

MICHELLE "MICKI" UTSLER, COUNTY RECORDER
MADISON IOWA

COMPUTER	✓
RECORDED	✓
COMPARED	✓

Do not write above this line. For filing purposes only.

Form 5011-NE-CHL (8-2004)

Return to: Farm Credit Services of America, CHL, P O Box 2409 Omaha NE 68103 OPS Name Tami M Bossung
Preparer: Country Home Loans, P O Box 2409, Omaha NE 68103 Office Phone: 800 538-8144

Farm Credit Services of America
REAL ESTATE MORTGAGE
For the State of Iowa

Open-End To Secure Present and Future Obligations and Advances

Date: August 15th, 2005

Mortgagor(s): Kevin Hensley and Elizabeth Cothren, Husband and Wife

Mailing Address: ~~3403 Mill Creek Rd~~ ^{DS}
Adel, IA 50003

The above named Mortgagor(s) in consideration of the extension of credit identified herein and any future, additional or protective advances made at Mortgagee's option, hereby sell, convey, and mortgage to FARM CREDIT SERVICES OF AMERICA, FLCA Post Office Box 2409, Omaha, NE 68103-2409, Mortgagee, its successors and assigns, from the date hereof until all obligations secured hereby are paid in full, the following-described real estate in Madison County(ies), State of Iowa, to wit:

Lot 2 of Remington ^{Sen} Acres, a subdivision located in the South Half and the East 24 rods of the North 1/2 all in the SE1/4 of the SE1/4 of Section 31, Township 76, Range 29 West of the 5th P.M., Madison County, Iowa.

together with all Mortgagor's right, title, and interest in the property, now or hereafter acquired, including: all buildings, fixtures, crops, and improvements now on or hereafter placed upon the property; all appurtenances, water, irrigation, and drainage rights; all rents, issues, uses, income, profits, and rights to possession; all oil, gas, gravel, rock, or other minerals of whatever nature, including geothermal resources; all personal property that may integrally belong to or hereafter become an integral part of the real estate whether attached or detached, including any appurtenances and accoutrements of any structure or residence secured hereby; easements and other rights and interests now or at any time hereafter belonging to or in any way pertaining to the property, whether or not specifically described herein; all above and below ground irrigation equipment and accessories; and all leases, permits, licenses, or privileges, appurtenant or nonappurtenant to the property, now or hereafter issued, extended, or renewed by Mortgagor(s), any State, the United States, or any department, bureau, instrumentality, or agency thereof. The foregoing is collectively referred to in this document as the "property."

It is understood and agreed between Mortgagor(s) and Mortgagee that this Mortgage is given to secure the repayment in full of the below obligations, Note(s), regardless of whether Mortgagor(s) is(are) liable thereon, and all future and additional loans or advances, protective or otherwise, which may be made by Mortgagee, at its option, at the request of, and to or for the account of Mortgagor(s), the parties liable under the Note(s) or any of them, for any purpose, plus interest thereon, all payable according to the terms of the Note(s) or other instrument(s) modifying the same. Mortgagee is the Lender under the Note(s).

Date of Note(s)
August 15th, 2005

Principal Amount
56,000.00

***Notice: This mortgage secures credit in the amount of \$ 56,000.00 . Loans and advances up to this amount, together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages or liens.**

NOTHING CONTAINED HEREIN SHALL CONSTITUTE A COMMITMENT TO MAKE FURTHER OR ADDITIONAL ADVANCES IN ANY AMOUNT AT ANY TIME, WHETHER OR NOT THE TOTAL PRINCIPAL INDEBTEDNESS ABOVE HAS BEEN ADVANCED.

This mortgage will be due September 1st, 2010

Mortgagor(s) hereby warrants that Mortgagor(s) holds fee simple title to the above described property, that Mortgagor(s) has good and lawful authority to mortgage the same, that the property is free and clear of all liens and encumbrances, except encumbrances of record, and that Mortgagor(s) will warrant and defend the property at Mortgagor's expense against all claimants whomsoever. Mortgagor(s) also hereby waives and relinquishes all rights of dower, homestead, distributive share, and exemption in and to the above-described property.

