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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Prepared by ✓ **GEORGE COCKAYNE BRENTON MORTGAGES, INC. 150 1ST AVE NE CEDAR RAPIDS IA 52401 (515) 237-5461**

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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 6, 1998, The mortgagor is **TIMOTHY E MCCART AND VICTORIA L. MCCART, HUSBAND AND WIFE JTRS**

("Borrower"). This Security Instrument is given to **BRENTON MORTGAGES, INC.** which is organized and existing under the laws of the State of Iowa, and whose address is **150 1ST AVE NE CEDAR RAPIDS IA 52401** ("Lender").

Borrower owes Lender the principal sum of **Three Hundred Eleven Thousand One Hundred Fifty and 00/100** Dollars (U.S. \$ **311,150.00**). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on **April 1, 2029**. This Security Instrument secures to the Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in MADISON County, Iowa:

PARCEL "B" (SEE ATTACHED LEGAL DESCRIPTION) AND PARCEL "D" (SEE ATTACHED LEGAL DESCRIPTION)

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which has the address of RR WINTERSET
[Street] [City]
Iowa 50273 ("Property Address");
[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM 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. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of correct data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

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If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under 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 provided in paragraph 2, or if not paid in that manner, Borrower shall pay them 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 (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 or Property 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, including floods or flooding, 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. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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 Lender and Borrower otherwise agree in writing, 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 21 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. Occupancy, Preservation Maintenance and Protection of Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgement could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. 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 forfeiture 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, paying reasonable attorneys' fees 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.

8. Mortgage Insurance. 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 mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. 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.

Time VLM

10. 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 to Lender.

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 in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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

Unless Lender and Borrower otherwise agree in writing, 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 such payments.

11. Borrower Not Released; Forbearance By Lender Not A Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrowers or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; 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 17. 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 this Security Instrument; (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, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. 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 permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. 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 or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. 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.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

Time VLM

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate 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 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs.

23. Waivers. Borrower relinquishes all right of dower and waives all right of homestead and distributive share in and to the Property. Borrower waives any right of exemption as to the Property.

24. Redemption Period. If the Property is less than 10 acres in size and Lender waives in any foreclosure proceeding any right to a deficiency judgment against Borrower, the period of redemption from judicial sale shall be reduced to 6 months. If the court finds that the Property has been abandoned by Borrower and Lender waives any right to a deficiency judgment against Borrower, the period of redemption from judicial sale shall be reduced to 60 days. The provisions of this paragraph 24 shall be construed to conform to the provisions of Sections 628.26 and 628.27 of the Code of Iowa.

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) [specify] **CONSTRUCTION**
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

The undersigned borrower(s) acknowledge(s) receipt of a copy of this instrument.

Witnesses:

_____ *Timothy E. McCart* (Seal)
 Borrower **TIMOTHY E MCCART**

_____ *Victoria L. McCart* (Seal)
 Borrower **VICTORIA L MCCART**

[Space Below This Line For Acknowledgment]

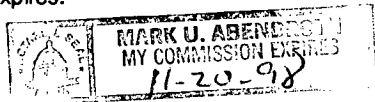
STATE OF IOWA
COUNTY OF POLK

} ss:

On this 6th day of May, 1998, before me, a Notary Public in the State of Iowa, personally appeared: **TIMOTHY E MCCART AND VICTORIA L MCCART, HUSBAND AND WIFE JTRS**

_____ to me personally 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.

My commission expires:



[Signature]
Notary Public in and for said County and State

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EXHIBIT "A"

Parcel "B", located in the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of Section Thirty-three (33), Township Seventy-seven (77) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa, more particularly described as follows: Commencing at the Southeast corner of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of Section 33, Township 77 North, Range 27 West of the 5th P.M., Madison County, Iowa; thence North 0°00'00" East along the East line of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section Thirty-three (33), 110.04 feet to the Point of Beginning; thence North 0°00'00" East along the East line of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section Thirty-three (33); 490.57 feet; thence South 88°18'32" West, 889.00 feet; thence South 0°00'00" West, 490.68 feet; thence North 88°18'04" East, 889.00 feet to the Point of Beginning. Said Parcel contains 10.008 acres, including 0.675 acres of County Road right-of-way.

