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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Preparer's Name: THAD MILLER, First Federal CU, 1035 N. Center Point Rd., Hiawatha, IA 52233, 319-743-7806
RETURN TO: THAD MILLER, First Federal CU, 1035 N. Center Point Rd., Hiawatha, IA 52233, 319-743-7806

DAVID E HEPKER KAREN K HEPKER 600 B CHARLES ST DELHI, IA 52223 **(MORTGAGOR)** "I" includes each mortgagor above.	**First Federal** Credit Union 425 First Avenue S. W. Cedar Rapids, Iowa 52405 **(MORTGAGEE)** "You" means the mortgagee, its successors and assigns.

REAL ESTATE MORTGAGE: For value received, I, DAVID E HEPKER AND KAREN K HEPKER, husband and wife, sell, convey and mortgage to you on 5/1/2009 , the real estate described below and all rights, easements, appurtenances, rents, leases and existing and future improvements and fixtures that may now or at anytime in the future be part of the property (all called the "property").

2000-1658

PROPERTY ADDRESS: 600 B CHARLES ST, DELHI, IA 52223

LEGAL DESCRIPTION:

LOT ELEVEN (11) , BLOCK SEVEN (7), HOBBS ADDITION TO DELHI, IOWA ACCORDING TO PLAT RECORDED IN BOOK D L. D., PAGE 516.

TITLE: I covenant and warrant title to the property, except for encumbrances of record, municipal and zoning ordinances, current taxes and assessments not yet due and _____.

SECURED DEBT: This mortgage secures repayment of the secured debt and the performance of the covenants and agreements contained in this mortgage and in any other document incorporated herein. Secured debt, as used in this mortgage, includes any amounts I may at any time owe you under this mortgage, the instrument or agreement described below, any renewal, refinancing, extension or modification of such instrument or agreement, and, if applicable, the future advances described below.

The secured debt is evidenced by (describe the instrument or agreement secured by this mortgage and the date thereof): a note dated 5/1/2009

The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of THIRTY THOUSAND DOLLARS AND 00/100 Dollars ($ 30,000.00), plus interest.

X **Future Advances:** The above amount is secured even though all or part of it may not yet be advanced. Future advances are contemplated and will be secured to the same extent as if made on the date this mortgage is executed.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF $ 30,000.00 . LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

XX **Variable Rate:** If checked, the interest rate on the obligation secured by this mortgage may vary according to the terms of that obligation.

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.

David E Hepker 5/1/2009 Karen K. Hepker 5/1/2009

DAVID E HEPKER (Date) KAREN K HEPKER (Date)

SIGNATURES: By signing below, I agree to the terms and covenants contained on both sides of this mortgage and in any riders described above that I have signed. I also acknowledge receipt of a copy of this mortgage on today's date.

David E Hepker
DAVID E HEPKER

Karen K. Hepker
KAREN K HEPKER

ACKNOWLEDGEMENT: STATE OF IOWA, COUNTY OF LINN } ss.
On 5/1/2009, before me, a Notary Public in the State of Iowa, personally appeared DAVID E HEPKER AND KAREN K HEPKER, husband and wife, to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

NOTARIAL SEAL IOWA
THAD MILLER
Commission Number 718405
My Commission Expires
September 10, 2011

THAD MILLER Notary Public In The State of Iowa

COVENANTS

1. Payments. I agree to make all payments on the secured debt when due. Unless we agree otherwise, any payments you receive from me or for my benefit will be applied first to any amounts I owe you on the secured debt (exclusive of interest or principal), second, to interest and then to principal. If partial prepayment of the secured debt occurs for any reason, it will not reduce or excuse any subsequently scheduled payment until the secured debt is paid in full.

2. Claims against Title. I will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, and other charges relating to the property when due. You may require me to provide to you copies of all notices that such amounts are due and the receipts evidencing my payments. I will defend title to the property against any claims that would impair the lien of this mortgage. You may require me to assign any rights, claims or defenses which I may have against parties who supply labor or materials to improve or maintain the property.

3. Insurance. I will keep the property insured under terms acceptable to you at my expense and for your benefit. This insurance will include a standard mortgage clause in your favor. You will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the secured debt. If you require mortgage insurance, I agree to maintain such insurance for as long as you require.

4. Property. I will keep the property in good condition and make all repairs reasonably necessary. I will give you prompt notice of any loss or damage to the property.

