

NUM PGS le
DOC TAX _____ CK# _____
FEES 40.00 PD 40.00 CK# 103945
CHG _____ ACCT# _____
RET FEES: _____ CASH _____
P & M FUND 5.00 GEN FUND 35.00
REC'D M-Farm Credit of Ness County FLCA
RETURN Farm Credit of Ness County FLCA
PO Box 457
Ness City Kansas 67560-0457



ADAMS COUNTY, NE
FILED
INST. NO. 20132206

Date 5-22-13 Time 1:03 PM

Janice D Johnson
REGISTER OF DEEDS.

NUM Allen Second Sub
RD. COMP X BM 1:13
COMPARE v ak
CADAS — COMP —

RESERVED FOR REGISTER OF DEEDS RECORDING SPACE
ADAMS COUNTY NE



MORTGAGE AND SECURITY AGREEMENT
(With Future Advance Clause)

Loan No. 2664982

DATE.

THIS MORTGAGE is made on this 26th day of March, 2013.

PARTIES.

The parties to this mortgage are:

GALE E BROOKS AND SHERRY K BROOKS, CO-TRUSTEES OF THE GALE E BROOKS TRUST DATED NOVEMBER 13, 1996 AND THE SHERRY K BROOKS TRUST DATED NOVEMBER 13, 1996; AND GALE E BROOKS AND SHERRY K BROOKS, HUSBAND AND WIFE

hereafter called MORTGAGOR, whether one or more, and Farm Credit of Ness City, FLCA, 19332 State Highway 96, PO Box 457, Ness City, Kansas, 67560 (MORTGAGEE).

PROPERTY MORTGAGED.

MORTGAGOR, in consideration of money loaned under the loan described above, by the MORTGAGEE, does by this instrument mortgage to the MORTGAGEE, as security for all past, present, and future total indebtedness, obligations and liabilities owed by the Mortgagor to the Mortgagee and any renewals thereof or continuance, extension or extensions, whether in whole or in part, together with all attorneys' fees, costs and expenses of action against the Mortgagee to enforce collection incurred by the Mortgagee in the collection of the notes evidencing such indebtedness (collectively, the "Secured Obligations"), all the following real estate situated in the County(ies) of Adams and State(s) of Nebraska described as follows:

LOT 3, BLOCK 1, ALLEN SECOND SUBDIVISION, IN THE CITY OF HASTINGS.

TOGETHER WITH OTHER LAND LOCATED IN THE COUNTY OF LOGAN, STATE OF KANSAS.

Containing 2.00 acres, more or less (the "Mortgaged Property").

Subject to existing easements, rights of way, and mineral interests or mineral leases owned by third parties under valid reservations or conveyances now of record; but including the following property, whether or not owned by MORTGAGOR on the date of this mortgage or acquired by MORTGAGOR after the date of this mortgage, or whether now or hereafter located on or appurtenant to the real estate described above:

All improvements of any kind and character; all equipment and fixtures; all easements, rights of way and reversionary rights; all privileges, hereditaments and appurtenances; all water, irrigation and drainage rights; and all abstracts or other evidence of title;

all of which shall be considered a part of the Mortgaged Property.

AMOUNT AND TERMS.

The MORTGAGOR has made a promissory note payable to the order of MORTGAGEE. The promissory note is dated March 26, 2013. The mortgage secures to the MORTGAGEE the payment of \$ 825,000.00 of the original principal sum and is payable with interest as shown in the promissory note and if not sooner paid, shall be due and payable in full on April 1, 2038 subject to extensions thereof. The promissory note states the interest rate on the principal sum, and may also provide for future changes in the interest rate. The principal sum consists of the original principal sum and substitutions and renewals thereof, and may consist of additional principal advances not to exceed \$ 0.00, as evidenced by the MORTGAGOR's notes and bearing interest as provided in said notes. The mortgage secures the repayment of the principal sum with interest, and any additional indebtedness arising under the terms and conditions of this mortgage.

PROMISES BY MORTGAGOR.

