

REAL ESTATE MORTGAGE

MORTGAGEE

FORD MOTOR CREDIT COMPANY

4500 Merle Hay Rd., Des Moines, IA 50310  
NUMBER AND STREET CITY

NAME AND ADDRESS OF MORTGAGOR(S)

Richard A. Gray and Margaret A. Gray,  
Husband and Wife as Joint Tenants  
113 E. Market  
St. Charles, Iowa 50240

ACCOUNT NUMBER:

LOAN DATE: 6/1/89

The undersigned, being the Mortgagors identified above, do hereby by these presents grant, bargain, sell and convey unto the above named Mortgagee, its successors and assigns forever, the following described real estate situated in the County of Madison, Iowa, to wit:

Lots 7 and 8, Block 3 of HARTMAN AND YOUNG'S ADDITION to town of St. Charles, Madison County, Iowa, locally known as 113 E. Market, St. Charles, Iowa 50240.

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together with all rights, privileges, easements, buildings and appurtenances attached or belonging thereto, the rents, issues, use and profits of said land and the crops raised thereon; **TO HAVE AND TO HOLD** the premises above described, together with all improvements and appurtenances thereto belonging unto said Mortgagee and to its successors and assigns forever, said Mortgagors hereby covenanting that the above-described premises and all rents, issues and profits of said land and the crops thereon are free from any liens and encumbrances except

NONE

and Mortgagors warrant and defend the title unto Mortgagee, its successors and assigns, against all persons whomsoever lawfully claiming the same except as hereinabove stated. Conditioned, however, that if Mortgagors shall pay or cause to be paid unto said Mortgagee, its successors or assigns the sum of \$ 8,200.00, the Credit Limit, at the time, place and upon the terms provided by one certain Revolving Loan Agreement ("Agreement") of even date herewith together with all other indebtedness that may be now or hereafter owing to said Mortgagee by said Mortgagors, including all future advances, and Mortgagors shall perform the other provisions hereof, then these presents will be void, otherwise to remain in full force and effect.

NOTICE: This mortgage secures credit in the amount of \$ 8,200.00, the Credit Limit. Loans and advances up to this amount together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

However, the priority of a prior recorded mortgage under this section does not apply to loans or advances made after receipt of notice of foreclosure or action to enforce a subsequently recorded mortgage or other subsequently recorded or filed lien.

Mortgagors shall neither permit nor commit waste on said premises, shall keep the buildings upon said premises insured against loss by fire, lightning and extended coverage in a company and by policies approved by Mortgagee in an amount to be determined by Mortgagee but not more than an amount sufficient to protect the security, shall pay taxes and assessments as they become due and before they become delinquent, and in the event of Mortgagors' failure so to do, Mortgagee may pay such sums as may be necessary for the protection of its lien, which sums shall be added to the amount secured by this Mortgage together with interest at the rate as agreed, evidenced by the Agreement above described.

It is agreed that if default be made by Mortgagors by the failure to pay any instalment of said Agreement for more than 10 days after the instalment due or by material breach of a covenant of said Agreement or this Mortgage, then, at the option of the Mortgagee, after notice of the right of the Mortgagors to cure default having been given where required by law and the failure of the Mortgagors thereafter to cure such default in accordance with law, said Agreement and the whole of the indebtedness (exclusive of unearned Finance Charges) secured by this Mortgage shall become due and payable forthwith and shall become collectible at once by foreclosure or otherwise. At any time after the commencement of an action of foreclosure or during the period of redemption, the court having jurisdiction of the cause shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of the said property and of the rents and profits accruing therefrom. In the event of action upon this Mortgage, Mortgagors agree to pay all costs and expenses permitted by law incident thereto, including continuation of abstract. If the property securing said indebtedness is the principal dwelling of the Mortgagors, foreclosure shall not occur unless the outstanding balance due under said Agreement is \$2,000 or less.

It is further agreed that in the event this Mortgage is on real property consisting of less than 10 acres, then in the event of the foreclosure of this Mortgage and sale of the property by sheriff's sale on special execution in said foreclosure proceedings, the time of 1 year for redemption from said sale provided by the statutes of the State of Iowa, shall be reduced to 6 months, provided the Mortgagee waives in said foreclosure proceedings any rights to a deficiency judgment against the Mortgagor which may arise out of the foreclosure proceedings; also, in the event the court in the decree of foreclosure finds affirmatively that the mortgaged premises have been abandoned by the owners and those personally liable under the Mortgage at the time of such foreclosure and the Mortgagee waives any rights to a deficiency judgment against the Mortgagors or their successors in interest in the foreclosure action, then the period of redemption after such foreclosure shall be reduced to sixty (60) days; all as provided in Chapter 628 of the Code of Iowa as Amended.

IN WITNESS WHEREOF, said Mortgagors have executed this instrument as of the Loan Date shown above.

Compared

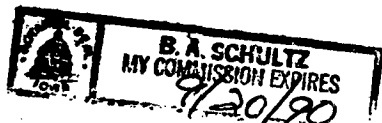
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89 JUN -6 AM 9: 12

MARY E. WELTY  
RECORDER  
MADISON COUNTY, IOWA

Fee \$5.00



Mortgagors

Richard A. Gray (Print name below signature)

Margaret A. Gray (Print name below signature)

STATE OF IOWA )

) ss:

COUNTY OF Polk )

On this 1st day of June, 1989, before me, the undersigned, a Notary Public

in and for said Country, in said State, personally appeared Richard A. Gray and Margaret A. Gray to me known to be the identical person(s) named in and who executed the foregoing instrument and acknowledged that they executed the same as the voluntary act and deed.

B. A. Schultz  
Notary Public in and for the State of Iowa