DELAWARE COUNTY IOWA
FILED
2003 JUL -4 AM 11:57
BOOK 2003 PAGE 3741
DEBORAH L. FENTON
DELAWARE CO. RECORDER
1411.00

Email
Francis Wm. Hynes
1400 University Ave Stall
Dubuque IA
52001

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

CASE NO. 02-03694C

IN RE:

THOMAS E. RAVE and
AMY S. RAVE,

Debtors.

CLERK'S CERTIFICATE

The Clerk of United States Bankruptcy Court hereby certifies that no objections to exemptions have been filed nor any notice of appeal, application to extend time for appeal or motion to stay have been filed within 30 days after the conclusion of the first meeting of creditors.

DATED this 24th day of July, 2003.

Jean L. Hall
Clerk of Bankruptcy Court
P. O. Box 74890
Cedar Rapids, IA 52407

UNITED STATES BANKRUPTCY COURT

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

CERTIFICATE OF TRUE COPY

I do hereby certify that the attached copy of twenty-five (25) page(s) of documents in Case 02-03694C of Thomas E. Rave and Amy S. Rave debtor(s), and Adversary Proceeding 02-9179C of Thomas E. Rave and Amy S. Rave vs. Mac Tools Division of the Stanley Works, have been compared with the original thereof and that it is a complete and correct copy of such original as it appears of record and on file in the office of the Clerk of this Court.

In testimony whereof I have hereunto set my hand this July 24, 2003.

Clerk of Bankruptcy Court
Northern District of Iowa

by: _____
Deputy Clerk
P.O. Box 74890
Cedar Rapids, Iowa 52407

(Seal of the U.S. Bankruptcy Court)

(Official Form 1) (9/01)

FORM B1

United States Bankruptcy Court
Northern District of Iowa

Voluntary Petition
02-03694C

Name of Debtor (if individual, enter Last, First, Middle):	Name of Joint Debtor (Spouse)(Last, First, Middle):
Rave, Thomas E.	**Rave, Amy S.**
All Other Names used by the Debtor in the last 6 years (include married, maiden, and trade names): **fdba Rave Tools dba To My Vending**	All Other Names used by the Joint Debtor in the last 6 years (include married, maiden, and trade names):
Soc. Sec./Tax I.D. No. (if more than one, state all): [redacted]	Soc. Sec./Tax I.D. No. (if more than one, state all): [redacted]
Street Address of Debtor (No. & Street, City, State & Zip Code): **3066 305th Street Hopkintom, IA 52237**	Street Address of Joint Debtor (No. & Street, City, State & Zip Code): **3066 305th Street Hopkintom, IA 52237**
County of Residence or of the Principal Place of Business: **Delaware**	County of Residence or of the Principal Place of Business: **Delaware**
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):

Location of Principal Assets of Business Debtor (if different from street address above):

Information Regarding the Debtor (Check the Applicable Boxes)

Venue (Check any applicable box)

☑ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Type of Debtor (Check all boxes that apply)

☑ Individual(s)
☐ Corporation
☐ Partnership
☐ Other _____
☐ Railroad
☐ Stockbroker
☐ Commodity Broker

Chapter or Section of Bankruptcy Code Under Which the Petition is Filed (Check one box)

☑ Chapter 7
☐ Chapter 9
☐ Chapter 11
☐ Chapter 12
☐ Chapter 13
☐ Sec. 304 - Case ancillary to foreign proceeding

Nature of Debts (Check one box)

☑ Consumer/Non-Business
☐ Business

Filing Fee (Check one box)

☑ Full Filing Fee Attached
☐ Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.

Chapter 11 Small Business (Check all boxes that apply)

☐ Debtor is a small business as defined in 11 U.S.C. § 101
☐ Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(e) (Optional)

Statistical/Administrative Information (Estimates only)

☐ Debtor estimates that funds will be available for distribution to unsecured creditors.
☑ Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

THIS SPACE IS FOR COURT USE ONLY

Estimated Number of Creditors	1-15	16-49	50-99	100-199	200-999	1000-over
	☐	☑	☐	☐	☐	☐

Estimated Assets	$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	More than $100 million
	☐	☐	☑	☐	☐	☐	☐	☐

Estimated Debts	$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	More than $100 million
	☐	☐	☑	☐	☐	☐	☐	☐

(Official Form 1) (9/01)

Voluntary Petition *(This page must be completed and filed in every case)*	Name of Debtor(s): **Thomas E. Rave, Amy S. Rave**	
Prior Bankruptcy Case Filed Within Last 6 Years (If more than one, attach additional sheet)		
Location Where Filed: **NONE**	Case Number:	Date Filed:
Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)		
Name of Debtor: **NONE**	Case Number:	Date Filed:
District:	Relationship:	Judge:

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.
I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X **s/ Thomas E. Rave**
Signature of Debtor

X **s/ Amy S. Rave**
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

10/9/02
Date

Signature of Attorney

X
Signature of Attorney for Debtor(s)

Francis Wm. Henkels, 2305
Printed Name of Attorney for Debtor(s) / Bar No.

