

Prepared by (name, address, telephone number):

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FILED NO. 005426
BOOK 2001 PAGE 5426
2001 DEC -3 PM 12:49

HICKI UTSLER
RECORDER
MADISON COUNTY, IOWA

COMPUTER
RECORDED
COMPARED

29701697

Bank of America

**CreditLine™
Mortgage**

BANK OF AMERICA, N.A. (THE "BANK")

When recorded mail to:

00000068931000561199

BANK OF AMERICA/CONSUMER LOAN PROCESSING
RANCHO PREMIER PCR
10850 WHITE ROCK ROAD
MAIL CODE: CA3-701-02-25
RANCHO CORDOVA, CA 95670

REC \$ 55⁰⁰
AUD \$ 1⁰⁰
R.M.F. \$ 1⁰⁰

This space is for Recorder's use only.

This Mortgage is made this 13 day of NOVEMBER 2001, between PHILLIP J. NEMMERS AND RHONDA L NEMMERS, MARRIED TO EACH OTHER

whose address is 625 NE 6TH ST
EARLHAM IA 50072-0000

(jointly and severally if more than one, "Grantor"), and BANK OF AMERICA, N.A.
whose address is P.O. BOX 790233 ST. LOUIS, MO 63179-0233 (the "Bank").

Witnesseth: That Whereas, PHILLIP J. NEMMERS
RHONDA L NEMMERS

(jointly and severally if more than one, "Borrower") is justly indebted to the Bank according to the terms of a certain promissory note given by Borrower to the Bank dated 11/13/2001, in the amount of FIFTY FOUR THOUSAND DOLLARS AND 00 CENTS

Dollars (\$ 54,000.00) with final payment being due on 11/13/2026 unless renewed, modified, extended or consolidated (the "Note"); and

Whereas, this Mortgage is given to secure to the Bank (a) the repayment of the debt evidenced by the Obligation including but not limited to principal, interest and fees and expenses, if any, and all renewals, extensions, modifications, replacements and consolidations of the Obligation; (b) the payment of all other sums, with interest, advanced under the terms of this Mortgage; (c) the performance of Grantor's covenants and agreements under this Mortgage and any other agreements executed by Grantor at the Bank's request pertaining to the debt evidenced by the Obligation (together, the "Loan Documents"); and (d) all future amounts, including future advances, the Bank in its discretion may loan to Borrower. The total indebtedness secured by this Mortgage, collectively referred to herein as the "Secured Indebtedness", may decrease or increase from time to time, but the maximum principal indebtedness outstanding under the Obligation at any one time shall not exceed \$ 108,000.00, plus interest, plus amounts expended or advanced by the Bank for the payment of taxes, levies or insurance on the property described herein and for maintenance, repair, protection and preservation of the property and interest on such amounts. Interest may be defined, capitalized or accrued.

Now Therefore, in consideration of the premises and of the sum set forth and the sum of One Dollar (\$1.00) the receipt and adequacy of which are hereby acknowledged. Grantor GRANTS, TRANSFERS, ASSIGNS, BARGAINS AND SELLS, CONVEYS AND CONFIRMS to the Bank its heirs, successors and assigns, in fee simple, but in trust nevertheless, the following property whether now owned or held or hereafter acquired by Grantor and whether now or hereafter existing with all rights, appurtenances, and privileges thereunto belonging Grantor mortgages, warrants, grants and conveys to the Bank all of Grantor's right, title and interest in the following property, to wit:

LOT THREE (3) OF SMITH'S ADDITION TO THE CITY OF EARLHAM, MADISON COUNTY, IOWA

which has the real property address commonly known as 625 NE 6TH ST
EARLHAM IA 50072-1018 ("Property Address");

