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JULIE PHILLIPS
RECORDER
IDA COUNTY, IOWA

Prepared by, and when recorded return to, Scott Hamak, Rinke Noonan, 1015 West St. Germain, Suite 300, St. Cloud, MN 56301, (320) 251-6700

Taxpayer/Grantor/Mortgagor: Midwest Properties of Ida Grove, LLC, 30184 Old Highway 371, P.O. Box 379, Pequot Lakes, MN 56472

Grantee/Mortgagee: Minnwest Bank, 3130 Second Street South, P.O. Box 7429, St. Cloud, MN 56302

Legal Description: See Exhibit A.

**COMBINATION MORTGAGE, SECURITY AGREEMENT,
FIXTURE FINANCING STATEMENT AND
ASSIGNMENT OF RENTS AND LEASES**

THIS COMBINATION MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT (the "**Mortgage**") is made effective as of October 31, 2016 (the "**Effective Date**"), by Midwest Properties of Ida Grove, LLC, a Minnesota limited liability company (the "**Mortgagor**"), with the mailing address of 30184 Old Highway 371, P.O. Box 379, Pequot Lakes, MN 56472 for the benefit of **Minnwest Bank**, a Minnesota state banking corporation (the "**Mortgagee**") with the mailing address of 3130 Second Street South, P.O. Box 7429, St. Cloud, MN 56302.

NOTICE: This mortgage secures credit in the amount of Three Million Three Hundred Thousand and NO/100 Dollars (\$3,300,000.00). 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.

ATTENTION COUNTY RECORDER: THIS INSTRUMENT IS INTENDED TO BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING PURSUANT TO THE IOWA UNIFORM COMMERCIAL CODE. PORTIONS OF THE GOODS COMPROMISING A PART OF THE MORTGAGED PROPERTY ARE OR ARE TO BECOME FIXTURES RELATED TO THE LAND DESCRIBED IN EXHIBIT A HERETO. THIS INSTRUMENT IS TO BE FILED FOR RECORD IN THE RECORDS OF THE COUNTY WHERE MORTGAGES ON REAL PROPERTY ARE RECORDED AND SHOULD BE INDEXED AS BOTH A MORTGAGE AND AS A FINANCING STATEMENT COVERING FIXTURES. THE ADDRESSES OF MORTGAGOR

(DEBTOR) AND MORTGAGEE (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, SECURED PARTY) ARE SPECIFIED IN THE FIRST PARAGRAPH ON PAGE 1 OF THIS AGREEMENT.

RECITALS:

- A. Midwest Properties of Sandstone, LLC, a Minnesota limited liability company (the "**Borrower**") entered into a Loan Agreement dated effective July 26, 2016, amended by Amendment to Loan Agreement of even date herewith (collectively, the "**Loan Agreement**") with the Mortgagee, under which the Mortgagee agreed to make advances to the Borrower up to the aggregate sum of \$3,300,000.00 (the "**Loan**") to finance the acquisition and construction of a 35-unit assisted living and memory care facility, which Loan is evidenced by a Promissory Note of dated July 26, 2016, in the principal amount of up to \$3,300,000.00 (together with any amendments, extensions, renewals and replacements thereof) (the "**Note**"), and is subject to the Loan Agreement.
- B. The Note is secured by a Combination Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Rents and Leases from Borrower dated July 26, 2016, and filed of record on August 1, 2016, as Document No. A528028, in the office of the County Recorder of Pine County, Minnesota ("**Mortgage One**") and by the Guaranties dated July 26, 2016 from Kent Marthaler, Charles Lane, KC Companies of Sandstone, Inc., a Minnesota corporation, and Midwest Properties of Crosslake, LLC, a Minnesota limited liability company (the "**Crosslake Entity**"), in favor of Mortgagee (collectively the "**Guaranties**"), The Note, the Loan Agreement, Mortgage One, the Guaranties and other "**Loan Documents**" (as defined in the Loan Agreement) are sometimes hereinafter referred to as the "**Loan Documents**".
- C. As security for the Crosslake Entity's guaranty of the Loan, the Crosslake Entity, as mortgagor, joined and executed Mortgage One and provided a third mortgage lien in favor of Mortgagee on the "**Crosslake Facility**" (as defined in the Loan Agreement).
- D. The Crosslake Entity, which is owned by the Borrower's owners, desires to refinance the Crosslake Facility, and the Borrower desires to release the Crosslake Entity and the Crosslake Facility from Mortgage One and release the Crosslake Entity from its Guaranty (collectively, the "**Requests**").
- E. Pursuant to the Loan Agreement, the Mortgagee must provide its written consent to the Requests.
- F. Borrower and Mortgagee desire to enter into an Amendment to Loan Agreement (the "**Amendment**") in connection with the Requests.
- G. Mortgagee is not willing to enter into the Amendment unless the Mortgagor unconditionally guarantees payment and performance of the Loan, executes and delivers

a Guaranty dated October 31, 2016 (the "**Guaranty**"), and executes and delivers this Mortgage, securing the Guaranty in connection with the Transfer.

- H. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in Loan Agreement, unless the context shall otherwise require.

NOW, THEREFORE, as an inducement for Lender to enter into the Amendment and in consideration of the forgoing premises, and for the purpose of securing (A) the payment when and as due and payable of the obligations of the Mortgagor under the Guaranty, (B) the payment of all other sums, with interest thereon, which may be advanced by the Mortgagee in accordance with or which may be secured by this Mortgage (the obligations under the Guaranty and all such other sums are hereinafter collectively referred to as the "**Indebtedness**"), and (C) the performance of all the covenants, conditions and agreements herein contained in this Mortgage, the Guaranty, and for other good and valuable consideration, the receipt of which the parties acknowledge, the Mortgagor does hereby agree and covenants as follows:

1. **Granting Clauses.** Mortgagor hereby irrevocably and absolutely does by these presents GRANT AND CONVEY, MORTGAGE AND WARRANT, SET OVER, TRANSFER, ASSIGN, BARGAIN AND SELL to Mortgagee, its successors and assigns, with all powers of sale (if any) and all statutory rights under the laws of Iowa, and grants to Mortgagee a security interest in, all of Mortgagor's present and hereafter acquired estate, right, title and interest in, to and under the following (collectively referred to herein as the "**Mortgaged Property**"):

(a) That certain real property situated in Ida County, Iowa, and more particularly described in the attached **Exhibit A** and incorporated herein by this reference (the "**Land**"), together with all buildings, structures and improvements now or hereafter erected on the Land, together with all fixtures and items that are to become fixtures thereto (collectively, the "**Improvements**");

(b) All and singular the easements, rights-of-way, licenses, permits, rights of use or occupancy, privileges, tenements, appendages, hereditaments and appurtenances and other rights and privileges attached or belonging to the Land or Improvements or in any way appertaining thereto, whether now or in the future, and all the rents, issues and profits from the Land or Improvements;

(c) The land lying within any street, alley, avenue, roadway or right-of-way open or proposed or hereafter vacated in front of or adjoining the Land; and all right, title and interest, if any, of Mortgagor in and to any strips and gores adjoining the Land;

(d) All machinery, apparatus, equipment, goods, systems, building materials, carpeting, furnishings, fixtures and property of every kind and nature whatsoever, now or hereafter located in or upon or affixed to the Land or Improvements, or any part thereof, or used or usable in connection with any construction on or any present or future operation of the Land or Improvements, now owned or hereafter acquired by Mortgagor, including, but without limitation of the generality of the foregoing, all lighting, heating, ventilating, air-conditioning,

sprinkling and plumbing fixtures, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, communication systems, dynamos, transformers, electrical equipment, furniture, furnishings, machinery, maintenance equipment, equipment, all other personal property now or hereafter located in, or on, or used, or intended to be used in connection with the Land or the Improvements, and all other fixtures of every description located in or on, or used, or intended to be used in connection with the Land or the Improvements now or hereafter located thereon, together with all substitutions, accessions, repairs, additions and replacements to any of the foregoing; it being understood and agreed that all such machinery, equipment, apparatus, goods, systems, fixtures, and property are a part of the Improvements and are declared to be a portion of the security for the Indebtedness (whether in single units or centrally controlled, and whether physically attached to said real estate or not), excluding, however, personal property owned by tenants of the Land or Improvements; and

(e) Any and all awards, payments or insurance proceeds, including interest thereon, and the right to receive the same, which may be paid or payable with respect to the Land or Improvements or other properties described above as a result of: (1) the exercise of the right of eminent domain or action in lieu thereof; or (2) the alteration of the grade of any street; or (3) any fire, casualty, accident, damage or other injury to or decrease in the value of the Land or Improvements or other properties described above, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Mortgagor or Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by Mortgagor or Mortgagee in connection with the collection of such award or payment. Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be reasonably requested by Mortgagee to confirm such assignment to Mortgagee of any such award or payment; and

(f) All rights of the Mortgagor with respect to tenants or occupants now or hereafter occupying any part of the Land, Improvements or any of the Mortgaged Property, whether oral or written, including all leases and licenses and rights in connection therewith ("**Leases**") and all rents, issues, profits, income, royalties and payments now or hereafter due or to be paid in connection with the Land, Improvements, or any of the Mortgaged Property whether before or after foreclosure, or during the full statutory period of redemption, if any, shall accrue and be owing for the use or occupation of the Land, Improvements, or any of the Mortgaged Property ("**Rents**").