Roth & Henkels
Firm Name

1400 University, Suite D Dubuque IA 52001
Address

(563) 557-1611 **(563) 557-9775**
Telephone Number

10/9/02
Date

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.
The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X **Not Applicable**
Signature of Authorized Individual

Printed Name of Authorized Individual

Title of Authorized Individual

Date

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10Kand 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)

☐ Exhibit A is attached and made a part of this petition.

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.

X **10/9/02**
Signature of Attorney for Debtor(s) Date

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and Exhibit C is attached and made a part of this petition.

☑ No

Signature of Non-Attorney Petition Preparer

I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.

Not Applicable
Printed Name of Bankruptcy Petition Preparer

Social Security Number

Address

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

X **Not Applicable**
Signature of Bankruptcy Petition Preparer

Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

FORM B9A (Chapter 7 Individual or Joint Debtor No Asset Case)(9/97) Case Number **02 - 3694 C**

UNITED STATES BANKRUPTCY COURT

Northern District of Iowa

Notice of Chapter 7 Bankruptcy Case, Meeting of Creditors, & Deadlines

A chapter 7 bankruptcy case concerning the debtor(s) listed below was filed on 10/21/2002.

You may be a creditor of the debtor. **This notice lists important deadlines**. You may want to consult an attorney to protect your rights. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below. NOTE: The staff of the bankruptcy clerk's office cannot give legal advice.

See Reverse Side For Important Explanations.

Debtor(s) (name(s) and address): Thomas E. Rave 3066 305th Street Hopkintom, IA 52237	Amy S. Rave 3066 305th Street Hopkintom, IA 52237
Case Number: 02 - 3694 C	Social Security/Taxpayer ID Nos.: [redacted]
Attorney for Debtor(s) (name and address): Francis Wm. Henkels 1400 University, Suite D Dubuque, IA 52001 Telephone number: 563-557-1611	Bankruptcy Trustee (name and address): Wesley B. Huisinga 115 Third Street SE, Suite 500 PO Box 2107 Cedar Rapids, IA 52406-2107 Telephone number: (319) 365-9461

Meeting of Creditors:

Date: **November 25, 2002** Time: **03:30 PM** Location: **Bankruptcy Hearing Room, Ste 410**
The Higley/Law Bldg Complex
118 3rd Ave S.E.
Cedar Rapids, IA 52401

Deadlines:

Papers must be *received* by the bankruptcy clerk's office by the following deadlines:

Deadline to File a Complaint Objecting to Discharge of the Debtor *or* to Determine Dischargeability of Certain Debts:
01/24/03

Deadline to Object to Exemptions:
Thirty (30) days after the *conclusion* of the meeting of creditors.

Creditors May Not Take Certain Actions:

The filing of the bankruptcy case automatically stays certain collection and other actions against the debtor and the debtor's property. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized.

NOTICE IS GIVEN that during the course of administration, the Chapter 7 trustee in this case may sell, abandon, or otherwise dispose of property, including the compromise or settlement of controversies, by filing a report of such intended action with the Clerk, with a copy served upon the U.S. Trustee, debtor(s), debtor(s) counsel, and those creditors and equity security holders who have requested notice pursuant to Rule 2002 of the Bankruptcy Rules. Any party requesting a notice pursuant to Rule 2002 must file a request for notice with the Clerk of the Bankruptcy Court specifically referring to Rule 2002 and shall serve a copy of that request for notice upon debtor(s) counsel, trustee, and U.S. Trustee, at the addresses set forth in the notice of first meeting of creditors. Any party objecting to such action by the trustee shall file such objection with the Clerk of Bankruptcy Court, serving a copy on the moving party, trustee, U.S. Trustee, debtor(s) and debtor(s) counsel within 20 days after the filing of such report.

Please Do Not File A Proof of Claim Unless You Receive a Notice To Do So.

Address of the Bankruptcy Clerk's Office: 425 2nd Street SE Suite 800 Cedar Rapids, IA 52401 Telephone number:	**For the Court:** Clerk of the Bankruptcy Court: Sean F. McAvoy
Hours Open: Monday - Friday 8:00 AM - 4:30 PM	Date: 10/22/02

FORM B9A(9/97)

