

LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

Prepared By:

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FARM SERVICE AGENCY MOUNT AYR, IA 50854
(Name) (Address) (Telephone No.)

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Position 5

FSA-2029 IA

Form Approved - OMB No. 0560-0237

(See Page 5 for Privacy Act and Paperwork Reduction Act Statements.)

(01-05-18)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency

MORTGAGE FOR IOWA

THIS MORTGAGE ("instrument") is made May 16, 20 18. The mortgagor (Grantor) is
Parker Lee Frey, A Single Person

Earlham, IA 50072 ("Borrower") whose mailing address is 1386 Fawn Ave.,
Earlham, IA 50072. This instrument is given to the United States of
America, acting through the Farm Service Agency, United States Department of Agriculture ("Government") (Grantee) located at
10500 Buena Vista Court, Des Moines, Iowa 50322-3732 whose local representative is DEBRA J. MAY
Farm Loan Manager, (name and title), whose post office address is
1201 E. SOUTH STREET, MOUNT AYR, IA 50854.

This instrument secures the following promissory notes, assumption agreements, and/or shared appreciation agreements (collectively called
"note"), which have been executed or assumed by the Borrower unless otherwise noted, are payable to the Government, and authorize
acceleration of the entire debt upon any default:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
05-16-2016	\$47,500.00	2.5%	05-16-2046
05-16-2018	\$252,000.00	2.5%	05-16-2058

See Item 32 for information about Mortgagor and Borrower, if applicable.

(The interest rate for any limited resource farm ownership or limited resource operating loans secured by this instrument may be increased
as provided in Government regulations and the note.)

By execution of this instrument, Borrower acknowledges receipt of all of the proceeds of the loan or loans evidenced by the above note.

In consideration of any loan made by the Government pursuant to the Consolidated Farm and Rural Development Act, 7 U.S.C. § 1921
et. seq. as evidenced by the note, Borrower irrevocably mortgages, grants and conveys to the Government the following described property
situated in the State of Iowa, County or Counties of Madison :
See Attachment

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, fixtures,
hereditaments, appurtenances, and improvements now or later attached thereto, the rents, issues and profits thereof, revenues and income
therefrom, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale,
lease, transfer, or condemnation of any part thereof or interest therein (collectively called "the property"). This instrument constitutes a

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security agreement and financing statement under the Uniform Commercial Code and creates a security interest in all items which may be deemed to be personal property, including but not limited to proceeds and accessions, that are now or hereafter included in, affixed, or attached to "the property."

This instrument secures to the Government: (1) payment of the note and all extensions, renewals, and modifications thereof; (2) recapture of any amount due under any Shared Appreciation Agreement entered into pursuant to 7 U.S.C. § 2001; (3) payment of all advances and expenditures, with interest, made by the Government; and (4) the obligations and covenants of Borrower set forth in this instrument, the note, and any other loan agreements.

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 the title to the property against all claims and demands, subject to any encumbrances of record.

This instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform mortgage covering real property.

UNIFORM COVENANTS. Borrower COVENANTS AND AGREES as follows:

1. **Payment.** Borrower shall pay promptly when due any indebtedness to the Government secured by this instrument.
2. **Fees.** Borrower shall pay to the Government such fees and other charges that may now or later be required by Government regulations.
3. **Application of payments.** Unless applicable law or Government's regulations provide otherwise, all payments received by the Government shall be applied in the following order of priority: (a) to advances made under this instrument; (b) to accrued interest due under the note; (c) to principal due under the note; (d) to late charges and other fees and charges.
4. **Taxes, liens, etc.** Borrower shall pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.
5. **Assignment.** Borrower grants and assigns as additional security all the right, title and interest in: (a) the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or taking by eminent domain or otherwise of any part of the property, or for conveyance in lieu of condemnation; (b) all bonuses, rentals, royalties, damages, delay rentals and income that may be due or become due and payable to the Borrower or Borrower's assigns under any existing or future oil, gas, mining or mineral lease covering any portion of the property; and (c) all rents, issues, profits, income and receipts from the property and from all existing or future leases, subleases, licenses, guaranties and any other agreements for the use and occupancy of any portion of the property, including any extensions, renewals, modifications or substitutions of such agreements. Borrower warrants the validity and enforceability of this assignment.

Borrower authorizes and directs payment of such money to the Government until the debt secured by this instrument is paid in full. Such money may, at the option of the Government, be applied on the debt whether due or not. The Government shall not be obligated to collect such money, but shall be responsible only for amounts received by the Government. In the event any item so assigned is determined to be personal property, this instrument will also be regarded as a security agreement.

Borrower will promptly provide the Government with copies of all existing and future leases. Borrower warrants that as of the date of executing this instrument no default exists under existing leases. Borrower agrees to maintain, and to require the tenants to comply with, the leases and any applicable law. Borrower will obtain the Government's written authorization before Borrower consents to sublet, modify, cancel, or otherwise alter the leases, or to assign, compromise, or encumber the leases or any future rents. Borrower will hold the Government harmless and indemnify the Government for any and all liability, loss or damage that the Government may incur as a consequence of this assignment.

6. **Insurance.** Borrower shall keep the property insured as required by and under insurance policies approved by the Government and, at its request, deliver such policies to the Government. If property is located in a designated flood hazard area, Borrower also shall keep property insured as required by 42 U.S.C. § 4001 et. seq. and Government regulations. All insurance policies and renewals shall include a standard mortgagee clause.