Together with all buildings, structures and other improvements now or hereafter located on the property described, or any part and parcel thereof; all rights, title and interest of Grantor in and to the minerals, flowers, shrubs, crops, trees, timber, and other emblements now or hereafter on said property or under or above the same or any part or parcel thereof; all and singular the tenements, hereditaments, easements, licenses, privileges, rights-of-way, water rights, mineral rights, uses and other appurtenances belonging or in any way appertaining, and the reversion or reversions, remainder and remainders, rents, issues and profits thereof; all right, title and interest of Grantor in and to nearby ways, roads, streets, boulevards, avenues or other public thoroughfares and also all the estate, right, title, interest, claim and demand whatsoever of Grantor of, in and to the same and of, in and to every part and parcel thereof; all machinery, apparatus, equipment, fittings and fixtures, whether actually or constructively attached to said property, now or hereafter located in, upon or under said property or any part thereof all right and title and interest of Grantor in and to the rents, income, issues, profits, and revenues of all of the foregoing; any and all awards or payments, including interest thereon, and the right to receive the same, as a result of: (a) the exercise of the right of eminent domain; (b) the alteration of the grade of any street; or (c) any other injury to, taking of, or decrease in the value of, said property, to the extent of all amounts that may be secured by this Mortgage at the date of receipt of any such award or payment by the Bank and of the reasonable attorney's fees, costs and disbursements incurred by the Bank in connection with the collection of such award or payment. All of such property hereby mortgaged is collectively referred to herein as the "Property".

This Mortgage is given and accepted on the following terms:

Representations and Warranties. Grantor warrants that Grantor has good and marketable fee simple title to the Property, and is lawfully seized and possessed of the Property and every part thereof, and has the right to mortgage same, that the Property is unencumbered except as may be herein expressly provided; and that Grantor will forever warrant and defend the title to the Property unto the Bank against the claims of all persons whomsoever.

Covenants. Grantor further covenants and agrees as follows:

1. Compliance with Loan Documents. Grantor shall promptly pay and perform and comply with all obligations, covenants, agreements and conditions imposed upon Grantor by the Loan Documents.

2. Charges; Liens. Grantor shall pay when due all taxes, assessments, charges, fines, levies, fees and impositions attributable to the Property that may attain priority over this Mortgage, and leasehold payments or ground rents, if any. If Grantor makes these payments directly, upon the Bank's request, Grantor shall promptly furnish to the Bank receipts evidencing the payments.

3. Funds for Taxes and Insurance. Upon request by the Bank, Grantor shall pay to the Bank on the days payments are due under the Obligation, until the Obligation is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments that may attain priority over this Mortgage as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; and (e) yearly mortgage insurance premiums, if any. These items are called "Escrow Items". The Bank may, at any time, collect and hold Funds in an amount not to exceed the maximum

amount a lender for a federally related mortgage loan may require for Grantor's escrow account under the Federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, the Bank may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. The Bank may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. In no event shall the Bank be liable for any interest on any amount paid to it as herein required, and the money so received may be held and commingled with its own funds, pending payment or application thereof as herein provided. If requested by the Bank, Grantor shall furnish to the Bank, at least thirty (30) calendar days before the date on which the same will become past due, an official statement of the amount of said taxes, assessments, insurance premiums and rents next due, and the Bank shall pay said charges to the amount of the then unused credit therefor as and when they become severally due and payable. An official receipt therefor shall be conclusive evidence of such payment and of the validity of such charges. The Bank may, at its option, pay any of these charges when payable, either before or after they become past due, without notice, or make advances therefor in excess of the then amount of credit for said charges. The excess amount advanced shall be immediately due and payable to the Bank and shall become part of the Obligation and bear interest at the rate of interest stated in the Obligation from date of advancement. The Bank may apply credits held by it for the above charges, or any part thereof, on account of any delinquent installments of principal or interest or any other payments maturing or due under this instrument, and the amount of credit existing at any time shall be reduced by the amount thereof paid or applied as herein provided. The amount of the existing credit hereunder at the time of any transfer of the Property shall, without assignment thereof, inure to the benefit of the successor-owner of the Property and shall be applied under and subject to all of the provisions hereof. Upon payment in full of the Obligation, the amount of any unused credit shall be paid over to the person entitled to receive it.

4. No Other Liens. Grantor will not, without the prior written consent of the Bank, except as otherwise specified by applicable law, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual, encumbrance, security interest or conditional sale against or covering the Property, or any part thereof, regardless of whether the same are expressly or otherwise subordinate to the lien or security interest created in this Mortgage. Should any of the foregoing become attached hereafter or in any manner to any part of the Property without the prior written consent of the Bank, Grantor will cause the same to be promptly discharged and released.

