

RECORD # 219 PAGE 16C  
RECORD DATE 07-27-00

- A. DEBT INCURRED UNDER THE TERMS OF ALL PROMISSORY NOTE(S), CONTRACT(S), GUARANTY(S) OR OTHER EVIDENCE OF DEBT DESCRIBED BELOW AND ALL THEIR EXTENSIONS, RENEWALS, MODIFICATIONS OR SUBSTITUTIONS. (YOU MUST SPECIFICALLY IDENTIFY THE DEBT(S))
- SECURED DEBT AND FUTURE ADVANCES. THE TERM "SECURED DEBT" IS DEFINED AS FOLLOWS:

PURSUANT TO THIS SECURITY INSTRUMENT, ALSO, THIS LIMITATION DOES NOT APPLY TO ADVANCES MADE UNDER THE TERMS OF THIS SECURITY INSTRUMENT TO PROTECT LENDER'S SECURITY AND TO PERFORM ANY OF THE COVENANTS CONTAINED IN THIS SECURITY PURSUANT TO THIS SECURITY INSTRUMENT. THIS LIMITATION DOES NOT INCLUDE INTEREST AND OTHER FEES AND CHARGES VALIDLY MADE EXCEED THE AMOUNT STATED ABOVE. THIS LIMITATION OF AMOUNT DOES NOT INCLUDE INTEREST AND OTHER FEES AND CHARGES VALIDLY MADE PURSUANT TO THIS SECURITY INSTRUMENT AT ANY ONE TIME SHALL NOT

MAXIMUM OBLIGATION LIMIT. THE TOTAL PRINCIPAL AMOUNT SECURED BY THIS SECURITY INSTRUMENT AT ANY ONE TIME SHALL NOT EXCEED THE AMOUNT STATED ABOVE. THIS LIMITATION OF AMOUNT DOES NOT INCLUDE INTEREST AND OTHER FEES AND CHARGES VALIDLY MADE PURSUANT TO THIS SECURITY INSTRUMENT AT ANY ONE TIME SHALL NOT

AND LIENS.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF \$ 25,000.00..... LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO INDENTURESS TO OTHER CREDITORS UNDERR SUBSEQUENTLY RECORDED OR FILED MORTGAGES

TOGETHER WITH ALL RIGHTS, EASEMENTS, APPURTENANCES, ROYALTIES, MINERAL RIGHTS, OIL AND GAS RIGHTS, ALL WATER AND RIPARIAN RIGHTS, DITCHES, AND WATER STOCK AND ALL EXISTING AND FUTURE IMPROVEMENTS, STRUCTURES, FIXTURES, AND REPLACEMENTS THAT MAY NOW, OR AT ANY TIME IN THE FUTURE, BE PART OF THE REAL ESTATE DESCRIBED ABOVE (ALL REFERRED TO AS "PROPERTY").

2835 VALLEYVIEW AVENUE..... ST. CHARLES..... IOWA 50240..... (COUNTY) (CITY) (ZIP CODE)

The property is located in MADISON.....

- This property is not the homestead of GLADYS MAY JONES or GEORGE RONALD JONES.
- CONVEYANCE. FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS ACKNOWLEDGED, AND TO SECURE THE SECURED DEBT (DEFTED BELOW) AND MORTGAGOR'S PERFORMANCE UNDER THIS SECURITY INSTRUMENT, MORTGAGOR GRANTS, BARGAINS, WARRANTS, CONVEYS AND MORTGAGES TO LENDER THE FOLLOWING DESCRIBED PROPERTY: THE NORTHEAST FRACTIONAL QUARTER (NE FR. 1/4) AND THE NORTHEAST FRACTIONAL QUARTER (NE FR. 1/4) OF THE RANGE TWENTY-SIX (26) WEST OF THE FIFTH PRINCIPAL MERIDIAN, BEING THE SAME REAL ESTATE CONVEYED BY THE UNION CENTRAL LIFE INSURANCE COMPANY BY DEED DATED THE FIFTH DAY OF MARCH, 1951, RECORDED IN BOOK 84, AT PAGE 619, EXCEPTING FROM THE SAID REAL ESTATE THE OIL, GAS AND OTHER HYDROCARBON AND MINERAL RIGHTS RESERVED IN THE AFFIRMATION DEED.
- THE NORTH SIDE THEREOF, ALL IN SECTION FOUR (4), TOWNSHIP SEVENTY-FOUR (74) NORTH, THE NORTHEAST FRACTIONAL QUARTER (NE FR. 1/4), (EXCEPT FOUR (4) ACRES MORE OR LESS, OFF THE NORTHEAST FRACTIONAL QUARTER (NE FR. 1/4) AND THE NORTHEAST FRACTIONAL QUARTER (NW 1/4) OF THE RANGE TWENTY-SIX (26) WEST OF THE FIFTH PRINCIPAL MERIDIAN, BEING THE SAME REAL ESTATE CONVEYED BY THE UNION CENTRAL LIFE INSURANCE COMPANY BY DEED DATED THE FIFTH DAY OF MARCH, 1951, RECORDED IN BOOK 84, AT PAGE 619, EXCEPTING FROM THE SAID REAL ESTATE THE OIL, GAS AND OTHER HYDROCARBON AND MINERAL RIGHTS RESERVED IN THE AFFIRMATION DEED.

