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Prepared by: JANE DAWSON, 815 HWY 92 E., WINTERSET, IA 50273 515-462-4884
 (Name) (Title) (Address) (Telephone)

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

REAL ESTATE MORTGAGE FOR IOWA

THIS MORTGAGE is made and entered into by JEFF RIDGWAY AND CONNIE RIDGWAY,
HUSBAND AND WIFE,

residing in ~~WARREN~~ Madison County, Iowa, whose post office address is
53 LINCOLN AVE., INDIANOLA, IA 50125, Iowa _____,
 herein called "Borrower," and the United States of America, acting through the United States Department of Agriculture, herein
 called the "Government," and

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

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
June 6, 2000	\$40,000.00	5.0%	June 6, 2001

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

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

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

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

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

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

Government the following property situated in the State of Iowa, County(ies) of MADISON

INITIALS JAW DATE 5/24/00
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(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens. NOTICE: This mortgage secures credit in the amount of \$193,200.00. Loans and advances up to this amount, together with advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advances required by the terms of the note, as described by this instrument, with interest shall be immediately due and payable

(5) All advances by the Government, including advances for payment of prior and/or junior liens, in addition to any Borrower's account. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for including advances for payment of prior and/or junior liens, required herein to be paid by Borrower and not paid by Borrower (4) Whether or not the note is insured by the Government, the Government may at any time pay any other amounts assessments, insurance premiums and other charges upon the mortgaged premises.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, Government.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows: BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS

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

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

SEE ATTACHMENT "A" JEFF RIDGWAY AND CONNIE RIDGWAY LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. Part 1940.

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

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until other address is designated in a notice so given, in the case of the Government, at 815 Hwy 92 E, Winterset, IA 50273, and in the case of Borrower at the address shown in the Finance Office records (which normally will be the same as the post office address shown above).

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

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

Borrower JEFF RIDGWAY Date 5/24/00

Borrower CONNIE RIDGWAY Date 5/24/00

IN WITNESS WHEREOF, Borrower has hereunto set Borrower's hand(s) and seal(s) this 24th day

of May, ~~xx~~ 2000

JEFF RIDGWAY (SEAL)

CONNIE RIDGWAY (SEAL)

STATE OF IOWA
COUNTY OF MADISON

ss: }

On this 24th day of May, A. D., ~~xx~~ 2000,

before me, a Notary Public in and for the above-named County, personally appeared

JEFF RIDGWAY and CONNIE RIDGWAY

to me known to be the identical person(s) named in and who executed the foregoing instrument and acknowledged that

THEY

executed the same as

THEIR

voluntary act and deed.

(SEAL)



My commission expires

Jane Lawson

Notary Public.

ATTACHMENT "A"
JEFF RIDGWAY AND CONNIE RIDGWAY
LEGAL DESCRIPTION

The North Half (1/2) of the Northeast Quarter (1/4) of Section Twenty (20), the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), the South Half (1/2) of the Southeast Quarter (1/4) of Section Seventeen (17), the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17), and the South One-sixteenth (1/16) of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of Section Seventeen (17), all in Township Seven-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa,

EXCEPT

The Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17), and the South One-sixteenth (1/16) of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of Section Seventeen (17), all in Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

AND EXCEPT

A parcel of land in part of the Southeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17) and in part of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of Section Twenty, (20) and in part of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa: beginning at the Northwest corner of said Section Twenty-one (21), thence North 84°01'58" East (assumed for this description), 1317.79 feet to the Northeast corner of said Northwest Quarter (1/4), Northwest Quarter (1/4); thence South 0°23'44" West along the East line of said Northwest Quarter (1/4), Northwest Quarter (1/4), 367.77 feet; thence South 66°41'29" West, 568.02 feet; thence South 77°47'54" West, 801.63 feet to the West line of said Northwest Quarter (1/4), Northwest Quarter (1/4); thence continuing South 77°47'54" West, 1230.35 feet; thence North 8°50'27" East, 644.06 feet; thence North 27°08'25" East, 145.69 feet to the North line of said Northeast Quarter (1/4), Northeast Quarter (1/4); thence continuing North 27°08'25" East, 402.90 feet; thence North 1°09'56" East, 537.52 feet; thence North 37°32'56" West, 518.28 feet to the North line of said Southeast Quarter (1/4), Southeast Quarter (1/4); thence North 83°22'53" East, 1172.41 feet to the Northeast corner of said Southeast Quarter (1/4), Southeast Quarter (1/4); thence South 0°24'07" West, 1329.09 feet to the point of beginning containing 61.85 acres, more or less.

INITIALS JKR DATE 5/24/00
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