

MORTGAGE PROCESSING DEPARTMENT
BRENTON MORTGAGES, INC.
13621 UNIVERSITY AVE.
CLIVE, IA 50325

FILED NO. **006618**
BOOK **221** PAGE **490**
2000 OCT 19 AM 10:42

MICKI UTSLER
RECORDER
MADISON COUNTY, IOWA

Prepared by: Kirsten Martin

REC \$ 2.500
AUD \$ _____
R.M.F. \$ 1.00



Record with
County Recorder

USE FOR FIRST MORTGAGE, ACQUISITION LOAN ONLY.
GIVE TRUTH-IN-LENDING DISCLOSURES. GIVE RIGHT
OF RESCISSION IF NEW AMOUNT FINANCED EXCEEDS
UNPAID PRINCIPAL BALANCE AND INTEREST.

MODIFICATION OF NOTE AND MORTGAGE

WHEREAS, **KEVIN W CLEMENS AND TERESA L CLEMENS**, (hereinafter referred to as "Borrower"), did on the 3rd day of June, 1999, execute one certain Note (hereinafter referred to as "Promissory Note") in the face amount of Two Hundred Twenty Thousand and 00/100 (\$ 220,000.00) payable to the order of **BRENTON MORTGAGES, INC.** (hereinafter referred to as "Lender"); and

WHEREAS, the Borrower, in order to secure the Promissory Note, executed one certain Mortgage on the 3rd day of June, 1999, covering the property situated in MADISON County, IOWA, which Mortgage was recorded in Book 209 at Page 187 of the MADISON County Recorder's records; and described as follows:

THE NE 1/4 OF THE NE 1/4 OF THE SW 1/4 AND THE NORTH HALF OF THE NW 1/4 OF THE NW 1/4 OF THE SE 1/4 OF SECTION 25 IN TOWNSHIP 77 NORTH, RANGE 28 WEST OF THE 5TH P.M., MADISON COUNTY, IOWA

WHEREAS, the Lender is now the holder of the Promissory Note and Mortgage; and the Borrower is the owner of the mortgaged premises; and

WHEREAS, the Lender, in consideration of the promises, representations and statements herein contained agrees to the changes hereinafter set forth.

NOW, THEREFORE, it is hereby agreed by and between the parties that:

1. The principal balance of Two Hundred Twelve Thousand One Hundred Thirty Seven and 00/100 Dollars (\$ 212,137.00), being the aggregate principal sum presently remaining unpaid, shall be due and payable as hereinafter set forth, with interest thereon, on the from time to time unpaid balances thereof as hereinafter set forth.

Fixed Rate.

The said principal sum shall bear interest from the _____ day of _____, _____ at the rate of _____ percent per annum.

The Borrower shall pay the principal sum together with interest thereon in equal installments of _____ Dollars (\$ _____), the first installment to be paid on the _____ day of _____, _____, and a like installment to be paid on the same day monthly thereafter until the _____ day of _____, _____, at which time the entire unpaid balance of the principal sum with all accrued interest thereon shall be due and payable in full. Said payments to be applied first to interest due and the remainder on principal until paid in full. Interest after maturity shall be at the rate of _____ percent (_____ %) per annum.

Variable Rate.

A. Interest Rate. Until changed, the interest rate shall be 7.500 % effective September 27th, 2000. The interest rate may change on October 1st, 2003, and on that day every 12th payment thereafter. Each date on which the interest rate could change is called a "Change Date."

B. Index. Beginning with the first Change Date, the interest rate will be based on an Index.

The index is THE WEEKLY AVERAGE YIELD OF THE UNITED STATES TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF 1 YEAR

The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Lender will choose a new index, which is based upon comparable information. The Lender will give Borrower notice of this choice.

C. Calculation of Changes. Before each Change Date, the Lender will calculate the new interest rate by adding Two and 875/1000 percentage points (2.875 %) to the Current Index. The Lender will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section D below, this rounded amount will be the new interest rate until the next Change Date.