MORTGAGOR promises as follows:

1. **TITLE.** To be the owner of fee simple title to the Mortgaged Property, and to be the owner of unconditional title to all other property which secures repayment of the Secured Obligations; to have a good right to mortgage said property; that all such property is and shall remain free and clear of all liens and encumbrances other than liens and encumbrances in favor of Mortgagee; and to guarantee and defend title to all Mortgaged Property against the lawful claims or demands of all persons not parties to this agreement, except: (attach schedule, if applicable).
2. **USE OF LOAN PROCEEDS.** To use the proceeds from the loan secured by this mortgage solely for the purposes stated by MORTGAGOR in MORTGAGOR'S loan application.
3. **PAYMENT.** To pay when due all payments as set out in the note(s) secured by this mortgage and of the other Secured Obligations.
4. **TAXES AND ASSESSMENTS.** To pay when due all taxes and assessments lawfully levied or assessed against the Mortgage Property, and also to pay all lawful claims, liens, judgments or encumbrances which may be or become prior to this mortgage.
5. **INSURANCE AND ITS PROCEEDS.** To insure the buildings and improvements now on, or which may be placed on, the Mortgaged Property, and to keep such buildings and improvements insured against such hazards and in such amounts as the MORTGAGEE may require. The policy of insurance shall contain a loss-payable clause in favor of the MORTGAGEE, as its interest may appear. If there is a loss, and if the payments on the note secured by this mortgage and the other Secured Obligations are current and if there is no violation of the terms of this mortgage by MORTGAGOR, any sums received by the MORTGAGEE for loss under the policy may, in MORTGAGEE'S sole discretion, be used to pay for reconstruction of the destroyed buildings or improvements; if not so applied, or if there is a violation of the terms of this mortgage by MORTGAGOR, then, at the MORTGAGEE'S option, any sums received by the MORTGAGEE may be applied in payment of matured debt, or as extra payments on unmatured debt in the manner provided for in the promissory note secured by this mortgage.
6. **COMPLIANCE WITH LAWS; REPAIR, WASTE, REMOVAL.** To comply with all laws, ordinances, regulations, covenants, conditions and restrictions which affect the Mortgaged Property; to keep the Mortgaged Property in good condition and repair at all times; not to commit or permit waste of, or nuisance on, the Mortgaged Property, nor to permit unreasonable depreciation of the physical condition or value of the Mortgaged Property through erosion, insufficient water supply, inadequate or improper drainage or irrigation, or any other cause; or, unless written consent of the MORTGAGEE is first obtained, not to cut or remove, or permit the cutting or removal of, growing timber on the Mortgaged Property, except for domestic purposes; nor to remove or permit removal of any improvements on the Mortgaged Property, except for appropriate replacement.
7. **REIMBURSEMENT OF COSTS AND EXPENSES TO MORTGAGEE.** To promptly reimburse the MORTGAGEE for all costs and expenses which the MORTGAGEE may incur in any suit to foreclose this mortgage, or in any suit in which the MORTGAGEE may be obliged to defend or protect its lien under bankruptcy laws or other laws, or any of the other rights it may have under this mortgage, including all abstract fees, all court costs, a reasonable attorney's fee where allowed by law, and all other expenses. Any expenses so incurred by the MORTGAGEE shall be a Secured Obligation, may be included in any decree of foreclosure, and may be added as advances to the loan balance when paid, as provided in the section labeled "ADVANCES" below.
8. **LIFE AND/OR DISABILITY INSURANCE; APPLICATION OF PROCEEDS.** To obtain and maintain life and/or disability insurance in such amount as the MORTGAGEE may require in its loan commitment or in any later loan servicing agreement between MORTGAGOR and MORTGAGEE. The insurance policy will provide that all insurance proceeds are to be fully payable to the MORTGAGEE. All such proceeds shall be applied, first, to the payment of any matured indebtedness due the MORTGAGEE, and, secondly, toward payment of the unmatured principal amount due the MORTGAGEE. Any insurance proceeds remaining after full satisfaction of the Secured Obligations shall be forwarded to such person as MORTGAGOR may have designated in the insurance policy, or, if a person is not designated, to MORTGAGOR or to MORTGAGOR'S successors in interest, and the MORTGAGEE shall be held harmless in, and incur no liability for so doing.

