (7) FEET OF LOT SIX (6), AND THE NORTH SIXTY (60) FEET OF LOT SEVEN (7), AND THE WEST ONE-THIRD (W 1/3) OF LOT EIGHT (8), EXCEPT THE SOUTH SEVENTY-TWO (72) FEET THEREOF, AND THE WEST EIGHTY-EIGHT (88) FEET OF THE ALLEY LYING BETWEEN LOTS FIVE (5) AND SIX (6) ON THE NORTH AND SAID LOTS SEVEN (7) AND EIGHT (8) ON THE SOUTH, ALL IN BLOCK THREE (3), DELHI, IOWA, ACCORDING TO PLAT RECORDED IN BOOK A, L.D., PAGES 128-129, together with servient easements and estates and subject to covenants, easements and restrictions of record.

This deed is executed and delivered pursuant to an Alternative Nonjudicial Voluntary Foreclosure Agreement Pursuant to Iowa Code §654.18 and is subject to a Real Estate Mortgage dated November 10, 1993 and recorded November 16, 1993 in Book 34, Page 22 in the records of the Delaware County Recorder.

This deed is exempt from real estate transfer tax and the filing of a Declaration of Value since it is a deed giving back real property to a lienholder in lieu of foreclosure. See Section 428A.1 and 428A.2.18 of the Iowa Code.

Grantor does hereby covenant with the Grantee and successors in interest to warrant and defend the real estate against the lawful claims of all persons claiming by, through or under the Grantor, except as may be above stated. The undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the real estate.

Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine or feminine gender, according to the context.

Dated: May ____, 1997.

_____
Alan D. Mormann

_____
Pamela Mormann

STATE OF IOWA)
) ss:
COUNTY OF _____)

This instrument was acknowledged before me on this ____ day of May, 1997, by Alan D. Mormann and Pamela Mormann, husband and wife.

_____
NOTARY PUBLIC - STATE OF IOWA

EXHIBIT "C"

F:\USERS\DANA\WP\MISC\MORMANN.SWD 5/28/97 10:45am Wed

DISCLOSURE AND NOTICE
OF CANCELLATION

Date 6-14-97

Under a forced foreclosure Iowa law requires that you have the right to reclaim your property within one year of the date of the foreclosure and that you may continue to occupy your property during that time. If you agree to a voluntary foreclosure under this procedure you will be giving up your right to reclaim or occupy your property.

Under a forced foreclosure, if your mortgage lender does not receive enough money to cover what you owe when the property is sold, you will still be required to pay the difference. If your mortgage lender receives more money than you owe, the difference must be paid to you. If you agree to a voluntary foreclosure under this procedure you will not have to pay the amount of your debt not covered by the sale of your property but you also will not be paid any extra money, if any, over the amount you owe. NOTE: There may be other advantages and disadvantages, including an effect on your income tax liability, to you depending on whether you agree or do not agree to a voluntary foreclosure. If you have any questions or doubts, you are advised to discuss them with your mortgage lender or an attorney.

You may cancel this transaction, without penalty or obligation, within five business days from the above date.

This transaction is entirely voluntary. You cannot be required to sign the attached foreclosure agreement.

This voluntary foreclosure agreement will become final unless you sign and deliver or mail this notice of cancellation to Heritage Bank, Delhi, Iowa before midnight of 6-20, 1997.

I HEREBY CANCEL THIS TRANSACTION.

DATE _____ SIGNATURE _____

EXHIBIT "D"