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DELAWARE COUNTY IOWA
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DELAWARE CO. RECORDER
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RECORDER
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Prepared by: Craig, Wilson & Flickinger, 516 1st St. East, Independence, IA 50644 (319) 334-6061
(Name) *(Address)* *(Telephone)*

USDA
Form RD 1927-1 IA
(Rev. 9-96)

REAL ESTATE MORTGAGE FOR IOWA

THIS MORTGAGE is made and entered into by Baumgartner Bros., a joint venture of Kevin D. Baumgartner and Douglas A. Baumgartner, and Kevin D. Baumgartner and Lisa Marie Baumgartner, husband and wife and Douglas A. Baumgartner and Lori J. Baumgartner, husband and wife
residing in Buchanan County, Iowa, whose post office address is

11812 390th St., Strawberry Point, Iowa 52076,
herein called "Borrower," and the United States of America, acting through the United States Department of Agriculture, herein called the "Government," and

WHEREAS Borrower is indebted to the Government as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows :

Date of Instrument	*Principal Amount*	*Annual Rate of Interest*	*Due Date of Final Installment*
3-6-01	119,862.14	5.00%	1-1-2041
3-6-01	55,137.86	5.00%	1-1-2041

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949 or any other statutes administered by the Government;

And it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures the recapture of any deferred principal and interest or of any interest credit and subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. § 1472 (g) or 1490a, respectively, or any amount due under any Shared Appreciation/Recapture Agreement entered into pursuant to 7 U.S.C. § 2001.

And this instrument also secures future advances made to anyone herein called borrower under a note or notes covering loans made under the Consolidated Farm and Rural Development Act or Title V of the Housing Act of 1949 or any other statutes administered by the Government, for the total principal indebtedness of the original, future loans and advances subject to the same terms and conditions regarding the assignment of said notes of hereinabove provided, and all references in this instrument to the "note" shall be deemed to include future notes and advances.

NOW, THEREFORE, in consideration of the loans, and as security for future loans pursuant to the Consolidated Farm and Rural Development Act or Title V of the Housing Act of 1949 or any other statutes administered by the Government, and at all times (a) when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, and (b) to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby convey, mortgage, and assign unto the

Government the following property situated in the State of Iowa, County(ies) of Clayton, Buchanan, Delaware

SEE ATTACHED EXHIBIT "A".

This mortgage is subject to a first mortgage "being a closed in mortgage" held by Farmers and Merchants of Manchester, Iowa in the amount of $365,000.00 and the date of this mortgage is March 6, 2001. This mortgage of March 6, 2001 by Farmers and Merchants Bank of Manchester, Iowa is only on the Buchanan County and Delaware County portion of the real estate described on Exhibit "A".

This mortgage is taking additional security on the real estate described on Exhibit "A" in Clayton County, Iowa and this mortgage is subject to a Farmers and Merchants Bank of Manchester, Iowa mortgage on these farms being an open-end mortgage not to exceed $310,000.00.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to, ranges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole or in part with loan funds, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein-all of which are herein called "the property";

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Government.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) Whether or not the note is insured by the Government, the Government may at any time pay any other amounts including advances for payment of prior and/or junior liens, required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for Borrower's account. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) All advances by the Government, including advances for payment of prior and/or junior liens, in addition to any advances required by the terms of the note, as described by this instrument, with interest shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines. NOTICE: This mortgage secures credit in the amount of $ _____. 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.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may, (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien, and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government-whether once or often-in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) Default hereunder shall constitute default under any other real estate, or under any personal property or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(16) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future laws.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of dower and distributive share.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, national origin, handicap, familial status or age and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, national origin, handicap, familial status or age.

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be 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 prohibited by 7 C.F.R. Part 1940.

(22) This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until other address is designated in a notice so given, in the case of the Government, at 10500 Buena Vista Court Des Moines, IA 50322, and in the case of Borrower at the address shown in the Finance Office records (which normally will be the same as the post office address shown above).

(24) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

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

Borrower	**Date**	**Borrower**	**Date**

IN WITNESS WHEREOF, Borrower has hereunto set Borrower's hand(s) and seal(s) this 6th day of March, 19xx 2001.

Baumgartner Bros., a joint venture

Kevin D. Baumgartner Lisa Baumgartner

Kevin D. Baumgartner (SEAL)

Douglas A. Baumgartner Lori J. Baumgartner

Douglas A. Baumgartner (SEAL)

STATE OF IOWA }
COUNTY OF BUCHANAN } ss:

ACKNOWLEDGMENT

On this 6th day of March A. D. 19xx 2001

before me, a Notary Public in and for the above-named County, personally appeared Kevin D. and Lisa M. Baumgartner and Douglas A. and Lori J. Baumgartner, to me known to be the identical person(s) named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

(SEAL) DENNY R. WILSON MY COMMISSION EXPIRES December 9, 2002

My commission expires 12-9-02

Denny R. Wilson *Notary Public.*

☆U.S. GOVERNMENT PRINTING OFFICE: 1996-758-590/60179

THE IOWA STATE BAR ASSOCIATION Official Form No. 187	ISBA #	FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF IOWA, COUNTY OF BUCHANAN, ss:

