Moyer & Bergman
P.O. Box 1943
Cedar Rapids, IA 52406-1943

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

ALTERNATIVE NONJUDICIAL VOLUNTARY FORECLOSURE AGREEMENT PURSUANT TO IOWA CODE §654.18

THIS AGREEMENT is made and entered into by and between Randy J. Nefzger a/k/a Randy Nefzger and Kristine M. Nefzger a/k/a Kristine Nefzger, 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 two (2) certain Real Estate Mortgages, the first dated May 6, 1994, and filed May 19, 1994, in Book 123, L.M., Page 125, in the records of the Delaware County Recorder ("Mortgage #1") which contained an open end feature and secured credit in the amount of $70,000.00. The second Mortgage dated May 9, 1996, and filed of record May 21, 1996, in Book 129, L.M., Page 236, in the records of the Delaware County Recorder ("Mortgage #2) contained an open end feature and secured credit in the amount of $89,898.41. Copies of Mortgage #1 and Mortgage #2 are attached and cumulatively form Exhibit "A." Each of the Promissory Notes identified herein are attached as Exhibit "B."

B. The Mortgagors granted Mortgagee mortgaged liens in the following described property located in Delaware County, Iowa:

SEE ATTACHED EXHIBIT "C" FOR LEGAL DESCRIPTION,

(the "Real Estate").

C. Mortgagors are now in default in the performance of the Promissory Notes and Mortgage #1 and Mortgage #2.

D. Mortgagors and Mortgagee desire to avoid the costs and expenses of a judicial foreclosure and desire to proceed with a nonjudicial 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 Warranty Deed, a copy of which is attached as Exhibit "D."

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 "E." 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 5 of September, 1997.

"MORTGAGEE"
HERITAGE BANK, DELHI, IOWA

By _____
Tamara L. Danover, President

"MORTGAGORS"

_____
Randy J. Nefzger
a/k/a Randy Nefzger

_____
Kristine M. Nefzger
a/k/a Kristine Nefzger

STATE OF IOWA, COUNTY OF Linn, ss:

This instrument was acknowledged before me on September 5, 1997, by Randy J. Nefzger a/k/a Randy Nefzger and Kristine M. Nefzger a/k/a Kristine Nefzger, husband and wife.

JOSEPH A. PEIFFER
Iowa
NOTARIAL SEAL

_____
Notary Public in and
for the State of Iowa
Joseph A. Peiffer

STATE OF IOWA, COUNTY OF Linn, ss:

This instrument was acknowledged before me on September 5, 1997, by Tamara L. Danover, President of Heritage Bank, Delhi, Iowa.

_____
Notary Public in and
for the State of Iowa
Joseph A. Peiffer

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EXHIBIT "A"

State of Iowa — Space Above This Line For Recording Data

OPEN-END REAL ESTATE MORTGAGE

(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage is MAY 6, 1994 and the parties and their addresses are as follows:

MORTGAGOR: RANDY J NEFZGER
AS HUSBAND AND WIFE
RR 1, BOX 90
NEW VIENNA, IA 52065
SOCIAL SECURITY #: [redacted]

KRISTINE M NEFZGER
AS HUSBAND AND WIFE
RR 1, BOX 90
NEW VIENNA, IA 52065

☐ Refer to the Addendum which is attached and incorporated herein for additional Mortgagors.

LENDER: DELHI SAVINGS BANK
ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF IOWA
311 FRANKLIN
DELHI, IA 52223

2. **MORTGAGE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (hereafter defined), Mortgagor grants, bargains, warrants, conveys and mortgages to Lender the following described property: REFER TO EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF.

The property is located in DELAWARE (County) at RR 1, BOX 90 (Address), NEW VIENNA (City), Iowa 52065 (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property"). The term Property also includes, but is not limited to, any and all water wells, water, ditches, reservoirs, reservoir sites and dams located on the real estate and all riparian and water rights associated with the Property, however established.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF $ 70,000.00 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.

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount of the Secured Debt (hereafter defined) secured by this Mortgage at any one time shall not exceed the amount stated above. This limitation of amount does not include interest, loan charges, commitment fees, brokerage commissions, attorneys' fees and other charges validly made pursuant to this Mortgage and does not apply to advances (or interest accrued on such advances) made under the terms of this Mortgage to protect Lender's security and to perform any of the covenants contained in this Mortgage. Future advances are contemplated and, along with other future obligations, are secured by this Mortgage even though all or part may not yet be advanced. Nothing in this Mortgage, however, shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment would need to be agreed to in a separate writing.
4. **SECURED DEBT DEFINED.** The term "Secured Debt" includes, but is not limited to, the following:
   A. The promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all extensions, renewals, modifications or substitutions (Evidence of Debt): NOTE #16149 DATED MAY 6, 1994

(e.g., borrower's name, note amount, interest rate, maturity date)

FILE No. 37-3509
RECORDING FEE $ 36.00
TRANSFER FEE $

FILED FOR RECORD THE 19 DAY OF May, 1994 AT 12:19 O'CLOCK P. M. BOOK 123 PAGE 125

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

BOOK 136 PAGE 93

B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Mortgage whether or not this Mortgage is specifically referred to in the evidence of debt and whether or not such future advances or obligations are incurred for any purpose that was related or unrelated to the purpose of the Evidence of Debt.

C. All obligations Mortgagor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.

D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Mortgage, plus interest at the highest rate in effect, from time to time, as provided in the Evidence of Debt.

E. Mortgagor's performance under the terms of any instrument evidencing a debt by Mortgagor to Lender and any Mortgage securing, guarantying, or otherwise relating to the debt.

If more than one person signs this Mortgage as Mortgagor, each Mortgagor agrees that this Mortgage will secure all future advances and future obligations described above that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. This Mortgage will not secure any other debt if Lender fails, with respect to such other debt, to make any required disclosure about this Mortgage or if Lender fails to give any required notice of the right of rescission.

5. **PAYMENTS.** Mortgagor agrees to make all payments on the Secured Debt when due and in accordance with the terms of the Evidence of Debt or this Mortgage.

6. **WARRANTY OF TITLE.** Mortgagor covenants that Mortgagor is lawfully seized of the estate conveyed by this Mortgage and has the right to grant, bargain, warrant, convey, sell, and mortgage the Property and warrants that the Property is unencumbered, except for encumbrances of record.

7. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Mortgage. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses which Mortgagor may have against parties who supply labor or materials to improve or maintain the Property.

8. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property and that may have priority over this Mortgage, Mortgagor agrees:
   A. To make all payments when due and to perform or comply with all covenants.
   B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
   C. Not to make or permit any modification or extension of, and not to request or accept any future advances under any note or agreement secured by, the other mortgage, deed of trust or security agreement unless Lender consents in writing.

9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of any lien, encumbrance, transfer, or sale, or contract for any of these on the Property. However, if the Property includes Mortgagor's residence, this section shall be subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. For the purposes of this section, the term "Property" also includes any interest to all or any part of the Property. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Mortgage is released.

10. **TRANSFER OF AN INTEREST IN THE MORTGAGOR.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if (1) a beneficial interest in Mortgagor is sold or transferred; (2) there is a change in either the identity or number of members of a partnership or similar entity; or (3) there is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity. However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Mortgage.

11. **ENTITY WARRANTIES AND REPRESENTATIONS.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Mortgagor makes to Lender the following warranties and representations which shall be continuing as long as the Secured Debt remains outstanding:
   A. Mortgagor is an entity which is duly organized and validly existing in the Mortgagor's state of incorporation (or organization). Mortgagor is in good standing in all states in which Mortgagor transacts business. Mortgagor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Mortgagor operates.
   B. The execution, delivery and performance of this Mortgage by Mortgagor and the obligation evidenced by the Evidence of Debt are within the power of Mortgagor, have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.
   C. Other than disclosed in writing Mortgagor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.

12. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will give Lender prompt notice of any loss or damage to the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor 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 Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor or any other owner made under law or regulation regarding use, ownership and occupancy of the Property. Mortgagor will comply with all legal requirements and restrictions, whether public or private, with respect to the use of the Property. Mortgagor also agrees that the nature of the occupancy and use will not change without Lender's prior written consent.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in 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. Mortgagor shall not partition or subdivide the Property without Lender's prior written consent. Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

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13. AUTHORITY TO PERFORM. If Mortgagor fails to perform any of Mortgagor's duties under this Mortgage, or any other mortgage, deed of trust, security agreement or other lien document that has priority over this Mortgage, Lender may, without notice, perform the duties or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may do whatever is necessary to protect Lender's security interest in the Property. This may include completing the construction.

Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Mortgage. Any amounts paid by Lender for insuring, perserving or otherwise protecting the Property and Lender's security interest will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect from time to time according to the terms of the Evidence of Debt.

14. ASSIGNMENT OF LEASES AND RENTS. Mortgagor grants, bargains, warrants, and conveys as additional security all the right, title and interest in and to any and all:

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases").

B. Rents, issues and profits (all referred to as "Rents"), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertains to or is on account of the use or occupancy of the whole or any part of the Property.

Mortgagor will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. Any amounts collected shall be applied at Lender's discretion to payments on the Secured Debt as therein provided, to costs of managing the Property, including, but not limited to, all taxes, assessments, insurance premiums, repairs, and commissions to rental agents, and to any other necessary related expenses including Lender's attorneys' fees and court costs.

Mortgagor acknowledges that this assignment is immediately effective between the parties to this assignment and effective as to third parties on the recording of this Mortgage. Mortgagor agrees that Lender is entitled to notify Mortgagor or Mortgagor's tenants to make payments of Rents due or to become due directly to Lender after such recording, however Lender agrees not to notify Mortgagor's tenants until the Mortgagor defaults and Lender notifies Mortgagor of the default and demands that Mortgagor and Mortgagor's tenants pay all Rents due or to become due directly to Lender. Immediately after Lender gives Mortgagor the notice of default, Mortgagor agrees that either Lender or Mortgagor may immediately notify the tenants and demand that all future Rents be paid directly to Lender. On receiving the notice of default, Mortgagor will endorse and deliver to Lender any payments of Rents. If Mortgagor becomes subject to a voluntary or involuntary bankruptcy, then Mortgagor agrees that Lender is entitled to receive relief from the automatic stay in bankruptcy for the purpose of making this assignment effective and enforceable under state and federal law and within Mortgagor's bankruptcy proceedings.

Mortgagor covenants that no default exists under the Leases or any applicable landlord law. Mortgagor also covenants and agrees to maintain, and to require the tenants to comply with, the Leases and any applicable law. Mortgagor will promptly notify Lender of any noncompliance. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance. Mortgagor will obtain Lender's written authorization before Mortgagor consents to sublet, modify, cancel, or otherwise alter the Leases, to accept the surrender of the Property covered by such Leases (unless the Leases so require), or to assign, compromise or encumber the Leases or any future Rents. Mortgagor will hold Lender harmless and indemnify Lender for any and all liability, loss or damage that Lender may incur as a consequence of the assignment under this section.

15. CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

16. DEFAULT. Mortgagor will be in default if any of the following occur:

A. Any party obligated on the Secured Debt fails to make payment when due;

B. A breach of any term or covenant in this Mortgage, any prior mortgage or any construction loan agreement, security agreement or any other document evidencing, guarantying, securing or otherwise relating to the Secured Debt;

C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Mortgagor or any person or entity obligated on the Secured Debt;

D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Mortgagor or any person or entity obligated on the Secured Debt;

E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;

F. A material adverse change in Mortgagor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or

G. 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 C.F.R. Part 1940, Subpart G, Exhibit M.

17. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Mortgage in a manner provided by law if this Mortgagor is in default.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a defaut or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the Evidence of Debt, other evidences of debt, this Mortgage and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether expressly set forth or not. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

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18. REDEMPTION. Mortgagor agrees that in the event of foreclosure of this Mortgage, at the sole discretion of Lender, Lender may elect to reduce or extend the period of redemption for the sale of the Property to a period of time as may then be authorized under the circumstances and under any section of Iowa Code Chapter 628, or any other Iowa Code Section, now in effect or as may be in effect at the time of foreclosure.

19. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Mortgage. Mortgagor will also pay on demand all of Lender's expenses incurred in collecting, insuring, preserving or protecting the Property or in any inventories, audits, inspections or other examination by Lender in respect to the Property. Mortgagor agrees to pay all costs and expenses incurred by Lender in enforcing or protecting Lender's rights and remedies under this Mortgage, including, but not limited to, attorneys' fees, court costs, and other legal expenses. Once the Secured Debt is fully and finally paid, Lender agrees to release this Mortgage and Mortgagor agrees to pay for any recordation costs. All such amounts are due on demand and will bear interest from the time of the advance at the highest rate in effect, from time to time, as provided in the Evidence of Debt and as permitted by law.

20. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) "Environmental Law" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) "Hazardous Substance" means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law. Mortgagor represents, warrants and agrees that, except as previously disclosed and acknowledged in writing:

A. No Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

B. Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Mortgagor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.

F. There are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Mortgage and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Mortgage without prejudice to any of Lender's rights under this Mortgage.

L. Notwithstanding any of the language contained in this Mortgage to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Mortgage regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

21. CONDEMNATION. Mortgagor will give Lender 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. Mortgagor further agrees to notify Lender 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. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims and to collect and receive all sums resulting from the action or claim. Mortgagor assigns to Lender 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 Mortgage. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

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22. **INSURANCE.** Mortgagor agrees to maintain insurance as follows:

A. Mortgagor shall keep the improvements now existing or hereafter built on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Mortgage.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "lender loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the Secured Debt, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay the Secured Debt whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of scheduled payments or change the amount of the payments. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

B. Mortgagor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.

C. Mortgagor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

23. **NO ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

24. **FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem necessary. Mortgagor warrants that all financial statements and information Mortgagor provides to Lender are, or will be, accurate, correct, and complete. Mortgagor agrees to sign, deliver, and file as Lender may reasonably request any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Mortgage and Lender's lien status on the Property. If Mortgagor fails to do so, Lender may sign, deliver, and file such documents or certificates in Mortgagor's name and Mortgagor hereby irrevocably appoints Lender or Lender's agent as attorney in fact to do the things necessary to comply with this section.

25. **JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Mortgage are joint and individual. If Mortgagor signs this Mortgage but does not sign the Evidence of Debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. Mortgagor agrees that Lender and any party to this Mortgage may extend, modify or make any change in the terms of this Mortgage or the Evidence of Debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Mortgage. The duties and benefits of this Mortgage shall bind and benefit the successors and assigns of Mortgagor and Lender.

If this Mortgage secures a guaranty between Lender and Mortgagor and does not directly secure the obligation which is guarantied, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation including, but not limited to, anti-deficiency or one-action laws.

26. **APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Mortgage is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Mortgage is complete and fully integrated. This Mortgage may not be amended or modified by oral agreement. Any section or clause in this Mortgage, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section or clause of this Mortgage cannot be enforced according to its terms, that section or clause will be severed and will not affect the enforceability of the remainder of this Mortgage. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Mortgage are for convenience only and are not to be used to interpret or define the terms of this Mortgage. Time is of the essence in this Mortgage.

27. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Mortgage, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

28. **WAIVERS.** Except to the extent prohibited by law, Mortgagor waives any rights relating to reinstatement, the marshalling of liens and assets, all rights of dower and distributive share and all homestead exemption rights relating to the Property.

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29. U.C.C. PROVISIONS. If checked, the following are applicable to, but do not limit, this Mortgage:

☐ **Construction Loan.** This Mortgage secures an obligation incurred for the construction of an improvement on the Property.

☐ **Fixture Filing.** Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.

☐ **Crops; Timber; Minerals; Rents, Issues, and Profits.** Mortgagor grants to Lender a security interest 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 (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").

☐ **Personal Property.** Mortgagor grants to Lender a security interest in all personal property located on or connected with the Property. This security interest includes all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Mortgagor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property. The term "personal 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.

☐ **Filing As Financing Statement.** Mortgagor agrees and acknowledges that this Mortgage also suffices as a financing statement and as such, may be filed of record as a financing statement for purposes of Article 9 of the Uniform Commercial Code. A carbon, photographic, image or other reproduction of this Mortgage is sufficient as a financing statement.

30. OTHER TERMS. If checked, the following are applicable to this Mortgage:

☐ **Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Mortgage will remain in effect until released.

☒ **Agricultural Property.** Mortgagor covenants and warrants that the Property will be used principally for agricultural or farming purposes and that Mortgagor is an individual or entity allowed to own agricultural land as specified by law.

☐ **Additional Terms.** .....

.....

.....

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Mortgage and in any attachments. Mortgagor also acknowledges receipt of a copy of this Mortgage on the date stated above on Page 1.

☐ Actual authority was granted to the parties signing below by resolution signed and dated ..... .

Entity Name: RANDY J. NEFZGER
AS HUSBAND AND WIFE

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

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

Entity Name: KRISTINE M. NEFZGER
AS HUSBAND AND WIFE

Kristine Nefzger 5/7/94
(Signature) Kristine M Nefzger (Date)

Randy J Nefzger
(Signature) Randy J Nefzger (Date)

☐ Refer to the Addendum which is attached and incorporated herein for additional Mortgagors, signatures and acknowledgments.

ACKNOWLEDGMENT:

(Individual)

STATE OF IOWA, COUNTY OF DELAWARE } ss.
On this 6TH day of MAY, 1994 before me, a Notary Public in the state of Iowa, personally appeared RANDY J. NEFZGER AND KRISTINE M. NEFZGER to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that RANDY J. NEFZGER AND KRISTINE M. NEFZGER executed the same as THEIR voluntary act and deed.
My commission expires:
(Seal) JASON P. ELSE MY COMMISSION EXPIRES 8/31/95
Jason P Else (Notary Public)
JASON P ELSE

(Business or Entity Acknowledgment)

STATE OF ....., COUNTY OF ..... } ss.
On this ..... day of .... before me, a Notary Public in the state of Iowa, personally appeared .....
to me personally known, who being by me duly sworn or affirmed did say that that person is ..... of ..... said entity, that (the seal affixed to said instrument is the seal of said entity or no seal has been procured by said entity) and that said instrumnet was signed and sealed, if applicable, on behalf of the said entity by authority of its board of directors/partners/members and the said ..... acknowledged the execution of said instrument to be the voluntary act and deed of said entity by it voluntary executed.
My commission expires:
(Seal) ..... (Notary Public)

(In the following statement "I" means the Mortgagor.) 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 rights to this protection for this property with respect to claims based upon this contract.

Randy J Nefzger ..... (Signature) (Date)
Kristine Nefzger ..... (Signature) (Date)

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EXHIBIT A

The South One-half (S½) of the Southwest Quarter (SW¼) of Section Eleven (11), and the West One-half (W½) of the Southwest Quarter (SW¼) and the Northwest Quarter (NW¼) of Section Fourteen (14), except that part of the West One-half (W½) of the Northwest Quarter (NW¼) of said Section Fourteen (14) lying West of a Line decribed as commencing at the West Quarter corner of said Section Fourteen (14), thence North along the West line of said Section Fourteen (14) a distance of Six Hundred Five and One-Tenth (605.1) Feet to the point of beginning of said line, Thence North 77° 29' 13" East Two Hundred Eight and Seven-tenths (208.7) feet, Thence North 47° 39' 48" East Seventy Four and Five-tenths (74.5) feet, Thence North 20° 32' 49" East Two Hundred Thirty One and Two-tenths (231.2) feet, Thence North 08° 56' 33" West One Hundred Seventy Eight and Two-tenths (178.2) Feet, Thence North 26° 00' 26" East Three Hundred Twenty Eight and Seven-tenths (328.7) feet, Thence North 46° 04' 55" East One Hundred Six and Two-tenths (106.2) feet, Thence North 10° 18' 37" East One Hundred Fifty Nine and Three-tenths (159.3) feet, Thence North 04° 17' 22" East Four Hundred Seven and Eight-tenths (407.8) feet Thence North 80° 16' 33" East Two Hundred Fifty Seven and One-tenth (257.1) feet, Thence North 01° 29' 57" East One Hundred Forty Six and Nine-tenths (146.9) feet, Thence North 36° 27' 13" West Five Hundred Twenty Three and Two-tenths (523.2) feet to the North Line of said Section Fourteen (14), all in Township Ninety (90) North, Range Three (3) West of the Fifth P.M., subject to easements of record.

Randy J Nefzger

Kristine M Nefzger

INDEXED IN CHATTEL MTG. INDEX

Heritage Bank
JASON P. ELSE, PO BOX 185 DELHI IA 319/922-2174
(name, address, and phone number of preparer)

96 MAY 21 AM 9 42
109
$36.00

State of Iowa — Space Above This Line For Recording Data

OPEN-END REAL ESTATE MORTGAGE
(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage is MAY 9, 1996 and the parties and their addresses are as follows:

MORTGAGOR: RANDY J NEFZGER
AS HUSBAND AND WIFE
RR 1, BOX 90
NEW VIENNA, IA 52065
SOCIAL SECURITY #: [redacted]

KRISTINE M NEFZGER
AS HUSBAND AND WIFE
RR 1, BOX 90
NEW VIENNA, IA 52065
SOCIAL SECURITY #: [redacted]

☐ Refer to the Addendum which is attached and incorporated herein for additional Mortgagors.

LENDER: HERITAGE BANK
ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF IOWA
311 FRANKLIN ST
DELHI, IA 52223
TAXPAYER I.D. #: 42-0212140

2. **MORTGAGE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (hereafter defined), Mortgagor grants, bargains, warrants, conveys and mortgages to Lender the following described property: REFER TO EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF.

The property is located in DELAWARE (County) at RR 1, BOX 90 (Address), NEW VIENNA (City), Iowa 52065 (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property"). The term Property also includes, but is not limited to, any and all water wells, water, ditches, reservoirs, reservoir sites and dams located on the real estate and all riparian and water rights associated with the Property, however established.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF $ 89,898.41. 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.

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount of the Secured Debt (hereafter defined) secured by this Mortgage at any one time shall not exceed the amount stated above. This limitation of amount does not include interest, loan charges, commitment fees, brokerage commissions, attorneys' fees and other charges validly made pursuant to this Mortgage and does not apply to advances (or interest accrued on such advances) made under the terms of this Mortgage to protect Lender's security and to perform any of the covenants contained in this Mortgage. Future advances are contemplated and, along with other future obligations, are secured by this Mortgage even though all or part may not yet be advanced. Nothing in this Mortgage, however, shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment would need to be agreed to in a separate writing.