2. CONVEYANCE. FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS ACKNOWLEDGED, AND TO SECURE THE SECURED DEBT (DEFTED BELOW) AND MORTGAGOR'S PERFORMANCE UNDER THIS SECURITY INSTRUMENT, MORTGAGOR GRANTS, BARGAINS, WARRANTS, CONVEYS AND MORTGAGES TO LENDER THE FOLLOWING DESCRIBED PROPERTY: THE NORTHEAST FRACTIONAL QUARTER (NE FR. 1/4) AND THE NORTHEAST FRACTIONAL QUARTER (NE FR. 1/4) OF THE RANGE TWENTY-SIX (26) WEST OF THE FIFTH PRINCIPAL MERIDIAN, BEING THE SAME REAL ESTATE CONVEYED BY THE UNION CENTRAL LIFE INSURANCE COMPANY BY DEED DATED THE FIFTH DAY OF MARCH, 1951, RECORDED IN BOOK 84, AT PAGE 619, EXCEPTING FROM THE SAID REAL ESTATE THE OIL, GAS AND OTHER HYDROCARBON AND MINERAL RIGHTS RESERVED IN THE AFFIRMATION DEED.

LENDER: FARMERS & MERCHANTS STATE BANK  
ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF IOWA  
JOT W JEFFERSON  
WINTERSTET, IA 50273

IF CHECKED, REFER TO THE ATTACHED ADDENDUM INCORPORATED HEREIN, FOR ADDITIONAL MORTGAGES, THEIR SIGNATURES AND ACKNOWLEDGEMENTS.

MORTGAGOR: GLADYS MAY JONES  
AS HUSBAND AND WIFE  
2835 VALLEYVIEW AVENUE  
ST. CHARLES, IA 50240  
AS HUSBAND AND WIFE  
GEORGE RONALD JONES  
2835 VALLEYVIEW AVENUE  
ST. CHARLES, IA 50240

1. DATE AND PARTIES. THE DATE OF THIS MORTGAGE (SECURITY INSTRUMENT) IS SEPTEMBER 24, 1999..... AND THE PARTIES, THEIR ADDRESSES AND TAX IDENTIFICATION NUMBERS, IF REQUIRED, ARE AS FOLLOWS:

### OPEN-END MORTGAGE

Space Above This Line For Recording Data State of Iowa

FARMERS & MERCHANTS STATE BANK, PO BOX 29, WINTERSTET, IA 50273 (515) 462-4381  
(NAME, ADDRESS, AND PHONE NUMBER OF PREPARED) PHILLIP J. CLIFFTON, VICE PRESIDENT (515) 462-4381

RECORDED  COMPARSED  MICHELLE REEDER UTZLER  
COMPUTER  COMPUTER RECORDER  
AUD \$ .00 RMF \$.00  
FILED NO. 001285 FILED NO. 001285  
BOOK 212 PAGE 349  
REC \$ 0.00

- B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt executed by Mortgagor in favor of Lender executed after this Security Instrument whether or not this Security Instrument is specifically referenced or such future advances or future obligations are incurred for any purpose that was related or unrelated to the purpose of the Security Instrument. If more than one person signs this Security Instrument, each Mortgagor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
- C. All other obligations Mortgagor owes to Lender, which may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.
- D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

In the event that Lender fails to provide any necessary notice of the right of rescission with respect to any additional indebtedness secured under paragraph B of this Section, Lender waives any subsequent security interest in the Mortgagor's principal dwelling that is created by this Security Instrument (but does not waive the security interest for the debts referenced in paragraph A of this Section).

- 5. MORTGAGE COVENANTS.** Mortgagor agrees that the covenants in this section are material obligations under the Secured Debt and this Security Instrument. If Mortgagor breaches any covenant in this section, Lender may refuse to make additional extensions of credit and reduce the credit limit. By not exercising either remedy on Mortgagor's breach, Lender does not waive Lender's right to later consider the event a breach if it happens again.