Mortgagor(s) and each of them further covenant and agree with Mortgagee as follows:

1. To pay all liens, judgments, or other assessments against the property, and to pay when due all assessments, taxes, rents, fees, or charges upon the property or under any lease, permit, license, or privilege assigned to Mortgagee as additional security to this Mortgage, including those in or on public domain.
2. To insure and keep insured buildings and other improvements, including fixtures and attachments now on or hereafter placed on the property to the satisfaction of Mortgagee. Such insurance will be approved by and deposited with Mortgagee, and endorsed with a mortgage clause with loss payable to Mortgagee. Any sums so received by Mortgagee may be applied in payment of any indebtedness matured or unmatured secured by this Mortgage, or at the option of Mortgagee may be used to pay for reconstruction of the destroyed improvements. Such insurance will be in an amount at least equal to the lesser of the loan balance, the actual cash value of the collateral, or the replacement cost of the property, and will at a minimum, cover losses caused by fire, lightning, explosion, riot, aircraft, vehicles, vandalism, civil commotion, smoke, windstorm, and hail. I/We will obtain and keep flood insurance in force to cover losses by flood as required by Lender and by the National Flood Insurance Act of 1968, as amended, and by regulations implementing the same. I/We further agree that Lender is not and will not be liable for any failure by me/us or by any insurer, for whatever reason, to obtain and keep this insurance in force.
3. To keep all buildings, fixtures, attachments, and other improvements now on or hereafter placed on the property occupied and in good repair, maintenance, and condition and to neither commit nor permit any acts of waste or any impairment of the value of the property. Mortgagee may enter upon the property to inspect the same or to perform any acts authorized herein or in the credit agreement(s).
4. In the event Mortgagor(s) fails to pay any liens, judgments, assessments, taxes, rents, fees, or charges or maintain any insurance on the property, buildings, fixtures, attachments, or improvements as provided herein or in the loan agreement(s), Mortgagee, at its option, may make such payments or provide insurance, maintenance, or repairs and any amounts paid therefor will become part of the principal indebtedness secured hereby, be immediately due and payable and bear interest at the default rate provided in the Note(s) from the date of payment until paid. The advancement by Mortgagee of any such amounts will in no manner limit the right of Mortgagee to declare Mortgagor(s) in default or exercise any of Mortgagee's other rights and remedies.
5. In the event Mortgagee is a party to any litigation affecting the property or the lien of this Mortgage, including any action by Mortgagee to enforce this Mortgage or any suit in which Mortgagee is named a defendant (including condemnation and bankruptcy proceedings) Mortgagee may incur expenses and advance payments for abstract fees, attorneys fees (to the extent allowed by law), costs, expenses, appraisal fees, and other charges and any amounts so advanced will become part of the principal indebtedness secured hereby, be immediately due and payable and bear interest at the default rate provided in the Note(s) from the date of advance until paid.
6. Any awards made to Mortgagor(s) or their successors by the exercise of eminent domain are hereby assigned to Mortgagee; and Mortgagee is hereby authorized to collect and apply the same in payment of any indebtedness, matured or unmatured, secured by this Mortgage.
7. In the event of default in the payment when due of any sums secured hereby (principal, interest, advancements, or protective advances), or failure to perform or observe any covenants and conditions contained herein, in the Note(s) or other instrument(s), or any proceeding is brought under any Bankruptcy laws, Mortgagee, at its option, may declare the entire indebtedness secured hereby to be immediately due and payable and the whole will bear interest at the default rate as provided in the Note(s) and Mortgagee may immediately foreclose this Mortgage or pursue any other remedy at law or equity, including foreclosure by advertisement with a power of sale in Mortgagee to the extent provided by applicable law. Delay by Mortgagee in exercising its rights upon default will not be construed as a waiver thereof and any act of Mortgagee waiving any specific default will not be construed as a waiver of any future default. If the proceeds under such sale or foreclosure are insufficient to pay the total indebtedness secured hereby, Mortgagor(s) does hereby agree to be personally bound to pay the unpaid balance, and Mortgagee will be entitled to a deficiency judgment.
8. Upon default, Mortgagee will at once become entitled to exclusive possession, use, and enjoyment of the property and to all rents, issues, crops, profits, and income thereof, from the time of such default and during the pendency of foreclosure proceedings and the period of redemption, the delivery of which may be enforced by Mortgagee by any appropriate suit, action, or proceeding. Mortgagee will be entitled to a Receiver for the property and all rents, issues, crops, profits, and income thereof, without regard to the value of the property, or the sufficiency thereof to discharge the mortgage debt and the foreclosure costs, fees, and expenses. Such Receiver may be appointed by any court of competent jurisdiction upon ex parte application, notice being hereby expressly waived. The Receiver will apply all rents, issues, crops, profits, and income of the property to keep the same in good repair and condition, pay all taxes, rents, fees, charges, and assessments, pay insurance premiums necessary to keep the property insured, pay the expense of the receivership and attorney fees incurred by the Receiver, and apply the net proceeds to the payment of the indebtedness secured hereby. Such Receiver will have all the other usual powers of receivers authorized by law and as the court may direct.