EXPLANATIONS

Filing of Chapter 7 Bankruptcy Case	A bankruptcy case under chapter 7 of the Bankruptcy Code (title 11, United States Code) has been filed in this court by or against the debtor(s) listed in this notice, and an order for relief has been entered.
Creditors May Not Take Certain Actions	Prohibited collection actions are listed in Bankruptcy Code §362. Common examples of prohibited actions include contacting the debtor by telephone, mail or otherwise to demand repayment; taking actions to collect money or obtain property from the debtor; repossessing the debtor's property; starting or continuing lawsuits or foreclosures; and garnishing or deducting from the debtor's wages.
Meeting of Creditors	A meeting of creditors is scheduled for the date, time and location listed in this notice. *The debtor (both spouses in a joint case) must be present at the meeting to be questioned under oath by the trustee and by creditors.* Effective March 1, 2002, all individual debtors must provide picture identification and proof of social security number to the trustee at the meeting of creditors. Failure to do so may result in your case being dismissed. Creditors are welcome to attend, but are not required to do so. The meeting may be continued and concluded at a later date without further notice.
Do Not File a Proof of Claim at This Time	There does not appear to be any property available to the trustee to pay creditors. *You therefore should not file a proof of claim at this time.* If it later appears that assets are available to pay creditors, you will be sent another notice telling you that you may file a proof of claim, and telling you the deadline for filing your proof of claim.
Discharge of Debts	The debtor is seeking a discharge of most debts, which may include your debt. A discharge means that you may never try to collect the debt from the debtor. If you believe that the debtor is not entitled to receive a discharge under Bankruptcy Code §727(a) *or* that a debt owed to you is not dischargeable under Bankruptcy Code §523(a)(2), (4), (6), or (15), you must start a lawsuit by filing a complaint in the bankruptcy clerk's office by the "Deadline to File a Complaint Objecting to Discharge of the Debtor or to Determine Dischargeability of Certain Debts" listed in this notice. The bankruptcy clerk's office must receive the complaint and the required filing fee by that Deadline.
Exempt Property	The debtor is permitted by law to keep certain property as exempt. Exempt property will not be sold and distributed to creditors. The debtor must file a list of all property claimed as exempt. You may inspect that list at the bankruptcy clerk's office. If you believe that an exemption claimed by the debtor is not authorized by law, you may file an objection to that exemption. The bankruptcy clerk's office must receive the objection by the "Deadline to Object to Exemptions" listed in this notice.
Bankruptcy Clerk's Office	Any paper that you file in this bankruptcy case should be filed at the bankruptcy clerk's office at the address listed in this notice. You may inspect all papers filed, including the list of the debtor's property and debts and the list of property claimed as exempt, at the bankruptcy clerk's office.
Appointment of Trustee	The trustee named in this notice is the interim trustee appointed by the U.S. Trustee to serve under general blanket bond.
Legal Advice	The staff of the bankruptcy clerk's office cannot give legal advice. You may want to consult an attorney to protect your rights.

---Refer to Other Side For Important Deadlines and Notices---

FORM B6A
(6/90)

In re: Thomas E. Rave Amy S. Rave , Case No. _____ (If known)
Debtor

SCHEDULE A - REAL PROPERTY

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
3066 305th Street, Hopkinton, Iowa and legally described as the East three hundred twenty (320) feet of the West nine hundred eighty eight (988) feet of the North two hundred eighty five (285) feet of the Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) of Section Sixteen (16), Township Eighty Seven (87) North, Range Three (3) West of the Fifth P.M. (Approximately 3 acres) **Property acquired November of 1995**	**Fee Owner**	**J**	**$ 129,000.00**	**$ 122,000.00**
	Total ➢		**$ 129,000.00**	

(Report also on Summary of Schedules.)

FORM B6C
(6/90)

In re Thomas E. Rave Amy S. Rave, Case No. _____ (If known)
Debtor.

SCHEDULE C - PROPERTY CLAIMED AS EXEMPT

Debtor elects the exemption to which debtor is entitled under:

(Check one box)

☐ 11 U.S.C. § 522(b)(1) Exemptions provided in 11 U.S.C. § 522(d). **Note: These exemptions are available only in certain states.**

☑ 11 U.S.C. § 522(b)(2) Exemptions available under applicable nonbankruptcy federal laws, state or local law where the debtor's domicile has been located for the 180 days immediately preceding the filing of the petition, or for a longer portion of the 180-day period than in any other place, and the debtor's interest as a tenant by the entirety or joint tenant to the extent the interest is exempt from process under applicable nonbankruptcy law.

DESCRIPTION OF PROPERTY	SPECIFY LAW PROVIDING EACH EXEMPTION	VALUE OF CLAIMED EXEMPTION	CURRENT MARKET VALUE OF PROPERTY, WITHOUT DEDUCTING EXEMPTIONS
1997 Chevy Tahoe	CI § 627.6(9)	0.00	9,000.00
1998 Dodge Caravan	CI § 627.6(9)	0.00	7,000.00
3066 305th Street, Hopkinton, Iowa and legally described as the East three hundred twenty (320) feet of the West nine hundred eighty eight (988) feet of the North two hundred eighty five (285) feet of the Northwest Quarter (NW¼) of the Southeast Quarter (SE¼) of Section Sixteen (16), Township Eighty Seven (87) North, Range Three (3) West of the Fifth P.M. (Approximately 3 acres) Property acquired November of 1995	CI §§ 499A.18, 561.16, 561.19, 561.20	7,000.00	129,000.00
401K Plan Loan of $4,600 against plan.	CI § 627.6(8)(e)	12,000.00	12,000.00
60 medicine vending machines	CI § 627.6(10)	500.00	3,000.00
Bank accounts at Racom Credit Union Minimum of $500 secured by Racom	CI § 627.6(13)	100.00	600.00
Farmall Tractor	CI § 627.6(10)	500.00	500.00
Gateway computer (5 years old)	CI § 627.6(5)	300.00	300.00
Hay	CI § 627.6(10)	250.00	250.00
Household goods	CI § 627.6(5)	2,900.00	2,900.00

