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Date 8/18/2026 Time 3:26:01PM

Rec Amt \$17.00

Daneen Schindler, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

MORTGAGE AND SECURITY AGREEMENT

Document Prepared by:

Glenn Farrand 2901 Southwest Coves Drive, Ankeny, IA 50023-9157 phone: 515-446-0150
Return to the preparer at the above address.

This Mortgage Agreement is made on August 18, 2026 by and between **Merlyn Howard Farrand and Linda Farrand** ("Borrower"), residing at 508 North Franklin Street, Manchester, Iowa 52057, and **Glenn Farrand and Diana Farrand** ("Lender"), residing at 2901 Coves Drive, Ankeny, Iowa 50023.

1. Secured Loan. This Mortgage is given to secure a Promissory Note dated August 18, 2026. This mortgage secures and legalizes an agreement mentioned in the Promissory Note which began on May 18, 2026, for the principal amount of \$24,700.00 with interest of 5% per annum with a term of 10 (ten) years, payable monthly due on the 18th of each month. The monthly payment is \$261.98. The first payment was due and paid on June 18, 2026, followed by payments of \$261.98 made on July 18, 2026 and \$261.98 made on August 18, 2026.

2. Property Covered. The Borrower hereby mortgages to the Lender and grants a security interest in the property at 508 North Franklin Street, Manchester, Iowa 52057-1237 and described as:

Sub-lot Three (3) of the Subdivision of Lot Twenty Five (25) of Burrington's Addition to Burrington, now City of Manchester, Delaware County, Iowa, according to the recorded plat of said division, except the South four (4) feet in width and one hundred fifty four (154) feet in length thereof, the length of which exception commences at the East end of said Sub-Lot Three (3), and runs one hundred fifty four (154) feet to the West line of sub-lot Two (2) in said subdivision, subject to the restriction and prohibition that no barn or other out buildings, except garages, shall be built upon said Lot East and North of Park Lodge or the R. W. Tirrill Park, in said city of Manchester, as provided and set out in Item Twenty Seven (27) of the Will of R.W. Tirrill, deceased, and including the easement or right of way over the cement drives and walks situated on Sub-lot Six (6) in said Lot Twenty-Five (25), through the Archway on West Union Street in said City of Manchester to the rear part of the above described premises for the use of the owner or occupants thereof in connection with the City of Manchester, being and intended to cover and transfer such easement as was granted unto R. W. Tirrill, deceased, in the lease made and

executed on the 10th day of May, 1920, by and between the City of Manchester and R. W. Tirrill, deceased, and recorded in the office of the Recorder of Delaware County, Iowa, in Book 3 of Leases on page 258 thereof.

3. First Lien Position. The Borrower warrants that they are the legal owner of the Property and that this Mortgage is a **first lien** on the Property, superior to all other liens except for property taxes. There are no existing recorded liens on the property as of August 18, 2026.

4. Taxes and Insurance. The Borrower shall pay all property taxes and maintain homeowner's insurance with the Lender listed as a loss payee and shall pay all utility bills on the property. Borrower will provide proof of tax payments every 6 months and of insurance payments when they are made.

5. Default. If the Borrower fails to make payments or violates any terms in this mortgage, Lender may declare the entire balance due immediately and initiate foreclosure proceedings.

6. Special Payments. As mentioned in the Promissory Note, the Lender has agreed to make special payments which will reduce the payment owed by the Borrower. The terms of these "Special Payments" as well as potential changes that could occur concerning them are given in the underlying **Promissory Note**, and are listed in Section 6, "**Special Payments**", in section 7, "**Death or Incapacity of the Lender**", section 8, "**Sale of Property**", and in Section 9, "**Assignable Loan**". The amount of these "Special Payments" is solely determined by the lender and can change at any time during the life of the mortgage as outlined in the terms of the Promissory Note.

7. Sale of property. The property at 508 North Franklin, Manchester, Iowa 52057 can be sold by the borrower with any terms they desire, but ANY sale makes this loan due and payable upon the closing date of said sale. The principal amount must be paid in full to the Lender on the closing date of the sale of the property.

8. Assignable Loan. This loan is assignable by the Lender to any entity at any time. That new entity will have the sole right to change the "Special Payments" being given to the borrower.

9. Amortization schedule. A complete Amortization Schedule is given in the Promissory Note so that the borrowers can tell the Principal and Interest Amounts being paid each month as well as the remaining balance owed after each monthly payment is made

10. Release. Upon full payment of the Note and satisfaction of all obligations under this Mortgage, Lender shall promptly execute and deliver to Borrower a formal Release or Satisfaction of Mortgage in recordable form.

11. Governing Law. This Mortgage shall be governed by, construed, and enforced in accordance with the laws of the state of Iowa.

12. Recording. This mortgage will be recorded with the County Recorder in Delaware County, Iowa to perfect the lien.

Lender Signatures:



(Lender 1) Date: 8-18-2026



(Lender 2) Date: 8/18/2026

Borrower Signatures:

Merlyn H. Farrand (Borrower 1) Date: 8/18/26
Linda L. Farrand (Borrower 2) Date: 8/18/26

Notary Acknowledgment Section State of Iowa County of Delaware

This instrument was acknowledged before me this 18 day of August (month) _____ (year) 2026

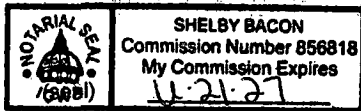
By: Merlyn Howard Farrand (name of signer)

Linda Farrand (name of signer)

____ Personally Known
✓ Produced Identification

Type and # of ID _____

Shelby Bacon
Signature Notary



Shelby Bacon
Name of Notary Typed, Stamped, or Printed
Notary Public, State of Iowa