**Payments.** Mortgagor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.

**Prior Security Interests.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees to make all payments when due and to perform or comply with all covenants. Mortgagor also agrees not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written approval.

**Claims Against Title.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

**Property Condition, Alterations and Inspection.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims and actions against Mortgagor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

**Authority to Perform.** If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument.

**Leaseholds; Condominiums; Planned Unit Developments.** Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

**Condemnation.** Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

**Insurance.** Mortgagor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the



**14. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.

**15. SEVERABILITY; INTERPRETATION.** This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

**16. NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

**17. WAIVERS.** Except to the extent prohibited by law, Mortgagor waives any rights relating to reinstatement, the marshalling of liens and assets, all rights of dower and distributive share and all homestead exemption rights relating to the Property.

**18. LINE OF CREDIT.** The Secured Debt includes a revolving line of credit. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.

**19. APPLICABLE LAW.** This Security Instrument is governed by the laws as agreed to in the Secured Debt, except to the extent required by the laws of the jurisdiction where the Property is located, and applicable federal laws and regulations.

**20. RIDERS.** The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument.

[Check all applicable boxes]

Assignment of Leases and Rents     Other .....

**21.  PURCHASE MONEY MORTGAGE.** This is a purchase money mortgage as defined by Iowa law.

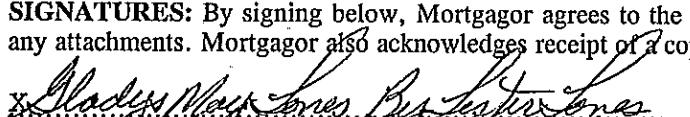
**22.  ADDITIONAL TERMS.**

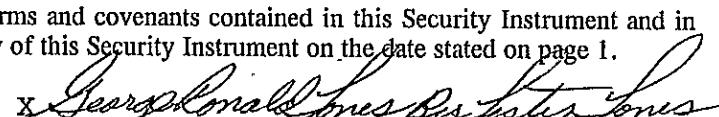
#### NOTICE TO CONSUMER

(For purposes of this Notice, "You" means Mortgagor)

1. Do not sign this paper before you read it.
2. You are entitled to a copy of this paper.
3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.
4. If you prepay the unpaid balance, you may have to pay a minimum charge not greater than seven dollars and fifty cents.

**SIGNATURES:** By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

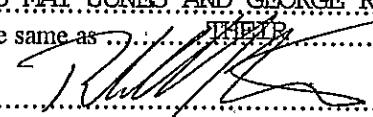
  
 (Signature) GLADYS MAY JONES P.O.A. (Date)

  
 (Signature) GEORGE RONALD JONES P.O.A. (Date)

**ACKNOWLEDGMENT:**

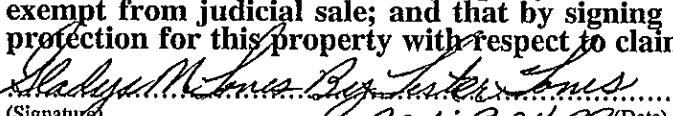
STATE OF IOWA ..... COUNTY OF MADISON ..... } ss.  
 (Individual) On this 24TH day of SEPTEMBER 1999 before me, a Notary Public in  
 the state of Iowa, personally appeared GLADYS MAY JONES AND GEORGE RONALD JONES, AS  
 HUSBAND AND WIFE ..... to me known to be the person(s) named in and who executed the  
 foregoing instrument, and acknowledged that GLADYS MAY JONES AND GEORGE RONALD JONES  
 executed the same as THEIR voluntary act and deed.

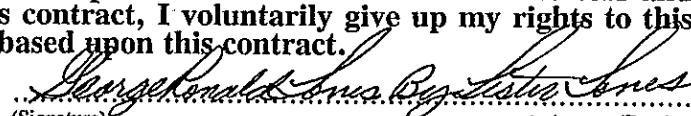
My commission expires PHILLIP J. CLIFTON  
 MY COMMISSION EXPIRES  
 8/16/00

  
 (Notary Public)

Sign and date the following statement if this contract affects agricultural land as defined in Iowa Code § 9H.1. (In the following statement "I" means the Mortgagor.)

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 contract, I voluntarily give up my rights to this protection for this property with respect to claims based upon this contract.

  
 (Signature) P.O.A. 9-24-99 (Date)

  
 (Signature) P.O.A. 9-24-99 (Date)