Parcel "D", located in the North Half of the Northeast Quarter of Section 33, Township 77 North, Range 27 West of the 5th P.M., Madison County, Iowa, more particularly described as follows:

Commencing at the Southeast corner of the Northeast Quarter of the Northeast Quarter of Section 33, Township 77 North, Range 27 West of the 5th P.M., Madison County, Iowa; thence North 0°00'00" East along the East line of the Northeast Quarter of the Northeast Quarter of said Section 33, 600.61 feet; thence South 88°18'32" West along the line between the previously surveyed Parcels "A" and "B", 889.00 feet to the Point of Beginning; thence South 0°00'00" West along the West line of said Parcel "B", 490.68 feet; thence South 88°18'06" West, 80.00 feet; thence North 0°00'00" East, 184.89 feet; thence South 88°18'32" West, 690.92 feet to a point on the centerline of an unpaved County Road; thence North 33°50'49" East along said Road centerline, 375.63 feet to the Southwest corner of said Parcel "A"; thence North 88°18'32" East along the South line of said Parcel "A", 561.61 feet to the Point of Beginning. Said Parcel contains 5.015 acres, including 0.280 acres of County Road right-of-way.



BRENTON MORTGAGES, INC.

150 1ST AVE NE
CEDAR RAPIDS IA 52401

ADJUSTABLE RATE RIDER
(1 Year Treasury Index--Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 6th day of May, 1998, 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:
RR WINTERSET IA 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 INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

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

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the 1st day of April, 2001, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my 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 Three and 250/1000 percentage points (3.250%) 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 interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 13.375%.

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

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 may also 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.

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

Timothy E. McCart [Seal]
Borrower **TIMOTHY E MCCART**

Victoria L. McCart [Seal]
Borrower

Borrower [Seal]

TIMOTHY E. MCCART

815 ADAIRE ST. DESOTO, IA 50069

515 834-2656 50502154

RESIDENTIAL
MORTGAGE
CONSTRUCTION
LOAN AGREEMENT

ORIG. INITIALS	INTEREST RATE	LOAN AMOUNT	START DATE	TERMINATION DATE	CUSTOMER NUMBER	LOAN NUMBER
GJC	7.5%	311,150.00	5-6-98	4-1-99		1010294

ADDRESS OF REAL PROPERTY (RESIDENCE):

RURAL ROUTE, WINTERSET, IA 50273

1. AMOUNT OF LOAN.

Pursuant to the application of Borrower, Lender agrees to make a loan to Borrower in a principal amount not to exceed \$ 311,150.00 (the "Loan"), the proceeds of which are to be used solely for (i) the construction of or improvements to a one to four family residential unit (the "Residence"), (ii) the payment of related costs approved by Lender, and (iii) the payment of interest on the Loan during the estimated period of construction which is scheduled to be completed on APRIL 1, 1999. The Residence will be located on the lot described as follows:

PARCEL B IN NE 1/4 OF SE 1/4 OF SECTION 33, TOWNSHIP 77 NORTH, RANGE TWENTY-SEVEN (27) WEST OF 5TH P.M, MADISON COUNTY, IOWA.

AND

PARCEL D IN THE N 1/2 OF THE NE 1/4 OF SECTION 33, TOWNSHIP 77 NORTH, RANGE 27 WEST OF THE 5TH P. M., MADISON COUNTY, IOWA.

2. NOTE AND MORTGAGE OR DEED OF TRUST.

The Loan will be evidenced by Borrower's promissory note (the "Note") in the principal amount of the Loan and secured by a Mortgage on the Residence.

3. PLANS AND CONSTRUCTION CONTRACT.

Borrower agrees to cause the Residence and all other related improvements to be built and completed in a good and workmanlike manner in accordance with all applicable zoning and land use restrictions and the plans and specifications (the "Plans") which have been approved by Lender, and pursuant to the terms of, and by the completion date specified in, the Construction Contract entered into between Borrower and Contractor, HOMES BY BRILL (the "Construction Contract"), and free and clear of all liens, encumbrances and security interests (other than the Mortgage to Lender). The Construction Contract shall be a fixed-price contract. Borrower grants to Lender a security interest in the Construction Contract, plans and specifications, licenses or permits, consents, bonds and undertakings, and any books and records of the Borrower.