(g) All additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds to any and all of the foregoing.

The parties intend the definition of Mortgaged Property to be broadly construed and in the case of doubt as to whether a particular item is to be included in the definition of Mortgaged Property, the doubt should be resolved in favor of inclusion.

TO HAVE AND TO HOLD the Mortgaged Property with all rights, privileges and appurtenances thereunto belonging, and all income, rents, royalties, revenues, issues, profits and proceeds therefrom, unto Mortgagee, its successors and assigns, forever, for the uses and purposes herein expressed.

THIS MORTGAGE IS GIVEN TO SECURE: The Guaranty and the payment of the Indebtedness; this Mortgage is made upon the express condition that if Borrower shall pay to the Mortgagee, as and when due and payable, the principal of and interest on the Note and all other indebtedness of the Borrower, and shall also keep and perform each and every covenant and agreement of Borrower contained in the Loan Agreement, the Note, and all other Loan Documents, and the Mortgagor shall pay to the Mortgagee as and when due and payable, the principal of and interest on the Indebtedness, and shall also keep and perform each and every covenant and agreement of the Mortgagor contained in the Guaranty, and the Mortgagor shall also keep and perform each and every covenant and agreement herein contained then this Mortgage and the estate hereby granted shall cease and be and become void and shall be released of record at the expense of the Mortgagor; otherwise this Mortgage shall be and remain in full force and effect.

The Mortgagor represents, warrants and covenants to and with the Lender that it is lawfully seized of the Mortgaged Property in fee simple and has good right and full power and authority under all applicable provisions of law and under its organizational documents to execute this Mortgage and to mortgage the Mortgaged Property; that the Mortgaged Property is free from all liens, security interests and encumbrances except as listed in **Exhibit B** attached hereto; that the Mortgagor will warrant and defend the title to the Mortgaged Property and the lien and priority of this Mortgage against all claims and demands of all persons whomsoever, whether now existing or hereafter arising, not listed in **Exhibit B**; and that all buildings and improvements now or hereafter located on the Mortgaged Property are, or will be located entirely within the boundaries of the Mortgaged Property. The covenants and warranties of this paragraph shall survive foreclosure of this Mortgage and shall run with the Mortgaged Property.

2. **Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, etc.** Mortgagor shall: (a) promptly repair, restore or rebuild any Improvements now or hereafter on the Mortgaged Property which may become damaged or be destroyed, such Improvements to be of at least equal value and substantially the same character as prior to such damage or destruction; (b) keep the Mortgaged Property in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien (except the lien of current general taxes duly levied and assessed but not yet due and payable); (c) immediately pay when due or within any applicable grace period any indebtedness which may be secured by a lien or charge on the Mortgaged Property (no such lien, except for current general taxes duly levied and assessed but not yet payable, to be permitted hereunder), and upon request exhibit reasonably satisfactory evidence to Mortgagee of the discharge of such lien; (d) complete within a reasonable time any Improvements now or at any time in process of erection upon the Land; (e) comply with all requirements of law (including, without limitation, pollution control and environmental protection laws and laws relating to the accommodation of persons with disabilities), ordinance or other governmental regulation in effect from time to time affecting the Mortgaged Property and the use thereof, and covenants, easements and restrictions of record with respect to the Mortgaged Property and the use thereof; (f) make no material alterations in the Mortgaged Property, except to the extent provided for in the leases and occupancy agreements entered into by Mortgagor with respect to the Mortgaged Property; (g) suffer or permit no material change in the general nature of the use of the Mortgaged Property, without

Mortgagee's written consent; (h) initiate or acquiesce in no zoning reclassification or variance with respect to the Mortgaged Property without Mortgagee's written consent, which consent shall not be unreasonably withheld, conditioned or delayed; and (i) pay each item of Indebtedness arising under the Guaranty when due according to the terms hereof, the Guaranty or of the Note.

3. **Taxes, Liens and Claims, Utilities.** Mortgagor, at least five (5) days before any penalty attaches thereto, shall pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges and levies (collectively "**Impositions**") imposed upon or against the Mortgaged Property or the Rents, or upon or against the Obligations, or upon or against the interest of Mortgagee in the Mortgaged Property or the Obligations, except Impositions measured by the income of Mortgagee. Mortgagor shall provide evidence of such payment at Mortgagee's request. Mortgagor shall keep the Mortgaged Property free and clear of all liens, encumbrances, easements, covenants, conditions, restrictions and reservations (collectively "**Liens**") except those listed on the attached **Exhibit B** (the "**Permitted Encumbrances**"). Mortgagor shall pay or cause to be paid when due all charges or fees for utilities and services supplied to the Mortgaged Property. Notwithstanding anything to the contrary contained in this Section, Mortgagor shall not be required to pay or discharge any Imposition or Lien so long as Mortgagor shall in good faith, and after giving notice to Mortgagee, contest the same by appropriate legal proceedings. If Mortgagor contests any Imposition or Lien against the Mortgaged Property, Mortgagor shall provide such security to Mortgagee as Mortgagee shall reasonably require against loss or impairment of Mortgagor's ownership of or Mortgagee's lien on the Mortgaged Property and shall in any event pay such Imposition or Lien before loss or impairment occurs.

4. **Insurance.**

(a) Until the Indebtedness is fully paid, the Improvements and all fixtures, equipment and property therein contained or installed shall be kept unceasingly insured against loss and damage by such hazards, casualties and contingencies in such amounts and for such periods as may from time to time be reasonably required by Mortgagee and commercially reasonable for properties of a like nature. All insurance shall be written in policies and by insurance companies approved by Mortgagee. All policies of insurance and renewals thereof shall contain standard noncontributory mortgagee loss payable clauses to Mortgagee and shall provide for at least thirty (30) days' prior written notice of cancellation to Mortgagee as well as a waiver of subrogation endorsement, all as required by Mortgagee, in form and content reasonably acceptable to Mortgagee. All policies (or duplicate certified copies or certificates thereof) shall, with all premiums fully paid, be delivered to Mortgagee as issued at least thirty (30) days before the expiration of existing policies and shall be held by Mortgagee until all sums hereby secured are fully paid. Upon request by Mortgagee, Mortgagor shall furnish Mortgagee evidence of the replacement cost of the Improvements. In case of sale pursuant to a foreclosure of this Mortgage or other transfer of title to the Mortgaged Property and extinguishment of the Indebtedness, complete title to all policies, other than liability insurance policies, held by Mortgagee and all prepaid or unearned premiums thereon shall pass to and vest in the purchaser or grantee.

Mortgagee shall not by reason of accepting, rejecting, approving or obtaining insurance incur any liability for payment of losses.

(b) Without in any way limiting the generality of the foregoing, Mortgagor covenants and agrees to maintain insurance coverage on the Mortgaged Property which shall include: (i) all risk coverage property insurance (insuring against special causes of loss) for an amount equal to one hundred percent (100%) of the full replacement cost of the Improvements, excluding footings and foundations, written on a replacement cost basis and with a replacement cost endorsement (without depreciation), with no co-insurance (or with an agreed amount endorsement deleting the co-insurance clause), and containing a mortgagee clause in Mortgagee's favor; and if at any time a dispute arises with respect to replacement cost, Mortgagor agrees to provide at Mortgagor's expense, an insurance appraisal prepared by an insurance appraiser approved by Mortgagee, establishing the full replacement cost in a manner satisfactory to the insurance carrier; (ii) rent loss insurance insuring against loss arising out of the perils insured against in the policy or policies referred to in clause (i) above, in an amount equal to not less than gross revenue from the Mortgaged Property for twelve (12) months from the operation and rental of all Improvements now or hereafter forming part of the Mortgaged Property, based upon one hundred percent (100%) occupancy of such Improvements, less any allocable charges and expenses which do not continue during the period of restoration and naming Mortgagee in a standard mortgagee loss payable clause thereunder; (iii) commercial general liability insurance with a broad form coverage endorsement for an amount as required from time to time by the Mortgagee but not less than an aggregate amount of Two Million and No/100 Dollars (\$2,000,000.00) with a single occurrence limit of not less than Two Million and No/100 Dollars (\$2,000,000.00) for claims arising from any one (1) accident or occurrence in or upon the Mortgaged Property and naming Mortgagee as an additional insured thereunder; (iv) flood insurance whenever in Mortgagee's judgment such protection is necessary and is available and in such case in an amount acceptable to Mortgagee and naming Mortgagee as the loss payee thereunder; (v) insurance covering pressure vessels, pressure piping and machinery, if any, and all major components of any centralized heating or air-conditioning systems located in the Improvements, in an amount reasonably satisfactory to Mortgagee, such policies also to insure against physical damage to such buildings and improvements arising out of peril covered thereunder; and (vi) such other insurance that may be reasonably required from time to time by Mortgagee.

(c) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder.

5. **Casualty.**

(a) **Casualty, Repair, Proof of Loss.** If any portion of the Mortgaged Property shall be damaged or destroyed by any cause (a "Casualty"), Mortgagor shall:

- (i) give immediate notice to the Mortgagee; and

(ii) promptly commence and diligently pursue to completion (in accordance with plans and specifications approved by Mortgagee) the restoration, repair and rebuilding of the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to the Casualty; and

(iii) if the Casualty is covered by insurance, immediately make proof of loss and collect all insurance proceeds, all such proceeds to be payable to Mortgagee or as Mortgagee shall direct. If an Event of Default shall be in existence, or if Borrower shall fail to provide notice to Mortgagee of filing proof of loss, or if Borrower shall not be diligently proceeding, in Mortgagee's reasonable opinion, to collect such insurance proceeds, then Mortgagee may, but is not obligated to, make proof of loss, and is authorized, but is not obligated, to settle any claim with respect thereto, and to collect the proceeds thereof. Mortgagor shall not accept any settlement of an insurance claim, the result of which shall be a payment which is \$10,000.00 or more less than the full amount of the claim, without the prior written consent of Mortgagee.