FILED
US BANKRUPTCY COURT
NORTHERN DISTRICT IOWA
DEC 1 8 2002
SEAN F MCAVOY, CLERK

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

IN RE:	)	CHAPTER 7
THOMAS E. RAVE and AMY S. RAVE,	)	BANKRUPTCY NO. 02-3694 C
Debtors.	)	
THOMAS E. RAVE and AMY S. RAVE,	)	ADVERSARY NO. 02-09179 C
Plaintiffs,	)	
vs.	)	
MAC TOOLS DIVISION OF THE STANLEY WORKS,	)	
Defendant.	)	

DEBTOR'S COMPLAINT TO DETERMINE ENFORCEABILITY OF MORTGAGE AND EXEMPT STATUS OF AGRICULTURAL HOMESTEAD

Thomas E. Rave and Amy S. Rave (hereinafter referred to as "Debtors"), Debtors pursuant to Title 11 Chapter 7 of the U.S.C., by and through their attorney, Francis Wm. Henkels, bring this adversary complaint for a determination by the Court that the mortgage of Mac Tools Division of the Stanley Works (hereinafter referred to as Mac Tools) is unenforceable and void pursuant to Federal Rules of Bankruptcy Procedure (FRBP) 4003 and 7001. In support of their adversary complaint, Debtors state as follows:

(1) Debtors filed a voluntary petition for relief under Chapter 7 on or about the 21st day of October, 2002.

(2) Mac Tools is a corporation organized and existing under the laws of the State of Connecticut with its address at 4635 Hilton Corporate Drive, Columbus, Ohio 43232, and is authorized to do business in the State of Iowa.

(3) This Court has jurisdiction over the subject matter of Debtors' adversary complaint by virtue of 28 U.S.C. §§157, 1330 and 1334.

(4) Debtors' adversary complaint is a "core" proceeding pursuant to 28 U.S.C. § 157(b)(2)(B), (K) and (O) allowing this Court to enter a final appealable order.

(5) At the time of the filing of this bankruptcy case, Debtors listed on their Schedule A - Real Property, the following agricultural as their homestead:

> Address: 3066 305th Street, Hopkinton, Iowa and legally described as the East 320 feet of the West 988 feet of the North 285 feet of the NW¼ of the SE¼ of Section 16, Township 87 North, Range 3 West of the Fifth P.M.

(6) Debtors' rural homestead of approximately three (3) acres is outside of the town of Hopkinton, Iowa, is agricultural property as defined by Iowa Code §9H.1(2), in that "it is suitable for farming." Farming is defined by Iowa Code § 9H.1(11) as:

> *...the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops,* ***grazing or the production of livestock****. Farming shall not include the production of timber, forest products, nursery products, or sod and farming shall not include a contract where a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.*

(7) Debtors formerly used and are using their homestead for a cow-calf eating operation.

(8) Debtors claim their three-acre homestead listed on Schedule A as their exempt homestead on Schedule C - Property Claim as Exempt pursuant to Iowa Code Sections 499A.18, 561.16, 561.19, and 561.20 Code of Iowa.

(9) That on or about the 1st day of June, 2002, Debtors executed a Mortgage to Mac Tools Division of the Stanley Works a Note secured by a Mortgage. A copy of the Mortgage is attached hereto and marked as Exhibit "A" and by this reference made a part hereof.

(10) Debtors did not knowingly execute a homestead waiver as part of the mortgage as required by Iowa Code §561.22 which specifies:

> If a homestead exemption waiver is contained in a written contract affecting agricultural land as defined in Section 9II.1, or dwellings, buildings, or other appurtenances located on the land, the contract must contain a statement in substantially the following form, in boldface type of a minimum size of ten points, and be signed and dated by the person waiving the exemption at the time of the execution of the contract: ***"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."***

(11) By virtue of the fact that the homestead property is agricultural as defined by the Code of Iowa and by virtue of the fact that the mortgage fails to contain the language required by §561.22 Code of Iowa, said mortgage is unenforceable and void.

(12) That the failure on the part of Mac Tools to comply with the requirements of the Iowa Code Section 561.22 prevents the mortgage from attaching to the property and any proceeds received therefrom.

(13) Debtors seek an order and judgment from this Court that Mac Tools' mortgage against Debtors' exempt property does not comply with the Iowa Code, specifically §561.22, and therefore its mortgage is unenforceable against Debtors' homestead and is void.

WHEREFORE, Debtors, Thomas E. Rave and Amy S. Rave, respectfully pray that this Court enter an order declaring the Mac Tools mortgage void and that it violates §561.22 and that the mortgage is invalid and unenforceable against the agricultural homestead of Debtors and any proceeds from said homestead. Debtors also pray that the Court grant them such other and further relief as it deems just and equitable under the circumstances.

Respectfully submitted this 16th day of December, 2002.