ENVIRONMENTAL REPRESENTATIONS, WARRANTIES, COVENANTS, AND INDEMNITIES

With respect to the Mortgaged Property, Mortgagor has complied, is in compliance, and will at all times comply in all respects with all applicable laws (whether statutory, common law or otherwise), rules, regulations, orders, permits, licenses, ordinances, judgments, or decrees of all governmental authorities (whether federal, state, local or otherwise), including, without limitation, all laws regarding public health or welfare, environmental protection, water and air pollution, composition of product, underground storage tanks, toxic substances, hazardous wastes, hazardous substances, hazardous materials, waste or used oil, asbestos, occupational health and safety, nuisances, trespass, and negligence.

1. **RIGHT OF INSPECTION.** The Mortgagor hereby grants, and will cause any tenants to grant, to Mortgagee, its agents, attorneys, employees, consultants, contractors, successors and assigns, an irrevocable license and authorization, upon reasonable notice, to enter upon and inspect the Mortgaged Property and facilities thereon, and perform such tests, including without limitation, subsurface testing, soils and groundwater testing, and other tests which may physically invade the Mortgaged Property thereon, as the Mortgagee, in its sole discretion, determines is necessary to protect its security interest, provided however, that under no circumstances shall the Mortgagee be obligated to perform such inspections or tests.

2. **INDEMNITY.** Mortgagor agrees to indemnify and hold Mortgagee, its directors, employees, agents, and its successors and assigns, harmless from and against, and to give Mortgagee prompt written notice of, any and all claims, losses, damages, liabilities, fines, penalties, charges, judgments, administrative orders, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorney's fees and expenses, including all attorneys fees and expenses incurred by Mortgagee in enforcing this indemnity), arising directly or indirectly, in whole or in part, out of any failure of Mortgagor to comply with the environmental representations, warranties and covenants contained herein, or the failure of same to be true.

3. **CONTINUATION OF REPRESENTATIONS, WARRANTIES, COVENANTS AND INDEMNITIES.** Mortgagor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation, the satisfaction of the promissory note and other Secured Obligations secured hereby, the reconveyance or foreclosure of this mortgage, the acceptance by Mortgagee of a deed in lieu of foreclosure, or any transfer or abandonment of the Mortgaged Property.

ASSIGNMENT OF MINERAL INCOME AND DAMAGES.

To provide for payment of the Secured Obligations, MORTGAGOR hereby assigns to the MORTGAGEE all sums of money which are now due or hereafter may become due to MORTGAGOR for claims, injury or damage to the security from any cause, and also all sums which are now due or hereafter may become due to MORTGAGOR as rents, royalties, bonuses or delay rentals under any oil, gas or other mineral lease now existing, or hereafter entered into by MORTGAGOR on the Mortgaged Property. To assign payment of these sums to the MORTGAGEE, MORTGAGOR agrees to execute and deliver to the MORTGAGEE any further instruments which the MORTGAGEE may require, at the MORTGAGEE'S option, sums paid to it by virtue of this assignment may be released by the MORTGAGEE to MORTGAGOR, and release of any such sums shall not prevent the MORTGAGEE from receiving payment of any other sums under this assignment. If not released by the MORTGAGEE to MORTGAGOR, such sums may be applied to pay any matured debt or other Secured Obligations owing to the MORTGAGEE, or, if no matured debt exists, such sums may be applied as advance payment of principal, according to the provisions of the promissory note described above and the other Secured Obligations. Release of this mortgage of record shall automatically terminate the MORTGAGEE'S right to receive any further sums under this assignment.

WATER RIGHTS.

The MORTGAGOR shall abide by all the statutes, rules, and regulations of any and all state and local authorities having jurisdiction over the use and distribution of water or water resources, and further covenants and agrees not to transfer, sell or assign or relinquish the water rights now held or hereafter acquired covering the Mortgaged Property without the written consent of the MORTGAGEE.

ADVANCES.

In the event MORTGAGOR does not pay when due any costs incurred for abstracting, surveys, title curative work and recording fees which are to be paid by MORTGAGOR as provided for in the application or commitment for this loan, or in the event MORTGAGOR does not pay when due any taxes, or lawful liens, judgments, assessments or other charges which MORTGAGOR promises by the terms of this mortgage to pay, or in the event MORTGAGOR does not maintain insurance as provided for in this mortgage, the MORTGAGEE may make such payments or provide such insurance, and each payment which the MORTGAGEE makes on any of these items shall become a Secured Obligation and be added onto MORTGAGOR'S loan; however, any sum so paid by the MORTGAGEE shall immediately be payable by MORTGAGOR and shall bear interest from the date the MORTGAGEE advances such sums until the date MORTGAGOR pays them, as provided for in the promissory note described above. The MORTGAGEE shall be the sole judge of the legality, necessity or propriety of making any such payment or providing any such insurance, and shall be held harmless in, and incur no liability for so doing.

