

FILED NO. 3264

BOOK 205 PAGE 828

99 FEB 10 AM 11:39

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

COMPUTER
RECORDED
COMPARED

REC \$ 25.00
AUD \$
R.M.F. \$ 1.00

✓ JOE AGUELO
PHH MORTGAGE SERVICES
6000 ATRIUM WAY
MT. LAUREL, NJ 08054 888-777-4115

MORTGAGE

VA Form 26-6313 (Home Loan)
Rev. Jun 1983, Use Optional.
Section 1810, Title 38, U.S.C.
Acceptable to Federal National
Mortgage Association
Amended February, 1988

IOWA
Loan Number: 2346187
VA Loan Number: 333360206907
990
390199094

THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE U.S. DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT. The attached RIDER is made a part of this instrument.

THIS MORTGAGE made this 10TH day of FEBRUARY, A.D. 1999, between THOMAS L. SHARRATT , LYND SAY J. SHARRATT , of the County of MADISON, and State of Iowa, hereinafter called the Mortgagor, and PHH MORTGAGE SERVICES CORPORATION, a corporation organized and existing under the laws of NEW JERSEY having its principal place of business and post-office address at 6000 ATRIUM WAY, MT. LAUREL, NEW JERSEY 08054, hereinafter called the Mortgagee:

WITNESSETH, That the Mortgagor, in consideration of NINETY EIGHT THOUSAND THREE HUNDRED FIFTY AND 00/100 Dollars (\$98,350.00), the receipt whereof is hereby acknowledged, does, by these presents, SELL, ASSIGN AND CONVEY unto the Mortgagee, forever, the following-described property, situated in the County of MADISON, State of Iowa, to wit:

The North Half (1/2) except the East 119.39 feet of Out Lot Nine (9) of Loughridge & Cassidy's Addition to the City of Winterset, Madison County, Iowa.

BEING COMMONLY KNOWN AS 403 SOUTH 7TH AVENUE, WINTERSSET IA 50273.

BEING THE SAME PREMISES CONVEYED TO THE MORTGAGORS HEREIN BY DEED BEING RECORDED SIMULTANEOUSLY HEREWITH; THIS BEING A PURCHASE MONEY MORTGAGE GIVEN TO SECURE THE PURCHASE PRICE OF THE ABOVE DESCRIBED PREMISES.



PREPARED BY: Joe Edgar B. Aguelo
JOEDEGAR B. AGUELO

including all buildings and improvements now or hereafter thereon, and the hereditament and appurtenances and all other rights thereunto belonging, or in anywise now or hereafter appertaining, and the reversion and reversions, remainder or remainders, rents, issues, and profits thereof (provided, however, that the Mortgagor shall be entitled to collect and retain the said rents, issues, and profits until default hereunder), and all fixtures now or hereafter attached to or used in connection with the premises herein described; and in addition thereto the following described household appliances which are, and shall be deemed to be, fixtures and a part of the realty, and are a portion of the security of the indebtedness herein mentioned;

RANGE/OVEN

REFRIGERATOR

DISHWASHER

3. If the total of the payments made by the Mortgagee as hereinabove in subsection (a) of paragraph 2 provided, shall exceed the amount of payments actually made by the Mortgagee, as trustee for ground rents, taxes and assessments or insurance premiums, as the case may be, such excess shall be credited on subsequent payments to be made by the Mortgagee for such items or, at Mortgagee's option, as trustee, shall be refunded to Mortgagee. If, however, such monthly payments shall not be sufficient to pay such items, when the same shall become due and payable, then the Mortgagee shall pay to the Mortgagee, as trustee, any amount necessary to make up the deficiency within thirty (30) days after written notice from the

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the Mortgagee prior to the due date of the next such payment, constitute an event of default under this mortgage. At Mortgagee's option, Mortgagee will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

(I) ground rents, taxes, special assessments, fire and other hazard insurance premiums; and
 (II) interest on the note secured hereby; and
 (III) amortization of the principal of said note.

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

(a) A sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this mortgage, plus the premiums that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby (all as estimated by the Mortgagee, and of which the Mortgagee is notified) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes, and special assessments, will become delinquent, such sums to be held by mortgage in trust to pay said ground rents, premiums, taxes, and special assessments, before the same become delinquent.

