

MICKI UTSLER  
RECORDER  
MADISON COUNTY, IOWA

COMPUTER   
RECORDED   
COMPARED \_\_\_\_\_

REC \$ 25.00  
AUD \$ \_\_\_\_\_  
R.M.F. \$ 1.00

EARLHAM SAVINGS BANK 130 CHESTNUT P.O. BOX 426 EARLHAM, IOWA 50072 (515) 758-2251  
(name, address, and phone number of preparer)

State of Iowa

Space Above This Line For Recording Data

**OPEN-END MORTGAGE**  
(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is .....AUGUST 21, 2000..... and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR: NIOL E. THOMAS  
A SINGLE PERSON  
1717 105TH  
EARLHAM, IA 50072  
SOCIAL SECURITY #: [REDACTED]

If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

LENDER: EARLHAM SAVINGS BANK  
ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF IOWA  
7300 LAKE DRIVE  
WEST DES MOINES, IA 50266  
TAXPAYER I.D. #: 42-0227360

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, warrants, conveys and mortgages to Lender the following described property: REFER TO EXHIBIT 'A' WHICH IS ATTACHED HERETO AND MADE A PART HEREOF.

THIS IS A 2ND MORTGAGE TO EARLHAM SAVINGS BANK 1ST MORTGAGE DATED 10-8-97 FILED 10-14-97 BOOK 193 PAGE 340 IN RECORDERS OFFICE OF MADISON COUNTY, IOWA

The property is located in MADISON (County) at  
1717 105TH (Address), EARLHAM (City), Iowa 50072 (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

**NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF \$ 5,300.00..... 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.**

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed the amount stated above. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

4. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:  
A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)  
PROMISSORY NOTE DATED AUGUST 21, 2000 FOR \$5,300.00 AND SIGNED BY NIOL E. THOMAS

- B. All future advances from Lender to Mortgagee or other future obligations of Mortgagee to Lender under any promissory note, contract, guaranty, or other evidence of debt executed by Mortgagee in favor of Lender executed after this Security Instrument whether or not this Security Instrument is specifically referenced or such future advances or future obligations are incurred for any purpose that was related or unrelated to the purpose of the Security Instrument. If more than one person signs this Security Instrument, each Mortgagee agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagee, or any one or more Mortgagee and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
- C. All obligations Mortgagee owes to Lender, which may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagee and Lender. D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.
5. **PAYMENTS.** Mortgagee agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
6. **WARRANTY OF TITLE.** Mortgagee warrants that Mortgagee is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, warrant, convey, sell and mortgage the Property. Mortgagee also warrants that the Property is unencumbered, except for encumbrances of record.
7. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagee agrees:
- A. To make all payments when due and to perform or comply with all covenants.
- B. To promptly deliver to Lender any notices that Mortgagee receives from the holder.
- C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.
8. **CLAIMS AGAINST TITLE.** Mortgagee will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagee to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagee's payment. Mortgagee will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagee agrees to assign to Lender as requested by Lender, any rights, claims or defenses Mortgagee may have against parties who supply labor or materials to maintain or improve the Property.
9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
10. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagee will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagee shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagee will keep the Property free of noxious weeds and grasses. Mortgagee agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagee will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagee will will notify Lender of all demands, proceedings, claims and actions against Mortgagee, and of any loss or damage to the Property.
- Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagee notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagee will in no way rely on Lender's inspection.
11. **AUTHORITY TO PERFORM.** If Mortgagee fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagee appoints Lender as attorney in fact to sign Mortgagee's name or pay any amount necessary for performance. Lender's right to perform for Mortgagee shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.
12. **ASSIGNMENT OF LEASES AND RENTS.** Mortgagee irrevocably grants, bargains, warrants, conveys and mortgages to Lender as additional security all the right, title and interest in and to any and all existing or future leases, subleases, and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases") and rents, issues and profits (all referred to as "Rents"). Mortgagee will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagee may collect, receive, enjoy and use the Rents so long as Mortgagee is not in default under the terms of this Security Instrument.
- Mortgagee agrees that this assignment is immediately effective between the parties to this Security Instrument. Mortgagee agrees that this assignment is effective as to third parties on the recording of this Security Instrument, and that this assignment will remain in effect during any redemption period until the Secured Debt is satisfied. Mortgagee agrees that Lender is entitled to notify Mortgagee's tenants to make payments of Rents due or to become due directly to Lender after such recording, however Lender agrees not to notify Mortgagee's tenants until Mortgagee defaults and Lender notifies Mortgagee of the default and demands that Mortgagee and Mortgagee's tenants pay all Rents due or to become due directly to Lender. On receiving notice of default, Mortgagee will endorse and deliver to Lender any payment of Rents in Mortgagee's possession and will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Any amounts collected will be applied as provided in this Security Instrument. Mortgagee warrants that no default exists under the Leases or any applicable landlord/tenant law. Mortgagee also agrees to maintain and require any tenant to comply with the terms of the Leases and applicable law.
13. **LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Mortgagee agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagee will perform all of Mortgagee's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