4. REQUIRED DOCUMENTS.

As conditions precedent to the Initial Advance, Borrower shall give to Lender, in form and substance satisfactory to Lender: the Note, a mortgage on the Residence creating a valid first lien in favor of Lender (the "Mortgage"), Construction Contract, and a schedule for the construction of the Residence (the "Construction Schedule"), all fully completed and executed by all parties thereto; the Plans; a mortgagee title insurance policy in the amount of the Loan or an abstract and title opinion as required by Lender, insuring that the Mortgage creates a valid first priority lien in favor of Lender; a survey of the lot on which the Residence is to be constructed; policies of insurance on the Residence covering fire, flood (if applicable) and other hazards and liability in an amount, form and substance as Lender may require; evidence of proper zoning and of all other necessary government approvals and such other documents, agreements and writings as Lender may require. Borrower represents and warrants that no work will commence, nor will any material be supplied prior to Lender's recording of the Mortgage. Borrower agrees to cause Contractor to provide a list of all subcontractors who will be constructing the Residence and submit a construction budget to Lender.

5. DEPOSIT.

As a further condition precedent to such Initial Advance, Borrower shall deposit with Lender funds in the amount of \$ 3,850.00, the amount necessary, in addition to Loan Proceeds, to complete the Residence in accordance with the Plans. These funds will be applied prior to the Initial Advance. If Lender shall determine that such funds will be insufficient to complete such construction together with interest on the Loan and any expenses, fees or costs, Borrower agrees to deposit such additional funds as Lender may from time to time request. Such funds will not bear interest and may set-off and be applied to the Loan if an event of default should occur on the Loan.

6. DRAWS.

In addition to the requirements of paragraphs 4 and 5 above, each Advance shall be subject to the receipt and approval by Lender of a copy of the Draw Request in the form attached as Exhibit 1 executed by Borrower and Contractor, with all appropriate blanks fully and accurately completed and all exhibits completed and attached to each Draw Request. Lender shall have no obligation to make an Advance if: (a) such an Advance would cause the Loan Proceeds to exceed 80 % of the total value of labor and materials involved in the construction of the Residence, or 80 % of the then appraised value of the Residence and all other related improvements; (b) Mechanic's lien claims or other claims have been recorded; (c) Work is not done in a workmanlike manner; (d) Borrower assigns this Agreement without Lender's written consent; (e) Borrower is in bankruptcy or makes an assignment for the benefit of creditors; (f) Borrower refuses to allow Lender or a representative of Lender to inspect the Residence; (g) Borrower fails to comply with all laws, rules and regulations, the Plans, all zoning regulations, and with provisions of this agreement; (h) Borrower allows any lien to be placed upon the Residence; (i) Borrower fails to furnish Lender with all documents requested by Lender; (j) work is suspended under the Construction Contract for more than fifteen (15) consecutive days; (k) the work falls behind the Construction Schedule; (l) Borrower fails to deposit additional funds requested by Lender in accordance with Section 5; or (m) Borrower fails to comply with any other term of this Agreement, the Construction Contract, the Note, the Mortgage or any other agreement between Borrower and Lender.

Lender will not be obligated to make more than a total of SIX disbursements of Loan Proceeds ("Advance") during the period of construction or to make an Advance more often than once per MONTH. Lender may recover all costs of the Loan from the Initial Advance, including but not limited to any expenses related to examination and insurance of title, abstracts or title opinions on the Residence. Lender may require Borrower to reimburse Lender for any title search examination, abstract or title opinion required prior to the distribution of an Advance. Borrower shall obtain a subordination of any party having a security interest in any personal property which is intended to be or could become a fixture. Such party shall subordinate its security interest to Lender's security interest in the Residence.

