

REC \$ 35.00

AUD \$

R.M.F. \$ 1.00

Account No. 4340-0890-0230-1467

This instrument was prepared by:

FIRST UNION HOME EQUITY BANK, N. A.

FILED NO. 673

COMPUTER
RECORDED
COMPARED

BOOK 178 PAGE 232

3737 Woodland Colony, Suite 300
West Des Moines, Iowa 50265

(Address)

95 SEP 11 PM 1:20

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

MORTGAGE

THIS MORTGAGE is made this 31st day of August, 1995, between the Mortgagor, David Michael Pickett and Marsha C. Pickett, H&W (herein "Borrower"), whose address is RR4, Box 172B, Winterset, Iowa 50273 and the Mortgagee, FIRST UNION HOME EQUITY BANK, N. A., a national banking association organized and existing under the laws of the United States of America, whose address is 3737 Woodland Colony, Suite 300, West Des Moines, Iowa 50265 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$ 50,000.00, which indebtedness is evidenced by Borrower's note dated August 31, 1995 and extensions, renewals and modifications thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on September 21, 2015;

Notice: This Mortgage secures credit in the amount of \$ 50,000.00. 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.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Madison, State of Iowa:

The West Twelve (12) Acres of the South Half (1/2) of the Northwest Quarter (1/4) of the Southwest Quarter (1/4) of Section Fourteen (14), Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa

RELEASED 6-22-00 SEE
Mtg RECORD 218 PAGE 582

which has the address of RR4, Box 172B, Winterset, Iowa 50273
(Street) (City) (State) (Zip Code)

(herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property."

Any Rider ("Rider") attached hereto and executed of even date is incorporated herein and the covenant and agreements of the Rider shall amend and supplement the covenants and agreements of this Mortgage, as if the Rider were a part hereof.

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 covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note. This Mortgage secures payment of said Note according to its terms, which are incorporated herein by reference.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraph 1 hereof shall be applied by Lender first to interest due on the Note, then to the principal due on the Note.

3. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations, under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

4. 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 such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

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.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

6. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such actions as is necessary to protect Lender's interest.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. The Borrower shall remain liable for full payment of the principal and interest on the Note (or any advancement or obligation) secured hereby, notwithstanding any of the following: (a) The sale of all or a part of the premises, (b) the assumption by another party of the Borrower's obligations hereunder, (c) the forbearance or extension of time for payment or performance of any obligation hereunder, whether granted to Borrower or a subsequent owner of the property, and (d) the release of all or any part of the premises securing said obligations or the release of any party who assumes payment of the same. None of the foregoing shall in any way affect the full force and effect of the lien of this Mortgage or impair Lender's right to a deficiency judgment (in the event of foreclosure) against Borrower or any party assuming the obligations hereunder.

Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 15 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note: (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

11. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by first class mail addressed to Borrower or the current owner at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and any other person personally liable on this Note as these person's names and addresses appear in the Lender's records at the time of giving notice and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

12. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflicts shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

13. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note, this Mortgage and Rider(s) at the time of execution or after recordation hereof.

14. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

15. Transfer of the Property or a Beneficial Interest in Borrower, Assumption. 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 Lender's option, for any reason, declare all the sums secured by this Mortgage to be immediately due and payable. However, this option shall not be exercised by Lender if exercise is prohibited by Federal law as of the date of this Mortgage.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. If Borrower fails to pay in full, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower

This Mortgage may not be assumed by a purchaser without the Lender's consent.

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

16. Acceleration; Remedies. Upon borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without demand or notice and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

17. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 16 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by 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 Deed of Trust. The receiver shall be liable to account only for those rents actually received.

18. Loan Charges. If the loan secured by this Mortgage 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 permitted limits, then: (1) any such loan charges shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) 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 under the Note.

19. Legislation. If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provisions of the Note, the Mortgage or any Rider, unenforceable according to their terms, or all or any part of the sums secured hereby uncollectible, as otherwise provided in this Mortgage or the Note, or of diminishing the value of Lender's security, then Lender, at Lender's option, may declare all sums secured by the Mortgage to be immediately due and payable.