7. **Advances by Government.** The Government may at any time pay any other amounts required by this instrument to be paid by Borrower and not paid by Borrower when due, as well as any cost for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. Advances shall include, but not be limited to, advances for payments of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, and improvements. All such advances shall bear interest at the same rate as the note which has the highest interest rate. All such advances, with interest, shall be immediately due and payable by Borrower to the Government without demand. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any secured debt to the Government, in any order the Government determines.

8. **Protection of lien.** Borrower shall pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and its priority and the enforcement or compliance with this instrument and the note. Such expenses include, but are not limited to: costs of evidence of title to, and survey of, the property; costs of recording this and other instruments; attorney's fees; trustees' fees; court costs; and expenses of advertising, selling, and conveying the property.

9. **Authorized purposes.** Borrower shall use the loan evidenced by the note solely for purposes authorized by the Government.

10. **Repair and operation of property.** Borrower shall: (a) maintain improvements in good repair; (b) make repairs required by the Government; (c) comply with all farm conservation practices and farm management plans required by the Government; and (d) operate the property in a good and husbandlike manner. Borrower shall not (e) abandon the property; (f) cause or permit waste, lessening or impairment of the property; or (g) cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals without the written consent of the Government, except as necessary for ordinary domestic purposes.

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24. **Successors and assigns; joint and several covenants.** The covenants and agreements of this instrument shall bind and benefit the successors and assigns of Government and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this instrument but does not execute the Note: (a) is co-signing this instrument only to mortgage, grant and convey that Borrower's interest in the property under this instrument; (b) is not personally obligated to pay the sums secured by this instrument; and (c) agrees that the Government and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this instrument or the note without that Borrower's consent.

25. **No merger.** If this instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the property, the leasehold and the fee title shall not merge unless the Government agrees to the merger in writing. If the property is conveyed to the Government, title shall not merge (unless the Government elects otherwise) and the lien provided under this instrument shall not be affected by such conveyance.

26. **Time is of the essence.** Time is of the essence in the Borrower's performance of all duties and obligations under this instrument.

NON-UNIFORM COVENANTS. Borrower further COVENANTS AND AGREES as follows:

27. **Default; death; incompetence; bankruptcy.** Should default occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the Borrower die or be declared incompetent, or should the Borrower be discharged in bankruptcy or declared an insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any debt to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of, and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument and sell the property as prescribed by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

28. **State law.** Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of any action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State laws.

29. **Assignment of leases and rents.** Borrower agrees that the assignment of leases and rents in this instrument is immediately effective on the recording of this instrument. Upon default, the Borrower will receive any rents in trust for the Government, and Borrower will not commingle the rents with any other funds. Any amounts collected shall be applied at the Government's discretion first to costs of managing, protecting and preserving the property, and to any other necessary related expenses. Any remaining amounts shall be applied to reduce the debt evidenced by the note(s). Borrower agrees that the Government may demand that Borrower and Borrower's tenants pay all rents due or to become due directly to the Government if the Borrower defaults and the Government notifies Borrower of the default. Upon such notice, Borrower will endorse and deliver to the Government any payments of rents. If the Borrower becomes subject to a bankruptcy, then Borrower agrees that the Government is entitled to receive relief from the automatic stay in bankruptcy for the purpose of enforcing this assignment.

30. **Advances by Government. NOTICE:** This mortgage secures credit in the amount of \$979,288.25. 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.

31. **Application of foreclosure proceeds.** The proceeds of foreclosure sale shall be applied in the following order to the payment of (a) costs and expenses incident to enforcing or complying with this instrument, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all other debt to the Government secured by this instrument, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other debt of Borrower to the Government, and (f) any balance to Borrower. If the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

Check If Applicable:

32. Mortgagor (Grantor) is (Pledger) _____ and

is referred to as "borrower" in this mortgage. This mortgage is granted to secure a loan to (Applicant) _____
_____. (Pledger) _____

_____ have executed this mortgage pledging the property described in the Mortgage as security for loans to (Applicant) _____ and acknowledge that making said loans is consideration for the granting of the Mortgage.

Check If Applicable:

33. This is a purchase money mortgage per I.C.A. 654.12B.

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Exhibit A

An undivided 1/2 interest in Parcel "B" located in the Southwest Fractional Quarter (1/4) of the Northwest Quarter (1/4) and in the Southeast Quarter (1/4) of the Northwest Quarter (1/4) of Section Thirty (30), Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, containing 44.167 acres, as shown in Plat of Survey filed in Book 2001, Page 5346, on November 29, 2001, in the Office of the Recorder of Madison County, Iowa

The West Half (1/2) of the East Half (1/2) of the Southwest Quarter (1/4) and the West Half (1/2) of the Southwest Quarter (1/4) of Section Twenty-seven (27), Township Seventy-six (76) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa, **EXCEPT** a parcel described as beginning at the Southwest corner of the Southwest Quarter (1/4) of said Section Twenty-seven (27), and running thence East 568 feet, thence North 287 feet, thence West 568 feet, thence South 287 feet to the point of beginning; **AND EXCEPT** Parcel "A" located in the Northwest Quarter (1/4) of the Southwest Quarter (1/4) of said Section Twenty-seven (27), as shown in the Plat of Survey recorded in Book 2007, Page 4226 on November 26, 2007, in the Office of the Recorder of Madison County, Iowa.



BORROWER CO-BORROWER
INT PLF INT _____

Handwritten signature
05-16-2018