(b) Use of Insurance Proceeds. Mortgagee shall make the net insurance proceeds received by it (after reimbursement of Mortgagee's out-of pocket costs of collecting and disbursing the same) available to Mortgagor to pay the cost of restoration, repair and rebuilding of the Mortgaged Property, subject to the following conditions:

(i) There shall be no Event of Default in existence at the time of any disbursement of the insurance proceeds.

(ii) Mortgagee shall have determined, in its reasonable discretion, that the cost of restoration, repair and rebuilding is and will be equal to or less than the amount of insurance proceeds and other funds deposited by Mortgagor with Mortgagee.

(iii) Mortgagee shall have determined, in its reasonable discretion, that the restoration, repair and rebuilding can be completed in accordance with plans and specifications approved by Mortgagee (such approval not to be unreasonably withheld), in accordance with codes and ordinances and in accordance with the terms, and within the time requirements in order to prevent termination, of any Lease, and in any event not less than six (6) months prior to the Maturity Date.

(iv) All funds shall be disbursed, at Mortgagee's option, in accordance with Mortgagee's customary disbursement procedures for construction loans.

(v) The Casualty shall have occurred more than twelve (12) months prior to the Maturity Date.

(vi) No Tenant or group of tenants whose cumulative monthly rent obligations exceed 5% of the total monthly rental income of the Mortgaged Property

immediately prior to the Casualty, shall have the right to terminate its Lease or their Leases as a result of the Casualty.

If any of these conditions shall not be satisfied, then Mortgagee shall have the right to use the insurance proceeds to prepay the Loan in accordance with the Note. If any insurance proceeds shall remain after completion of the restoration, repair and rebuilding of the Mortgaged Property, they shall be disbursed to Mortgagor, or at the Mortgagee's discretion, used to prepay the Loan in accordance with the Note.

6. **Stamp Tax.** If, by the laws of the United States of America, or of any state having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the issuance of this Mortgage, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to reimburse Mortgagee for any sums which Mortgagee reasonably expends by reason of the imposition of any tax on the issuance of this Mortgage.

7. **Assignment of Leases and Rents; Appointment of Receiver; Mortgagee in Possession.**

(a) As part of the consideration for the Indebtedness, Mortgagor absolutely and unconditionally assigns and transfers to Mortgagee all Leases and Rents. It is the intention of Mortgagor to establish present, absolute and irrevocable transfers and assignments to Mortgagee of all Leases and Rents and to authorize and empower Mortgagee to collect and receive all Rents without the necessity of further action on the part of Mortgagor. Mortgagor and Mortgagee intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments of Leases and Rents, and for no other purpose, the Leases and Rents shall not be deemed to be a part of the Mortgaged Property. However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under Iowa law, then each of the Leases and Rents shall be included as part of the Mortgaged Property, and it is the intention of Mortgagor, in such circumstance, that this Mortgage create and perfect a lien on each of the Leases and Rents in favor of Mortgagee, which liens shall be effective as of the date of this Mortgage.

(b) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Mortgagor shall have a revocable license to exercise all rights, power and authority granted to Mortgagor under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Mortgagee, and to apply all Rents to pay the monthly debt service payments and the other amounts then due and payable under the other Loan Documents, including any Impositions, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities and Impositions, tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing (and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after

application pursuant to the preceding sentence may be retained and distributed by Mortgagor free and clear of, and released from, Mortgagee's rights with respect to Rents under this Mortgage.

(c) If an Event of Default has occurred and is continuing, without the necessity of Mortgagee entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Mortgaged Property Jurisdiction, the revocable license granted to Mortgagor pursuant to Section 7(b) shall automatically terminate, and Mortgagee shall immediately have all rights, powers and authority granted to Mortgagor under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Mortgagee shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. During the continuance of an Event of Default, Mortgagor authorizes Mortgagee to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Mortgagee, and Mortgagor shall, upon Mortgagor's receipt of any Rents from any sources, pay the total amount of such receipts to Mortgagee. Although the foregoing rights of Mortgagee are self-effecting, at any time during the continuance of an Event of Default, Mortgagee may make demand for all Rents, and Mortgagee may give, and Mortgagor hereby irrevocably authorizes Mortgagee to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Mortgagee. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Mortgagor any amounts that are actually paid to Mortgagee in response to such a notice. Any such notice by Mortgagee shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Mortgagee may, regardless of the adequacy of Mortgagee's security or the solvency of Mortgagor, and even in the absence of waste, enter upon, take and maintain full control of the Mortgaged Property, and may exclude Mortgagor and its agents and employees therefrom, in order to perform all acts that Mortgagee, in its reasonable discretion, determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents (including through use of a lockbox, at Mortgagee's election), the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Rents, protecting the Mortgaged Property or the security of this Mortgage and the Loan, or for such other purposes as Mortgagee in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Mortgagee under this Mortgage or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Mortgagee's security or Mortgagor's solvency, notice to Mortgagor, Mortgagee may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in Section 7. If Mortgagee elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Mortgagor, by its execution of this Mortgage, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte, if permitted

by applicable law. Mortgagor consents to shortened time consideration of a motion to appoint a receiver. Mortgagee or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Mortgaged Property and such fee shall become an additional part of the Indebtedness. Immediately upon appointment of a receiver or Mortgagee's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records, accounts, surveys, plans, and specifications relating to the Mortgaged Property, and all security deposits and prepaid Rents, shall be surrendered to Mortgagee or the receiver, as applicable. If Mortgagee or receiver takes possession and control of the Mortgaged Property, Mortgagee or receiver may exclude Mortgagor and its representatives from the Mortgaged Property.

(f) The acceptance by Mortgagee of the assignments of the Leases and Rents pursuant to this Section 7 shall not at any time or in any event obligate Mortgagee to take any action under any Loan Document or to expend any money or to incur any expense. Mortgagee shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property unless caused by gross negligence or intentional misconduct of Mortgagee. Prior to Mortgagee's actual entry upon and taking possession and control of the Land and Improvements, Mortgagee shall not be:

- (i) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);
- (ii) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or
- (iii) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property.

The execution of this Mortgage shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Mortgagor, prior to such actual entry and taking possession and control by Mortgagee of the Land and Improvements.

(g) Mortgagee shall be liable to account only to Mortgagor and only for Rents actually received by Mortgagee. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Property by reason of any act or omission of Mortgagee under this Section 7, and Mortgagor hereby releases and discharges Mortgagee from any such liability to the fullest extent permitted by law, provided that Mortgagee shall not be released from liability that occurs as a result of Mortgagee's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Mortgagee for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Mortgaged Property by Mortgagee or the receiver, and any application of Rents as provided in this

Mortgage, shall not cure or waive any Event of Default or invalidate any other right or remedy of Mortgagee under applicable law or provided for in this Mortgage or any Loan Document.

8. **Effect of Extension of Time.** If the payment of the Indebtedness, or any part thereof, is extended or varied, or if any part of any security for the payment of the Indebtedness is released, or if any person or entity liable for the payment of the Indebtedness is released, or if Mortgagee takes other or additional security for the payment of the Indebtedness, or if Mortgagee waives or fails to exercise any right granted herein, or in the Guaranty secured hereby, or in any other instrument given to secure the payment hereof, then all persons now or at any time hereafter liable for the payment of the Indebtedness, or any part thereof, or interested in the Mortgaged Property shall be held to assent to such extension, variation, release, waiver, failure to exercise or the taking of additional security, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation, release, waiver, failure to exercise, or the taking of additional security.

9. **Effect of Changes in Laws Regarding Taxation.** In the event of the enactment after this date of any law of the state in which the Mortgaged Property are located deducting from the value of the Mortgaged Property for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holders thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor if Mortgagee pays such taxes and submits proof of payment to Mortgagor; provided, however, that if in the opinion of counsel for Mortgagee: (a) it might be unlawful to require Mortgagor to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law; then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the Indebtedness to be and become due and payable sixty (60) days from the giving of such notice).

10. **Mortgagee's Performance of Defaulted Acts.** Upon the occurrence of an Event of Default herein, Mortgagee may, but need not, and whether electing to declare the whole of the Indebtedness due and payable or not, and without waiver of any other remedy, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or contest any tax or assessment or cure any default of Mortgagor as landlord in any Lease. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraphs 6 and 9 hereof or to protect the Mortgaged Property or the lien hereof, shall be additional Indebtedness and shall become immediately due and payable without notice and with interest thereon at the default rate of

interest set forth in the Note. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any Event of Default on the part of Mortgagor.

