

**THIS LOAN IS NOT ASSUMABLE WITHOUT THE
APPROVAL OF THE VETERANS ADMINISTRATION
OR ITS AUTHORIZED AGENT.**

IOWA

MORTGAGE

THIS MORTGAGE, made this 6th day of December, A.D. 1989, between

Brian F. Duncan, a single person

of the County of Madison, and State of Iowa, hereinafter called the Mortgagor, and

Iowa Mortgage Corporation

a corporation organized and existing under the laws of IOWA, and having its principal place of
business and post-office address at 3501 Westown Parkway West Des Moines, Iowa 50265

hereinafter called the Mortgagee:

WITNESSETH: That the Mortgagor, in consideration of Forty Nine Thousand Nine Hundred Ninety Five and
00/100 Dollars (\$ 49,995.00),
the receipt whereof is hereby acknowledged, does, by these presents, SELL, ASSIGN and CONVEY unto the Mortgagee, forever, the follow-
ing-described property, situated in the County of Madison, State of Iowa, to wit:

**The East 113 feet in width of Lot One (1) of Wilson's Addition
to the Town of Earlham, Madison County, Iowa**

*For assignments by Mortgage
To United Federal Savings Bank
see Mtg. Record 154-352*

FOR ASSIGNMENT SEE

*Mtg Record 164 PAGE 271
11-16-92*

FOR ASSIGNMENT SEE

*Mtg Record 164 PAGE 270
11-16-92*

**FOR RELEASE OF ANNEXED MORTGAGE SEE
MORTGAGE RECORD 164 PAGE 221
1-7-93**

COMPUTER

FILED NO. **1196**
BOOK 154 PAGE 341
89 DEC -6 PM 2: 35
MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee \$55.00

In the event this loan is determined to be ineligible for Loan Guaranty by the Veterans Administration, the entire loan may be declared due and payable at the option of the Mortgagee.

Including all buildings and improvements now or hereafter thereon, and the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise now or hereafter appertaining, and the reversion and reversions, remainder or remainders, rents, issues, and profits thereof (provided, however, that the Mortgagor shall be entitled to collect and retain the said rents, issues, and profits until default hereunder), and all fixtures now or hereafter attached to or used in connection with the premises herein described; and in addition thereto the following described household appliances which are, and shall be deemed to be, fixtures and a part of the realty, and are a portion of the security for the indebtedness herein mentioned:

BFD

MORTGAGOR HEREBY COVENANTS that he/she is seized of said premises in fee simple (or such other estate as is stated hereinbefore), he/she has good right to sell and convey the same, the premises are free from all encumbrances except as herein otherwise recited, and he/she will warrant and defend the title aforesaid unto the Mortgagee against the lawful claims of all persons whomsoever.

CONDITIONED, HOWEVER, that if the Mortgagor shall pay or cause to be paid to the Mortgagee, as is provided in a certain promissory note of even date herewith, the terms of which are incorporated herein by reference, the principal sum of **Forty Nine Thousand Nine Hundred Ninety Five and 00/100** Dollars (\$ **49,995.00**), with interest from date at the rate of **Eight and 500/1000** per centum (**8.500** %) per annum on the balance remaining from time to time unpaid, principal and interest being payable at the office of **Iowa Mortgage Corporation**

in **3501 Westown Parkway West Des Moines, Iowa 50265**, or at such other place as the holder of the note may designate in writing delivered or mailed to the Mortgagor, in monthly installments of **Three Hundred Eighty Four and 42/100** Dollars (\$ **384.42**), commencing on the first day of **February**, **1990**, and continuing on the first day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of **January**, **2020**, and shall also fully perform all the covenants, conditions and terms of this mortgage, then these presents shall be void, otherwise to remain in full force and effect.

The Mortgagor covenants and agrees that:

1. He/she will pay the principal of and the interest on the indebtedness evidenced by the note secured hereby, at the times and in the manner therein provided. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment or one hundred dollars (\$100.00), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date, or thirty days after such prepayment, whichever is earlier.

2. In order more fully to protect the security of this mortgage, together with, and in addition to, the monthly payments of principal and interest under the terms of the note secured hereby, he/she will pay to the Mortgagee, as trustee, (under the terms of this trust as hereinafter stated) on the first day of each month until the note is fully paid:

(a) A sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this mortgage, plus the premiums that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby (all as estimated by the Mortgagee, and of which the Mortgagor is notified) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes, and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments, before the same become delinquent.