9. The integrity and responsibility of the Mortgagor(s) constitutes a part of the consideration for the obligations secured hereby. Should Mortgagor(s) sell, transfer, or convey the property described herein without prior written consent of Mortgagee, Mortgagee, at its option, may declare the entire indebtedness immediately due and payable and may proceed in the enforcement of its rights as on any other default.

10. Assignment of Rents including Proceeds of Mineral Leases. Mortgagor(s) hereby assigns, transfers, and conveys to Mortgagee all rents, royalties, bonuses, and delay moneys or other proceeds that may from time to time become due and payable under any real estate lease or under any oil, gas, gravel, rock, or other mineral lease of any kind including geothermal resources now existing or that may hereafter come into existence, covering the property or any part thereof. All such sums so received by Mortgagee will be applied to the indebtedness secured hereby; or Mortgagee, at its option, may turn over and deliver to Mortgagor(s) or their successors in interest, any or all of such sums without prejudice to any of Mortgagee's rights to take and retain future sums, and without prejudice to any of its other rights under this Mortgage. This assignment will be construed to be a provision for the payment or reduction of the mortgage debt, subject to the Mortgagee's option as hereinbefore provided, independent of the mortgage lien on the property. Upon payment in full of the mortgage debt and the release of this Mortgage of record, this assignment will become inoperative and of no further force and effect.

11. This Mortgage constitutes a Security Agreement with respect to all the property described herein.

12. The covenants contained in this Mortgage will be deemed to be severable; in the event that any portion of this Mortgage is determined to be void or unenforceable, that determination will not affect the validity of the remaining portions of the mortgage.

13. Any Mortgagor who co-signs this Mortgage but does not execute the Note(s) ("co-signer"): (a) is co-signing this Mortgage only to mortgage, grant and convey co-signer's interest in the property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Mortgagee and any other borrower under the Note(s) can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note(s) without co-signer's consent.

14. Redemption Period. If the property described herein is less than ten acres in size and if Mortgagee waives in any foreclosure proceeding any right to a deficiency judgment against Mortgagor(s), then the period of redemption from judicial sale will be reduced to six months. If the court finds that the property has been abandoned by Mortgagor(s) and if Mortgagee waives any right to a deficiency judgment against Mortgagor(s), then the period of redemption from judicial sale will be reduced to sixty days. In addition, if the property described herein is the residence of Mortgagor(s) at the time of foreclosure, but the court finds that after foreclosure the property has ceased to be the residence of Mortgagor(s), then the period of redemption will be reduced to thirty days from the date of a court order so stating. The provisions of this paragraph will be construed to confirm to the provisions of Sections 628.26, 628.27, and 628.28 of the Code of Iowa.

HOMESTEAD EXEMPTION WAIVER

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 Mortgage, I voluntarily give up my right to this protection for this property with respect to claims based on this Mortgage.

(Each individual must sign below and each individual must enter the date signed.)

Kevin Hensley 8/15/05 Elizabeth Cothren 8-15-05
Kevin Hensley Date Elizabeth Cothren Date

Date Date

Date Date

Kevin Hensley 8/15/05 Elizabeth Cothren 8-15-05
Kevin Hensley Date Elizabeth Cothren Date

Date Date

Date Date

STATE OF Iowa)SS

COUNTY OF _____
On this 15 day of August 2005, before me, a Notary Public, personally appeared Kevin Hensley & Elizabeth Cothren

to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that they executed the foregoing instrument as their voluntary act and deed.

(SEAL)
My commission expires:

David L. Spurgeon
Notary Public in and for said County and State



11-5-05

Variable Rate Rider

(To Security Instrument)

This Variable Rate Rider is made August 15, 2005 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 ("Borrower") as the promise to pay:

FARM CREDIT SERVICES OF AMERICA, FLCA

(the "Lender") and covering the property described in the Security Instrument and located at:

~~3403 Mill Creek Rd
Adel, IA 50003~~

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE MAXIMUM RATE BORROWERS MUST PAY.