11. **Mortgagee's Reliance on Tax Bills, Etc.** Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) relating to insurance premiums, may do so according to any bill or statement procured from the appropriate company without inquiry into the accuracy of such bill or statement; or (c) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

12. **Acceleration of Indebtedness in Event of Default.** It is expressly agreed by Mortgagor that time is of the essence hereof and that the whole of the Indebtedness shall become immediately due and payable without notice to Mortgagor at the option of the Mortgagee upon the occurrence of one or more of the following events (hereinbefore and hereinafter collectively referred to as "**Events of Default**" and individually referred to as an "**Event of Default**"), together with a prepayment premium in the amount, if any, required to be paid pursuant to the terms of the Note in the event of a prepayment:

- (a) an Event of Default, as defined in the Loan Agreement; or
- (b) a default shall be made under the Guaranty; or
- (c) default shall be made in the due observance or performance of the terms and conditions of Section 4 hereof (Insurance) or Section 25 hereof (Sale, Transfer, Encumbrance); or
- (d) nonpayment of any monetary sum due hereunder within ten (10) days after the same shall become due; or
- (e) default shall be made in the due observance or performance of any of the other covenants, agreements or conditions hereinbefore or hereinafter contained, required to be kept or performed or observed by the Mortgagor which does not relate to the nonpayment of any monetary sum, and such default is not cured within thirty (30) days following written notice thereof by Mortgagee to Mortgagor or within such longer period of time, not exceeding an additional thirty (30) days, as may be reasonably necessary to cure such non-compliance if Mortgagor is diligently and with continuity of effort pursuing such cure and the failure is susceptible of cure within an additional period of thirty (30) days.

If, while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Mortgaged Property, Mortgagee shall accelerate the Indebtedness, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then

held by it in reduction of the Indebtedness and any excess held by it over the amount of Indebtedness then due hereunder shall be returned to Mortgagor or any other party entitled thereto without interest.

13. **Acceleration of Indebtedness; Remedies.**

(a) **Primary Remedies.** If an Event of Default shall occur, Mortgagee may: declare the Indebtedness to be and the same shall be, immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived and without regard to the value of the property held as security for the Indebtedness or the solvency of any person liable for the payment of such Indebtedness; and/or exercise any other right, power or remedy available to it at law or in equity, hereunder or under any other Loan Document without demand, protest or notice of any kind, all of which are hereby expressly waived, except such as is expressly required hereby or by such other Loan Document. Without limiting the generality of the foregoing, Mortgagee may:

(i) Enter and take possession of the Mortgaged Property or any part thereof, exclude Mortgagor and all persons claiming under Mortgagor wholly or partly therefrom, and operate, use, manage and control the same, or cause the same to be operated by a person selected by Mortgagee, either in the name of Mortgagor or otherwise, and upon such entry, from time to time, at the expense of Mortgagor and of the Mortgaged Property, make all such repairs, replacements, alterations, additions or improvements thereto as Mortgagee may deem proper, and to lease the Mortgaged Property or any part thereof at such rental and to such persons as it may deem proper and collect and receive the rents, revenues, issues, profits, royalties, income and benefits thereof including, without limitation, those past due and those thereafter accruing, with the right of Mortgagee to terminate, cancel or otherwise enforce any Lease or sublease for any default that would entitle Mortgagor to terminate, cancel or enforce same and apply the same to the payment of all expenses which Mortgagee may be authorized to incur under the provisions of this Mortgage and applicable laws, the remainder to be applied to the payment, performance and discharge of the Indebtedness in such order as Mortgagee may determine until the same have been paid in full.

(ii) Institute an action for the foreclosure of this Mortgage and the sale of the Mortgaged Property pursuant to the judgment or decree of a court of competent jurisdiction.

(iii) Sell the Mortgaged Property to the highest bidder or bidders at public auction at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner as may be required by law, or in the absence of any such requirement, as Mortgagee may deem appropriate, and from

time to time adjourn such sale by announcement at the time and place specified for such sale or for such adjourned sale or sales without further notice except such as may be required by law.

(iv) Take all action to protect and enforce the rights of Mortgagee under this Mortgage by suit for specific performance of any covenant herein contained, or in aid of the execution of any power herein granted or for the enforcement of any other rights.

(v) Exercise any or all of the rights and remedies available to a secured party under the UCC, including the right to (A) enter the Mortgaged Property and take possession of any personal property without demand or notice and without prior judicial hearing or legal proceedings, which Mortgagor hereby expressly waives, (B) require Mortgagor to assemble any personal property, or any portion thereof, and make it available to Mortgagee at a place or places designated by Mortgagee and reasonably convenient to both parties and (C) sell all or any portion of the personal property at public or private sale, without prior notice to Mortgagor except as otherwise required by law (and if notice is required by law, after ten (10) days' prior written notice), at such place or places and at such time or times and in such manner and upon such terms, whether for cash or on credit, as Mortgagee in its sole discretion may determine. As to any property subject to Article 9 of the UCC included in the Mortgaged Property, Mortgagee may proceed under the UCC or proceed as to both real and personal property in accordance with the provisions of this Mortgage and the rights and remedies that Mortgagee may have at law or in equity, in respect of real property, and treat both the real and personal property included in the Mortgaged Property as one parcel or package of security. Mortgagor shall have the burden of proving that any such sale pursuant to the UCC was conducted in a commercially unreasonable manner.

(vi) Upon five (5) days' prior written notice to the Mortgagor and vendor, terminate any management agreements, contracts, or agents/managers responsible, for the property management of the Mortgaged Property, if in the sole discretion of Mortgagee such property management is unsatisfactory in any respect.

(vii) Foreclose this Mortgage, at Mortgagee's option, by judicial or non-judicial foreclosure, for the entire unpaid amount of the Indebtedness, or only as to the sum past due, with interest and costs without injury to this Mortgage or the displacement or impairment of the remainder of the lien thereof, and at such foreclosure sale the Mortgaged Property shall be sold subject to all remaining items of the Indebtedness and Mortgagee may again foreclose, in the same manner, as often as there may be any sum past due. In case of sale in any action or proceeding to foreclose this Mortgage, the Mortgagee shall have the right to sell the Mortgaged Property covered hereby in parts or as an entirety. It is

intended hereby to give to the Mortgagee the widest possible discretion permitted by law with respect to all aspects of any such sale or sales.

(viii) If an Event of Default occurs due to the nonpayment of the Indebtedness, or any part thereof, as an alternative to the right of foreclosure for the full Indebtedness after acceleration thereof, Mortgagee shall have the right to institute proceedings, either judicial or non-judicial, at Mortgagee's option, for partial foreclosure with respect to the portion of said Indebtedness so in default, as if under a full foreclosure, and without declaring the entire Indebtedness due (such proceedings being hereinafter referred to as "**Partial Foreclosure**"), and provided that if a foreclosure sale is made because of an Event of Default in the payment of a part of the Indebtedness, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of the Indebtedness; and it is agreed that such sale pursuant to a Partial Foreclosure, if so made, shall not in any manner affect the unmatured part of the Indebtedness, but as to such unmatured part, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Paragraph. Notwithstanding any Partial Foreclosure, Mortgagee may elect, at any time prior to sale pursuant to such Partial Foreclosure, to discontinue such Partial Foreclosure and to accelerate the Indebtedness by reason of any Event of Default upon which such Partial Foreclosure was predicated or by reason of any other further Event of Default, and proceed with full foreclosure proceedings. It is further agreed that several foreclosures may be made pursuant to Partial Foreclosure without exhausting the right of full or Partial Foreclosure sale for any unmatured part of the Indebtedness, it being the purpose to provide for a Partial Foreclosure sale of the Indebtedness hereby without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any such Partial Foreclosure for any other part of the Indebtedness, whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

(b) Receiver. If an Event of Default shall occur, Mortgagee shall be entitled as a matter of right to the appointment of a receiver of the Mortgaged Property and the rents, revenues, issues, profits, royalties, income and benefits thereof, without notice or demand, and without regard to the adequacy of the security for the Indebtedness, the value of the Mortgaged Property or the solvency of Mortgagor, either before or after any sale, and, Mortgagee may be appointed as such receiver. Such receiver shall have the power: (i) to collect the rents, issues and profits of the Mortgaged Property during the pendency of any foreclosure proceedings whether by judicial or non-judicial foreclosure, and, in case of a sale and a deficiency, for such time when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, to the maximum time and extent permitted by law; (ii) to extend or modify any then existing Leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to leases to extend or renew terms to expire, beyond the maturity date of the Note and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any

such leases, and the options or other such provisions to be contained therein shall be commercially reasonable and shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the secured obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (iii) all other powers which may be necessary or are usual in such case for the protection, possession, control, management, and operation of the Mortgaged Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in the receiver's hands in payment in whole or in part of: (i) the Indebtedness and all obligations hereunder, or by any decree foreclosing this Mortgage, or in accordance with applicable non-judicial foreclosure provisions, any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree; and (ii) if this is a leasehold mortgage, all rents due or which may become due under the underlying lease.

(c) Sales by Parcels. In any sale made under or by virtue of this Mortgage or pursuant to any judgment or decree of court, the Mortgaged Property may be sold in one or more parts or parcels or as an entirety and in such order as Mortgagee may elect, without regard to the right of Mortgagor, or any person claiming under it, to the marshaling of assets. To the full extent permitted by law, Mortgagor waives the marshaling of assets.