20. Release. Upon payment of all sums secured by this Mortgage, this Mortgage shall become null and void and Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any. Lender, at Lender's option, may allow a partial release of the Property on terms acceptable to Lender and Lender may charge a release fee.

21. Waiver of Homestead. Borrower hereby waives all rights of homestead exemption in the Property.

22. Six Months' and 60 Day Period for Redemption. It is further agreed that if this Mortgage covers less than 10 acres of land, and in the event of foreclosure of this Mortgage and sale of the Property by sheriff's sale in such 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 (6) months provided the Lender, in such action files an election to waive any deficiency judgment against the Borrower which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628, Code of Iowa. It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to 60 days if all of the three following contingencies occur: (1) The mortgaged real estate herein is less than 10 acres in size; (2) the Court finds affirmatively that said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and (3) the Lender in such action files an election to waive any deficiency judgment against the Borrower or Borrower's successor in interest in such action. If the redemption period is so reduced, the Borrower or Borrower's successor in interest or the owner shall have the exclusive right to redeem for the first 30 days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Code shall be reduced to 40 days. Entry of appearance by pleading or docket entry by or on behalf of the Borrower shall be a presumption that the property is not abandoned. Any such short redemptive period shall be consistent with all of the provisions of Chapter 628, Code of Iowa as amended.

23. 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.

As used in this paragraph 23, "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 23, "Environmental law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, Borrower has executed this Mortgage and adopted as his seal the word "(SEAL)" appearing beside his name.

David Michael Pickett (SEAL)
Borrower

Marsha C. Pickett (SEAL)
Borrower
Marsha C. Pickett

STATE OF IOWA

COUNTY OF Polk

On this 31st day of August, A. D. 1995, before me, the undersigned, a Notary Public in and for said County and State, personally appeared David Michael Pickett and Marsha C. Pickett to me known to be the identical persons named in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

[Signature]
Notary Public in the State of Iowa

My Commission expires: 11-14-97

PEL Account No. 4340-0890-0230-1467

PRIME EQUITY LINE RIDER

THIS PRIME EQUITY LINE RIDER (the "Rider") is made this 31st day of August, 1995, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Prime Equity Line Agreement and Disclosure Statement, which provides for changes in the interest rate, (said Agreement is referenced in the Security Instrument and this Rider as "Note") of the same date to FIRST UNION HOME EQUITY BANK, N. A. (the "Lender") and covering the property described in the Security Instrument and located at:

RR4, Box 172 B, Winterset, Iowa 50273

(Property Address)

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree to the following additional terms and conditions:

Adjustable Rate Loan. The Security Instrument secures a Note which provides for changes in the rate finance charge (said finance charge is referenced in the Security Instrument as "interest"), as more particularly described in said Note.

Maturity Date. The second paragraph on page one of the Security Instrument shall read as follows:

WHEREAS, Lender has made a loan to Borrower in the principal sum not to exceed (\$ 50,000.00), Fifty Thousand and 00/100 Dollars, which loan is evidenced by Borrower's Note dated August 31, 1995 extensions, modifications and renewals thereof which provides for advances of all or part of the loan proceeds from time to time. The entire indebtedness evidenced by the Note, if not sooner paid, will be due and payable on August 31, 2015.

Obligation To Lend. Lender is absolutely obligated under the terms of the Note to make advances not to exceed, at any one time in the aggregate, the amount stated in the Note and Borrower has agreed to repay any advances under the terms of the Note. Lender's absolute obligation to make advances to Borrower under the Note ends when Lender terminates advances and demands repayment of the outstanding obligation or prohibits additional extensions of credit under the Note or the Security Instrument. Nevertheless, Lender may waive the right to terminate or prohibit additional advances. If Lender does not terminate or prohibit additional advances, Lender remains obligated to make advances to Borrower under the terms of the Note. However, that waiver does not bind Lender if the same or a different event occurs or is continuing at a later time. Lender's obligation to make advances under the terms of the Note also terminates when the Note is terminated or advances suspended by Borrower in accordance with the terms of the Note.