THOMAS E. RAVE AND AMY S. RAVE,

By _____

Francis Wm. Henkels
ROTH & HENKELS
1400 University Ave., Suite D.
Dubuque, IA 52001
Tel: (563) 557-1611
Fax: (563) 557-9775
Bankruptcy Code 2305
Attorney for Thomas E. Rave
and Amy S. Rave

Exhibit "A"

Prepared By and After Recording Return To: MAC TOOLS DIVISION OF THE STANLEY WORKS, 4635 Hilton Corporate Drive, Columbus, OH 43232 Attn: Jennifer B. Morrison

[Space Above This Line For Recording Data]

MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 7, 10, 11, 15, 17 and 18. Certain rules regarding the usage of words used in this document are also provided in Section 13.

(A) **"Security Instrument"** means this document, which is dated 6/1/01, together with all Riders to this document.
(B) **"Borrower"** is Thomas E. Rave and Amy S. Rave, husband and wife. Borrower is the mortgagor under this Security Instrument.
(C) **"Lender"** is MAC Tools Division of the Stanley Works. Lender is a corporation organized and existing under the laws of Connecticut. Lender's address is 4635 Hilton Corporate Drive, Columbus, OH 43232. Lender is the mortgagee under this Security Instrument.
(D) **"Note"** means the promissory note signed by Borrower and dated June 1st, 2001. The Note states that Borrower owes Lender One Hundred Seventeen Thousand Five Hundred Sixty-Eight and 03/100 Dollars (U.S. $117,568.03) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than May 6, 2008.
(E) **"Property"** means the property that is described below under the heading "Transfer of Rights in the Property."
(F) **"Loan"** means the debt evidenced by the Note, plus interest any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(G) **"Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
(H) **"Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(I) **"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(J) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 4) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(K) **"Periodic Payment"** means the regularly scheduled amount due for principal and interest under the Note.
(L) **"RESPA"** means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
(M) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located:

> The East three hundred twenty (320) feet of the West nine hundred eighty eight (988) feet of the North two hundred eighty five (285) feet of the Northwest Quarter (NW ¼) of the Southeast Quarter (SE ¼) of Section Sixteen (16), Township Eighty Seven (87) North, Range Three (3), West of the Fifth P.M.

which currently has the address of 3066 305th St., Hopkinton, Iowa 52237 ("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property"

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Payments due under the Note and this Security Instrument shall be made in U.S. currency.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) Loan Charges; (b) interest due under the Note; (c) principal due under the Note.

3. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 3.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

4. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover

Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 4 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 19 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies

covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

5. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 4 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

6. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 6, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 6.

Any amounts disbursed by Lender under this Section 6 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate

from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given,

Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 16, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

8. Assignment of Rents, Issues and Profits. That all of the rents, issues and profits of the Property are hereby pledged to the payment of the Loan, and upon any default in the payment of the Loan, according to the terms of the Note, the Lender shall have the right to forthwith enter into and upon the Property and take possession thereof, and to appoint an agent, or in the event of the institution of foreclosure proceedings to have a receiver appointed for the collection of the rents, issues and profits thereof; and that the net income, after allowing a reasonable fee for the collection thereof and the management of the Property, may be applied toward the payment of taxes, assessments, insurance premiums, repairs and other charges against the Property and the cost of procurement of such insurance of evidence of title to the Property, or any of them, or in the reduction of said indebtedness and the payment of the interest as said Lender may elect; and that the exercise or failure to exercise said privilege or right shall not in any way preclude or abridge the right of the Lender to foreclose the lien created by this instrument or to take any other legal or equitable action thereon; and that Lender shall have such rights or privileges as aforesaid regardless of the value of the Property, and regardless of the solvency or insolvency of any party bound for the payment of said debt or the sums hereby secured.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons,

entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

10. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "cosigner"): (a) is co-signing this Security Instrument only to mortgage, grant and convey ,the cosigner's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 15, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 17) and benefit the successors and assigns of Lender.

11. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees (the "Loan Charges"). In regard to any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will consitute a waiver of any right of action Borrower might have arising out of such overcharge.

12 Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires

otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender must be in writing and shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

13. **Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

14. **Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

15. **Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 15, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 12 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender

may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

16. **Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, Loan Charges, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 15.

17. **Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements

of Section 12) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 19 and the notice of acceleration given to Borrower pursuant to Section 15 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 17.

18. **Hazardous Substances.** As used in this Section 18: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 15 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

21. **Waivers.** Borrower relinquishes all right of dower and waives all right of homestead and distributive share in and to the Property. Borrower waives any right of exemption as to the Property.
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXX

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX(Date)XXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX(Date)

23. **Redemption Period.** If the Property is less than 10 acres in size and Lender waives in any foreclosure proceeding any right to a deficiency judgment against Borrower, the period of redemption from judicial sale shall be reduced to 6 months. If the court finds that the Property has been abandoned by Borrower and Lender waives any right to deficiency judgment against Borrower, the period of redemption from judicial sale shall be reduced to 60 days. The

provisions of this Section 23 shall be construed to conform to the provisions of Sections 628.26 and 628.27 of the Code of Iowa.