SECURITY AGREEMENT.

In the absence of a separate security agreement entered into by MORTGAGOR and MORTGAGEE, this mortgage shall constitute and shall be a security agreement pursuant to the Uniform Commercial Code with respect to any goods, fixtures, equipment, appliances or articles of personal property specified above or described in a separate schedule attached hereto (hereinafter collectively referred to in this paragraph as "personal property") which are a part of the Mortgaged Property and which, under applicable law, are or may be subject to a security interest pursuant to the Uniform Commercial Code, and MORTGAGOR hereby grants MORTGAGEE a security interest in said personal property. MORTGAGOR authorizes Mortgagee to file Uniform Commercial Code financing statements covering said personal property in such form as MORTGAGEE may require to perfect its security interest therein. Upon MORTGAGOR'S breach of any covenant or agreement contained in this mortgage, including but not limited to MORTGAGOR'S covenants to pay when due all Secured Obligations, MORTGAGEE shall have all the remedies of a secured party under the Uniform Commercial Code and, at MORTGAGEE'S option, may also invoke the remedies provided in this mortgage with respect to the personal property secured hereby.

BREACH OF PROMISES IN THIS AGREEMENT; ACCELERATION OF DEBT.

In the event MORTGAGOR does not comply with any of the promises contained in this mortgage, or does not do any of the acts which MORTGAGOR agrees to do under the terms of this mortgage, or in the event MORTGAGOR declares bankruptcy, makes an assignment for the benefit of his creditors, or if a petition for or appointment of a receiver or trustee to take charge of the MORTGAGOR'S property occurs, or if any proceedings are commenced which might result in loss or reduction of the uses and enjoyment of the security for the Secured Obligations, or if at

any time the MORTGAGEE shall deem itself insecure, then the MORTGAGEE may declare a default and the Secured Obligations shall immediately become fully due and payable and bear interest as provided for in the promissory note(s) described above and this mortgage shall become immediately subject to foreclosure. The MORTGAGEE may, however, at its sole option and without notice, waive such acceleration, but no waiver shall prevent the MORTGAGEE from again accelerating the debt based on a later breach of the promises contained in this mortgage.

CHANGE OF OWNERSHIP.

In the event of a change of ownership of the Mortgaged Property, the MORTGAGEE may declare a default and the Secured Obligations shall become immediately due and payable and bear interest as provided for in the promissory note described above and this mortgage shall become immediately subject to foreclosure unless the MORTGAGEE has given its written consent before such change, or unless the change was the direct result of the death of MORTGAGOR. "Change of Ownership" means a voluntary or involuntary transfer of title to the Mortgaged Property, or any part of it or interest in it, and includes any change in the entity structure, control, operation or ownership which would make MORTGAGOR ineligible to borrow from the MORTGAGEE. Regardless of whether a change of ownership appears as a matter of public record, the MORTGAGEE will have 60 days from the date of receiving a written notice of change of ownership to accelerate the Secured Obligations and if the MORTGAGEE does not do so within this 60 days its right to accelerate the Secured Obligations shall expire.

RIGHT TO ENTER UNOCCUPIED PREMISES IN TIME OF EMERGENCY AND MAKE REPAIRS; ADVANCES FOR REPAIR.

If this mortgage is subject to foreclosure, and if the Mortgaged Property reasonably appears unoccupied to the MORTGAGEE, and if the MORTGAGEE determines that an emergency exists, the MORTGAGEE may go on the Mortgaged Property for the sole purpose of repairing, preserving or protecting same without becoming a mortgagee-in-possession. Any sums spent for these purposes shall become a Secured Obligation, and shall become immediately due and payable in the same way as other advances are dealt with, above. The MORTGAGEE shall be held harmless in, and incur no liability for doing the things provided for in this paragraph, and shall be the sole judge of the necessity or propriety of so doing.