**14. DEFAULT.** Mortgagor will be in default if any party obligated on the Secured Debt fails to make payment within ten days after being due. Mortgagor will be in default if Mortgagor fails to observe any other covenant, the breach of which materially impairs the condition, value or protection of Lender's rights in the Property, or materially impairs Mortgagor's prospect to pay amounts due under the Secured Debt.

**15. REMEDIES ON DEFAULT.** In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

**16. REDEMPTION.** Mortgagor agrees that in the event of foreclosure of this Mortgage, at the sole discretion of Lender, Lender may elect to reduce the period of redemption for the sale of the Property to a period of time as may then be authorized under the circumstances and under any section of Iowa Code Chapter 628, or any other Iowa Code section, now in effect or as may be in effect at the time of foreclosure.

**17. EXPENSES; ADVANCES ON COVENANTS; COLLECTION COSTS.** Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, court costs, and other costs of collection, excluding attorneys' fees. This Security Instrument shall remain in effect until released. Mortgagor agrees to pay for any recordation costs of such release.

**18. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Mortgagor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Mortgagor shall immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

**19. CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender 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 shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

**20. INSURANCE.** Mortgagor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

**21. ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

NIOL E. THOMAS (Signature) 8-21-00 (Date) (Signature) (Date)

I understand that homestead protection from judicial sale; and that by signing this contract, I voluntarily give up my rights to this protection for this property with respect to claims based upon this contract.

Sign and date the following statement if this contract affects agricultural land as defined in Iowa Code § 9H.1. (In the following statement "I" means the Mortgagor.)

My commission expires: (Seal) executed the same as HIS voluntary act and deed. to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that NIOL E. THOMAS the state of Iowa, personally appeared NIOL E. THOMAS, A SINGLE PERSON

On this 21ST day of AUGUST 2000 before me, a Notary Public in and for the County of MADISON } ss.

By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in the attached documents. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law. 4. If you prepay the unpaid balance, you may have to pay a minimum charge not greater than seven dollars and fifty cents.

NOTICE TO CONSUMER (For purposes of this Notice, "You" means Mortgagor)

- 22. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Mortgagor will provide to Lender upon request, any additional documents or information Lender may deem reasonably necessary.
23. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under obligations under this Security Instrument and Lender's lien status on the Property.
24. APPLICABLE LAW; SEVERABILITY; INTERPRETATION. This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located.
25. NOTICE. Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing.
26. WAIVERS. Except to the extent prohibited by law, Mortgagor waives any rights relating to reinstatement, the marshalling of liens and assets, all rights of dower and distributive share and all homestead exemption rights relating to the Property.
27. OTHER TERMS. If checked, the following are applicable to this Security Instrument:
Purchase Money Mortgage. This is a purchase money mortgage as defined by Iowa law.
Line of Credit. The Secured Debt includes a revolving line of credit provision.
Construction Loan. This Security Instrument secures an obligation incurred for the construction of an improvement on the Property within the meaning of Article 9 of the Uniform Commercial Code and section 572.18 of the Iowa Code.
Fixture Filing. Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property.
Riders. The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument.
Additional Terms. THIS MORTGAGE MATURES ON AUGUST 21, 2030

