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This instrument was prepared by BRENT VELLINGA, 6800 LAKE DRIVE, SUITE 250, WEST DES MOINES, Iowa 50266, (515) 362-5706

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MORTGAGE

DATE AND PARTIES. The date of this Mortgage (Security Instrument) is November 5, 1999. The parties and their addresses are:

MORTGAGOR:

DENNIS G CLAYTON PO BOX 40 EARLHAM, Iowa 50072

THERESA A CLAYTON PO BOX 40 EARLHAM, Iowa 50072

LENDER:

BRENTON BANK
Organized and existing under the laws of Iowa
400 Locust
Suite 200
P.O. Box 891
Des Moines, Iowa 50304
42--0994231

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 CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, warrants, conveys and mortgages to Lender, the following described property:

LOT SEVEN (7) AND EIGHT(8) IN BLOCK FOUR (4) OF B.F. ALLEN'S ADDITION TO THE TOWN OF EARLHAM, MADISON COUNTY, IOWA

The Property is located in County at 415 SOUTHEAST 2ND ST., PO BOX 40, EARLHAM, Iowa 50072.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, wells, 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 (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

NOTICE. THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF \$10,000.00. 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.

- 2. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time will 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. 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 Instrument.
- 3. SECURED DEBTS. This Security Instrument will secure the following Secured Debts:
 - A. Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note, No. 101-1106212 BV, dated November 5, 1999, from Mortgagor to Lender, in the amount of \$10,086.00 with interest at the rate of 9.79 percent per year maturing on November 1, 2002.
 - B. Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Security Instrument.
- 4. PAYMENTS. Mortgagor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument.

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- 5. WARRANTY OF TITLE. Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell, mortgage and warrant the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.
- 6. 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:
 - A. To make all payments when due and to perform or comply with all covenants.
 - B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
 - C. 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 consent.
- 7. 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.
- 8. DUE ON SALE. Lender may, at its option, declare the entire balance of the Secured Debts to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of the Property. This right is subject to the restrictions imposed by federal law governing the preemption of state due-on-sale laws, as applicable.
- 9. WARRANTIES AND REPRESENTATIONS. Mortgagor has the right and authority to enter into this Security Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing Mortgagor or to which Mortgagor is a party.
- 10. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. 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 will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

- 11. 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 will 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. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.
- 12. ASSIGNMENT OF LEASES AND RENTS. Mortgagor grants, bargains, warrants, conveys and mortgages to Lender as additional security all the right, title and interest in and to any and all:
 - A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as Leases).
 - B. Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

Mortgagor will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default under the terms of this Security Instrument.

Mortgagor agrees that this assignment is immediately effective between the parties to this Security Instrument and effective as to third parties on the recording of this Security Instrument. This assignment will remain in effect during any redemption period until the Secured Debts are satisfied. Mortgagor agrees that Lender is entitled to notify Mortgagor or Mortgagor's tenants to make payments of Rents due or to become due directly to Lender after such recording, however, Lender agrees not to notify Mortgagor's tenants until Mortgagor defaults and Lender notifies Mortgagor of the default and demands that Mortgagor and Mortgagor's tenants pay all Rents due or to become due directly to Lender. On receiving notice of default, Mortgagor will endorse and deliver to Lender any payment of Rents in Mortgagor's possession and will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Any amounts collected will be applied as provided in this Security Instrument. Mortgagor warrants that no default exists under the Leases or any applicable landlord/tenant law. Mortgagor also agrees to maintain and require any tenant to comply with the terms of the Leases and applicable law.

- 13. DEFAULT. Mortgagor is in default if, without justification under law, any of the following occur:
 - A. Payments. Any party obligated on the Secured Debts fails to make payment within 10 days after being due.

DENNIS G CLAYTON lowa Mortgage IA/3T4541057C000000000000002C0000002Dn6

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impairs the prospect of payment due under the Secured Debts. materially impairs the condition, value or protection of or the Lender's right in the Property, or that materially B. Failure of a Condition or Term. Failure to observe any other covenant of the transaction, breach of which

insurance benefits or refunds that may be available on Mortgagor's default. due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all evidencing or pertaining to the Secured Debts. Any amounts advanced on Mortgagor's behalf will be immediately 14. REMEDIES. Lender may use any and all remedies Lender has under state or federal law or in any instrument

anytime thereafter. due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately Subject to any right to cure, required time schedules or other notice rights Mortgagor may have under federal and