24. **Future Advances.** The Note shall evidence, and this Mortgage shall cover and be security for, any future loans or advances that may be made by Lender to Borrower at any time or times hereafter up to the maximum amount of the Note and intended by Borrower and Lender to be so evidenced and secured, and such loans and advances shall be added to the principal debt.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument

Witnesses:

Tom Jenk

Print Name: Tom Jenk

Thomas E. Rave (Seal)
Thomas E. Rave - Borrower

Print Name: Thomas E Rave

Social Security Number [redacted]

TOM Jenk

Print Name: Tom Jenk

Amy Rave (Seal)
Amy S. Rave - Borrower

Print Name: Amy S Rave

Social Security Number [redacted]

State of Iowa
County of Delaware ss:

On this 1st day of June A.D. 2001, before me Tom Jenk, personally appeared Thomas E. Rave and Amy S. Rave, to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledges that they executed the same as their voluntary act and deed.

(SEAL, if any)

TOM JENK
MY COMMISSION EXPIRES
SEPTEMBER 19, 2003

TOM Jenk

Print Name: Tom Jenk

Title
(My Commission Expires: _____)

advanced by Lender, its successors or assigns, in accordance with the terms of any instrument given to secure the obligations evidenced hereby; (3) all interest accrued through the date on which such prepayment is made; and (4) any late charges then due and owing hereunder. All prepayments shall be credited and applied against subsequently scheduled weekly principal and interest payments in inverse order of priority; and no partial prepayment shall excuse or release the undersigned from thereafter making all regularly scheduled weekly payments scheduled hereunder.

Should any of the weekly principal and interest payments required hereunder become due and remain unpaid for a period of thirty (30) days, or should default be made in the performance or observance of any of the covenants or agreements contained in any instrument heretofore, now, or hereafter given in order to secure the payment of the obligations hereby evidenced or created and if any such default shall continue for a period of thirty (30) days, then, in any such instance, the entire outstanding principal balance of the indebtedness evidenced by this Note, together with all accrued interest thereon, and any late charges payable hereunder, at the option of the Lender or the holder hereof, shall immediately become due and payable without demand therefor and without notice to any person, notice of the exercise of said option being hereby expressly waived, and Lender or the holder hereof may enforce the payment of all said indebtedness according to law and equity. In the event of any default by Borrower under this Note, in addition to any other remedies of Lender hereunder, in other agreements between Lender and Borrower or at law or in equity, Lender shall have the right to set off and apply any credits in Borrower's distributor trade account with Lender against the indebtedness evidenced by this Note.

The failure of the Lender or legal holder hereof to exercise any option herein provided upon any default shall not constitute a waiver of the right to exercise such option in the event of any continuing or subsequent default. The Borrower hereby agrees that the maturity of all or any part of this Note may be postponed or extended and that any covenants or agreements contained in this Note or any instrument heretofore, now or hereafter given as security for the indebtedness evidenced or created hereby may be waived or modified by Lender without prejudice to the Borrower's liability.

As a specific inducement for Lender to make the loan evidenced hereby, the Borrower expressly acknowledges and agrees that the parties hereto specifically intend that this Note shall be governed by and construed in accordance with the local laws of the State of Ohio without regard to conflict of law rules.

If in any instance, it is determined by a court of competent jurisdiction that any provision of this Note is in violation of applicable law, including, without limitation, applicable usury laws or laws of similar character, then, in any such instance, (i) any impermissible charge previously collected from the Borrower hereunder shall immediately be refunded to the Borrower, (ii) without further action of the parties, this Note shall immediately be reformed to eliminate any impermissible charge contracted for and to otherwise bring this Note into compliance with applicable law, and (iii) all other provisions of this Note shall remain in full force and effect as written.

All obligations and liabilities of the Borrower evidenced or created hereby are joint and several.

Presentment, protest and notice are hereby waived.

The Borrower expressly represents, warrants and acknowledges that the loan evidenced hereby is a business loan that has been obtained by the Borrower for the purpose of carrying on a commercial enterprise for profit.

IN WITNESS WHEREOF, the Borrower has executed this Note effective as of the date first above written.

BORROWER:

Thomas E Rave

Print Name: Thomas E. Rave

Amy S Rave

Print Name: Amy S. Rave

Adversary Proceeding Cover Sheet

ADVERSARY PROCEEDING NUMBER (Court Use Only)

PLAINTIFFS	DEFENDANTS
Thomas E. Rave and Amy S. Rave	Mac Tools Division of the Stanley Works FILED US BANKRUPTCY COURT NORTHERN DISTRICT IOWA
ATTORNEYS (Firm Name, Address, and Telephone No.) **Roth & Henkels** **1400 University, Suite D** **Dubuque IA 52001** **(563) 557-1611**	ATTORNEYS (If Known) DEC 1 8 2002 **SEAN F MCAVOY, CLERK**

PARTY (Check one box only) ☐ 1. U.S. PLAINTIFF ☐ 2. U.S. DEFENDANT ☒ 3. U.S. NOT A PARTY

CAUSE OF ACTION (Write a brief statement of cause of action, including all U.S. statutes involved)
Action for determination of validity of mortgage lien and exempt status of homestead.

