

COMPUTER

MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

Fee \$50.00

[Space Above This Line For Recording Data]

MORTGAGE

19 THIS MORTGAGE ("Security Instrument") is given on SEPTEMBER 7TH, 1989
 The mortgagor is CHARLES J. AND SUSAN D. DOOLEY
HUSBAND AND WIFE AS JOINT TENANTS ("Borrower"). This Security Instrument is given to
PRESIDENT HOMES, INC. which is organized and existing
 under the laws of MINNESOTA, and whose address is
4808 NO. LILAC DR. MINNEAPOLIS, MN. 55429 ("Lender").

Borrower owes Lender the principal sum of SIXTY SEVEN THOUSAND AND NO/100
Dollars (U.S. \$ 67000.00). 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 10/01/19. This Security Instrument
 secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and
 modifications; (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:

LOT NINE (9) OF HOGUE SUBDIVISION; AN OFFICIAL PLAT OF THE
 SOUTHWEST QUARTER (1/4) OF THE SOUTHEAST QUARTER (1/4) AND THE
 NORTH HALF (1/2) OF THE SOUTHEAST QUARTER (1/4) OF THE
 SOUTHEAST QUARTER (1/4), OF SECTION TWELVE (12), IN TOWNSHIP
 SEVENTY-SIX (76) NORTH, RANGE TWENTY-SIX (26) WEST OF THE
 5TH P.M., MADISON COUNTY, IOWA, SUBJECT TO EASEMENT FOR A
 public road along the east side thereof.

*For Entry of Folio-see
see Misc Rec 40-262*

which has the address of ROUTE # 5-02500 [Street] NORWALK [City]
 Iowa [Zip 50211] ("Property Address");

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 profits, water rights and stock and all 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") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. 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. 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 the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

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 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application 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 late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

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 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 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 19 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, 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.

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 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, 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.

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.

10. 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 Borrower 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.

11. 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.

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 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.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

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 had no acceleration 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 paragraphs 13 or 17.

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

19. 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 paragraphs 13 and 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 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, 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, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower.

22. 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.

23. 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 23 shall be construed to conform to the provisions of Sections 628.26 and 628.27 of the Code of Iowa.

24. 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
- Condominium Rider
- 2-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) [specify]

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.

Charles J. Dooley (Seal)
—Borrower

Susan D. Dooley (Seal)
—Borrower

____ (Seal)
—Borrower

____ (Seal)
—Borrower

____ [Space Below This Line For Acknowledgment] _____

STATE OF IOWA, Polk County ss:

On this 7th day of September, 1989, before me, a Notary Public in the State of Iowa, personally appeared Charles J. Dooley and Susan D. Dooley, husband and wife, 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: 10-20-89

William A. Price
Notary Public in and for said County and State



When recorded return to:
WILLIAM A. PRICE
1000 Two Ruan Center
Des Moines, IA 50309

____ [Space Below This Line Reserved For Lender and Recorder] _____

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

THIS ADJUSTABLE RATE RIDER is made this 7TH day of SEPTEMBER, 1989, 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 PRESIDENT HOMES, INC., 4808 NORTH LILAC DRIVE, MINNEAPOLIS, MN. 55429 (the "Lender") of the same date and covering the property described in the Security Instrument and located at: ROUTE # 54P NORWALK IA
[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 9.875%. The Note provides for changes in the interest rate and the monthly payments, as follows: 602.29

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of OCTOBER, 1990, 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 percentage points (2.75%) 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. TWO AND 75/100

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 11.875% or less than 7.875%. 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 15.875%.

(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.

Charles J. Dooley (Seal)
-Borrower

CHARLES J. DOOLEY
Susan D. Dooley (Seal)
-Borrower

SUSAN D. DOOLEY

(Seal)
-Borrower

(Seal)
-Borrower

CONSTRUCTION LOAN RIDER

THIS CONSTRUCTION LOAN RIDER is made this 7 day of SEPTEMBER, 1989, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to PRESIDENT HOMES, INC. (the "Lender") of the same date and covering the property legally described in the Security Instrument and located at: ROUTE 5 W
NORWALK TA50211 (the "Property").

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

1. Representations of Borrower. Borrower has delivered certain plans and specifications dated JUNE 26TH, 1989 for the construction of a home on the Property referenced above. Those plans and specifications comply with all governmental laws and regulations and requirements, and Borrower will not make any material changes in those plans and specifications without the prior written consent of Lender. All building permits required for the construction of the home have been obtained by Borrower. Further, all utility services necessary for the use of the home are available and will be installed and fully operational upon completion of the home, including water supply, storm and sanitary sewer facilities, gas, electricity and telephone facilities. The Property fronts on a publicly maintained road or street, or has access to such a road or street by an easement previously approved by Lender.

2. Construction of Home. Borrower agrees to commence construction of the home by OCTOBER 1, 1989, and to complete construction of the home, pursuant to the above-described plans and specifications, no later than OCTOBER 1, 1990 (the "Completion Date"). Completion of construction will mean completion of all improvements in accordance with the preconstruction appraisal, and must be evidenced by delivery to Lender of a Certificate of Completion or Occupancy issued by the municipality in which the Property is located. The Completion Date shall be extended to the extent that construction is delayed due to labor disputes, unavailability of materials, unusually inclement weather, or other causes beyond the control of Borrower; provided, however, that the required completion date shall not be extended beyond OCTOBER 1, 1990. Prior to commencing construction, Borrower shall provide Lender with a soil report concerning the soil conditions on the Property which shall be acceptable to the Lender in its sole discretion. Prior to commencing construction, Borrower shall supply Lender with a sworn construction statement, listing the names and addresses of

all persons who shall provide labor or materials for the construction of the home, together with the anticipated contract payments to be paid to such providers of labor and material. Upon the completion of construction, Borrower shall supply Lender with a revised sworn construction statement and final lien waivers from all persons who have supplied labor or materials for the construction of the home.