4. **SECURED DEBT DEFINED.** The term "Secured Debt" includes, but is not limited to, the following:

A. The promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all extensions, renewals, modifications or substitutions (Evidence of Debt): LOAN #17830 IN THE AMOUNT OF $89898.41

(e.g., borrower's name, note amount, interest rate, maturity date)

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B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Mortgage whether or not this Mortgage is specifically referred to in the evidence of debt and whether or not such future advances or obligations are incurred for any purpose that was related or unrelated to the purpose of the Evidence of Debt.

C. All obligations Mortgagor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.

D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Mortgage, plus interest at the highest rate in effect, from time to time, as provided in the Evidence of Debt.

E. Mortgagor's performance under the terms of any instrument evidencing a debt by Mortgagor to Lender and any Mortgage securing, guarantying, or otherwise relating to the debt.

If more than one person signs this Mortgage as Mortgagor, each Mortgagor agrees that this Mortgage will secure all future advances and future obligations described above that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. This Mortgage will not secure any other debt if Lender fails, with respect to such other debt, to make any required disclosure about this Mortgage or if Lender fails to give any required notice of the right of rescission.

5. **PAYMENTS.** Mortgagor agrees to make all payments on the Secured Debt when due and in accordance with the terms of the Evidence of Debt or this Mortgage.

6. **WARRANTY OF TITLE.** Mortgagor covenants that Mortgagor is lawfully seized of the estate conveyed by this Mortgage and has the right to grant, bargain, warrant, convey, sell, and mortgage the Property and warrants that the Property is unencumbered, except for encumbrances of record.

7. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Mortgage. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses which Mortgagor may have against parties who supply labor or materials to improve or maintain the Property.

8. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property and that may have priority over this Mortgage, Mortgagor agrees:
   A. To make all payments when due and to perform or comply with all covenants.
   B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
   C. Not to make or permit any modification or extension of, and not to request or accept any future advances under any note or agreement secured by, the other mortgage, deed of trust or security agreement unless Lender consents in writing.

9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of any lien, encumbrance, transfer, or sale, or contract for any of these on the Property. However, if the Property includes Mortgagor's residence, this section shall be subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. For the purposes of this section, the term "Property" also includes any interest to all or any part of the Property. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Mortgage is released.

10. **TRANSFER OF AN INTEREST IN THE MORTGAGOR.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if (1) a beneficial interest in Mortgagor is sold or transferred; (2) there is a change in either the identity or number of members of a partnership or similar entity; or (3) there is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity. However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Mortgage.

11. **ENTITY WARRANTIES AND REPRESENTATIONS.** If Mortgagor is an entity other than a natural person (such as a corporation or other organization), Mortgagor makes to Lender the following warranties and representations which shall be continuing as long as the Secured Debt remains outstanding:
   A. Mortgagor is an entity which is duly organized and validly existing in the Mortgagor's state of incorporation (or organization). Mortgagor is in good standing in all states in which Mortgagor transacts business. Mortgagor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Mortgagor operates.
   B. The execution, delivery and performance of this Mortgage by Mortgagor and the obligation evidenced by the Evidence of Debt are within the power of Mortgagor, have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.
   C. Other than disclosed in writing Mortgagor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.

12. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will give Lender prompt notice of any loss or damage to the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor 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 Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor or any other owner made under law or regulation regarding use, ownership and occupancy of the Property. Mortgagor will comply with all legal requirements and restrictions, whether public or private, with respect to the use of the Property. Mortgagor also agrees that the nature of the occupancy and use will not change without Lender's prior written consent.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in 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. Mortgagor shall not partition or subdivide the Property without Lender's prior written consent. Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

13. **AUTHORITY TO PERFORM.** If Mortgagor fails to perform any of Mortgagor's duties under this Mortgage, or any other mortgage, deed of trust, security agreement or other lien document that has priority over this Mortgage, Lender may, without notice, perform the duties or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may do whatever is necessary to protect Lender's security interest in the Property. This may include completing the construction.

Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Mortgage. Any amounts paid by Lender for insuring, preserving or otherwise protecting the Property and Lender's security interest will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect from time to time according to the terms of the Evidence of Debt.

14. **ASSIGNMENT OF LEASES AND RENTS.** Mortgagor grants, bargains, warrants, and conveys as additional security all the right, title and interest in and to any and all:
    A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases").
    B. Rents, issues and profits (all referred to as "Rents"), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

Mortgagor will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. Any amounts collected shall be applied at Lender's discretion to payments on the Secured Debt as therein provided, to costs of managing the Property, including, but not limited to, all taxes, assessments, insurance premiums, repairs, and commissions to rental agents, and to any other necessary related expenses including Lender's attorneys' fees and court costs.

Mortgagor acknowledges that this assignment is immediately effective between the parties to this assignment and effective as to third parties on the recording of this Mortgage. Mortgagor agrees that Lender is entitled to notify Mortgagor or Mortgagor's tenants to make payments of Rents due or to become due directly to Lender after such recording, however Lender agrees not to notify Mortgagor's tenants until Mortgagor defaults and Lender notifies Mortgagor of the default and demands that Mortgagor and Mortgagor's tenants pay all Rents due or to become due directly to Lender. Immediately after Lender gives Mortgagor the notice of default, Mortgagor agrees that either Lender or Mortgagor may immediately notify the tenants and demand that all future Rents be paid directly to Lender. On receiving the notice of default, Mortgagor will endorse and deliver to Lender any payments of Rents. If Mortgagor becomes subject to a voluntary or involuntary bankruptcy, then Mortgagor agrees that Lender is entitled to receive relief from the automatic stay in bankruptcy for the purpose of making this assignment effective and enforceable under state and federal law and within Mortgagor's bankruptcy proceedings.

Mortgagor covenants that no default exists under the Leases or any applicable landlord law. Mortgagor also covenants and agrees to maintain, and to require the tenants to comply with, the Leases and any applicable law. Mortgagor will promptly notify Lender of any noncompliance. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance. Mortgagor will obtain Lender's written authorization before Mortgagor consents to sublet, modify, cancel, or otherwise alter the Leases, to accept the surrender of the Property covered by such Leases (unless the Leases so require), or to assign, compromise or encumber the Leases or any future Rents. Mortgagor will hold Lender harmless and indemnify Lender for any and all liability, loss or damage that Lender may incur as a consequence of the assignment under this section.

15. **CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

16. **DEFAULT.** Mortgagor will be in default if any of the following occur:
    A. Any party obligated on the Secured Debt fails to make payment when due;
    B. A breach of any term or covenant in this Mortgage, any prior mortgage or any construction loan agreement, security agreement or any other document evidencing, guarantying, securing or otherwise relating to the Secured Debt;
    C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Mortgagor or any person or entity obligated on the Secured Debt;
    D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Mortgagor or any person or entity obligated on the Secured Debt;
    E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;
    F. A material adverse change in Mortgagor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or
    G. 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 C.F.R. Part 1940, Subpart G, Exhibit M.

17. **REMEDIES ON DEFAULT.** In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Mortgage in a manner provided by law if this Mortgagor is in default.

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At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the Evidence of Debt, other evidences of debt, this Mortgage and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether expressly set forth or not. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

18. REDEMPTION. Mortgagor agrees that in the event of foreclosure of this Mortgage, at the sole discretion of Lender, Lender may elect to reduce or extend the period of redemption for the sale of the Property to a period of time as may then be authorized under the circumstances and under any section of Iowa Code Chapter 628, or any other Iowa Code section, now in effect or as may be in effect at the time of foreclosure.

19. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Mortgage. Mortgagor will also pay on demand all of Lender's expenses incurred in collecting, insuring, preserving or protecting the Property or in any inventories, audits, inspections or other examination by Lender in respect to the Property. Mortgagor agrees to pay all costs and expenses incurred by Lender in enforcing or protecting Lender's rights and remedies under this Mortgage, including, but not limited to, attorneys' fees, court costs, and other legal expenses. Once the Secured Debt is fully and finally paid, Lender agrees to release this Mortgage and Mortgagor agrees to pay for any recordation costs. All such amounts are due on demand and will bear interest from the time of the advance at the highest rate in effect, from time to time, as provided in the Evidence of Debt and as permitted by law.

20. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) "Environmental Law" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) "Hazardous Substance" means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law. Mortgagor represents, warrants and agrees that, except as previously disclosed and acknowledged in writing:

A. No Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

B. Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.

D. Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Mortgagor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.

F. There are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Mortgage and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Mortgage without prejudice to any of Lender's rights under this Mortgage.

L. Notwithstanding any of the language contained in this Mortgage to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Mortgage regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

21. CONDEMNATION. Mortgagor will give Lender 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. Mortgagor further agrees to notify Lender 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. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims and to

collect and receive all sums resulting from the action or claim. Mortgagor assigns to Lender 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 Mortgage. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

22. INSURANCE. Mortgagor agrees to maintain insurance as follows:

A. Mortgagor shall keep the improvements now existing or hereafter built on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Mortgage.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "lender loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the Secured Debt, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay the Secured Debt whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Mort... ...erwise agree in writing, any application of proceeds to principal shall not extend or postpone the due ... ...led payments or change the amount of the payments. If the Property is acquired by Lender, Mort... ... insurance policies and proceeds resulting from damage to the Property before the acquisition ... ...he extent of the Secured Debt immediately before the acquisition.

B. Mortgagor ... ...sive general liability insurance naming Lender as an additional insured in an amoun... ... against claims arising from any accident or occurrence in or on the Property.

C. Mortgagor a... ...usiness interruption insurance, as required by Lender, in an amount equal to at leas... ...rvice, and required escrow account deposits (if agreed to separately in writing), unde... ...ender.

EXHIBIT 12

23. NO ESCROW FOR TAX... Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Len... ...d insurance in escrow.

24. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem necessary. Mortgagor warrants that all financial statements and information Mortgagor provides to Lender are, or will be, accurate, correct, and complete. Mortgagor agrees to sign, deliver, and file as Lender may reasonably request any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Mortgage and Lender's lien status on the Property. If Mortgagor fails to do so, Lender may sign, deliver, and file such documents or certificates in Mortgagor's name and Mortgagor hereby irrevocably appoints Lender or Lender's agent as attorney in fact to do the things necessary to comply with this section.

25. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Mortgage are joint and individual. If Mortgagor signs this Mortgage but does not sign the Evidence of Debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. Mortgagor agrees that Lender and any party to this Mortgage may extend, modify or make any change in the terms of this Mortgage or the Evidence of Debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Mortgage. The duties and benefits of this Mortgage shall bind and benefit the successors and assigns of Mortgagor and Lender.

If this Mortgage secures a guaranty between Lender and Mortgagor and does not directly secure the obligation which is guarantied, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation including, but not limited to, anti-deficiency or one-action laws.

26. APPLICABLE LAW; SEVERABILITY; INTERPRETATION. This Mortgage is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Mortgage is complete and fully integrated. This Mortgage may not be amended or modified by oral agreement. Any section or clause in this Mortgage, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section or clause of this Mortgage cannot be enforced according to its terms, that section or clause will be severed and will not affect the enforceability of the remainder of this Mortgage. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Mortgage are for convenience only and are not to be used to interpret or define the terms of this Mortgage. Time is of the essence in this Mortgage.

27. NOTICE. Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Mortgage, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

28. WAIVERS. Except to the extent prohibited by law, Mortgagor waives any rights relating to reinstatement, the marshalling of liens and assets, all rights of dower and distributive share and all homestead exemption rights relating to the Property.

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29. U.C.C. PROVISIONS. If checked, the following are applicable to, but do not limit, this Mortgage:

☐ **Construction Loan.** This Mortgage secures an obligation incurred for the construction of an improvement on the Property.

☐ **Fixture Filing.** Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.

☐ **Crops; Timber; Minerals; Rents, Issues, and Profits.** Mortgagor grants to Lender a security interest 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 (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").

☐ **Personal Property.** Mortgagor grants to Lender a security interest in all personal property located on or connected with the Property. This security interest includes all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Mortgagor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property. The term "personal 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.

☐ **Filing As Financing Statement.** Mortgagor agrees and acknowledges that this Mortgage also suffices as a financing statement and as such, may be filed of record as a financing statement for purposes of Article 9 of the Uniform Commercial Code. A carbon, photographic, image or other reproduction of this Mortgage is sufficient as a financing statement.

30. OTHER TERMS. If checked, the following are applicable to this Mortgage:

☐ **Purchase Money Mortgage.** This is a purchase money mortgage as defined by Iowa law.

☐ **Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Mortgage will remain in effect until released.

☒ **Agricultural Property.** Mortgagor covenants and warrants that the Property will be used principally for agricultural or farming purposes and that Mortgagor is an individual or entity allowed to own agricultural land as specified by law.

☐ **Additional Terms.** .....

.....

.....

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Mortgage and in any attachments. Mortgagor also acknowledges receipt of a copy of this Mortgage on the date stated above on Page 1.

☐ Actual authority was granted to the parties signing below by resolution signed and dated ..... .

Entity Name: RANDY J NEFZGER
AS HUSBAND AND WIFE

Randy J Nefzger
(Signature) (Date)

..... (Signature) (Date)

Entity Name: KRISTINE M NEFZGER
AS HUSBAND AND WIFE

Kristine Nefzger
(Signature) (Date)

..... (Signature) (Date)

☐ Refer to the Addendum which is attached and incorporated herein for additional Mortgagors, signatures and acknowledgments.

ACKNOWLEDGMENT:

(Individual)

STATE OF IOWA, COUNTY OF DELAWARE } ss.
On this 9TH day of MAY, 1996 before me, a Notary Public in the state of Iowa, personally appeared RANDY J NEFZGER AND KRISTINE M NEFZGER to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that RANDY J NEFZGER AND KRISTINE M NEFZGER executed the same as ..... voluntary act and deed.
My commission expires:
(Seal)

JASON P. ELSE
MY COMMISSION EXPIRES
5/31/97

X Jason P Else
(Notary Public)
JASON P ELSE

(Business or Entity Acknowledgment)

STATE OF ..... COUNTY OF ..... } ss.
On this ..... day of ..... before me, a Notary Public in the state of Iowa, personally appeared ..... to me personally known, who being by me duly sworn or affirmed did say that that person is ..... of said entity, that (the seal affixed to said instrument is the seal of said entity or no seal has been procured by said entity) and that said instrument was signed and sealed, if applicable, on behalf of the said entity by authority of its board of directors/partners/members and the said ..... acknowledged the execution of said instrument to be the voluntary act and deed of said entity by it voluntarily executed.
My commission expires:
(Seal)

..... (Notary Public)

(In the following statement "I" re... Mortgagor.) I understand that homestead property is in many cases protected from the claims ... and exempt from judicial sale; and that by signing this contract, I voluntarily give up ... otection for this property with respect to claims based upon this contract.

X Randy J N...
(Signature) RANDY J N...

