

FILED NO. 001974

BOOK 2002 PAGE 1974

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MICKI UTSLER
RECORDER
MADISON COUNTY, IOWA

JASON MEREDITH, 5947 ASHWORTH RD., WEST DES MOINES, IA 50266 PH) 515-223-7730
(name, address, and phone number of preparer)

REC \$ 20⁰⁰
AUD \$ _____
R.M.F. \$ 1⁰⁰

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 April 22, 2002 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR:	R. ALLAN BYWATERS	CHERYL A. BYWATERS
	HUSBAND	WIFE
	1607 2ND STREET	1607 2ND STREET
	BOONE, IA 50036	BOONE, IA 50036
	Social Security #: XXXXXXXXXX	Social Security #: XXXXXXXXXX

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

Return To:
LENDER:

COMMERCIAL FEDERAL BANK
Organized and existing under the laws of the United States of America
5947 ASHWORTH ROAD
WEST DES MOINES, IA 50266
Taxpayer I.D. #: 47-0130810

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: PARCEL "G", LOCATED IN THE EAST HALF (1/2) OF THE SOUTHWEST QUARTER (1/4) OF THE NORTHWEST QUARTER (1/4) OF SECTION TWENTY-FOUR (24), TOWNSHIP SEVENTY-FOUR (74) NORTH, RANGE TWENTY-SIX (26) WEST OF THE 5TH P.M., MADISON COUNTY, IOWA, AS SHOWN IN PLAT OF SURVEY FILED IN BOOK 3, PAGE 108 ON SEPTEMBER 10, 1997 IN THE OFFICE OF THE RECORDER OF MADISON COUNTY, IOWA

The property is located in MADISON at _____
(County)

3117 WALNUT LANE, TRURO, Iowa 50527
(Address) (City) (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 \$ 139,200.00 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.)
A SPECIFIC PROMISSORY NOTE DATED APRIL 22, 2002, EXECUTED BY R. ALLAN BYWATERS AND CHERYL A. BYWATERS, IN THE AMOUNT OF \$139,200.00 AND MATURING ON DECEMBER 1, 2002

RAB (page 1 of 4)

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 overdraws 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 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 or 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:
- 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.
 - 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.
 - 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.
 - 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.

22. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property.

23. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.

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. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

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. Notice to one mortgagor will be deemed to be notice to all mortgagors.

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. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.
 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. This Security Instrument suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.
 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. [Check all applicable boxes]
 Condominium Rider Planned Unit Development Rider Other _____
 Additional Terms.

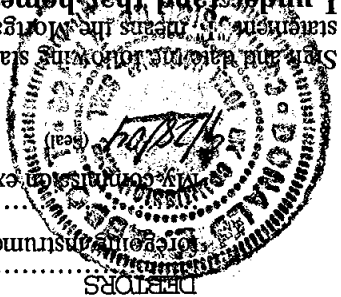
NOTICE TO CONSUMER
(For purposes of this Notice, "You" means Mortgagor)
1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance 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.

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

X *[Signature]* R. ALAN BYWATERS (Signature) (Date) _____
X *[Signature]* CHERYL A. BYWATERS (Signature) (Date) _____

STATE OF IOWA COUNTY OF POLK } ss. }
On this 22nd day of April, 2002, before me, a Notary Public in the state of Iowa, personally appeared R. ALAN BYWATERS and CHERYL A. BYWATERS, AS JOINT DEBTORS to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that R. ALAN BYWATERS and CHERYL A. BYWATERS executed the same as their voluntary act and deed.

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



(Signature) _____ (Date) _____ (Signature) _____ (Date) _____