The Lender will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal at the Change Date in full on the maturity date at the new interest rate in substantially equal payments. The result of this calculation will be the new amount of the monthly payment.

D. Limits on Interest Rate Changes. The interest rate at the first Change Date will not be greater than 9.500 % or less than 5.500 . Thereafter, the interest rate will never be increased or decreased on any single Change Date by more than Two and 000/1000 percentage point (2.000) from the rate of interest for the preceding payments. The interest rate will never be greater than 13.500 % or less than 2.875 %.

E. Effective Date of Changes. The new interest rate will become effective on each Change Date. Borrower will pay the amount of the new monthly payment beginning on the first monthly payment date after the Change Date until the amount of the monthly payment changes again.

F. Notice of Changes. The Lender will deliver or mail to Borrower a notice of any changes in the interest rate and the amount of the monthly payment before the effective date of any change. The notice will include information required by law to be given Borrower and also the title and telephone number of person who will answer any question Borrower may have regarding the notice and shall be deemed given when sent by ordinary mail to the address of the Property or of the Borrower.

G. Payments. Beginning November 1st, 2000, and continuing on the 1st day of each month thereafter until the first Change Date, the monthly principal and interest payments are in the amount of \$ 1,483.29. Said payments are to be applied first to interest due and the remainder to principal until paid in full. Interest after maturity shall be at the above rate plus _____ % per annum.

H. Maturity. If not sooner paid, the entire principal balance and all accrued interest shall be due and payable in full on the 1st day of October, 2030.

2. Borrower hereby reaffirms all of the obligations contained in the Promissory Note and Mortgage as hereby modified and promises to pay the debt represented by the Promissory Note as hereby modified and certifies that there are no defenses to the Promissory Note and Mortgage and agrees that all interest heretofore collected or charged on the Promissory Note is hereby agreed to and all defenses thereto are hereby waived. Borrower further agrees that said Mortgage shall continue a lien upon the above-described property and that neither the Promissory Note nor the Mortgage securing the same are in any way prejudiced by this Agreement, and said Promissory Note and Mortgage and all the covenants and agreements thereof and the rights of the parties thereunder shall remain in full force and effect except as herein expressly modified.

3. This modification shall not be deemed to constitute a waiver of any defaults by the Borrower whether they have occurred in the past, are presently existing, or shall occur in the future, and all rights and remedies granted to the Lender as a result of said defaults are hereby preserved as if this extension had not been granted.

4. Borrower hereby warrants that it has merchantable title to the property described in the Mortgage free and clear of all liens and encumbrances other than the above Mortgage to the Lender.

Check here if Applicable

And subject to one certain Second Mortgage to _____ dated the _____ day of _____, _____, and recorded the _____ day of _____, in Book _____, Page _____.

5. Check here if Applicable

_____, Mortgagee in the above referred to Second Mortgage, hereby consents to this Modification and hereby agrees and acknowledges that the Second Mortgage is junior and inferior to the Mortgage herein modified.

6. Check here if Applicable

All Guarantors by the execution hereof consent to the terms hereof.

7. Check here if Applicable

THIS LOAN IS PAYABLE IN FULL ON THE _____ DAY OF _____, _____ AT MATURITY THE BORROWER MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. THE LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. THE BORROWER WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT THE BORROWER MAY OWN, OR THE BORROWER WILL HAVE TO FIND A LENDER, WHICH MAY BE THE BANK THE BORROWER HAS THIS LOAN WITH, WILLING TO LEND THE BORROWER THE MONEY. IF THE BORROWER REFINANCES THIS LOAN AT MATURITY, THE BORROWER MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF THE BORROWER OBTAINS REFINANCING FROM THE SAME BANK.

8. Borrower (and Guarantors if applicable) agree that any fees collected by Lender in connection with this modification shall be and are hereby agreed to as permitted closing fees, all as contemplated by Iowa Code Section 535.8(2) (a).

IN WITNESS WHEREOF, the Agreement has been duly executed by the parties hereto effective the 27th day of September, 2000. Receipt of a copy hereof is hereby acknowledged by Borrower.