2. In order more fully to protect the security of this mortgage, together with, and in addition to, the monthly payments of principal and interest under the terms of the note secured hereby, he/she will pay to the Mortgagee, as trustee, (under the terms of this trust as hereinafter stated) on the first day of each month until the note is fully paid:

1. He/She will pay the principal of and the interest on the indebtedness evidenced by the note secured hereby, at the times and in the manner therein provided. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment or one hundred dollars (\$100.00), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier.

The Mortgagee covenants and agrees that:

these presents shall be void, otherwise to remain in full and effect.

CONDITIONED, HOWEVER, That if the Mortgagee shall pay or cause to be paid to the Mortgagee, as is provided in a certain promissory note of even date herewith, the terms of which are incorporated herein by reference, the principal sum of NINETY EIGHT THOUSAND THREE HUNDRED FIFTY AND 00/100 Dollars (\$98,350.00), with interest from date at the rate of SIX AND 875/1000 per centum (6.87500%) per annum on the balance remaining from time to time unpaid; principal and interest being payable at the office of PNH MORTGAGE SERVICES CORPORATION in 6000 ATRIUM WAY, MT. LAUREL, NEW JERSEY 08054, or at such other place as the holder may designate, in writing delivered or mailed to the Mortgagee, in monthly installments of SIX HUNDRED FORTY SIX AND 09/100 Dollars (\$646.09), commencing on the first day of APRIL, 1999, and continuing on the first day of each month thereafter until principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of MARCH, 2029, and shall also fully perform all the covenants, conditions and terms of this mortgage, then these presents shall be void, otherwise to remain in full and effect.

Mortgagee hereby covenants that he/she is seized of said premises in fee simple (or such other estate as is stated herein otherwise recited, and he/she will warrant and defend the title aforesaid unto the Mortgagee against the lawful claims of all persons whomsoever.

Mortgagee stating the amount of the deficiency, which notice may be given by mail. If at any time the Mortgagor shall tender to the Mortgagee in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the said Mortgagee, as trustee, shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any credit balance remaining under the provisions of subsection (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the Mortgagee acquires the property otherwise after default, the Mortgagee, as trustee, shall apply at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the amount then remaining to credit of Mortgagor under subsection (a) of paragraph 2 as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on the note.

4. He/She will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, except when payment for all items has theretofore been made under (a) of paragraph 2 hereof, and he/she will promptly deliver the official receipts therefor to said Mortgagee. Upon failure to pay same the Mortgagee may do so.

5. He/She will continuously maintain hazard insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when payment for all such premiums has theretofore been made under (a) of paragraph 2 hereof, he/she will pay promptly when due any premiums therefor. 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. In event of loss he 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 indebtedness 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 indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

6. Upon the request of the Mortgagee, the Mortgagor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the Mortgagee of the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the creditor and debtor. Failing to agree on the maturity, the whole of the sum or sums so advanced shall be due and payable thirty (30) days after demand by the creditor. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

7. He/She will keep the property in as good order and condition as it now is, reasonable wear and tear excepted, and will not commit or permit any waste thereof.

8. He/She will pay to the Mortgagee within thirty (30) days after demand all sums, including costs, expenses and reasonable agents' and attorneys' fees which it may expend or become obligated for in any proceedings, legal or otherwise, to establish or sustain the lien of this mortgage or its priority; or in defending against liens, claims, rights, estates, easements or restrictions of any person or persons asserting priority thereto. He/She will pay a reasonable attorneys' fee in connection with any suit to enforce or to foreclose this mortgage, or to recover any sums secured hereby, and all costs and expenses thereof, including abstracts of title for foreclosure purposes, with interest on all such sums at the rate provided for in the principal indebtedness from date of payment; and said sums and interest shall be secured by this mortgage.

9. Upon maturity of said debt or other sums secured hereby, whether in course or otherwise as hereinbefore provided, the Mortgagee shall have the right to enter into and upon the premises hereinbefore conveyed and take possession thereof or to appoint an agent or trustee for collection of the rents, issues and profits thereof; and the net income, after allowing a reasonable fee for the collection thereof, and management of the property, or in reduction of the debt or other sums secured hereby; and the rents, issues and profits are hereby specifically pledged to the payment of the debt hereby secured and of all other obligations which may accrue under the terms of this mortgage.