On this 6th day of March, 2001, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Kevin D. Baumgartner and Douglas A. Baumgartner, to me personally known, who, being by me duly sworn, did say that they are the co-owners and _____, respectively, of Baumgartner Bros., ~~an Iowa corporation~~, a joint ventur~~er~~ _____, executing the foregoing instrument, that (no seal has been procured by) ~~(the seal affixed thereto is the seal of)~~ ~~the corporation~~; that the instrument was signed ~~(and sealed)~~ on behalf of the corporation as a joint venturer of, Baumgartner Bros. a joint venture, by authority of ~~its Board of Directors~~ Owners, and as Owners and _____ ~~as such officers~~, acknowledged the execution of the instrument to be the voluntary act and deed of the ~~corporation and~~ joint venture, ~~by the corporation and~~ ~~joint venture~~ and by them voluntarily executed.

_____

_____, Notary Public in and for said State.

NOTARIAL SEAL
IOWA
DENNY R. WILSON
MY COMMISSION EXPIRES
December 9, 2002

(Section 558.39, Code of Iowa)

Acknowledgment: For use in the case of joint ventures

EXHIBIT "A"

The Southeast ¼ of the Northeast ¼, and the East ½ of the Southeast ¼ of Section 1, Township 90 North, range 7 West of the 5th P.M., in Buchanan County, Iowa.

The West eighty (80) acres of the Southwest fractional Quarter (SWfr1/4) of Section Six (6), Township Ninety (90) North, Range Six (6), West of the Fifth P.M., Delaware County, Iowa.

The Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) of Section Twenty-Nine (29); the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4); the West Three Hundred (300) feet of the North Two Hundred and Fifty (250) feet of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4); and the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) except the North Two Hundred and Fifty (250) feet thereof; all in Section Thirty-two (32); all in Township Ninety-one North, Range Six (6), West of the 5th P.M., in Clayton county, Iowa.

Mosher farm legal:

The South One-Third of the Southwest Quarter of Section 28, Township 91 North, Range 6, West of the 5th P.M., in Clayton County, Iowa, except the South 225 feet of the East 395 feet of the Southeast Quarter of the Southwest Quarter of said Section 28.

Cook farm legal:

Lot 1 of the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4); Lot 1 of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4); and the East 702.54 feet of Lot 1 of the Northwest Quarter (NW ¼) of the Northeast Quarter (NE ¼); all in Section 28, Township 91 North, Range 6 West of the 5th P.M.; in Clayton County, Iowa.

The North One-Third (N 1/3) of the East Half (E ½) of the Northeast Quarter (NE ¼); the North Two-thirds (N 2/3) of the West Half (W ½) of the Northeast Quarter (NE ¼) and the South Two-thirds (S 2/3) of the East Half (E ½) of the Northeast Quarter (NE ¼) of Section 28, Township 91 North, Range 6, West of the 5th P.M., Except Lot 1 in the Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼), Lot 1 in the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼), and Lot 1 in the Northwest Quarter (NW ¼) of the Northeast Quarter (NE ¼), all in Section 28, Township 91 North, Range 6, West of the 5th P.M., according to the Plat recorded in Book 9, Plats, Page 73; in Clayton County, Iowa.

This mortgage is being filed to secure an Assumption made by Baumgartner Bros. (Kevin and Lori Baumgartner and Doug and Lisa Baumgartner) of the following Cletus and Rose Timp loans and mortgages:

MORTGAGE I

Date of Loan	Date of Mortgage	Office Where Recorded	Book	Page
6/29/79	6/29/79	Buchanan County Recorder	429	519
Re-recorded	6/29/79	Buchanan County Recorder	435	455
6/29/79	6/29/79	Delaware County Recorder	85	141
Re-recorded	6/29/79	Delaware County Recorder	87	280

Secures Loan 29-01 dated 6/29/79 for $161,000.00 which was reamortized to Loan 29-04 dated 1/3/85 for $146,574.24 which was reamortized to Loan 29-08 dated 1/11/93 for $130,505.56 which was reamortized to Loan 29-10 dated 3/21/94 for $140,061.73.

MORTGAGE II

9/29/81	9/29/81	Buchanan County Recorder	446	527
9/29/79	10/8/81	Delaware County Recorder	90	152

Secures Loan 41-02 dated 9/29/81 for $23,000.00 which was reamortized to Loan 41-05 dated 1/3/85 for $21,954.78. The loans shown in Item I above are also secured by this mortgage.

MORTGAGE III

5/4/83	5/4/83	Buchanan County Recorder	458	319
5/4/83	5/13/83	Delaware County Recorder	93	189

Secures Loan 41-03 dated 5/4/83 for $113,000.00 which was reamortized to Loan 41-06 dated 1/3/85 for $119,914.48 which was reamortized to Loan 41-07 dated 3/15/89 for $116,07.56.

The Loans shown in Item I and Item II above are also secured by this mortgage.