NATURE OF SUIT
(Check the one most appropriate box only)

- ☐ 424 To object or to revoke a discharge 11 U.S.C. § 727
- ☐ 426 To determine the dischargeability of a debt 11 U.S.C. § 523
- ☐ 434 To obtain an injunction or other equitable relief
- ☒ 435 To Determine Validity, Priority, or Extent of a Lien or Other Interest in Property
- ☐ 454 To Recover Money or Property
- ☐ 455 To revoke an order of confirmation of a Chap. 11 or Chap. 13 Plan
- ☐ 456 To obtain a declatory judgment relating to any of foregoing causes of action
- ☐ 457 To subordinate any allowed claim or interest except where such subordination is provided in a plan
- ☐ 458 To obtain approval for the sale of both the interest of the estate and of a co-owner in property
- ☐ 459 To determine a claim or cause of action removed to a bankruptcy court
- ☐ 498 Other (specify)

ORIGIN OF PROCEEDINGS
(Check one box only)

☒ 1. Original Proceeding ☐ 2. Removed Proceeding ☐ 3. Reinstated or Reopened ☐ 4. Transferred from Another Bankruptcy Court

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND	NEAREST THOUSAND	OTHER RELIEF SOUGHT	☐ JURY DEMAND
	$ ~~XXX~~ 118,000	Declare mortgage void	

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES

Name of Debtor	Bankruptcy Case No.
Thomas E. and Amy S. Rave	02-3694C
District In Which Case Is Pending Northern District of Iowa	Name Of Judge Paul J. Kilburg
Divisional Office	

RELATED ADVERSARY PROCEEDING (IF ANY)

Plaintiff	Defendant	Adversary Proceeding No.
District	Divisional Office	Name Of Judge

FILING FEE (Check one box only) ☐ Fee Attached ☒ Fee Not Required ☐ Fee Is Deferred

Date	Print Name	Signature Of Attorney (Or Plaintiff)
12/16/02	Francis Wm. Henkels, #2305	/s/ Francis Wm. Henkels

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

IN RE:	)	
	)	CHAPTER 7
THOMAS E. RAVE and AMY S. RAVE,	)	BANKRUPTCY NO. 02-3694 C
Debtors.	)	
THOMAS E. RAVE and AMY S. RAVE,	)	ADVERSARY NO. 02-09179C
Plaintiffs,	)	
vs.	)	
MAC TOOLS DIVISION OF THE STANLEY WORKS,	)	
Defendant.	)	

ORDER RE DEBTOR'S COMPLAINT TO DETERMINE ENFORCEABILITY OF MORTGAGE AND EXEMPT STATUS OF AGRICULTURAL HOMESTEAD

On this 9th day of April, 2003, the above captioned matter came on for hearing pursuant to Debtors' Demand for Default and Entry of Order. Debtors, Thomas E. Rave and Amy S. Rave, appeared through their attorney, Francis Wm. Henkels.

Debtors' adversary complaint is a "core" proceeding pursuant to 28 U.S.C. § 157(b)(2)(B), (K) and (O) allowing this Court to enter a final appealable order.

STATEMENT OF THE CASE

Debtors seek the Court to make a determination that the mortgage of Mac Tools Division of the Stanley Works is unenforceable and void pursuant to Federal Rules of Bankruptcy Procedure (FRBP) 4003 and 7001 and to make a determination the exempt status of the agricultural farmland owned by the Debtors. The Debtors assert that the mortgage to Mac Tools Division of the Stanley Works is unenforceable due to the absence of the homestead exemption waiver language required by Iowa Code Section 561.22.

FINDINGS OF FACT

Debtors live on property known locally as 3066 205th Street, Hopkinton, Delaware County, Iowa, and legally described as follows:

> The East 320 feet of the West 988 feet of the North 285 feet of the NW¼ of the SE¼ of Section 16, Township 87 North, Range 3 West of the Fifth P.M.

This is the Debtors' rural homestead of approximately three (3) acres and is located outside of the town of Hopkinton, Iowa. It is agricultural property as defined by Iowa Code §9H.1(2), in that "it is suitable for farming."

On or about the 1st day of June, 2002, Debtors executed a Mortgage to Mac Tools Division of the Stanley Works a Note secured by a Mortgage. The mortgage failed to contain the a homestead waiver as required by Iowa Code §561.22

CONCLUSIONS OF LAW

Pursuant to Iowa Law, homesteads are exempt pursuant to Iowa Code Sections 499A.18, 561.16, 561.19, and 561.20 Code of Iowa. Certain homesteads which are suitable for agricultural use as defined more specifically "*suitable for farming*" as defined more specifically at §9H.1(2) and 9H.1(11) of the Code of Iowa have certain protections that other lands do not have.

One of those protections is set forth in §561.22 which requires specific language inserted in the mortgage in order to make the mortgage effective against agricultural real estate.

