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98 SEP 17 PM 12: 32

REC \$ 20.00
AUD \$ _____
R.M.F. \$ 1.00

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Prepared by and return to: (Name, Address and Phone No.)
Cheryl Campbell Citizens Bank, Box 396, 500 West Main Sac City Ia 50583 712-662-4755

(Space above this line for Recording Data)

NOTICE: This Mortgage secures credit in the amount of \$ 75,000.00. 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. This Mortgage also secures necessary advances for protection of the security, interest and costs.

NON CONSUMER
CREDIT CODE LOANS

MORTGAGE

1. **Parties & Grant of Mortgage & Security Interest.** For full and valuable consideration, receipt of which is hereby acknowledged Ronald E. and Sherry A. Tolley, husband and wife whose address is 602 E Benton, Winterset, Ia 50273 hereinafter called Mortgagor, hereby sells, conveys, mortgages, and grants a security interest in the property herein described as the Mortgaged Property to Citizens Bank a corporation organized and existing under the laws of Iowa, having its principal place of business and post office address at Box 396, 500 West Main, Sac City Ia 50583 its successors and assigns hereinafter called Mortgagee.

2. **Mortgaged Property.** The property hereby mortgaged (collectively called the Mortgaged Property) includes the following:

a. **Land.** The following described land situated in Madison County, Iowa, to-wit:
Lot Four (4) in Block Four (4) of Danforth's Addition to the Town of Winterset, Madison County, Iowa

b. **Real Estate & Personal Property.** All rights, privileges, easements, appurtenances, buildings, fixtures, and improvements on the land or that may hereafter be erected thereon, whether attached or detached; all gas, steam or electric heating, lighting, plumbing, ventilating, water, and power systems, appliances, refrigeration, air conditioning, fences, trees, shrubs, shades, rods, venetian blinds, awnings, fixtures and apparatus; all storm and screen windows and doors, and all other fixtures located on or used in connection with the land; all estates, contingent or vested, including reversions; all expectancies, homestead and dower rights in the land, the right of possession thereof, and all other rights there to belonging, or in any way now or hereafter appertaining thereto, and the rents, issues, uses, profits and income therefrom, and all of the crops at any time raised thereon from the date of this agreement until the terms of this instrument are complied with and fulfilled and subrogation to the rights of any holder of a lien on said property where the money loaned by Mortgagee to Mortgagor is used to pay such lienholder. The assignment of rents herein granted is effective as of the date hereof and not just in the event of default.

c. **Other Property.**

3. Obligations Secured. This Mortgage secures the following (hereinafter collectively referred to as the "Obligations"):

a. The payment of the loan made by mortgagee evidenced by a Mortgage Note dated 9-10-98, in the principal amount of \$ 37,500.00 with a **MATURITY DATE** of _____, any renewals, extensions, modifications or refinancing thereof and any rates, issued in substitution therefor; (the "Mortgage Note") and

b. Any additional loans and advances for any purpose whatsoever which hereafter may be made under this Mortgage by the Mortgagee to the original Mortgagor (or any Mortgagor if more than one) while still record owner of the above property, said additional advances to have the same priority and rights as if made at this date; provided, however, that said additional loans and advances shall not include indebtedness incurred in a "consumer credit transaction" as defined in the Iowa Consumer Credit Code.

c. Any advances made by the Mortgagee for the purpose of protecting its mortgage and security interest in the Mortgaged Property.

This paragraph shall not constitute a commitment to make additional loans in any amount.

Unless applicable law provides otherwise, all payments received by Mortgagee shall be applied first to any protective advances made pursuant to Paragraph 3(c) then to late charges and after maturity interest then to interest and principal on any additional loans and advances made pursuant to Paragraph 3(b) then to interest and last to principal on the note referred to in Paragraph 3(a).