3. Events of Default. An "Event of Default" shall occur if (i) the Borrower shall default under the Security Instrument, the Note, the loan commitment for the loan issued by the Lender, or this Construction Loan Rider; (ii) any lien for labor, material, taxes or otherwise shall be filed against the Property and not immediately removed or bonded over; (iii) Borrower abandons the Property or delays or ceases work on the construction of the home for a period of 15 days or more, or delays construction for any period of time so completion of the home cannot be accomplished in the reasonable judgment of the Lender by the Completion Date; (iv) any part of the home is materially damaged or destroyed and the loss shall prove not to be adequately covered by insurance actually collected or in the process of collection; (v) Borrower fails to complete construction in accordance with the preconstruction appraisal; (vi) upon completion of construction, Borrower fails to provide Lender with a Certificate of Occupancy or Completion, or fails to provide Lender with an appraisal of the Property showing that construction is fully completed and the outstanding balance of the Note is equal to or less than eighty percent (80%) of the appraised value of the Property; or (vii) upon completion of construction, the Lender obtains a credit report which, in the Lender's opinion, shows that the Borrower is not creditworthy.

4. Remedies of Lender. If an Event of Default occurs, the Lender may exercise any of the remedies provided in the Security Instrument, the Note or this Construction Loan Rider, together with all other remedies provided by law. In addition, the Lender may require Borrower to vacate the Property and permit Lender (whether prior to a foreclosure sale or during any period of redemption after foreclosure sale) to enter into possession of the property; perform or cause to be performed any work necessary to complete the home pursuant to the plans and specifications; disburse additional funds to complete construction and cure Borrower's default under any of the loan documents, all of which funds shall be deemed to have been disbursed to Borrower and shall be secured by the Security Instrument and shall accrue interest at the rate provided in the Note from the date of disbursement by the Lender. For this purpose, Borrower hereby constitutes and appoints Lender its true and lawful attorney-in-fact with full power of substitution to complete construction of the home in the name of Borrower, and to take all actions necessary in connection therewith, including the making of additions or changes to any construction contracts which are necessary or desirable to complete the home;

to employ contractors, agents and others to design, construct and inspect the home; to pay, settle or compromise all existing or future bills as may be necessary or desirable for completion of the home; to execute any applications or certificates in the name of Borrower required for completion of the home. This power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked by death or otherwise. Borrower hereby assigns to Lender all of its right, title and interest to any construction contracts concerning the home to be built.

No right or remedy provided by this Rider or the Security Instrument or Note shall be exclusive of any other right or remedy, and shall be cumulative in addition to any other right or remedy arising at law or in equity. No waiver by Lender of any breach or default by Borrower shall be deemed to be a waiver of any subsequent breach, nor shall Lender's failure to seek a remedy for any breach be deemed a waiver of its rights and remedies with respect to that breach or any subsequent breach. Borrower agrees to hold Lender harmless from any costs and expense incurred by the Lender in connection with this loan transaction or the performance or enforcement by Lender of its obligations and rights, including reasonable attorneys fees, all of which costs and expenses the Borrower agrees to pay.

5. Construction Period Payments. The first four monthly payments of principal and interest due under the Note will be advanced on behalf of Borrower by Lender, and the amount of each such payment shall be added to the principal balance due under the Note as of the date the payment is due. The amount of subsequent monthly payments will be increased to reflect the four monthly principal and interest payments added to the principal balance. This provision shall amend the date as well as the Mortgage.

6. Termination of Construction Loan Rider. Lender shall execute an amendment to the Security Instrument deleting this Rider, and the terms of this Rider shall thereafter be of no force and effect, at such time as all of the following conditions have been satisfied:

- (i) All of the conditions and obligations of this Construction Loan Rider and the loan commitment issued by the Lender for this loan have been performed by Borrower and evidenced to Lender;
- (ii) Borrower is not then in default under the Note, Security Instrument or this Rider;
- (iii) Construction according to the preconstruction appraisal and Lender approved plans and specifications has been fully completed by the Completion Date;

(iv) A Certificate of Completion or Occupancy has been issued and sent to Lender; all final lien waivers and a sworn construction statement have been delivered to Lender, and all other actions required to be taken by the Completion Date have been performed.

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

Charles J. Dooley
Borrower Charles J. Dooley

Susan D. Dooley
Borrower Susan D. Dooley

IOWA
STATE OF ~~MINNESOTA~~)
) SS.
COUNTY OF POLK)

The foregoing instrument was acknowledged before me this 7th day of September, 1989, by Charles J. Dooley and Susan D. Dooley.

William A. Price
Notary Public

THIS INSTRUMENT DRAFTED BY:
GREGORY D. SOULE
BEST & FLANAGAN
3500 IDS Center
Minneapolis, Minnesota 55402

