



015-00012 (X-6) (6-8-98) AX221 A REVOLVING FIRST AND SECOND MORTGAGE Page 1 of 4

successors, forever, against the lawful claims and demands of all persons.

simple or the granted promises; that they are free from all encumbrances, except encumbrances of record; that Borrower has good right to sell and convey the same; and that Borrower does warrant and will defend the same to Lender and his heirs, assigns, and successors, forever, against the lawful claims and demands of all persons.

BORROWER COVENANTS With the mortgagee and his heirs, assigns, and successors, that Borrower is lawfully seized in fee simple, royalities, mineral, oil and gas rights and royalties, water rights and stock and all fixtures now or hereafter a part of the property. All repudgments and additions shall also be covered by this Security instrument. All of the foregoing is referred to in this Security instrument as the "Property".

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and royalties, water rights and stock and all fixtures now or hereafter a part of the property. All instruments and documents shall also be covered by this Security instrument. All of the foregoing is referred to in this Security instrument as the "Property".

THENCE S 60 FT, THENCE W 29FT. TO THE PT OF BEGINNING AND CONTAINING 8.98 ACRES

RUNNING THENCE N 795 FT, THENCE E 530 FT, THENCE S 735 FT, THENCE W 501 FT,

TOWNSHIP 74 N, RANGE 28 W OF THE 5TH PRINCIPAL MERIDIAN, MADISON CO, IA, AND

A TRACT OF LAND COMMENCING AT THE SW CORNER OF THE SE 1/4 OF SECTION 10 IN

Madison County, Iowa:
 hereby mortgage, grant and convey to Lender with mortgage covenants the following described property located in
 uppaid balances of loan advances made after this Security instrument is delivered to the recorder for record. For this purpose, Borrower
 instruments (c) the performance of Borrower's covenants and agreements under this Security instrument and the Note; and (d) the
 and modifications; (b) the payment of all other sums, with interest, due and payable as provided in this Security instrument
 Security instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions
 ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable as provided in the Note. This
 evidenced by Borrower's Revolving Line of Credit Agreement and Disclosure Statement dated the same date as this Security instrument
 amount of unpaid loan indebtedness, exclusive of interest, thereon, which is secured under this Security instrument. This debt is
 (U.S. \$ 11192.00), which amount constitutes the maximum

Borrower may incur indebtedness to Lender in amounts fluctuating from time to time up to the principal sum of
 ELEVEN THOUSAND ONE HUNDRED NINETY-TWO DOLLARS AND ZERO CENTS
 3106 MERLE HAY RD, DES MOINES, IA 50310-1235
 residing under the laws of IOWA, and whose address is

LINDA A BAHR
 THIS OPEN-END MORTGAGE ("Security instrument") is given on DECEMBER 9, 1998. The mortgagor is
 interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

NOTICE: This mortgage secures credit in the amount of \$ 11192.00. Loans and advances up to this amount, together with
 Account No. _____

OPEN-END MORTGAGE

3106 MERLE HAY ROAD
 This instrument prepared by: AMERICAN GENERAL FINANCE, INC.
 MICHELLE UTSLER
 RECORDER
 98 DEC 11 PM 2:46
 REC'D \$ 00
 AUD \$ 00
 RMF \$ 00

FILED NO. 2409
 BOOK 204 PAGE 369
 COMPUTER REC'D
 MICHELLE UTSLER
 RECORDER
 98 DEC 11 PM 2:46
 REC'D \$ 00
 AUD \$ 00
 RMF \$ 00

COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. At the request of Lender, Borrower shall begin making monthly payments into an escrow account for the payment of yearly taxes, insurance and other yearly charges imposed upon the Property.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied as provided in the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner prescribed by Lender and on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. 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 Borrower subject to Lender's approval, which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless the Note provides otherwise, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 18 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid in Lender.