right to later consider the event a default and to use any remedies if the default continues or happens again. default if Lender chooses not to use a remedy. By electing not to use any remedy, Lender does not waive Lender's of these remedies Lender does not give up Lender's right to use any other remedy. Lender does not waive a constitute a waiver of Lender's right to require complete cure of any existing default. By choosing any one or more on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filled will not equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or

other lows Code section, now in effect or as may be in effect at the time of foreclosure. time as may then be authorized under the circumstances and under any section of lowa Code Chapter 628, or any discretion of Lender, Lender may elect to reduce the period of redemption for the sale of the Property to a period of 15. REDEMPTION. Mortgagor agrees that in the event of foreclosure of this Security Instrument, at the sole

Debts as awarded by any court exercising jurisdiction under the Bankruptcy Code. Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured rate in effect as provided for in the terms of the Secured Debts. To the extent permitted by the United States immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest not limited to, court costs and other legal expenses. These expenses are due and payable immediately. If not paid and for any recordation costs of releasing the Property from this Security Instrument. Expenses include, but are under this Security Instrument. Mortgagor agrees to pay expenses for Lender to inspect and preserve the Property Mortgagor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies On or after Default, to the extent permitted by law, 16. COLLECTION EXPENSES AND ATTORNEYS' FEES.

"toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) all other tederal, state and local laws, regulations, ordinances, court orders, attorney general opinions or means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 17. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law

Mortgagor represents, warrants and agrees that:

Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of located, stored or released on or in the Property. This restriction does not apply to small quantities of A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be

B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have the Property.

C. Mortgagor will immediately notify Lender if a release or threatened release of a Hazardous Substance occurs been, are, and will remain in full compliance with any applicable Environmental Law.

such an event, Mortgagor will take all necessary remedial action in accordance with any Environmental Law. on, under or about the Property or there is a violation of any Environmental Law concerning the Property.

Hazardous Substance or the violation of any Environmental Law. pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any D. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any

prior mortgage, deed of trust, security agreement or other lien document. will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other 18. CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action by private or

Lender's approval, which will not be unreasonably withheld. All insurance policies and renewals will include a Property is released from this Security Instrument. Mortgagor may choose the insurance company, subject to Property. Mortgagor will maintain this insurance in the amounts Lender requires. This insurance will last until the 19. INSURANCE. Mortgagor agrees to keep the Property insured against the risks reasonably associated with the

the extent of the Secured Debts. the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will standard "mortgage clause" and, where applicable, "loss payee clause."

Mortgagor will immediately notify Lender of cancellation or termination of insurance. If Mortgagor fails to keep the Property insured Lender may obtain insurance to protect Lender's interest in the Property. This insurance may include coverages not originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance.

- 20. ESCROW FOR TAXES AND INSURANCE. Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.
- 21. CO-SIGNERS. If Mortgagor signs this Security Instrument but does not sign the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree to be personally liable on the Secured Debts. 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.
- 22. WAIVERS. Except to the extent prohibited by law, Mortgagor waives any rights relating to reinstatement, all rights of dower and distributive share and all homestead exemption rights relating to the Property.
- 23. APPLICABLE LAW. This Security Instrument is governed by the laws of lowa, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.
- 24. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Mortgagor's obligations under this Security Instrument are independent of the obligations of any other Mortgagor. Lender may sue each Mortgagor individually or together with any other Mortgagor. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgagor.
- 25. AMENDMENT, INTEGRATION AND SEVERABILITY. This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor and Lender. This Security Instrument is the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.
- 26. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.
- 27. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property. Time is of the essence.

NOTICE TO CONSUMER:

- 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 \$7.50.

SIGNATURES. By signing, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.

MORTG/AGOR:

THÉRESA A CLAYTON

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Coildug Yistolia MAMTAAH .A BUAL My commission expires: foregoing instrument, and acknowledged that he/she executed the same as his/her voluntary act and deed. (Individual)

On this STA day of Man 2002-11-9 WA COWWISSION EXPIRES (Dildu Yasie) NAMTAAH .A BUAL My commission expires: foregoing instrument, and acknowledged that he/she executed the same as his/her voluntary act and deed. personally appeared DEUNIS G CLAYTON, to me known to be the person named in and who executed the

before me, a Motary Public in the state of lowa,

WA COMMISSION EXPIRES

2007-11-5

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ACKNOWLEDGMENT.