(d) Effect of Sale. The purchaser at any sale made under or by virtue of this Mortgage or pursuant to any judgment or decree of court shall take title to the Mortgaged Property or the part thereof so sold free and discharged of the estate of Mortgagor therein, the purchaser being hereby discharged from all liability to see to the application of the purchase money. Any person, including Mortgagee, may purchase at any such sale. Mortgagee is hereby irrevocably appointed the attorney-in-fact of Mortgagor in its name and stead to make all appropriate transfers and deliveries of the Mortgaged Property or any portions thereof so sold and, for this purpose, Mortgagee may execute all appropriate instruments of transfer, and may substitute one or more persons with like power, Mortgagor hereby ratifying and confirming all that its said attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, promptly upon Mortgagee's written request, Mortgagor shall ratify and confirm, or cause to be ratified and confirmed, any such sale or sales by executing and delivering, or by causing to be executed and delivered, to Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of Mortgagee, for the purpose, and as may be designated, in such request. Any sale or sales made under or by virtue of this Mortgage, to the extent not prohibited by law, shall operate to divest all the estate, right, title, interest, property, claim and demand whatsoever, whether at law or in equity, of Mortgagor in, to and under the Mortgaged Property, or any portions thereof so sold, and shall be a perpetual bar both at law and in equity against Mortgagor, its successors and assigns, and against any and all persons claiming or who may claim the same, or any part thereof, by, through or under Mortgagor, or its successors or assigns. The powers and agency herein granted are coupled with an interest and are irrevocable.

(e) Eviction of Mortgagor After Sale. If Mortgagor fails or refuses to surrender possession of the Mortgaged Property after any sale thereof, Mortgagor shall be deemed a tenant

at sufferance, subject to eviction by means of forcible entry and detainer proceedings, provided, that this remedy is not exclusive or in derogation of any other right or remedy available to Mortgagee or any purchaser of the Mortgaged Property under any provision of this Mortgage or pursuant to any judgment or decree of court.

(f) Insurance Policies. In the event of a foreclosure sale pursuant to this Mortgage or other transfer of title or assignment of the Mortgaged Property in extinguishment, in whole or in part, of the Indebtedness, all right, title and interest of Mortgagor in and to all policies of insurance required under the provisions of this Mortgage shall inure to the benefit of and pass to the successor in interest of Mortgagor or the purchaser or grantee of the Mortgaged Property or any part thereof so transferred.

(g) Foreclosure; Expense of Litigation. When the Indebtedness hereby secured, or any part thereof shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, actual costs of environmental reviews or audits, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such action or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature in this Paragraph mentioned and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorneys employed by Mortgagee in any litigation or proceeding affecting the Guaranty, the Loan Agreement, this Mortgage, the Note or the Mortgaged Property, including appellate, probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceedings or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the default rate of interest as set forth in the Note and shall be secured by this Mortgage.

(h) Redemption.

(i) Mortgagor hereby agrees that if this Mortgage covers less than ten (10) acres of land, and in the event of the foreclosure of this Mortgage and sale of the property by sale in such 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 six (6) months provided the Mortgagee, in such action, files an election to waive any deficiency judgment against Mortgagor which may arise out of the foreclosure proceedings; all to be consistent with the provisions of chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Mortgagee,

and the time periods in sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

(ii) It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) the real estate is less than ten (10) acres in size; (2) the court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and (3) Mortgagee in such action files an election to waive any deficiency judgment against Mortgagor or its successor in interest in such action. If the redemption period is so reduced, Mortgagor or its successors in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days.

(iii) This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in chapter 628 or any other chapter of the Iowa Code, whether now in effect or hereafter adopted.

(iv) It is further agreed, pursuant to Iowa Code section 654.20, as now enacted or hereafter modified, amended or replaced, that foreclosure without redemption may be conducted between the Mortgagor and Mortgagee.

(i) Surrender of Note. In the event of foreclosure of this Mortgage, the Mortgagor hereby agrees that the Court may, and request the Court to, enter a special order directing the Clerk of Court to enter and record the judgment contained in the foreclosure decree on the Guaranty and Note secured by this Mortgage without requiring that the Guaranty or Note be first filed with the Clerk of Court for cancellation. The Mortgagor further agrees, because the Guaranty and Note secured by this Mortgage is also secured by other collateral and will be necessary for any realization upon such collateral, that notwithstanding Iowa Rule of Civil Procedure 1.961, as presently enacted or as hereinafter amended or replaced, the Clerk of Court may, in the event of foreclosure of this Mortgage, enter and record the judgment contained in the foreclosure decree on the Note secured by this Mortgage without requirement that the Note be first filed with the Clerk of Court for cancellation.

14. Application of Proceeds. The proceeds of any sale made either under the power of sale hereby given or under a judgment, order or decree made in any action to foreclose or to enforce this Mortgage, shall be applied:

(a) first to the payment of (i) all reasonable costs and expenses of such sale, including reasonable attorneys' fees, environmental site assessors fees and costs, appraisers' fees and costs of procuring title searches, title insurance policies and similar items and (ii) all charges, expenses and advances incurred or made by Mortgagee in order to protect the lien or estate created by this

Mortgage or the security afforded hereby including any expenses of entering, taking possession of and operating the Mortgaged Property;

(b) then to the payment of any other Indebtedness in such order as Mortgagee may determine until the same have been paid in full; and

(c) any balance thereof shall be paid to Mortgagor, or to whosoever shall be legally entitled thereto, or as a court of competent jurisdiction may direct.

15. **Rights and Remedies Cumulative.** Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Event of Default or acquiescence therein.

16. **Mortgagee's Right of Inspection.** Mortgagee shall, upon reasonable notice to Mortgagor, have the right to inspect the Mortgaged Property at all reasonable times and access thereto shall be permitted for that purpose, subject to compliance with any restrictions or requirements contained in the leases or occupancy agreements for the Mortgaged Property.

17. **Condemnation.** The Mortgagee may, at its option, in its own name (a) appear or proceed in any condemnation proceeding, and (b) make any compromise or settlement thereof, provided that so long as the Mortgagor promptly prosecutes any compromise or settlement thereof, the Mortgagor shall control any compromise or settlement proceeding with the result thereof being subject to the Mortgagee's approval, which approval shall not be unreasonably withheld, conditioned or delayed. The Mortgagor shall give the Mortgagee immediate notice of the initiation of any condemnation proceeding, and a copy of every pleading, notice and other items served in any condemnation proceeding. Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or any claim for damages for any of the Mortgaged Property taken or damaged under the power of eminent domain or by condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the Indebtedness, whether due or not, or make said proceeds available for restoration or rebuilding of the Mortgaged Property. In the event that Mortgagee elects, in Mortgagee's sole and absolute discretion, to make said proceeds available to reimburse Mortgagor for the cost of the rebuilding or restoration of the Improvements, such proceeds shall be made available in the manner and under the conditions that Mortgagee may reasonably require. In any event, the Improvements shall be restored or rebuilt in accordance with plans and specifications to be submitted to and approved by Mortgagee prior to commencement of any building or restoration, which approval shall not be withheld if the plans and specifications restore or rebuild the Improvements to their preexisting condition. If the proceeds are made available by Mortgagee to reimburse Mortgagor

for the cost of said rebuilding or restoration, any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall at the option of Mortgagee be applied on account of the Indebtedness or be paid to any party entitled thereto. No interest shall be allowed to Mortgagor on the proceeds of any award held by the Mortgagee.

18. **Release Upon Payment and Discharge of Mortgagor's Obligations.**

Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all Indebtedness.

19. **Giving of Notice.** All notices, consents, requests, demands and other communications hereunder shall be given to or made upon the respective parties hereto at their respective addresses specified below or, as to any party, at such other address as may be designated by it in a written notice to the other party. All notices, requests, consents and demands hereunder shall be effective when personally delivered or duly deposited in the United States mails, certified or registered, postage prepaid, addressed as aforesaid.

IF TO THE MORTGAGEE:

Minnwest Bank
Attn: Matthew Hodsdon
3130 Second Street South
P.O. Box 7429
St. Cloud, MN 56302-7429

IF TO THE MORTGAGOR:

Midwest Properties of Ida Grove, LLC
Attn: Kent Marthaler
30184 Old Highway 371
P.O. Box 379
Pequot Lakes, MN 56472

20. **Waiver of Defense.** No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law or in equity upon the Guaranty hereby secured.

21. **Waiver of Statutory Rights.** Mortgagor shall not, and will not, apply for or avail itself of any homestead, appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but to the extent lawfully allowed hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety.

22. **Filing and Recording Fees.** Mortgagor will pay all filing, registration or recording fees and all reasonable expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of said Note and this Mortgage.

23. **Business Purpose.** Mortgagor represents, covenants and agrees that all of the proceeds of the Note secured by this Mortgage will be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor.