immediately. If the notice is not given to Borrower, or if the notice is given less than 45 days from the date of acceleration of the sums secured by this Security Instrument, Lender at his option may require the sale of the Property. If the default is not less than 45 days from the date specified in the notice, Lender at his option may require the sale of the Property. If the notice is given to Borrower, by which the default must be cured except if this mortgage secures agricultural land, as defined in L.C. § 172C1, then a date not less than 45 days from the date of acceleration of the sums secured by this Security Instrument, Lender at his option may require the sale of the Property. If the notice is given to Borrower, by which the default must be cured except if this mortgage secures agricultural land, as defined in L.C. § 172C1, then a date not less than 45 days from the date of acceleration of the sums secured by this Security Instrument, Lender at his option may require the sale of the Property. If the notice is given to Borrower, by which the default must be cured except if this mortgage secures agricultural land, as defined in L.C. § 172C1, then a date not less than 45 days from the date of acceleration of the sums secured by this Security Instrument, Lender at his option may require the sale of the Property.

18. **Borrower's Remedies; Acceleration; Right to Foreclose.** Except as provided in paragraph 16, if Borrower is in default due to the occurrence of any of the events of default provided in the "DEFAULT; TERMINATION AND ACCRETION BY LENDER" provision of the Note, Lender shall give Borrower notice specifying:

(a) the date of default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date of default, by which Borrower must pay all sums secured by this Security Instrument of which Lender has the right to foreclose.

17. **Borrower's Right to Remedy.** To the extent required by applicable law, Borrower may have the right to have enforcement of this Security Instrument despite non-compliance therewith. Upon receipt of notice by Borrower, this Security Instrument is declared hereby to be void.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date of notice to pay the amount of all sums secured by this Security Instrument, if Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this instrument.

If Lender exercises this option, Lender is prohibited by federal law as of the date of this Security instrument from instituting suit without further notice or demand on Borrower.

16. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security instrument. However, unless Borrower uses another method, the notice shall be directed to the Property Address or any other address to which the Property is located. In the event that any provision of this Security instrument or clause of the Note which can be given effect without the conflicting provisions, To the end that any provision of this Security instrument and the Note are declared to be severable.

14. **Governing Law; Severability.** This Security instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision of this Security instrument is subject to a law differing from the law of the jurisdiction in which the Property is located, the note and the instrument shall be governed by the law of the jurisdiction in which the Property is located.

13. **Notices.** Any notice to Borrower provided for in this Security instrument shall be given by mailing it or by mailing it by first class mail unless applicable law requires collection of fees or charges in connection with the loan exceeding the amount of the note or by delivery to Borrower who has been given to Borrower or Lender when given as provided in this paragraph.

12. **Loan Charges.** If the loan secured by this Security instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the amount necessary to reduce the charge to the loan, the note and the instrument shall be governed by the law of the jurisdiction in which the Property is located.

11. **Successors and Assigns; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security instrument but does not execute the Note: (a) is co-signing this Security instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of the Note; (b) is not personally obligated to pay the sums secured by this Security instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forgive or make any accommodations with regard to the terms of this Security instrument or the Note without that Borrower's consent.

10. **Borrower Not Released; Forbearance by Lender.** Extension of the time for payment or modification of the monthly payments referred to in paragraphs 1 and 2 or change in the amount of such payments.

Unless the Note provides otherwise, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments before Lender has exercised any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condominium offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restore or repair of the Property or to the sums secured by this Security instrument whether or not then due.

9. **Property Damage.** If the Property is damaged before the liability of the original Borrower or Borrower's successor in interest is released the sums secured by this Security instrument granted by Lender not be required to compensate for damage to the property or to the original Borrower or Borrower's successor in interest. Lender shall not be liable for damage to the property or to the original Borrower or Borrower's successor in interest if the damage is caused by Lender's own negligence or carelessness in the conduct of business or if the damage is caused by Lender's own acts or omissions.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender agree to release the sums secured by this Security instrument or to any successor in interest of Borrower shall not be liable for damage to the property or to the original Borrower or Borrower's successor in interest if the damage is caused by Lender's own negligence or carelessness in the conduct of business or if the damage is caused by Lender's own acts or omissions.

