

REC \$ 35<sup>00</sup>  
AUD \$ \_\_\_\_\_  
R.M.F. \$ 1<sup>00</sup>

COMPUTER   
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MICKI UTSLER  
RECORDER  
MADISON COUNTY, IOWA

MIDSTATES BANK N.A. 1851 MADISON AVENUE SUITE 732 COUNCIL BLUFFS, IA 51503  
(name, address, and phone number of preparer) (712) 388-0505

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 DECEMBER 13, 2001 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR: BRADLEY L VRY AND DANA D VRY

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

LENDER: MIDSTATES BANK N.A.  
1851 MADISON AVENUE SUITE 732  
COUNCIL BLUFFS, IA 51503

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:

A PARCEL OF LAND IN THE SW 1/4 NW 1/4 OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 29 WEST OF THE 5th P.M., MADISON COUNTY, IOWA, MORE PARTICULARLY DESCRIBED AS: COMMENCING AT THE WEST QUARTER CORNER OF SECTION 6, TOWNSHIP 77 NORTH, RANGE 29 WEST OF THE 5th P.M., MADISON COUNTY, IOWA; THENCE ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION ON AN ASSUMED BEARING OF N00 DEGREES 00' 00" E A DISTANCE OF 339.89 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N00 DEGREES 00' 00" E 321 FEET; THENCE ALONG AN EXISTING FENCE S89 DEGREES 43' 58" E 407.10 FEET; THENCE ALONG AN EXISTING FENCE AND ITS SOUTHERLY PROLONGATION, SOUTH 00 DEGREES 00' 24" E 321.00 FEET; THENCE N89 DEGREES 43' 58" W 407.14 FEET TO THE POINT OF BEGINNING. TRACT INCLUDES PUBLIC HIGHWAY.

The property is located in MADISON at \_\_\_\_\_  
(County)  
1040 ADAIR MADISON AVENUE, DEXTER, Iowa 50070-0000  
(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 \$ 16,000.00**  
**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.)

NOTE DATED DECEMBER 13, 2001 IN THE AMOUNT OF \$16,000.00  
ACCRUING AT A VARIABLE RATE WITH A MATURITY DATE OF DECEMBER 18, 2011  
LOAN IN THE NAME(S) OF BRADLEY LEE VRY

**MIDSTATES BANK**  
1851 MADISON AVE SUITE 732  
COUNCIL BLUFFS, IA 51503

BLV (page 1 of 4)  
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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.

**MIDSTATES BANK**

1851 MADISON AVE. SUITE #732

COUNCIL BLUFFS, IA 51503

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BLK (page 3 of 4)  
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**ADJUSTABLE RATE RIDER**

THIS ADJUSTABLE RATE RIDER is made this .....13th..... day of ..DECEMBER...  
.....2001..... and is incorporated into and shall be deemed to amend and supplement the  
Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by  
the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to .....  
.....MIDSTATES BANK, N.A.....  
..... (the "Lender")  
of the same date and covering the property described in the Security Instrument and located at:  
.....1040 ADAIR, MADISON, DEXTER, IA 50070.....  
[Property Address]

**NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH  
CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE  
INTEREST RATE. INCREASES IN THE INTEREST RATE WILL  
RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST  
RATE WILL RESULT IN LOWER PAYMENTS.**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the  
Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. INTEREST RATE AND PERIODIC PAYMENT CHANGES**

The Note provides for an initial interest rate of .....7.5000..... %. The Note provides  
for changes in the interest rate and the payments, as follows:

**3. PAYMENTS**

**(A) Periodic Payments**

I will pay principal and interest by making periodic payments when scheduled: (mark one):

- I will make my periodic payments on the first day of each month beginning on .....
- I will make my periodic payments as follows:

ON THE 18th DAY OF EACH MONTH BEGINNING ON JANUARY 18, 2002

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In addition to the payments described above, I will pay a "Balloon Payment" of \$ ..... on ..... The Note Holder will deliver or mail to me notice prior to maturity that the Balloon Payment is due. This notice will state the Balloon Payment amount and the date that it is due.

**(B) Maturity Date and Place of Payments**

I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described in the Note.

My periodic payments will be applied to interest before Principal. If, on ..... DECEMBER 18, 2011 ....., I still owe amounts under the Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my periodic payments at ..... 1851 MADISON AVENUE, SUITE 732 ..... COUNCIL BLUFFS, IA 51503 ..... or at a different place if required by the Note Holder.

**(C) Amount of My Initial Periodic Payments**

Each of my initial periodic payments will be in the amount of U.S. \$ 189.95 ..... This amount may change.

**(D) Periodic Payment Changes**

Changes in my periodic payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my periodic payment in accordance with Section 4 of the Note.

**4. INTEREST RATE AND PERIODIC PAYMENT CHANGES**

**(A) Change Dates**

Each date on which my interest rate could change is called a "Change Date." (Mark one)

- The interest rate I will pay may change on the first day of ..... and on that day every ..... month thereafter.
- The interest rate I will pay may change ... ON DECEMBER 18, 2007 ..... and on every ..... thereafter.

**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is: THE STATED ONE YEAR LONDON INTERBANK OFFERED RATE (LIBOR) AS OF THE LAST BUSINESS DAY OF THE PRECEDING MONTH .....

The most recent Index figure available as of the date  45 days  30 ..... DAYS ..... before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by .....  
**ADDING**.....4.440.....  
percentage points ( .....4.440..... %) to the Current Index. The result of this calculation:

- will not be rounded off.
- will be rounded off by the Note Holder to the nearest ..... %.
- will be rounded off by the Note Holder up to the nearest ..... %.
- will be rounded off by the Note Holder down to the nearest ..... %.

Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the periodic payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my periodic payment.

**(D) Limits on Interest Rate Changes**

- My interest rate will never be increased or decreased on any single Change Date by more than .....2.000..... percentage points from the rate of interest I have been paying for the preceding period.
- My interest rate will never be greater than .....13.500..... % or less than .....7.000..... %.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new periodic payment beginning on the first periodic payment date after the Change Date until the amount of my periodic payment changes again.

**(F) Notice of Changes**

At least 25 days, but no more than 120 days, before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my periodic payment. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. FUNDS FOR TAXES AND INSURANCE**

Uniform Covenant 3 of the Security Instrument is waived by the Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

.....*Bradley Lee Vry*..... (Seal)  
BRADLEY LEE VRY -Borrower

.....*Dana D Vry*..... (Seal)  
DANA D VRY -Borrower

MINISTRY OF  
COUNCIL OF  
FOR THE