CONDEMNATION OR CONVEYANCE IN LIEU OF CONDEMNATION.

The proceeds of any award, compensation or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Mortgaged Property, or any part of it, or for a conveyance in lieu of condemnation, are hereby assigned and shall be paid to the MORTGAGEE. Any money so received may, at the option of the MORTGAGEE, be applied, in part or in total, on the Secured Obligations, whether due or not, and any money not so applied will be returned to MORTGAGOR.

FORECLOSURE: ENTITLEMENT TO ABSTRACTS, RECEIVERSHIP, RENTS AND PROFITS.

In the event this mortgage is foreclosed, the MORTGAGEE shall be entitled to all abstracts and other evidences of title, to have a receiver appointed by the Court to take possession of the Mortgaged Property to collect rents and profits, and all amounts so collected shall be applied, under the direction of the Court, to the expenses of the receivership, and to payment of any judgment rendered or Secured Obligation.

MORTGAGEE'S RIGHTS IN LOAN SERVICING.

The MORTGAGEE shall have the right, at any time and without notice, to release all or any part of the Mortgaged Property, to grant extensions, deferrals, renewals or reamortizations of all or any part of the Secured Obligations, and to release from personal liability any party now or hereafter personally liable for repayment of the Secured Obligations, all without affecting the provisions or priority of this mortgage or the Mortgaged Property which remains or the personal liability of any party not specifically released from personal liability.

WAIVER OF ELECTION, STAY AND HOMESTEAD, OF REDEMPTION RIGHTS WHERE ALLOWED BY LAW, AND OF THE BENEFIT OF ALL APPRAISEMENT LAWS.

MORTGAGOR, by signing this mortgage, waives notice of election to declare the Secured Obligations due, and also waives the benefit of all stay, and homestead laws. Where permitted by law, MORTGAGOR also waives all rights of redemption as to any corporation or partnership which may succeed to MORTGAGOR'S interest in the Mortgaged Property, and, if MORTGAGOR is a corporation or partnership, waives its own rights of redemption. MORTGAGOR also waives, where permitted by law, the benefit of all appraisal laws at the option of the MORTGAGEE, which option is to be exercised no later than at the time of judgment in foreclosure.

MORTGAGEE'S REPRESENTATIONS AND WARRANTIES.

The Mortgagor, if it is not a natural person, hereby represents and warrants that it (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and (b) has full power to enter into, execute, deliver and perform its obligations under this Mortgage, and all such actions have been duly authorized by all necessary proceedings on its part. This Mortgage constitutes a legal, valid and binding obligation of the Mortgagor, enforceable against the Mortgagor in accordance with its terms except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws or equitable principles affecting creditors' rights generally.

THE PROMISES AND AGREEMENTS CONTAINED IN THIS MORTGAGE SHALL BE BINDING ON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS AND ASSIGNS OF ALL PARTIES TO THIS MORTGAGE.

Gale E. Brooks Trust Dated 11-13-1996

By: [Signature]
Gale E. Brooks, Co-Trustee

Sherry K. Brooks Trust Dated 11-13-1996

By: [Signature]
Sherry K. Brooks, Co-Trustee

Gale E. Brooks Trust Dated 11-13-1996

By: [Signature]
Sherry K. Brooks, Co-Trustee

Sherry K. Brooks Trust Dated 11-13-1996

By: [Signature]
Gale E. Brooks, Co-Trustee

[Signature]
Gale E. Brooks

[Signature]
Sherry K. Brooks

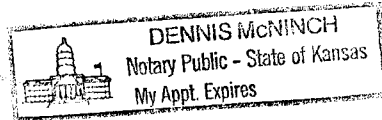
ACKNOWLEDGEMENT

STATE OF Kansas)
) SS.
COUNTY OF Johnson)

This instrument was acknowledged before me this 27th day of March, 2013, by
GALE E BROOKS AND SHERRY K BROOKS, CO-TRUSTEES OF THE GALE E BROOKS TRUST DATED NOVEMBER 13, 1996
AND THE SHERRY K BROOKS TRUST DATED NOVEMBER 13, 1996; AND GALE E BROOKS AND SHERRY K BROOKS,
HUSBAND AND WIFE

[Signature]
Dennis McNinch Notary Public

My Commission (appointment) expires: 08/21/2013



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