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

- (I) ground rents, taxes, special assessments, fire and other hazard insurance premiums;
- (II) interest on the note secured hereby; and
- (III) amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

3. If the total of the payments made by the Mortgagor as hereinabove in subsection (a) of paragraph 2 provided, shall exceed the amount of the payments actually made by the Mortgagee, as trustee, for ground rents, taxes and assessments or insurance premiums, as the case may be, such excess shall be credited on subsequent payments to be made by the Mortgagor for such items or, at Mortgagee's option, as trustee, shall be refunded to Mortgagor. If, however, such monthly payments shall not be sufficient to pay such items, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee, as trustee, any amount necessary to make up the deficiency within thirty (30) days after written notice from the Mortgagee stating the amount of the deficiency, which notice may be given by mail. If at any time the Mortgagor shall tender to the Mortgagee in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, and said Mortgagee, as trustee, shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any credit balance remaining under the provisions of subsection (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the Mortgagee acquires the property otherwise after default, the Mortgagee, as trustee, shall apply at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the amount then remaining to credit of Mortgagor under subsection (a) of paragraph 2 as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on the note.

4. He/she will pay all ground rents, taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions except when payment for all such items has theretofore been made under (a) of paragraph 2 hereof, and he/she will promptly deliver the official receipts therefor to said Mortgagee. Upon failure to pay same the Mortgagee may do so.

5. He/she will continuously maintain hazard insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when payment for all such premiums has theretofore been made under (a) of paragraph 2 hereof, he/she will pay promptly when due any premiums therefor. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by it and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss he will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and Mortgagee jointly, and the insurance proceeds, or any part

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thereof, may be applied by the Mortgagee at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage, or other transfer of title to the mortgaged property in extinguishment of the debt secured hereby, all right, title, and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

6. Upon the request of the Mortgagee, the Mortgagor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the Mortgagee for the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessment against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the creditor and debtor. Failing to agree on the maturity, the whole of the sum or sums so advanced shall be due and payable thirty (30) days after demand by the creditor. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

7. He/she will keep the property in as good order and condition as it now is, reasonable wear and tear excepted, and will not commit or permit any waste thereof.

8. He/she will pay to the Mortgagee within thirty (30) days after demand all sums, including costs, expenses and reasonable agents and attorneys' fees which it may expend or become obligated for in any proceedings, legal or otherwise, to establish or sustain the lien of this mortgage or its priority; or in defending against liens, claims, rights, estates, easements or restrictions of any person or persons asserting priority thereto. He/she will pay a reasonable attorneys' fee in connection with any suit to enforce or to foreclose this mortgage, or to recover any sums secured hereby, and all costs and expenses thereof, including abstracts of title for foreclosure purposes, with interest on all such sums at the rate provided for in the principal indebtedness from date of payment; and said sums and interest shall be secured by this mortgage.

9. Upon maturity of said debt or other sums secured hereby, whether in course or otherwise as hereinbefore provided, the Mortgagee shall have the right to enter into and upon the premises hereinbefore conveyed and take possession thereof or to appoint an agent or trustee for collection of the rents, issues and profits thereof; and the net income, after allowing a reasonable fee for the collection thereof and management of the property, may be applied to the payment of taxes, insurance premiums and other charges against the property, or in reduction of the debt or other sums secured hereby; and the rents, issues and profits are hereby specifically pledged to the payment of the debt hereby secured and of all other obligations which may accrue under the terms of this mortgage.

10. If default shall be made in the payment of the note secured hereby or interest thereon or if there shall be a failure to comply with any and every condition of this mortgage, then the whole of the indebtedness secured by this mortgage, shall, at the option of the Mortgagee, become due and collectible at once by foreclosure or otherwise, and without notice of broken conditions. At any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said property and of the rents and profits accruing therefrom, to render the same as he may deem best for the interest of all parties concerned, and shall be liable to account to the Mortgagor only for the net profits, after application of rents, issues and profits upon the cost of the expense of receivership and foreclosure and the indebtedness charges and expenses hereby secured and herein mentioned. It is further agreed that 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 one year for redemption from said sale provided by the statutes of the State of Iowa, shall be reduced to six months, provided the mortgagee waives in said foreclosure proceedings any rights to a deficiency judgment against the mortgagor(s) which may arise out of the foreclosure proceedings.