5. Insurance. Grantor shall keep the improvements, if any, 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 floods or flooding, for which the Bank requires in an amount equal to the lesser of (a) the combined total of the maximum amount that could be advanced on the Obligation and the current balance on other obligations secured by prior lien(s) on the Property; (b) 100% of the maximum insurable value of the Property; or (c) for flood insurance only, 100% of the maximum amount of insurance required under any federal, state or local flood insurance program (if the Obligation secured is a TaxSmart loan, then parts (a) or (b) above are not required). If requested by the Bank, Grantor shall also obtain liability insurance naming the Bank as an additional insured party in an amount as may be required by the Bank. Each insurance carrier providing any such insurance shall be chosen by Grantor subject to the Bank's approval which shall not be unreasonably withheld. If Grantor fails to obtain any insurance required by this Section 5 or if Grantor fails to pay the insurance premiums for any period of thirty (30) consecutive calendar days (forty-five (45) calendar days for flood insurance) during the term of this Mortgage, the Bank may obtain the insurance and pay the premiums. If the Bank does so, Grantor shall pay the charge for the insurance and Grantor agrees to pay to the Bank interest on such amount until it is paid, at the rate of interest stated in the Obligation. Such amounts shall become additional debt of Borrower secured by this Mortgage. Grantor agrees that the amount and type of insurance purchased by the Bank is within the Bank's sole discretion.

All insurance policies and renewals shall be in form and content satisfactory to the Bank and all such policies covering loss or damage to the Property shall include a standard noncontributory mortgagee clause in favor of the Bank. The Bank shall have the right to hold the policies and renewals. Grantor shall promptly give to the Bank all receipts of paid premiums and renewal notices. In the event of loss, Grantor shall give prompt notice to the insurance carrier and the Bank. The Bank may make proof of loss if not made promptly by Grantor, but shall have no duty to do so nor any duty to see that any insurance is in force or is adequate.

If in the sole discretion of the Bank the restoration or repair is economically feasible and the Bank's security is not lessened, the insurance proceeds shall be applied to restoration or repair of the Property damaged. If in the sole discretion of the Bank the restoration or repair is not economically feasible or the Bank's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due,

in such manner and order as the Bank, in its sole discretion, may elect, with any excess paid to Grantor. If Grantor abandons the Property, or does not answer within thirty (30) calendar days a notice from the Bank that the insurance carrier has offered to settle a claim, then the Bank may collect the insurance proceeds. The Bank may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, in such manner and order as the Bank, in its sole discretion, may elect, whether or not then due. The thirty (30) calendar day period will begin when the notice is given.

Unless the Bank and Grantor otherwise agree in writing, any application of insurance proceeds shall be to any amount that is currently owed, then to principal and shall not extend or postpone the due date of the scheduled payments or change the amount of the payments to the extent not lessened or discharged by such application. If the Property is acquired by the Bank, Grantor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to the Bank to the extent of the sums secured by this Mortgage.

6. Maintenance and Protection of Property; Inspection. Grantor shall maintain the Property in good condition and repair, shall not commit or suffer any waste to the Property, and shall comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the Property or any part thereof. Grantor shall promptly repair, restore, replace or rebuild any part of the Property, now or hereafter encumbered by this Mortgage, which may be affected by any activity of the character referred to in Section 9. No part of the Property, including, but not limited to, any building, structure, parking lot, driveway, landscape scheme, timber or other ground improvement, or other property, now or hereafter conveyed as security by or pursuant to this Mortgage, shall be removed, demolished or materially altered without the prior written consent of the Bank. Grantor shall complete, within a reasonable time, and pay for any building, structure or other improvement at any time in the process of construction on the Property. Grantor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses which may be made of the Property or any part thereof. The Bank and any person authorized by the Bank shall have the right to enter and inspect the Property at all reasonable times and access thereto shall be permitted for that purpose.