4. Mortgagor's Representations & Warranties. Mortgagor represents and warrants to mortgagee that:

a. The Mortgagor is lawfully seized of the Mortgaged Property in fee simple; that Mortgagor has good right and lawful authority to sell and convey the same; that the Mortgaged Property is free from all liens and encumbrances; that the Mortgagee shall, and is hereby granted the right to quietly enjoy and possess the same; and Mortgagor hereby warrants and covenants to defend the title to the Mortgaged Property against all person whomsoever.

b. There is not present on, in or under the Mortgaged Property or any improvements thereon any asbestos, urea formaldehyde foamed-in-place insulation, polychlorinated biphenyl ("PCBs"), or other hazardous or toxic materials the release or disposal of which is regulated by any law, regulation, code or ordinance (all of the foregoing being herein called "Hazardous Materials"), and that the Mortgaged Property has not in the past been used, is not presently being used, and will not in the future (for so long as the Mortgagor owns the same) be used for the handling, storage, transportation or disposal of any Hazardous Materials, that there are no known wells, solid waste disposal sites, or underground storage tanks on the Mortgage Property.

5. Mortgagor's Affirmative & Negative Covenants & Agreements. Mortgagor, for itself and its heirs, successors and assigns and for the vendees of the Mortgaged Property hereby promises, covenants and agrees:

a. The Mortgagor will pay the principal of and the interest on the Obligations secured hereby at the times and in the manner therein provided. The Mortgagor shall pay in case of suit, a reasonable attorney's fee, the expense of continuation of abstract, and, in fact, all expenses and attorney's fees incurred by Mortgagee by reason of litigation with Mortgagor, his successors, or with third parties to protect the lien of this Mortgage.

b. The Mortgagor will keep the improvements now existing or hereafter erected on the Mortgaged Property, insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as it may require and will pay promptly, when due, any premiums on such insurance. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by it and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee, provided, however, if the Mortgagee should at any time release the Mortgagor from the obligation to deposit with Mortgagee such policies and renewals thereof such release shall not act as a waiver of the right to in the future require such deposit. In the event of loss, Mortgagor will give immediate notice by mail to the Mortgagee who may make proof of loss if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option, either to the reduction of the obligations hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the debt secured hereby, all right, title, and interest of the Mortgagor in and to the proceeds for any loss and to any insurance policies then in force shall pass to the purchaser or grantee, regardless of whether or not there is a deficiency judgment after foreclosure sale or non-judicial foreclosure.

c. The Mortgagor agrees to pay all and singular the taxes, assessments, levies and encumbrances of every nature heretofore or assessed against the Mortgaged Property before they have become delinquent, and if the same be not promptly paid before they become delinquent, the Mortgagee or its representative may at any time pay the same and the official receipts for monies so paid shall be conclusive proof of the validity and amount of such taxes and assessments.

d. If now or hereafter demanded, the Mortgagor agrees to pay to the Mortgagee with each installment payment on the Mortgage Note an additional sum to pay taxes, assessments, premiums on insurance policies and fund and maintain the maximum cushion permitted by law. The additional payment shall be for the purpose of accumulating a fund with which to pay taxes, assessments, premiums on insurance policies and maintain the maximum cushion permitted by law.

e. If the taxes are not paid or the insurance not kept in force by Mortgagor, Mortgagee may pay such taxes and keep the property insured and recover immediately from Mortgagor the amount so expended. All monies so paid by the Mortgagee shall bear interest at the default or after maturity rate provided in the Mortgage Note but not more than any applicable interest rate limitation, if any, and shall be included as additional amounts secured by this Mortgage.

f. If this Mortgage is released of record, the release thereof shall be filed and recorded at the expense of the Mortgagor.

g. The signing of this Mortgage, and the Mortgage Note secured hereby, by the spouse of the owner is not only for the purpose of releasing dower or distributive share but also for the indebtedness evidenced by said Mortgage Note and secured by this Mortgage, and the Mortgagee expressly relies upon the foregoing as a material and necessary representation and covenant by such spouse.

h. If at any time all or any portion of the above described Mortgaged Property shall be taken or damaged by condemnation proceeds under the power of eminent domain, all compensation awarded shall be paid directly to the Mortgagee and applied on the obligations.

e. A judgment, writ or warrant of attachment or execution, or similar process shall be entered and become a lien on or be issued or levied against the Mortgaged Property or any part thereof which is not released, vacated or fully bonded within thirty (30) days after its entry, issue or levy.

f. An event of default, however defined, shall occur under any other mortgage, assignment or other security document constituting a lien on the Mortgaged Property or any part thereof.

