9111-07-5457487.1

2

State of Iowa

Mortgage

FHA Case No.
161-1111900-203

This Mortgage made this 10th day of October, A.D. 19 86., between Joseph M. Gail and Suzan K. Gail, Husband and Wife of the County of Polk, and the State of Iowa, hereinafter called the Mortgagor, and First Financial Savings Bank, a corporation organized and existing under the laws of Iowa, and having its principal place of business and post-office address at 518 East Locust, Des Moines, Iowa 50309, hereinafter called the Mortgagee:

Witnesseth: That the Mortgagor, in consideration of Fifty-Seven Thousand and No/100---------- ----------Dollars ($ 57,000.00), the receipt whereof is hereby acknowledged, does, by these presents, **Sell and Convey** unto the Mortgagee, forever, the following-described real estate situated in the County of Madison, State of Iowa, to wit:

Lot Eleven (11) of Lake View Rural Estates, a Subdivision of the Northeast Quarter (¼) of Section Twenty-eight (28), in Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa

ASSIGNMENT TO SUPERIOR MTG, INC.
FOR RELEASE OF ANNEXED MORTGAGE SEE
MORTGAGE RECORD 147 PAGE 223

RELEASED 10-28-93 SEE
MORTGAGE RECORD 169 PAGE 328

FILED NO. 790
BOOK 146 PAGE 603
1986 OCT 15 PM 3:19
MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee $25.00

THIS IS A PURCHASE MONEY MORTGAGE

including all buildings and improvements thereon, or that may hereafter be erected thereon, and, so far as they now are or may hereafter belong to or be used with said real estate or buildings thereon and whether attached or detached, all elevators, all gas, steam, electric, or other heating, lighting, plumbing, ventilating, sprinkling, irrigating, water and power systems, appliances, fixtures and apparatus, all storm and screen windows and doors, and all other fixtures; together with all rents, issues and profits thereof until the debt secured hereby is paid in full, as well as all the reversion and reversions, remainder and remainders, hereditaments, appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining.

And the Mortgagor hereby covenants that he is seized of the said premises in fee simple, and that he has good right to sell and convey the same; that the premises are free from all encumbrances and that he will warrant and defend the title to the same 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 Fifty-Seven Thousand and No/100---------- Dollars ($ 57,000.00), with interest from date at the rate of Nine per centum (9 %) per annum on the balance remaining from time to time unpaid, principal and interest being payable at the office of First Financial Savings Bank in Des Moines, Iowa, or at such other place as the holder of the note may designate in writing, in monthly installments of Four Hundred Fifty-Eight and 63/100---------- Dollars ($ 458.63), commencing on the first day of December, 19 86, and 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 November, 2016, 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.

This form is used in connection with Mortgages insured under the one-to-fourfamily programs of the National Housing Act which require a One-Time Mortgage Insurance Premium payment (including sections 203 (b) and (i)) in accordance with the regulations for those programs.

HUD-92119M.1 (5/85 Edition)
24 CFR 203.17(a)
Reprinted 4-86

The Mortgagor Covenants and Agrees That:

1. He 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 pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.~~

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 will pay to the Mortgagee on the first day of each month until the note is fully paid the following sums:

(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) less all sums already paid therefor divided by the number of months to elapse before one (1) 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; and

(b) All payments mentioned in the preceding subsection of this paragraph and all payments to be made under the note secured hereby shall be added together, and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

(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 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. The Mortgagor agrees to pay a "late charge" not to exceed four cents (4¢) for each dollar ($1) for each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

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 for ground rents, taxes and assessments or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagor, shall be credited on subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the Mortgagor under such subsection shall not be sufficient to pay ground rents, taxes and assessments or insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes and assessments or insurance premiums shall be due. 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, the said Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any balance remaining in the funds accumulated under the provisions of subsection (a) of such paragraph. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby of if the Mortgagee acquires the property otherwise after default, the Mortgagee shall apply at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under such subsection (a) of paragraph 2 as a credit against the amount of principal then remaining unpaid under the note.

4. He will pay all ground rents, taxes and assessments, general, local or special (except the Federal and State income taxes) for the payment of which provision is not otherwise made herein, which may be imposed upon said land, premises or property or upon the Mortgagee's interest therein, or upon this mortgage, or upon the said debt or other sums hereby secured; expressly waiving and renouncing hereby any and all right to discharge the debt or any sums hereby secured or any part hereof by the payment of any such ground rents, taxes or assessments; without regard to any law heretofore enacted or which may hereafter be enacted imposing payment of the whole or any part thereof upon the Mortgagee. He will not suffer or permit any such ground rents, taxes or assessments to become or remain delinquent on said premises or any part thereof, or any interest therein to be sold for any ground rents, taxes or assessments. He will furnish annually to the Mortgagee, prior to the date when they would become delinquent, certificates or receipts of the proper officer showing full payment of all such ground rents, taxes and assessments.