7. Protection of Bank of America's Rights in the Property. If Grantor fails to perform the covenants and agreements contained in this Mortgage, or if there is a legal proceeding that may significantly affect the Bank's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then the Bank may do and pay for whatever is necessary to protect the value of the Property and the Bank's rights in the Property. The Bank's actions may include paying any sums secured by a lien that has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although the Bank may take actions under this Section 7, the Bank does not have to do so. No such action will waive any default. In the event the Bank makes any payments which the Bank deems necessary to protect the value of the Property and the Bank's rights in the Property, the Bank, upon making such payment, shall be subrogated to all of the rights of the person or entity receiving such payment. Any amounts disbursed by the Bank pursuant to this Mortgage shall become part of the Obligation secured by this Mortgage. Unless Grantor and the Bank agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate of interest stated in the Obligation and shall be payable upon demand from the Bank to Grantor or Borrower.

8. Indemnity. Grantor shall (to the extent permitted by law) protect, defend, and indemnify the Bank, and hold the Bank harmless from and against any claims, actions, or proceedings against the Bank and any loss, cost damage or expense, including but not limited to reasonable attorney's fees and disbursements incurred by the Bank, arising out of or in any way related to a breach of the representations, warranties, covenants or agreements of Grantor herein. The Bank shall have the right, jointly with Grantor, to negotiate and settle any such claims, actions or proceedings.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking, of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to the Bank to be applied to the Obligation, with any amounts in excess of the Obligation being paid to Grantor. Grantor agrees to execute and deliver such further instruments as may be requested by the Bank to confirm this assignment and sufficient for the purposes of assigning all proceeds from such awards or payments to the Bank. The Bank is authorized, but not obligated as the attorney-in-fact for Grantor, to collect, receive and give receipts for such awards and payments. This power granted the Bank shall be deemed coupled with an interest and shall be irrevocable.

If the Property is abandoned by Grantor, or if within thirty (30) days after a notice from the Bank to Grantor that the condemnor offers to make an award or settle a claim for damages, Grantor fails to respond to the Bank is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due. The thirty (30) calendar day period will begin when notice is given. Unless the Bank and Grantor otherwise agree in writing, any application of proceeds shall be to any amount that is currently outstanding, then to principal, and shall not extend or postpone the due date of the payments referred to in the Obligation or this Mortgage or change the amount of such payments to the extent not discharged by such application.

10. Hazardous Substances. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Grantor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. 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.

Grantor shall promptly give the Bank written notice of 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, as soon as Grantor first has actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Section 10, "Hazardous Substances" are those substances defined as toxic or hazardous substances 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. As used in this Section 10, "Environmental Law" means federal laws and laws of the jurisdictions where the Property is located that relate to health, safety, or environmental protection.

Grantor shall indemnify and hold harmless the Bank from and against, and reimburse the Bank on demand for, any and all claims, demands, liabilities, losses, damages, causes of action, costs and expenses (including without limitation reasonable fees and expenses of attorneys and other professional consultants and experts) of every kind which may be imposed upon, asserted against or incurred or paid by the Bank as a result of the presence of any Hazardous Substance on, in, under, above or about the Property, or the migration or release or threatened migration or release of any Hazardous Substance on, to, from or through the Property, at any time during or before Grantor's ownership of the Property, or any act, omission or event existing or occurring in connection with the handling, storage, removal or disposal of any such Hazardous Substance or any violation of any Environmental Law or the filing or imposition of any environmental lien or claim against the Property as a result of any such presence, migration, release, threatened migration or release, act, omission or event.

11. Events of Default. The occurrence of any one of the following may be a default under this Mortgage and under the other Loan Documents ("Default") unless otherwise limited by law:

- a. Grantor or Borrower made a fraudulent or a material misrepresentation at any time;
- b. Borrower does not meet the repayment terms of the Obligation; or
- c. Any action or inaction by Grantor which adversely affects the Bank's collateral for the Obligation or the Bank's rights in the collateral. This can include, for example, failure to maintain any required insurance, failure to pay taxes, death of a Grantor, the sale, transfer or conveyance of the Property, foreclosure by the holder of another lien, or failure to use the Property as a residence.