..... X Kristine Nefzger
(Date) (Signature) KRISTINE M NEFZGER (Date)

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EXHIBIT A

The South One-half (S½) of the Southwest Quarter (SW¼) of Section Eleven (11), and the West One-half (W½) of the Southwest Quarter (SW¼) and the Northwest Quarter (NW¼) of Section Fourteen (14), except that part of the West One-half (W½) of the Northwest Quarter (NW¼) of said Section Fourteen (14) lying West of a Line decribed as commencing at the West Quarter corner of said Section Fourteen (14), thence North along the West line of said Section Fourteen (14) a distance of Six Hundred Five and One-Tenth (605.1) Feet to the point of beginning of said line, Thence North 77° 29' 13" East Two Hundred Eight and Seven-tenths (208.7) feet, Thence North 47° 39' 48" East Seventy Four and Five-tenths (74.5) feet, Thence North 20° 32' 49" East Two Hundred Thirty One and Two-tenths (231.2) feet, Thence North 08° 56' 33" West One Hundred Seventy Eight and Two-tenths (178.2) Feet, Thence North 26° 00' 26" East Three Hundred Twenty Eight and Seven-tenths (328.7) feet, Thence North 46° 04' 55" East One Hundred Six and Two-tenths (106.2) feet, Thence North 10° 18' 37" East One Hundred Fifty Nine and Three-tenths (159.3) feet, Thence North 04° 17' 22" East Four Hundred Seven and Eight-tenths (407.8) feet Thence North 80° 16' 33" East Two Hundred Fifty Seven and One-tenth (257.1) feet, Thence North 01° 29' 57" East One Hundred Forty Six and Nine-tenths (146.9) feet, Thence North 36° 27' 13" West Five Hundred Twenty Three and Two-tenths (523.2) feet to the North Line of said Section Fourteen (14), all in Township Ninety (90) North, Range Three (3) West of the Fifth P.M., subject to easements of record.

Randy J. Nefzger

Kristine Nefzger

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EXHIBIT "B"

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 #: [redacted]
RANDY J NEFZGER KRISTINE M NEFZGER RR 1, BOX 90 NEW VIENNA, IA 52065	HERITAGE BANK 311 FRANKLIN ST DELHI, IA 52223	Loan Number 486469-17830 Date MAY 9, 1996 Maturity Date MAY 25, 1997 Loan Amount $ 89,898.41 Renewal Of JPE COMM PURPOSE: CONSOLIDATION

For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of EIGHTY NINE THOUSAND EIGHT HUNDRED NINETY EIGHT AND 41/100* * * * * * * * * * Dollars $ 89,898.41

☒ **Single Advance:** I will receive all of this principal sum on MAY 9, 1996. 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. On _____ I will receive 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 on _____

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

INTEREST: I agree to pay interest on the outstanding principal balance from MAY 9, 1996 at the rate of 10.250 % per year until MAY 25, 1997.

☐ **Variable Rate:** This rate may then 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 change as often as _____. A change in the interest rate will take effect _____.

☐ **Limitations:** During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will change. ☐ The amount of the final payment will change.

☐ _____.

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note 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 _____.

☐ **LATE CHARGE:** If a payment is made more than _____ days after it is due, I agree to pay a late charge of _____.

☐ **ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: _____.

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 $ 976.42 and will be due JUNE 25, 1996. A payment of $ 976.42 will be due EACH MONTH thereafter. The final payment of the entire unpaid balance of principal and interest will be due MAY 25, 1997.

☒ **Unpaid Interest:** Any accrued interest not paid when due (whether due by reason of a schedule of payments or due because of Lender's demand) will become part of the principal thereafter, and will bear interest at the interest rate in effect from time to time as provided for in this agreement.

ADDITIONAL TERMS:

☒ If checked, this note is a credit agreement subject to Iowa Code §535.17 and the following notice is applicable to this note.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THESE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

☒ **SECURITY:** I agree that this note is separately secured by: (Describe separate document by type (e.g. security agreement) and date)
FARM SECURITY AGREEMENT AND R.E. MORTGAGE DATED 5/9/96,5/6/94,5/16/90,9/4/92

PURPOSE: The purpose of this loan is BUSINESS: CONSOLIDATION.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

X _____
RANDY J NEFZGER

X _____
KRISTINE M NEFZGER

Signature for Lender

X _____
JASON P ELSE

UNIVERSAL NOTE
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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. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

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 accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

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. You and I may provide in this agreement for accrued interest not paid when due to be added to principal. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

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, or if we have agreed that accrued interest not paid when due may be added to principal.

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, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

(1) any deposit account balance I have with you;

(2) any money owed to me on an item presented to you or in your possession for collection or exchange; and

(3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

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 the property insured, if required; (3) I fail to pay, or keep any promise on, any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season; (11) 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 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: Except as provided in the next paragraph, if this note is secured by agricultural land (as defined in Iowa Code §172C.1) and I am in default on this note, you will give me notice of my right to cure. You may exercise your remedies only if I fail to cure my default within 45 days after you mail the notice (or 45 days after actual delivery if you use a means other than certified mail).

A notice of right to cure is not necessary and you may immediately exercise your remedies if you have: a) given me the notice with respect to two prior defaults, b) you have given me the notice with respect to a default occurring within 12 months before the current default, or I voluntarily surrender the agricultural land and you accept it in full satisfaction of the debt.

Subject to the above limitations and any limitations imposed by Iowa Code Chapter 654A, if I am in default on this note you have, but are not limited to, the following remedies:

(1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).

(2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "set-off" paragraph herein.

(3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.

(4) You may refuse to make advances to me or allow purchases on credit by me.

(5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

(1) demand payment of amounts due (presentment);

(2) obtain official certification of nonpayment (protest); or

(3) give notice that amounts due have not been paid (notice of dishonor).

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may do so without any notice that it has not been paid (notice of dishonor). You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval.

CREDIT INFORMATION: I agree and authorize you to obtain credit information about me from time to time (for example, by requesting a credit report) and to report to others your credit experience with me (such as a credit reporting agency). I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

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 my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

CREDIT AGREEMENT: A "credit agreement" under Iowa Code §535.17 means any contract made or acquired by a lender to loan money or extend credit for any purpose. A "credit agreement" does not mean a contract to extend credit by means of a credit card, or open end credit, or a home equity line of credit.

This note is not subject to Iowa Code §535.17. If it is a "credit agreement" made primarily for a personal, family, or household purpose where the credit extended is twenty thousand dollars or less.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /
/ /	$		$	$	%	$	/ /

BANKERS SYSTEMS, INC., ST. CLOUD, MN (1-800-397-2341) FORM IA 6/4/91

1117

(3) 516.41

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 #: [redacted]
RANDY, J NEFZGER KRISTINE M NEFZGER RR 1, BOX 90 NEW VIENNA, IA 52065	DELHI SAVINGS BANK 311 FRANKLIN DELHI, IA 52223	Loan Number 486469-16149 Date MAY 6, 1994 Maturity Date APRIL 25, 2019 Loan Amount $ 70,000.00 Renewal Of JPE COMM RE 03 PURPOSE: FMHA 70% GUAR

For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of SEVENTY THOUSAND AND NO/100* Dollars $ 70,000.00

☒ **Single Advance:** I will receive all of this principal sum on MAY 6, 1994. 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. On _____ I will receive 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 on _____.

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

INTEREST: I agree to pay interest on the outstanding principal balance from MAY 6, 1994 at the rate of 7.500 % per year until FIRST CHANGE DATE.

☒ **Variable Rate:** This rate may then change as stated below.

☒ **Index Rate:** The future rate will be EQUAL TO the following index rate: BASE RATE OF DELHI SAVINGS BANK

☐ **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 change as often as EVERY 36 MONTHS. A change in the interest rate will take effect ON THE FOLLOWING DAY.

☐ **Limitations:** During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☒ The amount of each scheduled payment will change. ☐ The amount of the final payment will change.