11. It is further agreed, under Chapter 628, Code 1981, as amended, that in the event of such foreclosure, and in the event of the finding by court decree in such foreclosure that the real estate hereinabove set out has been abandoned by the owners and persons personally liable under the mortgage at the time of foreclosure, the period of redemption from foreclosure sale will be reduced to sixty (60) days provided the mortgagee waives in said foreclosure proceedings any rights to a deficiency judgment against the mortgagor(s) successors or interest which may arise out of the foreclosure proceedings, subject to the other provisions of the above referenced law as amended.


12. The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of payment of the indebtedness or any part thereof secured hereby. Failure of the Mortgagee to exercise any option granted herein shall not be deemed a waiver of his right to exercise such option in the event of any subsequent default.

13. If the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds and consideration from such acquisition, to the extent of the full amount of the indebtedness upon this mortgage and the note secured hereby remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it on account of the last installment of such indebtedness.

14. If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever appropriate, the singular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders, and the term "Mortgagee" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

IN WITNESS WHEREOF, the Mortgagor(s) has hereunto set _____ hand(s) the day and year first above written.
See riders of even date herewith attached hereto and by reference made a part of this mortgage.



Brian F. Duncan [SEAL]

[SEAL]

[SEAL]

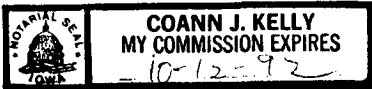
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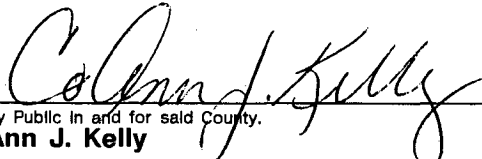
STATE OF IOWA

COUNTY OF Polk

} ss:

On this 6th day of December, A.D. Nineteen Hundred and Eighty Nine,
before me, a Notary Public in and for Polk County, State of Iowa, personally
appeared Brian F. Duncan, a single person
to me known to be the person(s) named in and who executed the foregoing instrument and acknowledged that he
executed the same as his voluntary act and deed.





Notary Public in and for said County.
CoAnn J. Kelly

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IOWA FINANCE AUTHORITY

1989 ISSUE A SINGLE FAMILY HOUSING PROGRAM

SINGLE FAMILY MORTGAGE RIDER
(VA)

This Rider, made this 6th day of December, 1989, is incorporated into and shall be deemed to amend and supplement the Mortgage of the same date (the "Mortgage") given by the undersigned (the "Mortgagor") to secure its Note of the same date (the "Note") to

Iowa Mortgage Corporation
(the "Lender", which includes any successors to or assigns of the Lender). The provisions of this Rider shall control any conflicting provision in the Mortgage.

The following provisions are hereby incorporated into the Mortgage:

1. Acceleration. As long as this Mortgage secures or "backs" Government National Mortgage Association ("GNMA") mortgage pass-through certificate (the "GNMA Certificate") held on behalf of the Iowa Finance Authority (the "Issuer") by its trustee, the Lender may, at the Lender's option, in addition to any other remedy it may have, declare all sums secured by this Mortgage to be immediately due and payable if the Mortgagor omits or misrepresents a fact (a) with regard to the Mortgagor's Annual Family Income (as defined by the Issuer from time to time) or (b) in the Mortgagor's Affidavit and Certification executed by the Mortgagor in conjunction with this Mortgage. As an alternative remedy, if this Mortgage ceases to, or does not, secure a GNMA Certificate relating to the Issuer's Program, the Lender may increase the interest rate provided for in the Note in an amount not to exceed that permitted by applicable law. For purposes of this alternative remedy only, the Lender is defined to exclude the Issuer.

2. Residency; Transfer of Property; Assumption. If the Mortgagor shall cease to use the Property as the Mortgagor's primary place of residence, or if all or any part of the Property or an interest therein is sold or transferred by the Mortgagor without the Lender's prior written consent, the Lender may, at the Lender's option, declare all sums secured by this Mortgage to be immediately due and payable. The Lender shall have waived such option to accelerate if (1) the person to whom the Property is to be sold or transferred (the "Transferee") (1) has at the time of such transfer an Annual Family Income not in excess of the then current Maximum Household Income Limit (as established by the Issuer for persons and families in the