AMENDMENT TO COVENANTS. To amend covenants and agreements made in the Security Instrument, Borrower and Lender amend and supplement the stated covenants and agree as follows:

18. SECURED NOTE

Transfer of the Property or a Beneficial Interest in Borrower. As used in this section, "Interest in the Property" means any legal or beneficial interest in the Property, including by not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, Lender shall not exercise this option if Applicable Law prohibits such exercise. The remainder of the Covenant described in this section, and Sections 2 and 3 of the Adjustable Rate Note does not apply. Transfer of property is not allowed, and this loan may not be assumed.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with section 15 of the security instrument within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

ADDITIONAL COVENANTS THAT APPLY:

27. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. Interest will accrue at the initial interest rate of 6.950%. The interest rate is variable until maturity and the interest rate I pay will change in accordance with Section 4 of the Note. Interest will be calculated on a monthly basis.

28. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates, (B) The Index, (C) Calculation of Changes, and (E) Effective Date of Changes

The interest rate is variable until maturity. A higher or lower interest rate may be established for any Individual Loan Pricing Classification (ILPC) Index for which the loan from time to time qualifies; this higher or lower rate will thereupon apply to the outstanding principal balance of the debt evidenced by the Note and will remain in effect until a different interest rate is established. The amount of each subsequent payment will increase or decrease accordingly, or at the discretion of the Note Holder a higher payment amount will be due at maturity, to reflect the different interest rate without in any manner changing the due date of the payments. Note Holder may have up to 15 days from any ILPC Index change to change the interest rate. No limitation exists on the frequency or the amount of the change in the interest rate.

(D) Limits on Interest Rate Changes: The interest rate on my loan will never be greater than percentage points above the initial rate of 6.950 percent per annum, which is called the "Maximum Rate." Therefore, the Maximum Rate will not exceed 24.950 percent per annum.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and the amount of my monthly payment no later than 10 days after the effective date of a change in the interest rate. However, if the interest rate is directly tied to an external index that is widely publicized, the notice of change will be made promptly but not later than 30 days after the change in interest rate. This notice will include information required by law to be given to me, and also the location of the office that can answer any question I may have regarding the notice.

29. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15, 30, 45 and 60 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of each of these late charges will not exceed .50% of my overdue payment of principal and interest. I will be charged this late payment once for each 15-day period that I am late to a maximum of 4 late payments. If Note Holder has not been paid current by the 60th day past due, default interest, as stated in Section 15, will go into effect and late charges according to this section will cease.

30. Stock Ownership/Voting Member

To own or purchase, if necessary, such stock in Lender as is from time to time required by Lender's policies and bylaws. Capitalization requirements are met by stock owned by:

Kevin Hensley
Elizabeth Cothren

JTWFRS

That Kevin Hensley
owner(s) of voting stock.

is the authorized voter on behalf of the

31. Cross Default

Declaration of default under any loan may, at Lender's option, cause all loans to be in default, charged interest at the default rate, as stated in Section 15 and the note(s), and all sums loaned or advanced and all accrued interest thereon to be declared immediately due and payable.

The loan(s) may be declared in default for: (a) providing false, misleading, or incomplete information to Lender for the purpose of influencing the decision(s) of Lender; (b) selling, transferring, or disposing of property, whether or not the property is collateral for the loan(s), with the intent to defraud Lender; (c) using loan proceeds for purposes not designated and approved in the loan application; (d) failure to comply with any term, covenant, or agreement in any loan application, note, security instrument, security agreement, loan agreement, or other document or instrument executed in connection with any loan.

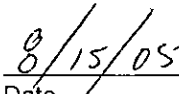
32. Default Interest

Default interest will be assessed at an interest rate that is 6 percent per annum higher than the ILPC Index in effect at the time of default. This default rate will then apply until the loan is brought current. If the loan is subsequently brought current, the interest rate will be adjusted to the interest rate that would otherwise be applicable to the loan as provided in Sections 2, 3, and 4 of the Note.


By signing below, Borrower accepts and agrees to the terms and covenants contained in this Interim Fixed Rate Rider.



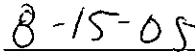
Signature



Date



Signature



Date