Application of Payments. The paragraph on Application of Payments shall read as follows:

Unless applicable law requires otherwise, all payments received by Lender under the Note and paragraph 1 of the Security Instrument shall be applied by Lender in the following order: first, to pay interest then due on the Note and second, the remainder of the payment to pay principal due on the Note.

Note Provisions - Conflict. In case of a conflict between the terms of the Note and the Security Instrument governing remedies of default or termination of advances, the priority of controlling terms shall be the Note and then the Security Instrument.

Release. The paragraph on Release is amended to read as follows:

When the balance of all outstanding sums including finance charges and other charges, if any, secured by the Security Instrument is zero, the Lender shall, upon request of the Borrower, release this Security Instrument upon Borrower providing a Satisfaction of Mortgage, and Borrower shall file the Satisfaction of Mortgage or pay such amounts as provided by law. Absent a request from the Borrower, the Security Instrument shall remain in full force and effect for the term set forth above. Lender, at Lender's option, may allow a partial release of the Property on terms acceptable to Lender and Lender may charge a release fee.

Fees and Charges: To open and maintain a line of credit, I must pay you the following fees:

| | |
|--------------------------|-----------|
| Appraisal Fee | \$ 250.00 |
| Origination Fee/Points | \$ _____ |
| Tax Certification Fee | \$ _____ |
| Flood Certification Fee | \$ 23.00 |
| Document Preparation Fee | \$ _____ |
| Credit Bureau Fee | \$ 1.15 |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

If the appraisal is performed by a third party, the fee will range between \$150.00 and \$500.00. I also must pay certain fees to third parties to open a line. These fees generally total between \$200.00 and \$3,500.00. If I ask, you will give me an itemization of the fees I will have to pay to third parties.

Minimum Draw Requirement: The minimum credit advance that I can receive is \$500.00 after an initial advance of \$2,000.00.

Negative Amortization: Under no circumstances will negative amortization occur.

Tax Deductibility: I should consult a tax advisor regarding the deductibility of interest and charges for the line.

Variable-Rate Feature: The line has a variable-rate feature, and the Annual Percentage Rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The Annual Percentage Rate includes only interest and not other costs.

The Annual Percentage Rate is based on the value of an index. The index is the "Prime Rate" published regularly in the Money Rate Tables in the Wall Street Journal eastern edition available and published in Charlotte, North Carolina. The Wall Street Journal is generally available in your area. To determine the Annual Percentage Rate that will apply to my line, you will add a margin to the value of the index. The initial Annual Percentage Rate is not based on the index and margin used to make later adjustments. The initial rate will be in effect for the first billing cycle.

I may ask you for the current index values, margin and Annual Percentage Rate. After I open a credit line, rate information will be provided on periodic statements that you send me.

Rate Changes: The Annual Percentage Rate can change monthly. The maximum ANNUAL PERCENTAGE RATE that can apply is 16% and the minimum ANNUAL PERCENTAGE RATE is 5%. Apart from these rate "caps" there is no limit on the amount by which the rate change during any one-year period.

Maximum Rate and Payment Examples: If the ANNUAL PERCENTAGE RATE equaled the 16% maximum and I had an outstanding balance of \$10,000 (check if applies):

- Under the greater of 1.5% of the balance or \$100 payment option, the minimum monthly payment would be \$152.00.
- Under the monthly interest-only payment option, the minimum monthly payment would be \$133.33.

This Annual Percentage Rate could be reached during the first month.

Should I have any questions regarding this information or the Prime Equity Line product, please contact Tim Thilges or _____ at 223-8035.

I or we acknowledge receipt of a completed copy of this information Notice and the brochure titled What You Should Know About Home Equity Lines Of Credit.

David Michael Pickett
 Borrower
 David Michael Pickett
8-31-95
 Date

Marsha C. Pickett
 Borrower
 Marsha C. Pickett
8-31-95
 Date