12. Rights and Remedies on Default. Unless prohibited by law, upon the occurrence of any event of Default (and the giving of any notice as required by law) and at any time thereafter, the Bank, at its option, may exercise any one or more of the following rights and remedies, singularly or collectively, in addition to any other rights or remedies provided by law.

- a. **Accelerate Obligation.** The Bank shall have the right at its option without notice to Grantor to declare the entire Secured Indebtedness immediately due and payable.
- b. **UCC Remedies.** With respect to all or any part of any personal property, the Bank shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

c. Judicial Foreclosure. The Bank may obtain a judicial decree foreclosing Grantor's interest in all or an part of the Property.

d. Deficiency Judgment. If permitted by applicable law, the Bank may obtain a judgment for any deficiency remaining on the Obligation after application of all amounts received from the exercise of the right provided in this Section 12.

e. Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or the Bank otherwise becomes entitled to possession of the Property upon Default, Grantor shall become a tenant at sufferance of the Bank or the purchaser of the Property and shall, at the Bank's option, either (i) pay a reasonable rental for the use of the Property or (ii) vacate the Property immediately upon the demand of the Bank.

f. Enter and Use the Property. The Bank may enter upon and take possession of the Property without the appointment of a receiver, or an application therefor, employ a managing agent of the Property and let the same, either in its own name or in the name of Grantor, and receive the rents, incomes, issues and profits of the Property and apply the same, after payment of all necessary charges and expenses, on account of the Secured Indebtedness, all without being a Mortgagee in possession. Grantor transfers and assigns to the Bank Grantor's lessor interest in any lease now or hereafter affecting the whole or any part of the Property.

g. Sale of Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, the Bank shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. The Bank shall be entitled to bid at any public sale on all or any portion of the Property. In case of any sale under this Mortgage by virtue of the exercise of the power herein granted, or pursuant to any order in any judicial proceedings or otherwise, the Property or any part thereof may be sold in one parcel and as entirety, or in such parcels, manner or order as the Bank in its sole discretion may elect, and one or more exercises of the powers herein granted shall not extinguish or exhaust the power unless the entire Property is sold or the Obligation paid in full. Appraisalment of the Property is waived or not waived at the option of the Bank, such option to be exercised at the time of judgement.

h. Notice of Sale. The Bank shall give Grantor reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or other intended disposition of any personal property is to be made. Reasonable notice shall mean notice given at least ten (10) calendar days before the time of the sale or disposition.

i. Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. No waiver by the Bank shall be effective unless it is in writing and signed by an authorized officer of the Bank. No waiver shall operate as a waiver of any other matter or of a similar matter at a future time. Election by the Bank to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect the Bank's right to declare a Default and exercise its remedies under this Mortgage.

j. Attorneys' Fees; Expenses. Whether or not any court action is involved, all reasonable expenses incurred by the Bank that in the Bank'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 Obligation payable on demand and shall bear interest from the date of expenditure until repaid at the rate provided for in the Obligation. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, the Bank's reasonable attorneys' fees and the Bank's legal expenses (including court or hearing costs) whether or not there is a lawsuit, including reasonable attorneys' fees 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.

k. Receiver. The Bank, in any action to foreclose this Mortgage, or upon any Default, shall be at liberty to apply for the appointment of a receiver of the rents and profits, or of the Property, or both, without notice, and shall be entitled to the appointment of such a receiver as a matter of right, without consideration of the value of the Property as security for the obligation, or the solvency of any person or corporation liable for the payment of such amounts.

l. Pay Expenses. The Bank may pay any sums in any form or manner deemed expedient by the Bank to protect the security of this Mortgage or to cure Default other than payment of interest or principal on the Obligation; make any payment hereby authorized to be made according to any bill, statement or estimate furnished or procured from the appropriate public officer of the party claiming payment without inquiry into the accuracy or validity thereof, and the receipt of any such public officer or party in the hands of the Bank shall be conclusive evidence of the validity and amount of items so paid, in which event the amounts so paid, with interest thereon from the date of such payment at the rate of interest stated in the Obligation, subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof, paid or discharged with the principal sum secured hereby or by the Bank under the provisions hereof, and any such subrogation rights shall be additional and cumulative security to this Mortgage.

m. Other Remedies. The Bank shall have all other rights and remedies provided in this Mortgage, the Obligation or as available at law or in equity.