24. **Security Agreement.** Mortgagor and Mortgagee agree that this Mortgage shall constitute a security agreement within the meaning of the UCC with respect to all sums on deposit with the Mortgagee with respect to insurance proceeds or condemnation proceeds (“**Deposits**”) and with respect to any personal property and fixtures included in the definition herein of the words “Mortgaged Property”, which property may not be deemed to form a part of the real estate described in the attached **Exhibit A** or may not constitute a “fixture” within the meaning of the UCC, and all replacements of such property, substitutions and additions thereto and the proceeds thereof, all such property being sometimes hereinafter collectively referred to as the “**Collateral**”, and that a security interest in and to the Collateral and the Deposits is hereby granted to Mortgagee and the Deposits and all of Mortgagor’s right, title and interest therein are hereby assigned to Mortgagee, all to secure payment of the Indebtedness and to secure performance by Mortgagor of the terms, covenants and provisions hereof. Upon the occurrence of an Event of Default under this Mortgage, Mortgagee, pursuant to the appropriate provisions of the UCC, shall have the option of proceeding with respect to the Collateral in accordance with its rights and remedies with respect to the real property, in which event the default provisions of the UCC shall not apply. The parties agree that, in the event Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, ten (10) days’ notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, reasonable attorneys’ fees and legal expenses incurred by Mortgagee. Mortgagor agrees that, without the written consent of Mortgagee, Mortgagor will not remove or permit to be removed from the Mortgaged Property any of the Collateral except that so long as the Mortgagor is not in default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral, when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Mortgaged Property, upon replacing the same or substituting for the same other Collateral at least equal in value to the initial value to that disposed of and in such a manner so that said Collateral shall be subject to the security interest created hereby, and so that the security interest of Mortgagee shall be second in priority, it being expressly understood and agreed that all replacements of the Collateral and any additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. Mortgagor shall, from time to time, on request of Mortgagee, deliver to Mortgagee an inventory of the Collateral in reasonable detail. Mortgagor covenants and represents that all Collateral, and all replacements thereof, substitutions therefor or additions thereto, unless Mortgagee otherwise consents, now are and will be free and clear of liens (other than the lien of taxes not yet due or payable), encumbrances or security interests of others. Mortgagor shall, upon demand execute

and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee, and will do all such acts and things as Mortgagee may at anytime, or from time to time, reasonably request or as may be necessary or appropriate to establish and maintain a second perfected security interest in the Deposits and Collateral, subject to no liens (other than the lien of taxes not yet due or payable), encumbrances, or security interests of others, other than the mortgage given to Mortgagee by Mortgagor dated June 21, 2011, recorded June 22, 2011 as Filed No. 110607 in Book A-53, page 303 (the "**Ida Grove Mortgage**").

This Mortgage also constitutes a financing statement for the purpose of the UCC and shall constitute a "fixture filing" under such statutes and shall be filed in the real estate records of the County in which the Land is located. The Mortgagor hereby authorizes the Mortgagee to file all financing statements evidencing the security interest granted to the Mortgagee in the Collateral with all appropriate filing jurisdictions. For such purpose the name and address of the debtor and the secured party are as set forth below:

Name of Debtor:	Midwest Properties of Ida Grove, LLC
Debtor's Mailing Address:	30184 Old Highway 371 P.O. Box 379 Pequot Lakes, MN 56472
Debtor's Taxpayer Identification Number:	27-0420910
Debtor's Organization Number:	3313631-3
Address of Property:	800 Byron Godbersen Drive Ida Grove, IA 51445
Name of Secured Party:	Minnwest Bank
Address of Secured Party:	3130 Second Street South P.O. Box 7429 St. Cloud, MN 56302-7429

This financing statement covers the Collateral. Some of the items or types of property comprising the Collateral are or are to become fixtures on the real property described in this Mortgage. Mortgagor is the record owner of the real property described herein upon which the foregoing fixtures and other items and types of property are located.

25. **Sale, Transfer, Encumbrance.** If Mortgagor sells, conveys, transfers or otherwise disposes of, or encumbers, any part of its interest in the Mortgaged Property, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Mortgagee, Mortgagee shall have the option to declare the Obligations immediately due and payable without

notice. Included within the foregoing actions requiring prior written consent of Mortgagee are: (a) sale by deed or contract for deed; (b) mortgaging or granting a lien on the Mortgaged Property; and (c) a transfer which changes the persons in control of Mortgagor or which transfers more than 25% of the beneficial interest in Mortgagor, except for transfers to related or affiliated entities or transfers of non-voting interests in Mortgagor among the families of Mortgagor's principal shareholders. Mortgagor shall give notice of any proposed action to Mortgagee at least thirty (30) days prior to taking such action. Mortgagor shall pay all costs and expenses incurred by Mortgagee in evaluating any such action. Mortgagee may condition such consent upon modification of the Loan Documents or payment of fees. No such action shall relieve Mortgagor from liability for the Obligations. The consent by Mortgagee to any action shall not constitute a waiver of the necessity of such consent to any subsequent action.

26. **Environmental Matters; Notice; Indemnity.** Mortgagor covenants and agrees as follows:

(a) For purposes of this Mortgage, the following definitions shall apply:

(i) The term "**Environmental Law**" means and includes any federal, state or local law, statute, regulation or ordinance pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Mortgaged Property, including without limitation each of the following (and their respective successor provisions): the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. sections 9601 et seq. ("**CERCLA**"); the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. sections 6901 et seq. ("**RCRA**"); the Federal Hazardous Materials Transportation Act, as amended, 49 U.S.C. sections 1801 et seq.; the Toxic Substance Control Act, as amended, 15 U.S.C. sections 2601 et seq.; the Clean Air Act, as amended, 42 U.S.C. sections 1857 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. sections 1251 et seq.; and the rules, regulations and ordinances of the U.S. Environmental Protection Agency and of all other federal, state, county and municipal agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Mortgaged Property or the use or operation of the Mortgaged Property.

(ii) The term "**Hazardous Substance**" means and includes: (1) those substances included within the definitions of "hazardous substances", "hazardous materials", "hazardous waste", "pollutants", "toxic substances" or "solid waste" in any Environmental Law; (2) those substances listed in the U.S. Department of Transportation Table or amendments thereto (49 CFR 172.101) or by the U.S. Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and any amendments thereto); (3) those other substances, materials and wastes which are or become, regulated under any applicable federal, state or local law, regulation or ordinance or by any federal, state or local governmental agency, board, commission or other governmental body, or which are or become classified as hazardous or toxic by any such law,

regulation or ordinance; and (4) any material, waste or substance which is any of the following: (A) asbestos; (B) polychlorinated biphenyl; (C) designated or listed as a "hazardous substance" pursuant to section 311 or section 307 of the Clean Water Act (33 U.S.C. sections 1251 et seq.); (D) explosive; (E) radioactive; (F) a petroleum product; (G) infectious waste; or (H) mold or mycotoxins. Notwithstanding anything to the contrary herein, the term "Hazardous Substance" shall not include commercially sold products otherwise within the definition of the term "Hazardous Substance", but (X) which are used or disposed of by Mortgagor or used or sold by tenants of the Mortgaged Property in the ordinary course of their respective businesses, (Y) the presence of which product is not prohibited by applicable Environmental Law, and (Z) the use and disposal of which are in all respects in accordance with applicable Environmental Law.

(iii) The term "Enforcement or Remedial Action" means and includes any action taken by any person or entity in an attempt or asserted attempt to enforce, to achieve compliance with, or to collect or impose assessments, penalties, fines, or other sanctions provided by, any Environmental Law.

(iv) The term "Environmental Liability" means and includes any claim, demand, obligation, cause of action, accusation, allegation, order, violation, damage (including consequential damage), injury, judgment, assessment, penalty, fine, cost of Enforcement or Remedial Action, or any other cost or expense whatsoever, including actual, reasonable attorneys' fees and disbursements, resulting from or arising out of the violation or alleged violation of any Environmental Law, any Enforcement or Remedial Action, or any alleged exposure of any person or property to any Hazardous Substance.

(b) Mortgagor will give prompt written notice to Mortgagee of:

(i) any proceeding, known investigation or inquiry commenced by any governmental authority with respect to the presence of any Hazardous Substance on, under or about the Mortgaged Property or the known migration thereof to or from adjoining property;

(ii) all claims made or threatened by any individual or entity against Mortgagor or the Mortgaged Property relating to any loss or injury allegedly resulting from any Hazardous Substance; and

(iii) the discovery by Mortgagor of any occurrence or condition on any real property adjoining or in the immediate vicinity of the Mortgaged Property which might cause the Mortgaged Property or any part thereof to be subject to any restriction on the ownership, occupancy, transferability or use of the Mortgaged Property under any Environmental Law.

(c) Mortgagee shall have the right and privilege to: (i) join in and participate in, as a party if it so elects, any one or more legal proceedings or actions initiated with respect to the Mortgaged Property; and to (ii) have all costs and expenses thereof (including without limitation Mortgagee's reasonable attorneys' fees and costs) paid by Mortgagor.

(d) Mortgagor agrees to protect, defend, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, contractors, sub-contractors, licensees, invitees, participants, successors and assigns, from and against any Environmental Liability and any and all claims, demands, judgments, settlements, damages, actions, causes of action, injuries, administrative orders, consent agreements and orders, liabilities, losses, penalties, costs, including but not limited to any cleanup costs, remediation costs and response costs, and all expenses of any kind whatsoever including reasonable attorneys' fees and expenses, including but not limited to those arising out of loss of life, injury to persons, property or business or damage to natural resources in connection with the activities of Mortgagor, its predecessors in interest, third parties who have trespassed on the Mortgaged Property, or parties in a contractual relationship with Mortgagor, and any of them, the foregoing being collectively referred to as "**Claims**", which:

(i) arise out of the actual, alleged or threatened migration, spill, leaching, pouring, emptying, injection, discharge, dispersal, release, storage, treatment, generation, disposal or escape of any Hazardous Substances in violation of Environmental Law onto or from the Mortgaged Property; or

(ii) actually or allegedly arise out of, in connection with the Mortgaged Property, the use, specification or inclusion of any product, material or process containing Hazardous Substances, the failure to detect the existence or proportion of Hazardous Substances in the soil, air, surface water or ground water, or the performance of or failure to perform the abatement of any Hazardous Substances source or the replacement or removal of any soil, water, surface water or ground water containing any Hazardous Substances if required by Environmental Law; or

(iii) arise out of the breach of any material covenant, warranty or representation contained in any statement or other information given by Mortgagor to Mortgagee relating to environmental matters; or

(iv) arise out of any Enforcement or Remedial Action or any judicial or administrative action brought pursuant to any Environmental Law.

