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RECORDER
MADISON COUNTY, IOWA

Prepared By: JODI SMITH, LOAN DOCUMENTATION SPECIALIST, COMMUNITY STATE BANK, 817 N ANKENY BLVD, ANKENY, IA 50021, (515) 965-9400

ADDRESS TAX STATEMENT: BRIGETTA M HUGHES and JOHN P HUGHES, 2608 120TH ST, VAN METER, IA 50261-8553

RECORDATION REQUESTED BY:

Community State Bank
Ankeny Banking Facility
817 N. Ankeny Blvd.
P.O. Box 127
Ankeny, IA 50021

WHEN RECORDED MAIL TO:

Community State Bank
817 N. Ankeny Blvd.
Ankeny, IA 50021

FOR RECORDER'S USE ONLY

MORTGAGE

NOTICE: This Mortgage secures credit in the amount of \$14,028.00. 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.

THIS IS A CONSUMER CREDIT TRANSACTION

THIS MORTGAGE dated February 16, 2001, is made and executed between BRIGETTA M HUGHES and JOHN P HUGHES; AS WIFE AND HUSBAND (referred to below as "Grantor") and Community State Bank, whose address is Ankeny Banking Facility, 817 N. Ankeny Blvd., P.O. Box 127, Ankeny, IA 50021 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages and conveys to Lender and grants to Lender a security interest in all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; rents and profits; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in MADISON County, State of Iowa:

PARCEL "B" LOCATED IN THE NORTHWEST QUARTER (1/4) OF THE NORTHWEST (1/4), OF SECTION FOURTEEN (14), TOWNSHIP SEVENTY-SEVEN (77) NORTH, RANGE TWENTY-SEVEN (27) WEST OF THE 5TH P.M., MADISON COUNTY, IOWA, AS SHOWN IN PLAT OF SURVEY FILED IN BOOK 3, PAGE 290 ON JULY 8, 1998 IN THE OFFICE OF THE RECORDER OF MADISON COUNTY

The Real Property or its address is commonly known as 2608 120TH ST, VAN METER, IA 50261-8553.

FUTURE ADVANCES. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Grantor, together with all interest thereon; however, in no event shall such future advances (excluding interest) exceed in the aggregate \$14,028.00.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property.

FULL PERFORMANCE. If Grantor pays all the indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

DEFAULT. Grantor will be in default if:

Payment Default. Grantor fails to make any payment within ten (10) days of when it is due under the Indebtedness.

Other Defaults. Grantor fails to observe any other covenant of this Mortgage, breach of which materially impairs the condition, value, or protection of, or Lender's right in, any collateral securing the Indebtedness, or materially impairs Grantor's right to pay amounts due under

this loan.

ATTORNEYS' FEES; EXPENSES. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Governing Law. This Mortgage will be governed by and interpreted in accordance with federal law and the laws of the State of Iowa. This Mortgage has been accepted by Lender in the State of Iowa.

Release of Rights of Dower, Homestead and Distributive Share. Each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the Property and waives all rights of exemption as to any of the Property. If a Grantor is not an owner of the Property, that Grantor executes this Mortgage for the sole purpose of relinquishing and waiving such rights.

Definitions. The following words shall have the following meanings when used in this Mortgage:

BORROWER. The word "Borrower" means BRIGETTA M HUGHES and JOHN P HUGHES, and all other persons and entities signing the Note.

GRANTOR. The word "Grantor" means BRIGETTA M HUGHES and JOHN P HUGHES.

INDEBTEDNESS. The word "Indebtedness" means all principal, interest and late fees, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

LENDER. The word "Lender" means Community State Bank, its successors and assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Note.

MORTGAGE. The word "Mortgage" means this Mortgage between Grantor and Lender.

PERSONAL PROPERTY. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

PROPERTY. The word "Property" means collectively the Real Property and the Personal Property.

REAL PROPERTY. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.


EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.


GRANTOR ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS MORTGAGE AND ALL OTHER DOCUMENTS RELATING TO THIS DEBT.

This Notice is required by Iowa law. In this Notice the term "you" means the Grantor named above.

NOTICE TO CONSUMER: 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.

GRANTOR:


X 
BRIGETTA M HUGHES, Individually

X 
JOHN P HUGHES, Individually

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA)
) SS
COUNTY OF MADISON)

On this 16 day of February, A.D., 2001, before me, a Notary Public in and for said County and State, personally appeared **BRIGETTA M HUGHES and JOHN P HUGHES**, to me known to be the persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.


Notary Public in the State of

