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R.M.F. \$ 1.00

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### MORTGAGE

MICHELLE UTSLER  
RECORDER  
MADISON COUNTY, IOWA

THIS MORTGAGE ("Security Instrument") is given on May 1, 1994. The mortgagors are **Christian D. Bertelson** and **Laura Winslow Bertelson**, husband and wife ("**Borrowers**"). This Security Instrument is given to **Gerald R. Bertelson**, whose address is Route 2, Box 228, Missouri Valley, IA 51555 ("**Lender**"). Borrowers owe Lender the principal sum of **Fifty thousand dollars (\$50,000.00)**. This debt is evidenced by Borrowers' note dated May 1, 1994, which provides for monthly payments, with the full debt, if not paid earlier, due and payable on **May 1, 2001**. 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 6 to protect the security of this Security Instrument; and (c) the performance of Borrowers' covenants and agreements under this Security Instrument and the Note. For this purpose, Borrowers do hereby mortgage to Lender the following described property located in Madison County, Iowa:

A parcel of land in the Southeast quarter (1/4) of the Northwest quarter (1/4) of Section twenty-eight (28), in Township seventy-seven (77) North, Range twenty-six (26) West of the 5th PM., Madison County, Iowa, more particularly described as follows:

Commencing at the center of Section twenty-eight (28), in Township seventy-seven (77), Range twenty-six (26), West of the 5th PM., Madison County, Iowa, thence along the East line of the Northwest quarter (1/4) of Section twenty-eight (28), North 00°00'00" 183 feet to the beginning, thence continuing North 00°00'00" 137.00 feet, thence South 83°25'00" West 928.00 feet, thence South 00°00'00" 320.00 feet to the South line of said Northwest quarter (1/4), thence along said South line North 83°25'00" East 196.79 feet to the point of beginning. This parcel contains 5.970 acres, including 0.959 acres of county road right-of-way;

which has the address of R.R. 1, Box 1131, Booneville, Iowa 50038;

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".

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~~BORROWER COVENANTS~~ that Borrower lawfully owns the estate hereby conveyed and has the right to mortgage 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.

BORROWERS AND LENDER agree as follows:

1. **Payment of Principal and Interest.** Borrowers shall promptly pay when due the principal of and interest on the debt evidenced by the Note.

2. **Funds for Taxes and Insurance.** Borrowers shall pay all taxes and insurance premiums on the Property in a timely manner. No funds shall be escrowed for these liabilities.

3. **Application of Payments.** Unless otherwise specified in writing, all payments received by Lender shall be applied first to interest, then to principal.

4. **Charges; liens.** Borrowers 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. Borrowers shall pay these obligations on time directly to the person owed payment. Borrowers shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrowers make these payments directly, Borrowers shall promptly furnish to Lender receipts evidencing the payments.

Borrowers shall promptly discharge any lien which has priority over the Security Instrument unless Borrowers: (a) agree in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contest 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 the Security Instrument, Lender may give Borrowers a notice identifying the lien. Borrowers shall satisfy the lien or take one or more of the actions set forth within 10 days of the giving of notice.

5. **Hazard Insurance.** Borrowers shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire and hazards included within the term "extended coverage". Borrowers shall choose the insurance carrier. This insurance shall be maintained until the Note is paid in full, and the amount of insurance shall at all times exceed the remaining balance due on the Note. In the event of loss, Borrowers shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrowers.

Unless Lender and Borrowers 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 Borrowers. If Borrowers abandon the Property, Lender may collect the insurance proceeds.

Unless Lender and Borrowers otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments or change the amount of the payments.

6. **Protection of Lender's Rights in the Property.** If Borrowers fail 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 sum 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 actions under this paragraph, Lender does not have to do so.

Any amount disbursed by Lender under this paragraph shall become additional debt of Borrowers secured by this Security Instrument. Unless Borrowers 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 Borrowers requesting payment.

7. **Governing law; Severability.** The Security Instrument shall be governed by federal law and Iowa law. In the event that any provision or clause of the 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.

8. **Filing and release.** Borrowers shall pay the required fee to have this Security Instrument recorded. Upon payment of all sums secured by the Security Instrument, Lender shall release this Security Instrument without charge to Borrowers.

9. **Intent of Lender.** Lender, in making this loan, is making an investment, and not a gift. Lender is not making this loan with testamentary intent.

BY SIGNING BELOW, Borrowers accept and agree to the terms and covenants contained in the Security Instrument.

*Christian D. Bertelson*  
CHRISTIAN D. BERTELSON

*Laura Winslow Bertelson*  
LAURA WINSLOW BERTELSON

STATE OF IOWA, Madison COUNTY ss:

On this 27 day of May, 1994, before me, a Notary Public in the State of Iowa, personally appeared **Christian D. Bertelson and Laura Winslow Bertelson, husband and wife**, known to me personally to be the persons named in the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

*Joan Welch*  
NOTARY PUBLIC  
My commission expires: 1-12-95