Mortgagor, its successors and assigns, shall bear, pay and discharge when and as the same become due and payable, any and all such judgments or claims for damages, penalties or otherwise against Mortgagee described in this subparagraph (d), shall hold Mortgagee harmless for those judgments or claims, and shall assume the burden and expense of defending all suits, administrative proceedings, and negotiations of any description with any and all persons, political subdivisions or government agencies arising out of any of the occurrences set forth in this subparagraph (d).

Mortgagor's indemnifications and representations made herein shall survive any termination or expiration of the documents evidencing or securing the Loan and/or the repayment of the Indebtedness evidenced by the Note, including, but not limited to, any foreclosure on this Mortgage or acceptance of a deed in lieu of foreclosure. Notwithstanding, the foregoing, Mortgagor's indemnifications and representations shall not extend to Hazardous Substances which first originate on the Mortgaged Property subsequent to Mortgagee's succession to title by virtue of a foreclosure or acceptance of a deed in lieu of foreclosure or subsequent to Mortgagor's dispossession of the Mortgaged Property.

(e) If any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "**Remedial Work**") is reasonably desirable (in the case of an operation and maintenance program or similar monitoring or preventative programs) or necessary, both as determined by an independent environmental consultant selected by Mortgagee under any applicable federal, state or local law, regulation or ordinance, or under any judicial or administrative order or judgment, or by any governmental person, board, commission or agency, because of or in connection with the current or future presence, suspected presence, release or suspected release of a Hazardous Substance into the air, soil, groundwater, or surface water at, on, about, under or within the Mortgaged Property or any portion thereof, Mortgagor shall within thirty (30) days after written demand by Mortgagee for the performance (or within such shorter time as may be required under applicable law, regulation, ordinance, order or agreement), commence and thereafter diligently prosecute to completion all such Remedial Work to the extent required by law. All Remedial Work shall be performed by contractors approved in advance by Mortgagee (which approval in each case shall not be unreasonably withheld, conditioned or delayed) and under the supervision of a consulting engineer approved in advance by Mortgagee. All reasonable costs and expenses of such Remedial Work (including without limitation the reasonable fees and expenses of Mortgagee's counsel) incurred in connection with monitoring or review of the Remedial Work shall be paid by Mortgagor. If Mortgagor shall fail or neglect to timely commence or cause to be commenced, or shall fail to diligently prosecute to completion, such Remedial Work, Mortgagee may (but shall not be required to) cause such Remedial Work to be performed; and all costs and expenses thereof, or incurred in connection therewith (including, without limitation, the reasonable fees and expenses of Mortgagee's counsel), shall be paid by Mortgagor to Mortgagee forthwith after demand and shall be a part of the Indebtedness.

(f) If recommended by any environmental report, assessment or audit of the Mortgaged Property, Mortgagor shall establish and comply with an operations and maintenance program with respect to the Mortgaged Property, in form and substance reasonably acceptable to Mortgagee, prepared by an environmental consultant reasonably acceptable to Mortgagee, which program shall address any asbestos containing material or lead based paint that may now or in the future be detected at or on the Mortgaged Property. Without limiting the generality of the preceding sentence, Mortgagee may require (i) periodic notices or reports to Mortgagee in form, substance and at such intervals as Mortgagee may specify, (ii) an amendment to such operations and maintenance program to address changing circumstances, laws or other matters, (iii) at Mortgagee's sole expense, supplemental examination of the Mortgaged Property by consultants specified by Mortgagee, (iv) access to the Mortgaged Property by Mortgagee, its agents or

servicer, to review and assess the environmental condition of the Mortgaged Property and Mortgagor's compliance with any operations and maintenance program, and (v) variation of the operations and maintenance program in response to the reports provided by any such consultants.

27. **Captions.** The captions or headings preceding the text of the paragraphs or subparagraphs of this Mortgage are inserted only for convenience of reference and shall not constitute a part of this Mortgage, nor shall they in any way affect its meaning, construction or effect.

28. **No Waiver; Modifications in Writing.** No failure or delay on the part of Mortgagee in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to any party at law or in equity or otherwise. No amendment, modification, supplement, termination or waiver of or to any provision of this Mortgage, nor consent to any departure therefrom, shall be effective unless the same shall be in writing and signed by Mortgagor and Mortgagee. Any amendment, modification or supplement of or to any provision of this Mortgage, any waiver of any provision of this Mortgage, and any consent to any departure from the terms of any provision of this Mortgage, shall be effective only in the specific instance and for the specific purpose for which made or given.

29. **Relationship.** Mortgagee is only a lender under the Loan Documents, and nothing contained in this Mortgage or the other Loan Documents and no action taken by the parties pursuant hereto shall be deemed to constitute between the Mortgagee and any other of the parties to any of the Loan Documents a partnership, an association, a joint venture or other entity, nor constitute Mortgagee as a fiduciary for any of the parties.

30. **Governing Law.** This Mortgage shall be governed by the laws (excluding conflicts of laws rules) of Iowa.

31. **Time of Essence.** Time is of the essence in the performance by the parties of this Mortgage.

32. **Construction.** Mortgagor has been represented by its own counsel in this transaction, and this Mortgage shall not be construed more strongly against any party regardless of who was more responsible for its preparation.

33. **Gender; Number; Terms.** Words and phrases herein shall be construed as in the singular or plural number and as masculine, feminine or neuter gender, according to the context. The use of the words "herein", "hereof", "hereunder" and other similar compounds of the word "here" shall refer to this entire Mortgage and not to any particular section, paragraph or provision. The term "person" and words importing persons as used in this Mortgage shall include firms, associations, partnerships (including limited partnerships), joint ventures, trusts,

corporations, limited liability companies, and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

34. **Integration.** This Mortgage, together with the Guaranty and other Loan Documents executed by Mortgagor, constitute the entire agreement between the parties hereto pertaining to the subject matters hereof and thereof and supersede all negotiations, preliminary agreements and all prior or contemporaneous discussions and understandings of the parties hereto in connection with the subject matters hereof and thereof.

35. **General Indemnification.**

(a) Mortgagor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties (defined below) from and against any and all Losses (defined below) imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (i) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (ii) any use, nonuse or condition in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (iii) performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof; (iv) any failure of the Mortgaged Property to be in compliance with any applicable laws; (v) any and all claims, demands or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; or (vi) the payment of any commission, charge or brokerage fee to anyone which may be payable in connection with the funding of the Loan evidenced by the Note and secured by this Mortgage. Mortgagor shall have no obligation to indemnify and hold harmless the Indemnified Parties for any losses arising in whole or in part by the willful misconduct or negligence of the Indemnified Parties. Any amounts payable to Mortgagee by reason of the application of this Paragraph shall become immediately due and payable and shall bear interest at the default rate described in the Note from the date loss or damage is sustained by Mortgagee until paid. The term "Losses" shall mean any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, reasonable costs and expenses, fines, penalties, charges, fees, judgments, awards, amounts paid in settlement of whatever kind or nature (including but not limited to reasonable attorneys' fees and other costs of defense). The term "Indemnified Parties" shall mean (i) Mortgagee, (ii) any prior owner or holder of the Note, (iii) any servicer or prior servicer of the Loan, (iv) any participant or any prior participant in any portion of the Loan, (v) any trustees, custodians or other fiduciaries who hold or who have held a full or partial interest in the Loan for the benefit of any participant or other third party, (vi) any receiver or other fiduciary appointed in a foreclosure or other collection proceeding, (vii) any officers, directors, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, affiliates or subsidiaries of any and all of the foregoing, and (viii) the heirs, legal representatives, successors and assigns of any and all of the foregoing (including, without limitation, any successors by merger, consolidation or acquisition of all or a substantial portion

of the Indemnified Parties' assets and business), in all cases whether during the term of the Loan or as part of or following a foreclosure of the Loan.

(b) Upon written request by any Indemnified Party, Mortgagor shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, any Indemnified Parties may, in their sole discretion, engage their own attorneys and other professionals to defend or assist them, and, at the option of the Indemnified Parties, their attorneys shall control the resolution of any claim or proceeding. Upon demand, Mortgagor shall pay or, in the sole discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

(c) Mortgagor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Mortgage, the Note or any of the other Loan Documents.

36. Miscellaneous.

(a) This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and its heirs, successors, grantees and assigns, any subsequent owner or owners of the Mortgaged Property and all persons claiming under or through Mortgagor (but this clause shall not be construed as constituting the consent by Mortgagee to the transfer of any interest in the Mortgaged Property), and the word "Mortgagor" when used herein shall include any such person and all persons liable for the payment of the Indebtedness or any part thereof, whether or not such persons shall have executed said Note or this Mortgage. The word "Mortgagee", when used herein, shall include the successors and assigns of Mortgagee, and the holder or holders, from time to time, of the Note secured hereby. In addition, in the event Mortgagor is a land trust or similar entity, the term "Mortgagor" as used herein shall include the beneficiary or beneficiaries of such land trust or similar entity.