☐ _____

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note 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 _____

☐ **LATE CHARGE:** If a payment is made more than _____ days after it is due, I agree to pay a late charge of _____

☐ **ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: _____

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 300 payments. The first payment will be in the amount of $ 516.41 and will be due MAY 25, 1994. A payment of $ 516.41 will be due EACH MONTH thereafter. The final payment of the entire unpaid balance of principal and interest will be due APRIL 25, 2019.

☒ **Unpaid Interest:** Any accrued interest not paid when due (whether due by reason of a schedule of payments or due because of Lender's demand) will become part of the principal thereafter, and will bear interest at the interest rate in effect from time to time as provided for in this agreement.

ADDITIONAL TERMS:

☒ If checked, this note is a credit agreement subject to Iowa Code §535.17 and the following notice is applicable to this note.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THESE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

☒ **SECURITY:** I agree that this note is separately secured by:
(Describe separate document by type (e.g. security agreement) and date)
REAL ESTATE MORTGAGE DATED MAY 6, 1994 AND SECURITY AGREEMENT DATED MAY 6, 1994

PURPOSE: The purpose of this loan is BUSINESS: CONSOLIDATION FOR CAPITAL IMPROVEMENTS.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

X Randy J Nefzger
RANDY J NEFZGER

X Kristine M Nefzger
KRISTINE M NEFZGER

Signature for Lender

X Jason P Else
JASON P ELSE

UNIVERSAL NOTE
© 1984, 1991 BANKERS SYSTEMS, INC., ST. CLOUD, MN (1-800-397-2341) FORM UN-IA 8/15/91

BOOK 136 PAGE 93

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. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

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 accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

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. You and I may provide in this agreement for accrued interest not paid when due to be added to principal. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

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, or if we have agreed that accrued interest not paid when due may be added to principal.

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, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

(1) any deposit account balance I have with you;

(2) any money owed to me on an item presented to you or in your possession for collection or exchange; and

(3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

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 the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, or I start proceedings or have proceedings started against me under any bankruptcy or insolvency laws; (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season; (11) 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 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: Except as provided in the next paragraph, if this note is secured by agricultural land (as defined in Iowa Code §172C.1) and I am in default on this note, you will give me notice of my right to cure. You may exercise your remedies only if I fail to cure my default within 45 days after you mail the notice (or 45 days after actual delivery if you use a means other than certified mail).

A notice of right to cure is not necessary and you may immediately exercise your remedies if you have: a) given me the notice with respect to two prior defaults, b) you have given me the notice with respect to a default occurring within 12 months before the current default, or I voluntarily surrender the agricultural land and you accept it in full satisfaction of the debt.

Subject to the above limitations and any limitations imposed by Iowa Code Chapter 654A, if I am in default on this note you have, but are not limited to, the following remedies:

(1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).

(2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "set-off" paragraph herein.

(3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.

(4) You may refuse to make advances to me or allow purchases on credit by me.

(5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

(1) demand payment of amounts due (presentment);

(2) obtain official certification of nonpayment (protest); or

(3) give notice that amounts due have not been paid (notice of dishonor).

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may do so without any notice that it has not been paid (notice of dishonor). You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval.

CREDIT INFORMATION: I agree and authorize you to obtain credit information about me from time to time (for example, by requesting a credit report) and to report to others your credit experience with me (such as a credit reporting agency). I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

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 my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

CREDIT AGREEMENT: A "credit agreement" under Iowa Code §535.17 means any contract made or acquired by a lender to loan money or extend credit for any purpose. A "credit agreement" does not mean a contract to extend credit by means of a credit card, or open end credit, or a home equity line of credit.

This note is not subject to Iowa Code §535.17 if it is a "credit

Randy Nef PAYMENTS Kris Nefzger UNPAID BALANCE

	DATE PAID	On Interest	PAID TO	ON PRINCIPAL						
1	4 4 95	155 77	4 4 95	37,277	03	31,636	12	19		
2	4 24 95	130 01	4 24 95	356	10	31,249	80	20		
3	5 23 95	186 21	5 23 95	330	20	30,919	62	21		
4	6 23 95	196 93	6 23 95	319	46	30,600	16	22		
5	7 24 95	194 92	7 24 95	321	44	30,278	67	23		
6								24		
7								25		
8								26		
9								27		
10								28		
11								29		
12								30		
13								31		
14								32		
16								33		
18								34		
17								35		
								36		

48-646-9 PAYMENTS #16149 UNPAID BALANCE

	DATE PAID	On Interest	PAID TO	ON PRINCIPAL	
19					
20					
21					
22					
23					
24					
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2 of 21

Randy Nefzger Kris Nefzger "I" means the **BORROWER(S)** named above.	Heritage Bank "You" means the **LENDER** named above.	This agreement relates to LOAN NUMBER 16149 ORIGINALLY DATED 5/6/94 19__ THIS AGREEMENT DATED 3/25 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 1 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:			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) $ 516.41	originally due 4/25 19 96		(a) 4/25 19 19	$ 516.41 plus all	
(b) $	originally due 19		(b) 19	$ remaining P&I	
(c) $	originally due 19		(c) 19	$	
(d) $	originally due 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 7.5 % per year from date until paid. This interest rate is the same as 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 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

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 _____

X _____

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EXHIBIT "C"

The West one-half (W½) of the Southwest Quarter (SW¼) and the Northwest Quarter (NW¼) of Section Fourteen (14), except that part of the West one-half (W½) of the Northwest Quarter (NW¼) of said Section Fourteen (14) lying West of a line described as commencing at the West Quarter corner of said Section Fourteen (14), thence North along the West line of said Section Fourteen (14) a distance of six hundred five and one-tenth (605.1) feet to the point of beginning of said line, thence North 77° 29' 13" East two hundred eight and seven-tenths (208.7) feet, thence North 47° 39' 48" East seventy four and five-tenths (74.5) feet, thence North 20° 32' 49" East two hundred thirty one and two-tenths (231.2) feet, thence North 08° 56' 33" West one hundred seventy eight and two-tenths (178.2) feet, thence North 26° 00' 26" East three hundred twenty eight and seven-tenths (328.7) feet, thence North 46° 04' 55" East one hundred six and two-tenths (106.2) feet, thence North 10° 18' 37" East one hundred fifty nine and three-tenths (159.3) feet, thence North 04° 17' 22" East four hundred seven and eight-tenths (407.8) feet, thence North 80° 16' 33" East two hundred fifty seven and one-tenth (257.1) feet, thence North 01° 29' 57" East one hundred forty six and nine-tenths (146.9) feet, thence North 36° 27' 13" West five hundred twenty three and two-tenths (523.2) feet to the North line of said Section Fourteen (14), and also except that part of the Northwest Quarter (NW¼) of said Section Fourteen (14) described as commencing at the West quarter corner of said Section Fourteen (14), thence North 00° 00' 00" East (Assumed bearing) five hundred eighty three and eight-tenths (583.8) feet along the West Section line to the point of beginning, thence continuing North along said West line twenty one and three-tenths (21.3) feet to the centerline of Little Turkey Creek, thence North 77° 29' 13" East two hundred eight and seven-tenths (208.7) feet, thence North 47° 39' 48" East seventy four and five-tenths (74.5) feet, thence North 20° 32' 49" East two hundred thirty one and two-tenths (231.2) feet, thence North 08° 56' 33" West one hundred seventy eight and two-tenths (178.2) feet, thence North 26° 00' 26" East three hundred twenty eight and seven-tenths (328.7) feet, thence North 46° 04' 55" East one hundred six and two-tenths (106.2) feet, thence North 10° 18' 37" East one hundred fifty nine and three-tenths (159.3) feet, thence North 04° 17' 22" East four hundred seven and eight-tenths (407.8) feet, thence North 80° 16' 33" East two hundred fifty seven and one-tenth (257.1) feet, thence North 01° 29' 57" East one hundred forty six and nine-tenths (146.9) feet, thence North 36° 27' 13" West five hundred twenty three and two-tenths (523.2) feet to the North Section line of said Section Fourteen (14), all being along said centerline of Little Turkey Creek, thence North 88° 21' 43" East six hundred eighty three and nine-tenths (683.9) feet along the North Section line, thence South 45° 17' 27" West three hundred eleven and two-tenths (311.2) feet, thence South 20° 33' 54" East three hundred nineteen and six-tenths (319.6) feet, thence South 30° 31' 26" West three hundred seven and nine-tenths (307.9) feet, thence South 32° 54' 00" East two hundred thirty two and three-tenths (232.3) feet, thence South 81° 07' 31" East eight hundred fifty four and three-tenths (854.3) feet, thence South 14° 44' 35" East three hundred thirty and four-tenths (330.4) feet, thence South 44° 07' 09" West one hundred twenty one and one-tenth (121.1) feet, thence North 75° 14' 17" West one thousand two hundred thirty and eight-tenths (1230.8) feet, thence South 16° 08' 08" East nine hundred six (906) feet, thence South 42° 28' 50" West eighty and eight-tenths (80.8) feet, thence North 46° 35' 04" West four hundred sixty two and five-tenths (462.5) feet, thence South 72° 25' 34" West one hundred sixty six and two-tenths (166.2) feet, thence South 17° 40' 46" West three hundred ten and three-tenths (310.3) feet, thence North 75° 34' 06" West three hundred fifty six and three-tenths (356.3) feet to the West Section line and the point of beginning, all in Township Ninety (90) North, Range Three (3), West of the Fifth P.M.

