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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

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

FCSM 5014 (1-98)

RETURN TO Farm Credit Services, P.O. Box 673
PREPARER: Chariton, IA 50049-0000

Rachel Dudley
(515)774-8476

Farm Credit Services

REAL ESTATE MORTGAGE

For the State of Iowa

Open-End To Secure Present and Future Obligations and Advances

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.

Date

Date

James D. Haley 10/7/98
JAMES D HALEY

Mary B. Southard 10/7/98
MARY B SOUTHARD

Date: September 29, 1998

Mortgagor(s):

JAMES D HALEY, A/K/A JAMES HALEY, single
MARY B SOUTHARD, A/K/A BUNNY SOUTHARD, single

Mailing Address: 3054 ST CHARLES RD
ST CHARLES IA 50240-8516

The above named Mortgagor(s) in consideration of the advance by Mortgagee to Mortgagor(s) of the principal sum specified below, the receipt of which is hereby acknowledged, and any future, additional or protective advances made to or on behalf of Mortgagor(s) at Mortgagee's option, hereby sell, convey, and mortgage to Farm Credit Services of the Midlands, FLCA, 206 S 19th Street, Omaha, NE 68102-1745, 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), Iowa, to wit:

See attached Exhibit "A"

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:

(a) Promissory note(s) executed by Mortgagor(s) to Mortgagee described as follows:

<u>Date of Note</u>	<u>Principal Amount</u>
09/29/98	128,760.00

- payable according to the terms of the note(s) and any addenda to, reamortization or restructuring of the note(s).
- (b) The repayment in full by Mortgagor(s) of any and all future and additional loans or advances which may be made by Mortgagee, at its option, at the request of, and to or for the account of Mortgagor(s), or any of them, for any purpose, plus interest on all loans or advances, under any note(s) or other instrument(s) modifying, refinancing, extending, renewing, reamortizing, or restructuring, new, existing, or additional indebtedness or any part thereof, all payable according to the terms of the note(s) or other instrument(s); provided, however, that the total principal indebtedness outstanding and secured hereby at any one time will not exceed the sum of ONE HUNDRED TWENTY-EIGHT THOUSAND SEVEN HUNDRED SIXTY DOLLARS (\$ 128,760.00), exclusive of interest and protective advances authorized herein or in the loan agreement(s); provided further, that THIS PARAGRAPH SHALL NOT 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.
- (c) The repayment in full by Mortgagor(s) of all amounts advanced by Mortgagee at its option, to or on behalf of Mortgagor(s) as protective advances authorized herein, in the loan agreement(s), or in other instrument(s) which evidence such advances, plus interest on all such advances, payable as provided in the note(s), loan agreement(s), or other instrument(s).
- (d) The payment in full of any and all other past, present, or future, direct or contingent, debts and liabilities of Mortgagor(s) to Mortgagee of any nature whatsoever.

*NOTICE: This mortgage secures credit in the amount of \$ 128,760.00. 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.

This mortgage will be due November 01, 2013, or upon the payment in full of all sums secured hereby.

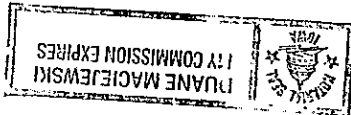
On this 7th day of October, 1998, before me, a Notary Public, personally appeared
MARY B SOUTHARD, A/K/A BUNNY SOUTHARD, SINGLE

STATE OF IOWA
COUNTY OF WARREN

INDIVIDUAL BORROWER ACKNOWLEDGMENT

(Type name under signature)
Notary Public in and for said County and State

My commission expires 6/01/2000



(SEAL)

HIS voluntary act and deed.

to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that HE executed the same as

On this 7th day of October, 1998, before me, a Notary Public, personally appeared
JAMES D HALEY, A/K/A JAMES HALEY, SINGLE