12. Other Matters Relating to Enforcement of Remedies. In any sale made as contemplated herein the Bank may bid for and purchase any of the Property being sold, and shall be entitled upon presentment of the relevant Loan Documents and documents evidencing the same to apply the amount of the Secured Indebtedness held by it against the purchase price for the items of the Property so purchased. The amount so applied shall be credited first against the (to the extent permitted by law) payment of the costs and expenses of so realizing on the Property (including but not limited to reasonable attorneys' fees and disbursements) together with interest thereon then to the portion of the Secured Indebtedness that constitute interest accrued but unpaid; then to the remainder of the Secured Indebtedness then to the holders of any liens and interests on the Property that are junior to the lien and interest under this instrument and the balance, if any, to Grantor, or its heirs, executors, administrators, personal representatives, successors or assigns, or to whosoever else may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

13. Grantor Not Released; Forbearance by Bank of America Not a Waiver. Renewal, modification or extension of the time for payment, modification of amortization of the obligation, transfer of the Property, or any forbearance granted by the Bank shall not operate to release the liability of the original Grantor or Grantor's successors in interest or any other person. The Bank shall not be required to commence proceedings against any successor in interest or any other person, or refuse to extend time for payment or refuse to otherwise modify amortization of the Obligation by reason of that or any demand made by the original Grantor or Grantor's successors in interest or any other person. Any forbearance by the Bank in exercising any right or remedy shall not be a waiver of or preclude the exercise of that or any other right or remedy.

Neither failure by the Bank to exercise nor delay by the Bank in exercising or discontinuance of the exercise of any power, right or remedy upon or after any Default shall be construed as a waiver of such Default, or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise of any such right, power or remedy shall preclude, waive or otherwise affect any other or further exercise thereof, or the exercise of any other right, power or remedy. Any waiver, permit, consent or approval of any kind by the Bank, whether of any breach of or Default under this Mortgage, the Obligation or any other Loan Document or otherwise must be in writing and shall be effective only to the extent set forth in such writing.

The Bank shall have the right from time to time to sue for any sums, whether interest, principal, taxes, penalties, or any other sums required to be paid under the terms of this Mortgage, as the same become due, without regard to whether or not all of the Obligation shall be due on demand, and without prejudice to the right of the Bank thereafter to enforce any appropriate remedy against Grantor, including an action of foreclosure, or any other action, for a default or defaults by Grantor existing at the time such earlier action was commenced.

14. Amendments. This instrument may not be modified or amended except by writing executed by both Grantor and an authorized officer of the Bank.

15. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Bank and the heirs, representatives, successors, and assigns of Grantor, subject to the provisions of Section 17. Grantor's covenants and agreements shall be joint and several.

16. Notices. Every provision for notice and demand or request except as otherwise required by law shall be deemed fulfilled by written notice and demand or request personally served on one or more of the persons who shall at the time hold the record title to the Property, or on their heirs or successors, or mailed by depositing it

in any post office station or letter box, enclosed in a postpaid envelope (a) addressed to such person or persons, or their heirs or successors, at his, their or its address last known to Grantee or (b) addressed to the street-address of the property.

17. Transfer of the Property or a Beneficial Interest in Grantor. If all or any part of the Property or any interest in it is sold, transferred, conveyed, quit-claim deeded, voluntarily or involuntarily, by operation of law, death or otherwise (or if a beneficial interest in Grantor is sold or transferred, voluntarily or involuntarily, by operation of law or otherwise, if Grantor is not a natural person) without the Bank's prior written consent, the Bank may, at its option, require payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by the Bank if exercise is prohibited by federal or state law as of the date of this Mortgage. The Bank may, in its sole discretion, in any one or more instances waive its option to require payment in full under this Section 17, but it shall have no obligation to do so, and any waiver may be conditioned upon such one or more of the following (if any) which the Bank may require: (i) the transferee's integrity, reputation, character, creditworthiness and management ability being satisfactory to the Bank in its sole judgment; (ii) Grantor and transferee executing, prior to such sale or transfer a written assumption agreement containing such terms as the Bank may require; (iii) a reduction in the maximum allowable amount of the Obligation; (iv) an increase in the rate of interest stated in the Obligation; (v) a transfer fee; and (vi) any modification of the terms of the Obligation and/or the other Loan Documents which the Bank may require.