10. If default shall be made in the payment of the note secured hereby or interest thereon or if there shall be a failure to comply with any and every condition of this mortgage, then the whole of the indebtedness secured by this mortgage, shall, at the option of the Mortgagee, become due and collectible at once by foreclosure or otherwise, and without notice of broken conditions. At any time after proper commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said property and of the rents and profits accruing therefrom, to rent the same as he may deem best for the interest of all parties concerned, and shall be liable to account to the Mortgagor only for the net profits, after application of rents, issues and profits upon the cost of the expense of receivership and foreclosure and the indebtedness, charges and expenses hereby secured and herein mentioned. It is further agreed that in the event of the foreclosure of this mortgage and sale of the property by sheriff's sale on special execution in said foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa, shall be reduced to six months, provided the mortgagee waives in said foreclosure proceedings any rights to a deficiency judgement against the Mortgagor(s) which may arise out of the foreclosure proceedings.

STATE OF IOWA

Mortgage

MTG RECORD 205

TO

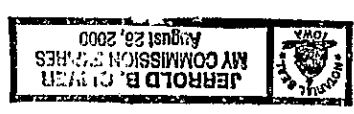
STATE OF IOWA,
County of } ss:

This instrument was filed for Record the
day of

, A.D. 19
at o'clock, M.,
and duly recorded in Book
of at Page

County Recorder.

(GIAO) 2/98



X *Jerry B. Cliven*
Notary Public in and for said County.

On this 10TH day of FEBRUARY, 1999 A.D., before me, a Notary Public in and for MADISON County, State of Iowa, personally appeared THOMAS L. SHARRATT, LINDSAY J. SHARRATT, to me known to be the person(s) named in and who executed the foregoing instrument and acknowledged that THEY executed the same as THEIR voluntary act and deed.

STATE OF IOWA
COUNTY MADISON

} ss:

THOMAS L. SHARRATT
Thomas L. Sharratt
LINDSAY J. SHARRATT
Lindsay Sharratt

WITNESS
WITNESS

IN WITNESS WHEREOF, the Mortgagor(s) has/ve hereunto set THEIR hand(s) the day and year herein first written above.

11. It is further agreed, under Chapter 628, Code 1981, as amended, that in the event of such foreclosure, and in the event of the finding by court decree in such foreclosure that the real estate hereinabove set out has been abandoned by the owners and persons personally liable under the mortgage at the time of foreclosure, the period of redemption from foreclosure sale will be reduced to sixty (60) days, provided the mortgagee waives in said foreclosure proceedings any rights to a deficiency judgment against the mortgagor(s) successors in interest which may arise out of the foreclosure proceedings, subject to the other provisions of the above referenced law amended.

12. The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of payment of the indebtedness or any part thereof secured hereby. Failure of the Mortgagee to exercise any option granted herein shall not be deemed a waiver of his right to exercise such option in the event of any subsequent default.

13. If the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds and consideration from such acquisition, to the extent of the full amount of the indebtedness upon this mortgage and the note secured hereby remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee, to be applied by it on account of the last installment of such indebtedness.

14. If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Whenever appropriate, the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders, and the term "Mortgage" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

ORIGINAL

2346187

ADDENDUM TO MORTGAGE

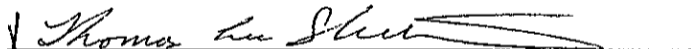
This loan is immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to Section 3714 of Chapter 37, Title,38, United States Code.


A. Funding Fee - A fee equal to one-half of one percent of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Secretary of Veterans Affairs. If the assuming grantee fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assuming grantee is exempt under the provisions of 38 U.S.C. 3729(c).

B. Processing Charges - Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the credit-worthiness of the assuming grantee and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Veterans Administration for a loan to which section 3714 of Chapter 37, Title 38, United States Code applies.

C. INDEMNITY LIABILITY - If this obligation is assumed, then the assuming grantee hereby agrees to assume all of the obligations of the Veteran under the terms of the instruments creating and securing the loan, including the obligation of the Veteran to indemnify the Veterans Administration to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

DATED: 2/10/99


THOMAS L. SHARRATT


LYNDSAY J. SHARRATT

THIS DOCUMENT MUST BE RECORDED WITH THE ORIGINAL MORTGAGE/DEED OF TRUST

5555-C Rev.5/93 (MAVO)

ORIGINAL

FORM 1004