5. Expenses. Except when prohibited by law, I agree to pay all your expenses, including reasonable attorney's fees, if I breach any covenants in this mortgage or in any obligation secured by this mortgage. I will pay these amounts to you as provided in Covenant 10 of this mortgage.

6. Default and Acceleration. If I fail to make any payment when due or breach any covenants under this mortgage, any prior mortgage or any obligation secured by this mortgage, you may either accelerate the maturity of the secured debt and demand immediate payment or exercise any other remedy available to you. You may foreclose this mortgage in the manner provided by law.

7. Assignment of Rents and Profits. I assign to you the rents and profits of the property. Unless we have agreed otherwise in writing, I may collect and retain the rents as long as I am not in default. If I default, you may, as provided by law, have the court appoint a receiver and the receiver may take possession and manage the property and collect the rents, income and profits. Any amounts so collected shall be applied first to the costs of managing the property, including, but not limited to, all taxes, assessments, insurance premiums, repairs, court costs and attorney's fees, commissions to rental agents, and any other necessary related expenses. The remaining amounts will then apply to payments on the secured debt as provided in Covenant 1.

8. Prior Security Interests. I will make payments when due and perform all other covenants under any mortgage, deed of trust, or other security agreement that has priority over this mortgage. I will not make or permit any modification or extension of any mortgage, deed of trust or other security interest that has priority over this mortgage or any note or agreement secured thereby without your written consent. I will promptly deliver to you any notices I receive from any person whose rights in the property have priority over your rights.

9. Leaseholds; Condominiums; Planned Unit Developments. I agree to comply with the provisions of any lease if this mortgage is on a leasehold. If this mortgage is on a unit in a condominium or a planned unit development, I will perform all of my duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

10. Authority of Mortgagee to Perform for Mortgagor. If I fail to perform any of my duties under this mortgage, or any other mortgage, deed of trust, lien or other security interest that has priority over this mortgage, you may perform the duties or cause them to be performed. You may sign my name or pay any amount if necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, you may do whatever is necessary to protect your security interest in the property. This may include completing the construction.

Your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.

Any amounts paid by you to protect your security interest will be secured by this mortgage. Such amounts will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect from time to time on the secured debt.

11. Inspection. You may enter the property to inspect if you give me notice beforehand. The notice must state the reasonable cause for your inspection.

12. Condemnation. I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement.

13. Waiver. By exercising any remedy available to you, you do not give up your rights to later use any other remedy. By not exercising any remedy, if I default, you do not waive your right to later consider the event a default if it happens again.

14. Joint and Several Liability; Co-signers; Successors and Assigns Bound. All duties under this mortgage are joint and several. If I sign this mortgage but do not sign the secured debt I do so only to mortgage my interest in the property to secure payment of the secured debt and by doing so, I do not agree to be personally liable on the secured debt. I also agree that you and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or the secured debt without my consent. Such a change will not release me from the terms of this mortgage.

The duties and benefits of this mortgage shall bind and benefit the successors and assigns of either or both of us.

15. Notice. Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by certified mail addressed to me at the Property Address or any other address that I tell you. I will give any notice to you by certified mail to your address on the front side of this mortgage, or to any other address which you have designated.

Any notice shall be deemed to have been given to either of us when given in the manner stated above.

16. Transfer of the Property or a Beneficial Interest in the Mortgagor. If all or any part of the property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the secured debt. You may also demand immediate payment if the mortgagor is not a natural person and a beneficial interest in the mortgagor is sold or transferred. However, you may not demand payment in the above situations if it is prohibited by federal law as of the date of this mortgage.

17. Release. When I have paid the secured debt, you will release this mortgage without charge to me. I agree to pay all costs to record this mortgage.

18. Waiver of Dower, Distributive Share and Homestead. I hereby waive and relinquish all rights of dower and distributive share in and to the property. I also waive all rights of homestead exemption as to the property.

19. Redemption. If the property is less than ten acres in size and if you waive in any foreclosure action any rights to a deficiency judgment against me, then the period of redemption after sale on foreclosure shall be reduced to six months. if the property is less than ten acres in size and the court finds that the property has been abandoned by me (which finding I agree the court may make) and if you waive any rights to a deficiency judgment against me in the foreclosure action, then the period of redemption after sale on foreclosure shall be reduced to sixty days. The provisions of this paragraph will be construed to conform to the provisions of Iowa Code Sections 628.26 and 628.27.