11. Remedies. If an Event of Default shall occur and, after mailing notice of Right to Cure if required by law, such event of default shall not be cured within the applicable cure time, if any, then Mortgagee may, at its option, without notice exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

- a. Mortgagee may declare all of the debt represented by the Obligations due and payable in full.
- b. Mortgagee may unless prohibited by law foreclose this Mortgage by applicable nonjudicial procedures.
- c. The Mortgagee may exercise all the rights and remedies afforded a secured party under the Iowa Uniform Commercial Code.
- d. The Mortgagee may foreclose this Mortgage by judicial proceedings in accordance with the laws of the State of Iowa.

e. Mortgagee either before commencement of suit, or at any time thereafter, shall be entitled to the possession of the Mortgaged Property, and shall also be entitled to the appointment of a Receiver, who shall have the power and is hereby granted absolute authority to take and hold possession of all of the Mortgaged Property, to rent the same, and to collect the rents and profits therefrom for the benefit of Mortgagee, and such Receiver shall be appointed upon the application of Mortgagee by the court in which such action shall be brought, or by any judge of said court, at any time after the default of the Mortgagor in any of the provisions hereof, either independently of or in connection with the commencement of foreclosure, or when suit is begun, or at any time thereafter, and such rights shall in no event be barred, forfeited or retarded by reason for delay, or of a judgment, decree, or sale ordered in any suit; and, further, such right to have such Receiver appointed upon application of said Mortgagee shall exist regardless of the solvency or insolvency of the Mortgagor or any of them, and irrespective of the value of said premises, or of the rents and profits thereof; and such taking of possession by the Receiver shall in no way retard collection, or the institution of suit, and Receiver shall be held to account only for the net profits derived from said property.

12. Shortened Redemption Period. Mortgagor hereby agrees that in the event of judicial foreclosure of this Mortgage, the Mortgagee may, at its sole option, elect:

- a. Pursuant to Iowa Code §628.26 to reduce the period of redemption after sale on foreclosure to six months, or
- b. Pursuant to Iowa Code §628.27 to reduce the period redemption after sale on foreclosure to sixty days, or
- c. Pursuant to Iowa Code §628.28 or any other Iowa Code Section to reduce the period of redemption after sale on foreclosure to such time as may be then applicable and provided by law, or
- d. Pursuant to Iowa Code §654.20 to foreclose without redemption.

13. Mortgage Amendments. If one or more amendments are executed by Mortgagor and attached hereto, the provisions of each amendment shall be incorporated into and shall amend, override and supplement the provisions of this Mortgage and shall control if they are in any way in conflict with this Mortgage.

(Check applicable box(es))

- Condominium mortgage amendment
- Commercial mortgage amendment
- Agricultural mortgage amendment
- Other Balloon Payment Amendment

IN WITNESS WHEREOF, this Mortgage has been signed and delivered by the persons denoted herein as Mortgagor. Borrower acknowledges receipt of a copy of this Mortgage.

Dated this 10 day of September, 1998 at Sac City, Iowa.

SIGNATURE <u>Ronald E. Tolley</u>	SIGNATURE <u>Sherry A. Tolley</u>
TYPED SIGNATURE Ronald E. Tolley	TYPED SIGNATURE Sherry A. Tolley

(Space below this line for acknowledgement)

STATE OF Iowa)
COUNTY OF Madison) SS.

On this 10 day of September, 98, before me, the undersigned, a Notary Public in and for said county in said state,

personally appeared Ronald E. and Sherry A. Tolley, husband and wife, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE
Duane Gordon

(Space below this line Reserved for Lender and Recorder)

Sherry Tolley