Tim ULM

7. FINAL DISBURSEMENT.

Lender shall not be obligated to make the final Advance on account of construction items until such time as (i) in Lender's judgment, the construction is 100% completed and all latent defects identified by Lender are corrected; (ii) Lender receives an endorsement to the mortgagee title insurance policy showing that such policy insures the first lien status of the Mortgage to Lender for the full amount of the Loan without exception as to filed or unfilled mechanic's liens or other exceptions not approved in writing by Lender (or a satisfactory updated abstract or title opinion is provided to Lender at its option); (iii) Lender receives evidence that the Residence is protected by a paid hazard insurance policy and a flood insurance policy if a flood insurance policy is required by Lender; and (iv) a certificate of occupancy has been issued.

8. DEFAULT.

In the event the Construction Contract is not completed by the date shown in Section 1 and 18; upon the occurrence of any default under this Agreement, the Construction Contract, the Note, the Mortgage, or any other agreement between Borrower and Lender; if Borrower dies; if Lender has no obligation to make an Advance under paragraph 8 of this Agreement; or if a condition shall exist which with the passage of time or giving of notice, or both, would constitute a default: (i) Lender shall have no obligation to make further Advances, (ii) Lender shall have all of the rights and remedies provided for in this Agreement, the Note and Mortgage and (iii) Lender may at his option, upon ten (10) days' written notice to the general contractor, enter upon the property of Borrower and complete the construction of the Residence in accordance with the Plans or such changes therein as Lender may determine, and in such regard Lender may hire such contractors, pay such construction or related bills, discharge such liens against the Residence and incur such other costs and expenses as Lender may deem necessary, all of which shall be deemed to be part of the loan, and accrue interest at the rate stated in the Note and be secured by the Mortgage.

9. EXTRA WORK OR CHANGES TO PLANS.

Borrower shall not order or authorize any extra work or changes in the Plans or Construction Schedule without the written consent of Lender. Even if Lender approves of such changes, Lender may require Borrower to pay the cost of such extra work or changes from Borrower's own funds and may withhold an Advance until Borrower pays such additional costs to Contractor.

10. INSURANCE.

Borrower shall maintain policies of insurance on the Residence covering fire, flood (if applicable) and other hazards and liability in an amount, form and substance as Lender may require until the Note is paid in full.

11. GOVERNMENT PERMITS.

Borrower shall obtain all governmental permits, including building permits, zoning and set back variances.

12. RIGHT TO INSPECT.

Lender shall have the right to inspect the work performed at the Residence from time to time in its discretion and Borrower shall cooperate in all respects regarding such inspection.

13. REPORTS OR SERVICES REQUESTED BY LENDER.

Borrower understands that (i) Lender may engage appraisers, construction inspectors, surveyors, attorneys and other consultants with respect to the Loan and the construction of the Residence, (ii) such persons will be employed by and are acting solely in the interest of Lender, (iii) any reports prepared or services performed by such persons may not be relied upon by Borrower and (iv) Lender shall have no responsibility or liability to Borrower in regard to such reports or services. Borrower shall not deem that Lender's approval of an Advance to be an approval by Lender of the construction completed at the time of the Advance. Borrower and Lender agree that they do not intend to benefit any third parties by executing this Agreement. Notwithstanding any other provision set forth herein, Lender shall have absolutely no obligation, duty or liability to the Architect, the Contractor, or any subcontractor, supplier or other third party with respect to payment of any advances or any other matter whatsoever.

14. REIMBURSEMENT OF AMOUNTS SPENT BY LENDER.

Borrower shall reimburse Lender for all amounts (including, to the extent permitted by law, reasonable attorney's fees and legal expenses) spent by Lender to exercise any right or remedy belonging to Lender under this Agreement.

15. INDEMNIFICATION.

It is the responsibility of Borrower and not Lender to assure that all persons providing material or labor with respect to the construction of the Residence are paid in full and Borrower understands that the failure to pay for such materials or labor may result in mechanic's liens being filed against the Residence, for which Borrower will be responsible. Borrower hereby agrees to indemnify and hold Lender harmless from any loss, damage or expenses incurred by or claimed against Lender relating to or growing out of the construction of the Residence.