5. He will keep the improvements now existing or hereafter erected on the mortgaged premises, insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as it may require and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore. 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 the Mortgagee jointly, and the insurance proceeds, or any part 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 his failure to pay ground rents, taxes and assessments, or to make payments on account thereof, or to furnish certificates or receipts therefor, or to make payments on account of insurance premiums, all as herein before provided, the Mortagee may procure such insurance, pay such ground rents, taxes and assessments, redeem the property from any tax sale and procure certificates or receipts; and the Mortgagor shall within ten (10) days pay to the Mortgagee all sums which it may have so paid or become obligated to pay, together with interest at the rate set forth in the note secured hereby from the date of such payment; and same shall be secured by this mortgage.

* Priviledge is reserved to pay the debt in whole or in part on any installment due date.

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

8. He will pay to the Mortgagee within ten (10) days 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 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, including all costs and expenses, with interest upon all such sums at the rate set forth in the note secured hereby from the date the same were paid; and the payment of 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. He further agrees that should this mortgage and the note secured hereby not be eligible for insurance under the National Housing Act within ninety days from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the ninety days' time from the date of this mortgage, declining to insure said note and this mortgage, 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. This option may not be exercised by the mortgagee when the ineligibility for insurance under the National Housing Act is due to the mortgagee's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

11. If default shall be made in the payment of the note secured hereby or any part of the interest thereon promptly on maturity, or if there shall be a failure to comply with any and every condition of this mortgage, then the note, and the whole of the indebtedness secured by this mortgage, including all payments for ground rents, taxes, assessments or insurance premiums, shall, at the option of the Mortgagee, become due and collectible at once by foreclosure or otherwise and without notice of broken conditions; and 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, and to rent 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.

12. If the note and mortgage, or either of them, shall be placed in the hands of an attorney for collection of foreclosure, or other legal proceedings, the Mortgagor will pay a reasonable attorney's fee for any service rendered by an attorney in connection herewith, and all expenses incurred in procuring abstracts of the title for purposes of the foreclosure suit, and such attorney's fees and expenses, shall be considered as part of the indebtedness secured by this mortgage and collectible accordingly.

13. Failure of the Mortgagee to exercise any option granted herein shall not be deemed a waiver of his right to exercise such option at any other time.

14. 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.

It is further agreed, under Chapter 628, Code 1966, as amended, that in the event of the foreclosure of this mortgage 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 and in the event the mortgagee waives any right to a deficiency judgment against the mortgagor or his successors in interest, then the period of redemption from foreclosure sale will be reduced to sixty (60) days, subject to the other provisions of the above-referenced law as amended.

It is further agreed that in the event of the foreclosure of this mortgage and sale of the property by sheriff's sale 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 6 months, provided the Mortgagee waives in said foreclosure proceedings any rights to a deficiency judgment against the Mortgagor which may arise out of the foreclosure proceedings.

The signing of this mortgage and the note secured hereby by the spouse of the owner is not only for the purpose of releasing dower or distributive share, but also for the purpose of creating a personal liability for the indebtedness evidenced by said note and secured by this mortgage.

If more than one joins in the execution hereof as Mortgagor, or any be of the feminine sex, the pronouns and relative words herein used shall be read as if written in the plural or the feminine respectively. The covenants herein contained shall bind, and the benefits and advantages inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto.

In witness whereof, the Mortgagor(s) has hereinto set their hand(s) the day and year first above written.

Joseph M. Gail

Joseph M. Gail

Suzan K. Gail

Suzan K. Gail

State of Iowa
County of Polk } ss:

On this 10th day of October, A.D. Nineteen Hundred and Eighty-Six, before me, a Notary Public in and for Polk County, State of Iowa, personally appeared Joseph M. Gail and Suzan K. Gail, Husband and Wife, to me known to be the person(s) named and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

DAVID B. SILLIEN
Iowa
NOTARIAL SEAL

Notary Public in and for said County

State of Iowa
County of Madison } ss:

this instrument filed for Record the 15 day of Oct A.D. 19 86, at 3:19 o'clock P M., and duly recorded in Book 146 of Mtgs. at Page 603

Mary E. Welty
County Recorder

1st Financial Bank
518 East Locust
DM 50309

Addendum to Mortgage between Joseph M. Gail and Suzan K. Gail, Husband and Wife, as Mortgagor and First Financial Savings Bank, as Mortgagee, dated October 10, 19 86, relating to the following-described property:

Lot Eleven (11) of Lake View Rural Estates, a Subdivision of the Northeast Quarter (¼) of Section Twenty-eight (28), in Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: October 10, 1986

Joseph M. Gail

Joseph M. Gail

Dated: October 10, 1986

Suzan K. Gail

Suzan K. Gail

This addendum is an intregal part of the above-described mortgage.

STATE OF IOWA)
)ss.
COUNTY OF POLK)

On this 10th day of October, 1986, before me, a Notary Public in and for the State of Iowa, personally appeared Joseph M. Gail and Suzan K. Gail, 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.

B. SITE
Iowa
NOTARIAL SEAL

My Commission expires: 9-5-87

Notary Public in and for said County and State