STATE OF IOWA
COUNTY OF WARREN

INDIVIDUAL BORROWER ACKNOWLEDGMENT

JAMES D HALEY
MARY B SOUTHARD

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 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 Mortgagee 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 immediately due and payable and bear interest at the default rate provided in the loan agreement(s). Mortgagee, at its option, may make such payments or provide insurance, maintenance, or repairs and any amounts paid herefor 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 Mortgagee(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, attorney fees (to the extent allowed by law), costs, expenses, appraisals 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 Mortgagee(s) or their successors by the exercise of eminent domain hereinafter 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, 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), 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 purchase 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, Mortgagee(s) does hereby agree to be personally bound to pay the unpaid balance, and Mortgagee will be entitled to a deficiency judgment.
7. Upon default, Mortgagee will be entitled to a deficiency judgment.
8. Upon default, Mortgagee will be entitled to a deficiency judgment.
9. The integrity and responsibility of the Mortgagee(s) constitutes a part of the consideration for the obligations secured hereby. Should Mortgagee(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. Mortgagee(s) hereby assigns, transfers, and conveys to Mortgagee all rents, royalties, bonuses, and delay monies 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 Mortgagee(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 and the release of this mortgage of record, this 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 Mortgagee(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 Mortgagee(s) and if Mortgagee waives any right to a deficiency judgment against Mortgagee(s), then the period of redemption from judicial sale will be reduced to thirty days. In addition, if the property described herein is the residence of Mortgagee(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.

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

(SEAL)



Duane Maciejewski
DUANE MACIEJEWSKI

My commission expires 6/01/2000

(Type name under signature)
Notary Public in and for said County and State

The Northwest Fractional Quarter (¼) of the Northeast Fractional Quarter (¼) except the North Half (½) of the Northwest Quarter (¼) of the Northeast Fractional Quarter (¼) and except any County Road Right of Way, and the South Half (½) of the Northeast Fractional Quarter (¼) of the Northeast Fractional Quarter (¼) and the South Half (½) of the Northeast Fractional Quarter (¼) of the Southeast Quarter (¼) of Section Four (4); AND

The Northwest Quarter (¼) of the Southwest Quarter (¼); and the Southwest Quarter (¼) of the Northwest Quarter (¼); and the South 20 acres of the Northwest Fractional Quarter (¼) of the Northwest Quarter (¼) of Section Three (3); except a parcel of land described as commencing at the Northwest Corner of said Section Three (3), thence Southerly along the West line of said Section Three (3) 756.0 feet to the centerline of County Road on the North line of the South 20 acres of the Northwest Fractional Quarter (¼) of the Northwest Quarter (¼) of said Section Three (3), thence North 90°00' East 1320.0 feet to the Northeast Corner of the South 20 acres of the Northwest Fractional Quarter (¼) of the Northwest Quarter (¼) of said Section Three (3), which is the Point of Beginning, thence South 3°38' West 562.7 feet, thence South 90°00' West 372.8 feet, thence North 0°35' East 561.6 feet to the centerline of County Road, thence North 90°00' East 402.8 feet to the Point of Beginning, said excepted parcel containing 4.9972 acres including 0.7971 acres of County Road Right-of-Way; and also except Parcel "A" located in the Northwest Fractional Quarter (¼) of the Northwest Quarter (¼) of said Section Three (3), and in the Northeast Fractional Quarter (¼) of the Northeast Quarter (¼) of said Section Four (4), more particularly described as follows: Commencing at the Northwest corner of the Northwest Fractional Quarter (¼) of the Northwest Quarter (¼) of said Section Three (3), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa; thence along the West line of said Northwest Quarter (¼) of the Northwest Quarter (¼) of the Northwest Quarter (¼) of said Section Three (3), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa; thence along the West line of said Northwest Quarter (¼) of the Northwest Quarter (¼) of the Northwest Quarter (¼) of said Section Three (3), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa; thence North 86°29'38" East 304.50 feet; thence South 00°00'00" East 660.00 feet; thence North 86°29'38" West 330.62 feet; thence North 00°00'00" West 660.00 feet; thence South 86°29'38" East 26.12 feet to the Point of Beginning, said excepted Parcel "A" containing 5.000 acres, including 0.250 acres of County R.O.W., ALL in Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa,

Exhibit "A"

James D. HALEY

MARY B. SOUTHWARD