16. ESSENCE OF TIME.

Borrower agrees that work under the Construction Contract is to be completed by no later than APRIL 1, 1999.

17. TERMINATION.

This Agreement shall survive the making of the final Advance and shall remain in full force and effect until Lender provides Borrower with written notice of termination of this Agreement.

18. WAIVER.

The waiver of any of Borrower's obligations or Lender's rights under this Agreement or the Note, Construction Contract or other agreements must be contained in a writing signed by Lender. Lender may perform any of Borrower's obligations or delay or fail to exercise any of its rights without causing a waiver of those obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Borrower's obligations under this Agreement and the Note, Construction Contract, or any other agreements shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impacts or releases any of the obligations belonging to any Borrower or guarantor or any of its rights against any Borrower, guarantor or collateral.

19. NOTICE.

Any notice or other communication to be provided under this Agreement shall be in writing and sent to the parties at the addresses described in this Agreement or such other address as the parties may designate in writing from time to time.

20. SEVERABILITY.

If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.

21. APPLICABLE LAW.

This Agreement shall be governed by the laws of the state of Iowa.

22. AMENDMENT OR ASSIGNMENT.

This Agreement may be amended only by writing signed by all parties hereto. This Agreement shall be binding upon and inure to the benefit of the Borrower and Lender, their successors, assigns, heirs and personal representatives. This Agreement is not assignable by Borrower unless consented to in writing by Lender. Lender may withhold or give consent to such an assignment in its sole discretion. Lender may assign all of its rights under this Agreement, including the obligation to make advances under this Agreement, without Borrower's consent.

23 THIS NOTE IS SECURED BY A MORTGAGE OF EVEN DATE AND EVEN AMOUNT.

24. WAIVER OF JURY TRIAL. LENDER AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE PROMISSORY NOTE, THIS AGREEMENT AND ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREBY OR THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER MAKING THE LOAN EVIDENCED BY THE PROMISSORY NOTE.

25. IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE CAREFULLY READ BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE ALSO APPLIES TO ANY OTHER CREDIT AGREEMENTS (EXCEPT EXEMPT TRANSACTIONS) NOW IN EFFECT BETWEEN YOU AND THIS LENDER.

THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATE SHOWN BELOW. BORROWER ACKNOWLEDGES A RECEIPT OF A COMPLETED COPY OF THIS AGREEMENT.

Date: MAY 6, 1998

LENDER BRENTON MORTGAGES, INC.

George J. Cockayne
GEORGE J. COCKAYNE, LOAN CLOSER

BORROWER

Timothy E. McCart

TIMOTHY E. MCCART

BORROWER

Victoria L. McCart

BORROWER

BORROWER

STATE OF

Iowa

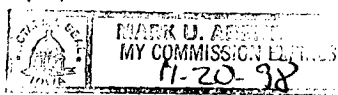
COUNTY OF

Polk

SS:

On this 6 day of May, 1998, before me, the undersigned, a Notary Public in and for said county and state, personally appeared TIMOTHY E. MCCART AND Victoria L. McCart

to me personally known to be the identical person named in and who executed the within and foregoing instrument, and acknowledged that he (she) executed the same as his (her) voluntary act and deed.



Mark D. Aspin

Notary Public

in and for said County and State

STATE OF

COUNTY OF

SS:

On this _____ day of _____, before me, the undersigned, a Notary Public in and for said county and state, personally appeared _____

to me personally known to be the identical person named in and who executed the within and foregoing instrument, and acknowledged that he (she) executed the same as his (her) voluntary act and deed.

_____, Notary Public
in and for said County and State

STATE OF

COUNTY OF

SS:

On this _____ day of _____, before me, the undersigned, a Notary Public in and for said county and state, personally appeared _____

to me personally known, who being by me duly sworn, did say that they are the _____

respectively, of said corporation executing the within and foregoing instrument, that (no seal has been procured by the said) (the seal affixed thereto is the seal of said) corporation; that said instrument was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and that the said

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.

_____, Notary Public
in and for said County and State