If the following conditions: (a) the total amount of the sums secured by this Security instrument before the taking, divided by (b) the fair market value of the Property immediately before the taking, Any balance shall be paid to Borrower.

Otherwise agree in writing, the sums secured by this Security instrument shall be reduced by the amount of the proceeds multiplied by the following fractions: (a) the total amount of the sums secured by this Security instrument before the taking, either to restore or repair of the Property or to the sums secured by this Security instrument whether or not then due.

8. **Setoff.** Setoff against the amounts due under this Security instrument or any other obligation of Borrower to Lender, whether or not then due, shall be made by Lender to the extent of the amounts due under this Security instrument or any other obligation of Borrower to Lender, whether or not then due.

payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, and costs of title evidence. If this mortgage secures a debt of \$20,000 or more and is secured by agricultural land, as defined in I.C.A. § 654A.1 then Lender shall obtain a mediation release under I.C.A. § 654A.11, or have a court determine after notice and hearing that the time delay required for the mediation would cause the person to suffer irreparable harm, before initiating foreclosure proceedings pursuant to Chapter 654 of the Iowa Code. If the tract of real property described herein is less than ten (10) acres in size, it is further hereby agreed, pursuant to Section 628.26 Code of Iowa, that the period of redemption after sale on foreclosure of this mortgage shall be reduced to six (6) months, provided Mortgagee waives in the foreclosure action any rights to a deficiency judgment against the Mortgagors which might arise out of the foreclosure proceeding. If the tract of real property described herein is less than ten (10) acres in size, it is further hereby agreed, pursuant to Section 628.27, Code of Iowa, that the court in a decree of foreclosure may find affirmatively that said tract has been abandoned by the owners and those persons personally liable under this mortgage at the time of such foreclosure, and should the court so find, and if Mortgagee shall waive any rights to a deficiency judgment against the Mortgagors or their successors in interest in the foreclosure action, then the period of redemption after foreclosure shall be reduced to sixty (60) days.

19. Lender in Possession; Assignment of Rents. Upon acceleration under paragraph 18 or abandonment of the Property, Lender (by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees and premiums on receiver's bonds, and then to the sums secured by this Security Instrument. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession" unless Lender shall have entered into and shall remain in actual possession of the Property.

20. Release. Upon payment of all sums secured by this Security Instrument, Lender shall discharge this Security Instrument, Borrower shall pay any recordation costs but shall not be required to pay any other charges.

21. Advances to Protect Security. This Security Instrument shall secure the unpaid balance of advances made by Lender, with respect to the Property, for the payment of taxes, assessments, insurance premiums and costs incurred for the protection of the Property.

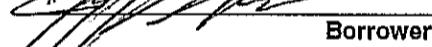
WAIVER OF HOMESTEAD EXEMPTION

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 right to this protection for this property with respect to claims based upon this contract.

Dated DECEMBER 9, 1998.



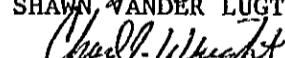
Borrower



Borrower

Witnesses:



SHAWN VANDER LUGT


CHAD WRIGHT



Borrower LINDA A. BAHR

(Seal)

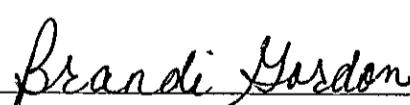
Borrower

(Seal)

STATE OF IOWA POLK _____, County ss:

On this 9TH day of DECEMBER, 1998, before me, a Notary Public in and for POLK _____
County, State _____ of _____ Iowa, personally
appeared LINDA A. BAHR _____ to
me known to be the identical PERSON named in and who executed the foregoing instrument and acknowledged that SHE _____
executed the same as HER voluntary act and deed.

(Seal)
My Commission expires: APRIL 14, 2001



Notary Public in and for POLK _____ County, Iowa