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

WARRANTY DEED

For the consideration of One (1) Dollar(s) and other valuable consideration in hand paid, **Randy J. Nefzger a/k/a Randy Nefzger and Kristine M. Nefzger a/k/a Kristine Nefzger, husband and wife**, do hereby Convey to **Heritage Bank of Delhi, Iowa, an Iowa corporation**, the following described real estate in Delaware County, Iowa:

SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION

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 Mortgage recorded in Book 110, L.M., Page 316, dated May 29, 1990, and filed May 31, 1990, in the records of the Delaware County Recorder; an open end Real Estate Mortgage recorded in Book 123, L.M., Page 125, dated May 6, 1994, and filed May 19, 1994, in the records of the Delaware County Recorder, and an open end Real Estate Mortgage recorded in Book 129, L.M., Page 236, dated May 9, 1996, and filed May 21, 1996, 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 §428.1 and §428.2.18 of The Iowa Code.

Grantors do 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. Each of 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: _____, 1997.

_____
Randy J. Nefzger a/k/a Randy Nefzger

_____
Kristine M. Nefzger a/k/a Kristine Nefzger

STATE OF IOWA, COUNTY OF _____, ss:

On this _____ day of _____, 1997, before me, personally appeared Randy J. Nefzger a/k/a Randy Nefzger and Kristine M. Nefzger a/k/a Kristine Nefzger, husband and

EXHIBIT "D"

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

_____

_____, Notary Public in and for the State of Iowa

EXHIBIT "A"

The West one-half (W½) of the Southwest Quarter (SW¼) and the Northwest Quarter (NW¼) of Section Fourteen (14), except that part of the West one-half (W½) of the Northwest Quarter (NW¼) of said Section Fourteen (14) lying West of a line described as commencing at the West Quarter corner of said Section Fourteen (14), thence North along the West line of said Section Fourteen (14) a distance of six hundred five and one-tenth (605.1) feet to the point of beginning of said line, thence North 77° 29' 13" East two hundred eight and seven-tenths (208.7) feet, thence North 47° 39' 48" East seventy four and five-tenths (74.5) feet, thence North 20° 32' 49" East two hundred thirty one and two-tenths (231.2) feet, thence North 08° 56' 33" West one hundred seventy eight and two-tenths (178.2) feet, thence North 26° 00' 26" East three hundred twenty eight and seven-tenths (328.7) feet, thence North 46° 04' 55" East one hundred six and two-tenths (106.2) feet, thence North 10° 18' 37" East one hundred fifty nine and three-tenths (159.3) feet, thence North 04° 17' 22" East four hundred seven and eight-tenths (407.8) feet, thence North 80° 16' 33" East two hundred fifty seven and one-tenth (257.1) feet, thence North 01° 29' 57" East one hundred forty six and nine-tenths (146.9) feet, thence North 36° 27' 13" West five hundred twenty three and two-tenths (523.2) feet to the North line of said Section Fourteen (14), and also except that part of the Northwest Quarter (NW¼) of said Section Fourteen (14) described as commencing at the West quarter corner of said Section Fourteen (14), thence North 00° 00' 00" East (Assumed bearing) five hundred eighty three and eight-tenths (583.8) feet along the West Section line to the point of beginning, thence continuing North along said West line twenty one and three-tenths (21.3) feet to the centerline of Little Turkey Creek, thence North 77° 29' 13" East two hundred eight and seven-tenths (208.7) feet, thence North 47° 39' 48" East seventy four and five-tenths (74.5) feet, thence North 20° 32' 49" East two hundred thirty one and two-tenths (231.2) feet, thence North 08° 56' 33" West one hundred seventy eight and two-tenths (178.2) feet, thence North 26° 00' 26" East three hundred twenty eight and seven-tenths (328.7) feet, thence North 46° 04' 55" East one hundred six and two-tenths (106.2) feet, thence North 10° 18' 37" East one hundred fifty nine and three-tenths (159.3) feet, thence North 04° 17' 22" East four hundred seven and eight-tenths (407.8) feet, thence North 80° 16' 33" East two hundred fifty seven and one-tenth (257.1) feet, thence North 01° 29' 57" East one hundred forty six and nine-tenths (146.9) feet, thence North 36° 27' 13" West five hundred twenty three and two-tenths (523.2) feet to the North Section line of said Section Fourteen (14), all being along said centerline of Little Turkey Creek, thence North 88° 21' 43" East six hundred eighty three and nine-tenths (683.9) feet along the North Section line, thence South 45° 17' 27" West three hundred eleven and two-tenths (311.2) feet, thence South 20° 33' 54" East three hundred nineteen and six-tenths (319.6) feet, thence South 30° 31' 26" West three hundred seven and nine-tenths (307.9) feet, thence South 32° 54' 00" East two hundred thirty two and three-tenths (232.3) feet, thence South 81° 07' 31" East eight hundred fifty four and three-tenths (854.3) feet, thence South 14° 44' 35" East three hundred thirty and four-tenths (330.4) feet, thence South 44° 07' 09" West one hundred twenty one and one-tenth (121.1) feet, thence North 73° 14' 17" West one thousand two hundred thirty and eight-tenths (1230.8) feet, thence South 16° 08' 08" East nine hundred six (906) feet, thence South 42° 28' 50" West eighty and eight-tenths (80.8) feet, thence North 46° 35' 04" West four hundred sixty two and five-tenths (462.5) feet, thence South 72° 25' 34" West one hundred sixty six and two-tenths (166.2) feet, thence South 17° 40' 46" West three hundred ten and three-tenths (310.3) feet, thence North 75° 34' 06" West three hundred fifty six and three-tenths (356.3) feet to the West Section line and the point of beginning, all in Township Ninety (90) North, Range Three (3), West of the Fifth P.M.

EXHIBIT "E"

DISCLOSURE AND NOTICE
OF CANCELLATION

Date September 5, 1997

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 dopes 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 September 12, 1997.

I HEREBY CANCEL THIS TRANSACTION.

DATE _____ SIGNATURE _____