NIOL E. THOMAS (Signature) 8-21-00 (Date) (Signature) (Date)

EXHIBIT 'A'

The South part of the Southwest Quarter (¼) of the Northwest Quarter (¼) of Section Five (5), Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5th Principal Meridian, Madison County, Iowa, more particularly described as follows: Beginning at the West Quarter Corner of Section 5, Township 77 North, Range 28 West of the 5th P.M., Madison County, Iowa; thence along the West line of the Southwest Quarter (¼) of the Northwest Quarter (¼) of said Section Five (5), North 00°33'52" West, 373.35 feet; thence North 90°00'00" East, 810.42 feet; thence North 00°00'00" 65.82 feet; thence North 90°00'00" East 514.71 feet to the East line of said Southwest Quarter (¼) of the Northwest Quarter (¼); thence, along said East line, South 00°06'11" West, 439.15 feet to the Southeast Corner of said Southwest Quarter (¼) Northwest Quarter (¼); thence South 90°00'00" West, 1320.65 feet to the point of beginning, and containing 12.115 Acres including 1.511 Acres of County Road Right of Way, EXCEPT Commencing at the West Quarter Corner of Section 5, Township 77 North, Range 28 West of the 5th P.M., Madison County, Iowa; thence along the South line of the Northwest Quarter (¼) of said Section on an assumed bearing of North 90°00'00" East a distance of 708.05 feet to the point of beginning; thence continuing along said South line, North 90°00'00" East 123.72 feet; thence North 00°53'43" West 163.84 feet; thence South 89°52'43" West 122.01 feet; thence South 00°17'21" East 163.56 feet to the point of beginning, containing 0.462 acres, more or less, including road, and 0.320 acres, more or less, excluding public road, AND EXCEPT Parcel "B" in the Southwest Quarter (¼) of the Northwest Quarter (¼) of Section Five 5, Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5th Principal Meridian, Madison County, Iowa, more particularly described as follows: Beginning at the Southeast corner of the Southwest Quarter (¼) of the Northwest Quarter (¼) of Section Five (5), Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; thence, along the East line of said Southwest Quarter (¼) of the Northwest Quarter (¼), North 00°06'11" East, 439.15 feet; thence North 90°00'00" West, 388.04 feet; thence South 00°00'00", 124.23 feet; thence North 88°30'36" East, 121.78 feet; thence South 01°09'28" East, 318.15 feet to the South line of said Southwest Quarter (¼) of the Northwest Quarter (¼); thence, along said South line, South 90°00'00" East, 259.08 feet to the Point of Beginning. Said excepted Parcel "B" contains 3.000 Acres including 0.293 Acres of County Road Right-of-Way AND EXCEPT Parcel "D" in the Southwest Quarter (¼) of the Northwest Quarter (¼) of Section Five (5), Township Seventy-seven (77) North, Range twenty-eight (28) West of the 5th Principal Meridian, Madison County, Iowa, more particularly described as follows: Beginning at the West Quarter Corner of Section Five (5), Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; thence, along the south line of the Southwest Quarter (¼) of the Northwest Quarter (¼) of said Section Five (5), South 90°00'00" East, 708.05 feet; thence North 00°17'21" West, 373.33 feet; thence North 90°00'00" West, 709.85 feet to the West line of said Southwest Quarter (¼) of the Northwest Quarter (¼); thence, along said West line, South 00°33'52" East, 373.35 feet to the point of beginning. Said excepted Parcel "D" contains 6.076 Acres including 0.810 Acres of County Road Right-of-Way.