If the Bank requires payment in full pursuant to this Section 17, the Bank shall give notice of acceleration. The notice shall provide a period of not less than ten (10) calendar days from the date the notice is delivered or mailed within which all sums secured by this Mortgage must be paid. If these sums are not paid prior to the expiration of this period, the Bank may invoke foreclosure and any other remedies by this Mortgage and/or any other Loan Document without further notice or demand on any person, except as otherwise may be required by applicable law.

18. Release. Upon payment of all sums secured by this Mortgage and closing of the Obligation, the Bank shall release this Mortgage without charge to Grantor except for any recordation costs.

19. Recitals. Recitals of this Mortgage are hereby incorporated by reference.

20. Subrogation. Any of the proceeds of the Obligation used to pay any debt secured by any outstanding lien or encumbrance against all or any part of the Property have been advanced by the Bank at Grantor's request and upon Grantor's representation that such amounts are due and are secured by valid liens against the Property. The Bank shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any such outstanding liens and debts, regardless of whether said liens or debts are acquired by the Bank by assignment or are released by the owner or holder thereof upon payment, and all of the same are recognized as valid and subsisting and are renewed and continued and merged herein to secure the Obligation, but this Mortgage shall govern and control the enforcement of the liens to which the Bank is subrogated hereunder.

21. Fees and Expenses. To the extent not prohibited by applicable law, Grantor will pay, and will reimburse to the Bank on demand to the extent paid by the Bank: (a) all appraisal fees, filing and recording fees, taxes (with the exception of any Oklahoma Mortgage recordation tax which the Bank will pay), abstract fees, title search or examination fees, title policy and endorsement premiums and fees, Uniform Commercial Code search fees, escrow fees, reasonable attorneys' fees, environmental inspection fees, survey fees and all other out of pocket costs and expenses of any kind incurred by Grantor and/or the Bank in connection with the preparation of the Loan Documents, closing and funding of the Obligation, and any and all amendments and supplements to the Loan Documents; and (b) all costs and expenses, including reasonable attorneys' fees and expenses, incurred or expended in connection with the exercise of any right or remedy, or the enforcement of any obligation of Grantor, under this or under any other Loan Document.

The Bank may, at its option at any time Grantor is in default under the terms of the Obligation or the other Loan Documents, obtain an appraisal satisfactory to the Bank of the Property or any part thereof by a third party appraiser engaged by the Bank and annual financial statements of Grantor (including disclosure of all contingent liabilities). Grantor hereby agrees to provide to the Bank such financial statements in form and content satisfactory to the Bank within ten (10) calendar days of each such request therefor by the Bank, as well as such other financial statements, if any, as and when required by any other Loan Document. To the extent not prohibited by applicable law, the cost of each appraisal shall be a part of the Obligation and shall be paid by Grantor to the Bank on demand.

22. Effective as Financing Statement. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property, and is to be filed for record in the real estate records of each county where the Property (including said fixtures) is situated. This Mortgage shall also be effective as a financing statement covering any other Property and may be filed in any other appropriate filing or recording office. A carbon, photographic or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement for any of the purposes referred to in this Section 22.

23. Waivers. Grantor hereby expressly waives presentment, demand, protest, notice of protest, notice of intention to accelerate, notice of acceleration, and any other notice or declaration of any kind, except as may be required by the Loan Documents or applicable law. To the extent allowable by applicable law, Grantor, for Grantor and Grantor's family, hereby waives and renounces (i) all homestead, dower, distributive share and exemption rights, if any, provided for by the Constitution and Laws of the United States or the State of Iowa in and to the Property as against the collection of the Obligation, or any part thereof; and (ii) all laws now existing or hereafter enacted that provide for appraisal before sale of the items of the Property being sold, or that provide for the extension of the time for the enforcement of the collection of the Secured Indebtedness or that create or extend the period for redemption of any of the Property from any sale thereof to collect the Secured Indebtedness, and Grantor agrees that where, by the terms of this Mortgage or the Obligation, a day is named or a time fixed for the payment of any sum of money or the performance of any agreement, the time stated enters into the consideration and is of the essence of the whole agreement.

