

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.

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 loan 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 Mortgagor(s) defaults in the payment when due of any sums secured hereby (principal, interest, advancements, or protective advances), or fails to perform or observe any covenants and conditions contained herein, in the note(s), loan agreement(s), or other instrument(s), or any proceeding is brought by or against Mortgagor(s) 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. 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.

R Edward Baur Corporation, A Corporation

By Robert F Baur
Robert F Baur, President

CORPORATE BORROWER ACKNOWLEDGMENT (NO SEAL)

STATE OF IOWA)
) ss
COUNTY OF MADISON)

On this 12th day of August, 1998, before me, a Notary Public, personally appeared Robert F Baur

to me known to be the person named in and who executed the foregoing instrument, who did say that he/she is President of the corporation; that no seal has been procured by the corporation; that the instrument was signed on behalf of the corporation by the authority of its board of directors; and acknowledged the execution of the instrument to be the voluntary act and deed of the corporation and by it and by him/her voluntarily executed.

(SEAL)

James R. Nelson
James R. Nelson
(Type name under signature)
Notary Public in and for said County and State

My commission expires 9-15-2000

