DELAWARE COUNTY IOWA
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BOOK 2001 PAGE 3143
DEBORAH L. FOYON
DELAWARE CO. RECORDER
$10.00

CSB

Real Estate Mortgage
Rural Housing Institute, PO Box 533, Wilton IA 52778 (319) 732-5555

THIS INDENTURE made this 18 day of June, 2001, between Dennis and Tanya Payne, Mortgagors at the commercial address PO Box 37, Colesburg, IA 52035, Delaware County, Iowa, and Rural Housing Institute, PO Box 533, Wilton, IA 52778 (319) 732-5555

WITNESSETH: That the said Mortgagors, in consideration of the sum of ten thousand and 00/100 Dollars ($10,000.00) loaned and said sum being received by Mortgagors SELL, CONVEY, and MORTGAGE unto said Mortgagee set forth above the following described real estate situated in the County of Delaware, State of Iowa:

Legal Description: Lot 10 and the south 38 feet of lot 9 in block 2 of the first western addition to Colesburg, Iowa, according to corrected and amended plat of the incorporated town of Colesburg recorded in Book 1 Plats pages 73 to 86

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Together with all personal property that may integrally belong to, or be or hereinafter becomes an integral part of said real estate, and whether attached or detached (that is, light fixtures, shades, rods, blinds, venetian blinds, awnings, storm windows, storm doors, screens, linoleum, water heater, water softener, automatic heating equipment and other attached fixtures), and hereby granting, conveying and mortgaging also all of the casements, servient estates appurtenant thereto, rents, issues, uses, profits and rights to possession of said real estate, and all crops raised thereon from now until the debt secured thereby shall be paid in full. As to and such personal property, or fixtures, or both, a security interest hereby attaches thereto, as provided by the Uniform Commercial Code.

Said Mortgagors hereby covenant with Mortgagee, or successor in interest, that said mortgagors hold said real estate by title in fee simple; that they have good and lawful authority to sell, convey and mortgage the same; that said premises are free and clear of all liens and encumbrances whatsoever except as may be above state; and said Mortgagors covenant to warrant and defend the said premises against the lawful claims of all persons whomsoever, except as may be above stated.

Each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the above-described premises, and waives any rights of exemption, as to any of said property. CONDITIONED HOWEVER, that if said Mortgagors shall pay or cause to be paid to said Mortgagee, or its successor in interest, said sum of money which shall be legal tender in payment of all debts and dues, public and private, at time of payment, all at the time, place, and upon terms provided by one promissory note of Mortgagors to mortgagee, of even date herewith, and shall perform the other provisions hereof, then these presents will be void, otherwise to remain in full force and effect.

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

TAXES. Mortgagors shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against said property or any part thereof, before same becomes delinquent, without notice or demand.

INSURANCE. Mortgagors shall keep in force insurance, premiums therefore to be paid without notice or demand, against loss by fire, tornado and other hazards, casualties and contingencies as Mortgagee may require on personal property, as herein referred to, and on all buildings and improvements on said premises, in

companies to be approved by Mortgagee in an amount not less than the full insurable value of such personal property and improvements, or not less than the unpaid balance herein, whichever amount is smaller, with such insurance payable to Mortgagors and Mortgagee, as their interests may appear.

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

ATTORNEY'S FEE. In case of any action, or in any proceedings in any court, to collect any sums payable or secured by this mortgage, or to protect the lien or title herein of the Mortgagee or in any other case permitted by law in which attorney fees may be collected from Mortgagors, or charged upon the above described property, they agree to pay reasonable attorney fees.

CONTINUATION OF ABSTRACT. In event of any default herein by Mortgagors, Mortgagee may, at the expense of Mortgagors, procure an abstract of title or continuation thereof, for said premises, and charge and add to the mortgage debts the cost of such abstract or continuation.

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

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

A. Any party obligated on the Secured Debt fail to make payment when due;
B. A breach of any term or covenant of 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 eth 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 excess erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

foreclosures 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.

TRANSFER OF THE PROPERTY. If all or any part of the property or any interest in it is sold or transferred without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this mortgage. However, Mortgagee shall not exercise this option if exercise is prohibited by Federal law as of the date of this mortgage. If Mortgagee exercises this option, mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies permitted by the mortgage without further notice or demand on Mortgagor.

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

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

Dennis Payne
(Signature of Mortgagor)

Tanya K Payne
(Signature of Mortgagor)

11. The address of the Mortgagee is Rural Housing Institute, PO Box 533, Wilton, IA 52778

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

Dennis Payne
(Signature of Mortgagor)

Tanya K Payne
(Signature of Mortgagor)

State of Iowa
County of Delaware.

On this 18 day of June 2001, before me, the undersigned, at Notary Public in and for the State of Iowa, personally appeared Dennis and Tanya Payne to me known to be the identical persons named in and who executed the forgoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Lisa A Streicher
Notary Public for the State of Iowa

LISA A. STREICHER
MY COMMISSION EXPIRES
4-26-02