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statistical area in which the residence is located); (2) intends to use the Property as his or her principal residence within sixty (60) days of the date the Mortgage is assumed and intends to maintain the residence as his or her principal residence as long as he or she is liable under the Note; and (3) has not, at any time during the three-year period ending on the date the Mortgage is assumed, had a present ownership interest in a principal residence (except in the case of a residence in a Targeted Area as hereinafter defined); (B) the credit of the Transferee is satisfactory to the Lender; (C) the assumption by the Transferee shall have been approved by the Lender; (D) on the date of transfer the Purchase Price (as defined below) of the Property does not exceed the Maximum Purchase Price established by the Issuer from time to time (for the same type of residence in the statistical area in which the Property is located) in accordance with Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"); (E) the Transferee executes a written agreement with the Lender assuming the obligations under the Note and this Mortgage; and (F) the Transferee executes such affidavits and documents as are necessary to assure the Lender that the requirements of this paragraph are satisfied.

For purposes of this Mortgage, the following words and phrases have the following meanings:

(a) "Purchase Price" means the cost of acquiring a residence from the seller as a completed residential unit, including (i) all amounts paid, either in cash or in kind, by the purchaser (or a related party or for the benefit of the purchaser) to the seller (or a related party or for the benefit of the seller) as consideration for the residence; (ii) if a residence is incomplete, the reasonable cost of completing the residence whether or not the cost of completing construction is to be financed with proceeds of the mortgage loan evidenced by the Note; and (iii) where a residence is purchased subject to ground rent, the capitalized value of the ground rent; but excluding (i) the usual and reasonable settlement or financing costs, e.g., titling and transfer costs, title insurance, survey fees or other similar costs and credit reference fees, legal fees, appraisal expenses, "points" that are paid by the buyer or other costs of financing the residence; (ii) the value of services performed by the Mortgagor or members of the Mortgagor's family in completing the residence; and (iii) the cost of land which has been owned by the Mortgagor for at least two (2) years prior to the date on which construction of the residence begins.

(b) "Targeted Area" means any of the areas within the State listed as Qualified Census Tracts or as "areas of chronic economic distress" designated and approved as provided by the Code.

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If the Lender exercises its option to accelerate under this paragraph, the Lender shall give the Mortgagor notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which the Mortgagor must pay all sums secured by this Mortgage. If the Mortgagor fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by this Mortgage without further notice or demand on the Mortgagor.

3. Tax Covenants. The Mortgagor covenants to execute an affidavit in order to comply with Section 143 of the Code. The Mortgagor covenants herein and in such Affidavit that (a) the residence is located in the State of Iowa; (b) at the time of execution of this Mortgage, the Mortgagor has Annual Family Income not in excess of the then-current Maximum Household Income Limit as established by the Issuer from time to time; (c) the Mortgagor will occupy such residence as his or her principal residence within sixty (60) days of execution of this Mortgage, will not use the residence in a trade or business, as an investment property or as a recreational home, and intends to use the residence as his or her principal residence as long as the Mortgagor is liable under the Note; (d) the Mortgagor had no present ownership interest in a principal residence during the three-year period ending on the date of execution of this Mortgage (unless the residence is in a Targeted Area); (e) the Purchase Price of the Property does not exceed the appropriate Maximum Purchase Price established by the Issuer from time to time; (f) the Mortgagor had no permanent mortgage loan on the Property at any time prior to executing this Mortgage; and (g) the Mortgagor understands that if there is a continuous period of at least one year during which the residence is not the principal residence of at least one of the Mortgagor, then no deduction is allowed in computing taxable income for interest that accrues with respect to this Mortgage on or after the date such one-year period began.

The Mortgagor covenants to take no action that would (a) cause the foregoing representations which evidence compliance with Section 143 of the Code to be untrue or (b) in any way adversely affect the eligibility of this Mortgage and the Note for purchase by the Servicer, on behalf of the Issuer, under Section 143 of the Code.

4. Non-Purchase. The Mortgagor further agrees that should the Note and this Mortgage securing the Note not be eligible for purchase by the Servicer within sixty (60) days of the date hereof (a written statement of the Servicer for the Issuer dated subsequent to such sixty-day period declining to purchase said Mortgage and Note being deemed conclusive proof of such ineligibility), the mortgagee or the holder of the Note may, at its option, declare all sums secured hereby immediately due and payable.