This Court previously found in Wagner v. Chelsea Savings Bank, Adversary No. 00-9050C as follows:

> *". . . The Mortgages are contracts affecting agricultural land that require the statutory homestead exemption waiver. Neither of the mortgages contain the homestead exemption waiver required by sec. 561.22. Debtors did not waive their homestead exemption. Debtors' acreage, including the house and outbuildings, is exempt as their farm homestead."*

The Court finds that the mortgage in the instant case is identical to that in the above Wagner v. Chelsea Savings Bank case. In this case, the Debtors' acreage is agricultural land and subject to Section 561.22. The mortgage is a contract affecting agricultural land that requires the statutory homestead exemption

waiver. The mortgage does not contain the homestead exemption waiver language as required by Section 561.22. Debtors did not waive their homestead exemption. Debtors' acreage including their home and property is exempt as their farm homestead.

WHEREFORE, for all the reasons set out herein, Mac Tools Division of the Stanley Works mortgage is unenforceable, null and void against Debtors' exempt homestead.

SO ORDERED this 9th day of April, 2003.

PAUL J. KILBURG
Chief Bankruptcy Judge

Prepared by:

Francis Wm. Henkels
Roth & Henkels
1400 University Ave., Ste. D.
Dubuque, IA 52001

crtsvc-ap
(01/02 IAN)

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

SERVICE LIST

Plaintiff: Rave
Defendant: Mac Tools Division Of The Stanley Works
Case No.: 02-09179

Parties Served by Electronic Means:

United States Trustee

Francis Wm. Henkels fhenkels@rothandhenkels.com, kbartels@rothandhenkels.com

Parties Served by Non-Electronic Means:

Wesley B. Huisinga F

Mac Tools Division of the Stanley Works
4635 Hilton Corporate Drive
Columbus, OH 43232

Stanley Works dba Mac Tools
1000 Stanley Drive
New Britain, CT 06053

CT Corporation Systems (Registered Agent for Mac Tools)
2222 Grand Avenue
Des Moines, IA 50312

Entered on 4/10/2003 at 12:05 PM CDT and filed on 4/9/2003 jlh

Form B18(Official Form 18)
(9/97)

UNITED STATES BANKRUPTCY COURT
Northern District of Iowa

In Re: Thomas E. Rave [redacted] 3066 305th Street Hopkintom, IA 52237 Amy S. Rave [redacted] 3066 305th Street Hopkintom, IA 52237 Debtor	Case Number: 02 - 3694 C Chapter: 7

DISCHARGE OF DEBTOR

It appearing that the debtor is entitled to a discharge, **IT IS ORDERED:** The debtor is granted a discharge under section 727 of title 11, United States Code, (the Bankruptcy Code).

Dated: 01/30/03

BY THE COURT

Sean F. McAvoy
Clerk, United States Bankruptcy Court

SEE THE BACK OF THIS ORDER FOR IMPORTANT INFORMATION.

Form B18 Continued
(9/97)

EXPLANATION OF BANKRUPTCY DISCHARGE IN A CHAPTER 7 CASE

This court order grants a discharge to the person named as the debtor. It is not a dismissal of the case and it does not determine how much money, if any, the trustee will pay to creditors.

Collection of Discharged Debts Prohibited

The discharge prohibits any attempt to collect from the debtor a debt that has been discharged. For example, a creditor is not permitted to contact a debtor by mail, phone, or otherwise, to file or continue a lawsuit, to attach wages or other property, or to take any other action to collect a discharged debt from the debtor. [*In a case involving community property:*] [There are also special rules that protect certain community property owned by the debtor's spouse, even if that spouse did not file a bankruptcy case.] A creditor who violates this order can be required to pay damages and attorney's fees to the debtor.

However, a creditor may have the right to enforce a valid lien, such as a mortgage or security interest, against the debtor's property after the bankruptcy, if that lien was not avoided or eliminated in the bankruptcy case. Also, a debtor may voluntarily pay any debt that has been discharged.

Debts That are Discharged

The chapter 7 discharge order eliminates a debtor's legal obligation to pay a debt that is discharged. Most, but not all, types of debts are discharged if the debt existed on the date the bankruptcy case was filed. (If this case was begun under a different chapter of the Bankruptcy Code and converted to chapter 7, the discharge applies to debts owed when the bankruptcy case was converted.)

Debts That are Not Discharged

Some of the common types of debts which are not discharged in a chapter 7 bankruptcy case are:

a. Debts for most taxes;

b. Debts that are in the nature of alimony, maintenance, or support;

c. Debts for most student loans;

d. Debts for most fines, penalties, forfeitures, or criminal restitution obligations;

e. Debts for personal injuries or death caused by the debtor's operation of a motor vehicle while intoxicated;

f. Some debts which were not properly listed by the debtor;

g. Debts that the bankruptcy court specifically has decided or will decide in this bankruptcy case are not discharged;

h. Debts for which the debtor has given up the discharge protections by signing a reaffirmation agreement in compliance with the Bankruptcy Code requirements for reaffirmation of debts.

This information is only a general summary of the bankruptcy discharge. There are exceptions to these general rules. Because the law is complicated, you may want to consult an attorney to determine the exact effect of the discharge in this case.