BORROWER:

Kevin W. Clemens
KEVIN W CLEMENS

LENDER:

BRENTON MORTGAGES, INC.

Teresa L. Clemens
TERESA L CLEMENS
ms

By: Marilyn Klocke
, Marilyn Klocke, Operations Manager

By: Lynelle E. Meyer
, Lynelle Meyer, Const. Loan Super

SECOND MORTGAGEE:

GUARANTORS:

By: _____

STATE OF IOWA
COUNTY OF _____

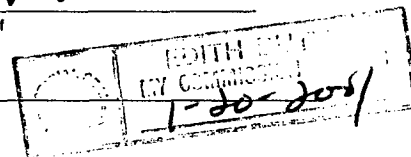
} ss:

On this 27th day of September, 2000, before me, the undersigned, a Notary Public in and for said county and state, personally appeared KEVIN W CLEMENS AND TERESA L CLEMENS to me personally known to be the identical persons named in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

(Seal)

Edith Butler
Notary Public in and for the State of _____

My commission expires:



STATE OF
COUNTY OF _____

} ss:

On this 27th day of September 2000, before me the undersigned, a Notary Public in and for said County and State Personally appeared Marilyn Klocke and Lynelle Meyer to me personally know, who being by me duly sworn did say that they are the Operations Manager and Const. Loan Super respectively, of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Operations Manager and Const. Loan Super as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

Kirsten Martin
Notary Public in and for the State of IOWA

ADJUSTABLE RATE RIDER

(1 Year Treasury Index--Rate Caps--Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 27th day of September, 2000, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to BRENTON MORTGAGES, INC. (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 2157 148TH STREET WINTERSET IOWA 50273 [Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED RATE.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7.500 %. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The adjustable interest rate I will pay may change on the first day of October 1st, 2003, and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Two and 875/1000 percentage point(s) (2.875 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 9.500 % or less than 5.500 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than Two and 000/1000 percentage point(s) (2.000 %) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 13.500 %, which is called the "Maximum Rate".

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. FIXED INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an adjustable interest rate with interest rate limits to a fixed interest rate, as follows:

5. FIXED INTEREST RATE CONVERSION OPTION

(A) Option to Convert to Fixed Rate

I have a Conversion Option that I can exercise unless I am in default or this Section 5(A) will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by this Note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5(B) below.

The conversion can only take place on a date(s) specified by the Note Holder during the period beginning on the first Change Date and ending on the fifth Change Date. Each date on which my adjustable interest rate can convert to the new fixed rate is called the "Conversion Date".

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (i) I must give the Note Holder notice that I want to do so; (ii) on the Conversion Date, I must not be in default under the Note or the Security Instrument; (iii) by a date specified by the Note Holder, I must pay the Note Holder a conversion fee of U.S. \$ 250.00; and (iv) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

MULTISTATE CONVERTIBLE ADJUSTABLE RATE RIDER--Single Family--1 Year Treasury Index--Fannie Mae Uniform Instrument

Form 3118 1/89

(B) Calculation of Fixed Rate

My new, fixed interest rate will be equal to the Federal National Mortgage Association's required net yield as of a date and time of day specified by the Note Holder for (i) if the original term of this Note is greater than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%), or (ii) if the original term of this Note is 15 years or less, 15-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%). If this required net yield cannot be determined because the applicable commitments are not available, the Note Holder will determine my interest rate by using comparable information. My new rate calculated under this Section 5(B) will not be greater than the Maximum Rate stated in Section 4(D) above.

(C) New Payment Amount and Effective Date

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the Maturity Date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the Maturity Date.

C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

1. Until Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:

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, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay 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 Security Instrument without further notice or demand on Borrower.

2. If Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in Section C 1 above shall then cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall instead be in effect, as follows:

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, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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 the notice is delivered or mailed within which Borrower must pay 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 Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.


Borrower **KEVIN W CLEMENS** [Seal]


Borrower **TERESA L CLEMENS** [Seal]
4113

Borrower [Seal]

Borrower [Seal]