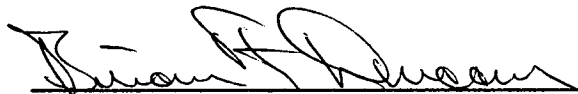
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5. Additional Representations. All representations of the Mortgagor contained in the Mortgagor's Affidavit and Certification executed by the Mortgagor in connection with this Mortgage are hereby incorporated into this Mortgage. The Mortgagor understands that the truth of these representations is essential to the willingness of the Lender and Issuer to participate in the Program which makes the mortgage loan available to the Mortgagor. THE MORTGAGOR UNDERSTANDS, THEREFORE, THAT ANY DEFAULT WITH RESPECT TO SUCH REPRESENTATIONS MAY RESULT IN THE EXERCISE OF ANY REMEDY UNDER THE NOTE AND THE MORTGAGE, INCLUDING, BUT NOT LIMITED TO, ACCELERATION OF THE INDEBTEDNESS EVIDENCED BY THE NOTE.

6. Change in Use. If there is a continuous period of at least one (1) year during which the Property is not the principal residence of at least one (1) of the Mortgagors, then no deduction shall be allowed under the Code for interest with respect to the Mortgage and Note which accrues on or after the date such period began, unless the Secretary of the Treasury determines that such consequence would result in undue hardship and that the failure to meet such requirements resulted from circumstances beyond the Mortgagor's control.

7. Other Provisions of Mortgage. All other provisions of this Mortgage shall remain unmodified.

Mortgagor(s):



Brian F. Duncan

VA ADDENDUM

The Mortgagee Iowa Mortgage Corporation, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Mortgagor with the provisions of this Addendum, may declare all sums secured by this Mortgage to be immediately due and payable if:

(a) all or part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the Mortgagor to a purchaser or other transferee:

(i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"); or

(ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Code, unless the property is in a Targeted Area; or

(iii) at an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for Targeted Area residences), all as provided in Section 143(e) and (i)(2) of the Code; or

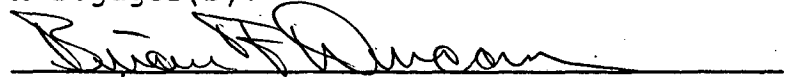
(iv) whose family income, in the case of a family of three or more, exceeds 115 percent of applicable median family income (140% for a family of three or more in a Targeted Area residence) or, in the case of a family of less than three, exceeds 100 percent of applicable median family income (120% for a family of less than three in a Targeted Area residence); all as provided in Section 143(f) and (i)(2) of the Code; or

(b) the Mortgagor fails, or ceases, to occupy the property described in the Mortgage without the prior written consent of the Mortgagee's or its successors or assigns; or

(c) the Mortgagor omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Code in an application for this Mortgage.

References are to the Internal Revenue Code of 1986, as amended, in effect on the date of execution of the Mortgage and are deemed to include the implementing regulations.

Mortgagor(s):



Brian F. Duncan

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STATE OF IOWA)
) SS:
COUNTY OF Madison)

On this 6th day of December, 1989, before me
appeared Brian F. Duncan, a single person
to me known to be the person(s) described in the foregoing instrument,
and who, being by me first duly sworn, executed the foregoing
instrument and acknowledged, deposed and said that he/she/they executed
the same as his/her/their free act and deed and stated that the infor-
mation and certifications contained therein are true and correct.

CoAnn J. Kelly

Notary Public CoAnn J. Kelly

My commission expires: 10-12-92



ADDENDUM

THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.

Addendum to Mortgage or Deed of Trust between Brian F. Duncan, a single person as Mortgagor and Iowa Mortgage Corporation as Mortgagee, dated December 6, 1989, relating to the following described property: The East 113 feet in width of Lot One (1) of Wilson's Addition to the Town of Earlham, Madison County, Iowa

This loan is immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to Section 1817A of Chapter 37, Title 38, United States Code.

A fee equal to one-half of 1 percent of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Secretary of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 1829(b).

Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the U.S. Department of Veterans Affairs for a loan to which Section 1817A of Chapter 37, Title 38, United States Code applies.

If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan, including the obligation of the veteran to indemnify the U.S. Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

Dated: 12/6/89 Brian F. Duncan

Dated:

This addendum is an integral part of the above-described mortgage or deed of trust.

STATE OF IOWA } ss. COUNTY OF Polk

On this 6th day of December, 1989, before me, a Notary Public in and for the State of Iowa, personally appeared Brian F. Duncan, a single person

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

My Commission expires: 10-12-92



CoAnn J. Kelly Notary Public in and for said County and State