24. Governing Law; Severability. This Mortgage shall be governed by Iowa law and applicable federal law. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

25. Interpretation. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. Titles appearing at the beginning of any subdivisions hereof are for convenience only, do not constitute any part of such subdivisions, and shall be disregarded in construing the language contained in such subdivisions. The Bank has no fiduciary, partnership or other special relationship with Grantor under the Loan Documents or with respect to their subject matter, nor any implied covenants or duties, and any contrary inferences are hereby negated.

26. Headings. The headings of the sections of this instrument are inserted for convenience only and shall not be deemed to constitute a part of this instrument.

27. Special Provisions [If blank, there are no special provisions].

28. Special Notice to Grantor. Any Grantor who signs this Mortgage but does not execute the Obligation: (a) is signing this Mortgage only to grant, bargain, mortgage and convey and that Grantor's interest in the Property under the terms of this Mortgage; (b) is not by signing this Mortgage becoming personally obligated to pay the Obligation; and (c) agrees that the Bank and any other Grantor may agree to renew, extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Obligation or any other Loan Document without that Grantor's consent. The foregoing does not limit the liability of Grantor under any guaranty agreement or other agreement by such Grantor whereby such Grantor becomes liable for the Obligation in whole or in part.

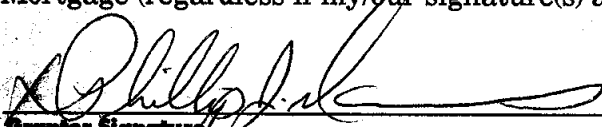
I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I (WE) VOLUNTARILY GIVE MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Any litigation arising out of or relating to this Mortgage or the Account shall be commenced and conducted in the courts of the State of Iowa for the counties or the Federal Courts for the districts in Iowa where BANK OF AMERICA, N.A. maintains offices and conducts banking business.


Waiver of right to trial by jury. Grantor hereby waives the right to trial by jury in any action brought on this Mortgage or the Obligation or any other matter arising in connection with this Mortgage or the Obligation.

In Witness Whereof, this Mortgage has been duly executed by Grantor the day and year first above written.

I/We agree to the terms of this Mortgage under seal and acknowledge receiving a full and completed copy of this Mortgage (regardless if my/our signature(s) appear(s) on the copy).

 (Seal)

Grantor Signature
PHILLIP J. NEMMERS
Type or Print Name

 (Seal)

Grantor Signature
RHONDA L NEMMERS
Type or Print Name

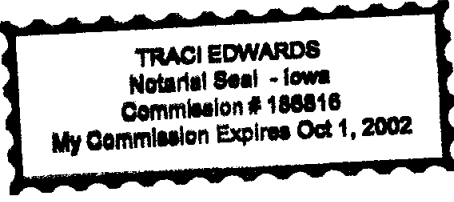
Grantor Signature (Seal)
Type or Print Name

Grantor Signature (Seal)
Type or Print Name

Individual Acknowledgment

State of Iowa)
County of Polk) SS

On this 13th day of November, A.D. 2001, before me a Notary Public in and for said County and State, personally appeared Phillip + Rhonda Nemmers to me known to be the person named in and who executed the foregoing instrument and acknowledged that he/she executed the same as his/her voluntary act and deed.



Traci Edwards
Notary Public in the State of
Iowa

Corporate Acknowledgment

State of _____)
County of _____) SS

On this _____ day of _____, A.D., _____, before me a Notary Public in and for said County and State, personally appeared _____, _____, _____ to me personally known, who, being by me duly sworn did say that these person(s) are authorized signer(s) of said corporation, that the seal affixed to said instrument is the seal of said corporation and that said instrument was signed and sealed on behalf of the said corporation by authority of its Board of directors and that said _____, _____, _____ acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

Notary Public in the State of

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