(b) In the event one or more of the provisions contained in this Mortgage or the Note secured hereby, or in any other security documents given to secure the payment of the Note secured hereby, shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

(c) The Mortgagor will, from time to time, upon ten (10) business days' prior written request from Mortgagee, make, execute, acknowledge and deliver to Mortgagee such supplemental mortgages, certificates and other documents, including without limitation UCC financing statements, as may be reasonably necessary for better assuring and confirming unto

Mortgagee any of the Mortgaged Property, or for more particularly identifying and describing the Mortgaged Property, or to preserve or protect the priority of this Mortgage lien, and generally do and perform such other acts and things and execute and deliver such other instruments and documents as may reasonably be deemed necessary or advisable by Mortgagee to carry out the intentions of this Mortgage.

(d) Mortgagor shall not by act or omission permit any building or other improvement on any premises not subject to the lien of this Mortgage to rely on the Mortgaged Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Mortgaged Property or any interest therein to be so used. Similarly, no building or other Improvement on the Mortgaged Property shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Mortgaged Property as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph shall be void.

(e) Mortgagor will, from time to time, upon ten (10) business days' prior written request by Mortgagee, execute, acknowledge and deliver to Mortgagee, a certificate stating that this Mortgage is unmodified and in full force and effect (or, if there have been modifications, that this Mortgage is in full force and effect as modified and setting forth such modifications) and stating the principal amount secured hereby and the interest accrued to date on such principal amount. The estoppel certificate from Mortgagor shall also state to the best knowledge of Mortgagor whether any offsets or defenses to the Indebtedness exist and if so shall identify them.

(f) Mortgagee shall have the right and option to exercise power of sale or to commence a civil action to foreclose this Mortgage and to obtain a decree of foreclosure. The failure to join any tenant or tenants as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the Indebtedness, or any part thereof, or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

(g) At the option of Mortgagee, this Mortgage shall become, subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any one or more, or to all, Leases upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the Office of the Recorder in and for the county wherein the Mortgaged Property are situated, or such other office as determined by Mortgagee, of a unilateral declaration to that effect.

(h) In the event that maturity of the Indebtedness is accelerated by Mortgagee because of the occurrence of an Event of Default hereunder and a tender of payment is made by or on behalf of Mortgagor in the amount necessary to satisfy the Indebtedness at any time prior to judicial confirmation or other conclusion if confirmation is not required, of a foreclosure sale or sale under a power of sale, then such tender shall constitute a prepayment under the Note and

shall, to the extent specified in the Note, require payment of the prepayment premium provided for in the Note.

(i) All agreements between Mortgagor and Mortgagee (including, without limitation, those contained in this Mortgage and the Note) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Mortgagee exceed the highest lawful rate of interest permissible under the laws of Iowa. If, from any circumstances whatsoever, fulfillment of any provision hereof or the Note or any other documents securing the Indebtedness at the time performance of such provision shall be due, shall involve the payment of interest exceeding the highest rate of interest permitted by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under the laws of Iowa; and if for any reason whatsoever Mortgagee shall ever receive as interest an amount which would be deemed unlawful, such interest shall be applied to the payment of the last maturing installment or installments of the principal Indebtedness (whether or not then due and payable) and not to the payment of interest.

(j) Mortgagor covenants and agrees that it shall constitute an Event of Default hereunder if any of the proceeds of the loan for which the Note are given will be used, or were used, as the case may be, for the purpose (whether immediate, incidental or ultimate) of purchasing or "carrying" any "margin stock" as such terms are defined in Regulation U of the Board of Governors of the Federal Reserve System (12 CFR Part 221) or for the purpose of reducing or retiring any indebtedness which was originally incurred for any such purpose.

(k) Waiver of Jury Trial. Mortgagor and Mortgagee each irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Mortgage or any of the other Loan Documents or the transactions contemplated hereby or thereby.

(l) Mortgagor represents and warrants that the loan described in the Loan Agreement does not constitute a consumer credit transaction as defined in Iowa Code section 537.1301(12); and that the Loan Agreement is for business purposes as defined in Iowa Code section 535.2(2)(a)(5).

(m) Mortgagor hereby represents, warrants and agrees that the liens and security interests granted hereby are not the type of lien referred in chapter 575 of the Iowa Code, as now enacted or hereafter modified, amended or replaced. Mortgagor, for itself and all persons claiming by, through or under the Mortgagor, agrees that it claims no lien or right to a lien of the type contemplated by chapter 575 or any other chapter of the Iowa Code and further waives all notices and rights pursuant to said law with respect to the liens and security interests hereby granted, and represents and warrants that it is the sole party entitled to do so and agrees to indemnify and hold harmless the Mortgagee from any loss, damage and cost, including reasonable attorney's fees, threatened or suffered by the Mortgagee arising either directly or indirectly as a result of any claim of the applicability of said law to the liens and security interest hereby granted.

(n) Notwithstanding any reference to the highest lawful rate, maximum interest rate permitted to be charged by relevant law or other references, or like terms, such references shall not be deemed to establish a maximum lawful rate of interest as contemplated by Iowa Code section 535.2 since the parties have agreed in writing to a rate of interest pursuant to Iowa Code section 535.2(2)(a)(5). There shall be no automatic reduction to the highest lawful rate or other like terms as to the Mortgagor or other party barred by law from availing itself in any action or proceeding of the defense of usury, or the Mortgagor or other party barred or exempted from the operation of any law limiting the amount of interest that may be paid for the loan or use of money, or in the event this transaction, because of its amount or purpose or for any other reason, is exempt from the operation of any statute limiting the amount of interest that may be paid for the loan or use of money. The Mortgagor agrees that any late payment made, late fee, late charge, delinquency charge, or other like charge shall be interest for purposes of Iowa law.

(o) Mortgagor represents to Mortgagee that the Mortgaged Property does not consist of "agricultural land" as defined in the Iowa Code, and that the proceeds of the loan are being used for business purposes.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. MORTGAGOR ACKNOWLEDGES AND AGREES THAT THERE ARE NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT AND NO SUCH OTHER TERMS AND PROVISIONS MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

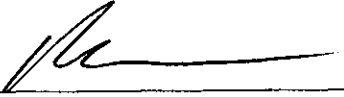
Mortgagor acknowledges receipt of a copy of this instrument at the time of execution hereof.

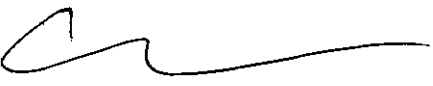
[Remainder of page intentionally left blank. Signature page follows]

**SIGNATURE PAGE TO
COMBINATION MORTGAGE, SECURITY AGREEMENT,
FIXTURE FINANCING STATEMENT AND
ASSIGNMENT OF RENTS AND LEASES**

The Mortgagor has caused this Mortgage to be duly executed effective as of the Effective Date.

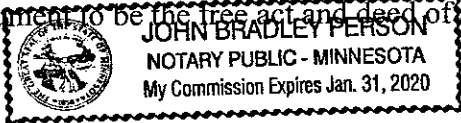
Midwest Properties of Ida Grove, LLC


By 
Kent W. Marthaler
Its President

By 
Charles J. Lane
Its Vice President

STATE OF MINNESOTA)
) SS
COUNTY OF Crow Wing)

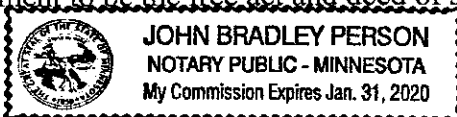
On this 31st day of October, 2016, before me, a Notary Public for this County, personally appeared Kent W. Marthaler, who, being by me duly sworn, did say that he is the President of Midwest Properties of Ida Grove, LLC, and that this instrument was signed on behalf of said limited liability company by authority of its Members and acknowledged said instrument to be the free act and deed of said limited liability company.




Notary Public

STATE OF MINNESOTA)
) SS
COUNTY OF Crow Wing)

On this 31st day of October, 2016, before me, a Notary Public for this County, personally appeared Charles J. Lane, who, being by me duly sworn, did say that he is the Vice President of Midwest Properties of Ida Grove, LLC, and that this instrument was signed on behalf of said limited liability company by authority of its Members and acknowledged said instrument to be the free act and deed of said limited liability company.



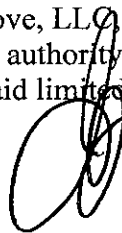

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

A tract of land located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 87 North, Range 40, West of the 5th P.M., Ida County, Iowa, and being more particularly described as follows:

Commencing at the Southeast Corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 23; thence on a previously recorded bearing of North 00°26'35" West along the East line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, 322.72 feet; thence South 90°00'00" West 191.00 feet to the Point of Beginning; thence North 00°26'35" West 271.44 feet to the South line of Byron Godberson Drive; thence South 90°00'00" West, along said South line 77.14 feet; thence continuing along said South line on the arc of a 440.35 feet radius curve concave Northeasterly 416.97 feet, said curve having a chord which bears North 62°51'56" West, for 401.57 feet; thence South 00°39'03" East, 454.66 feet; thence North 90°00'00" East 431.41 feet to the Point of Beginning.

EXHIBIT B

PERMITTED ENCUMBRANCES

1. The Dedication Plat, dated May 2, 1988, recorded on November 23, 1988 at the Ida County's Recorder's office as File No. 000539 in Book 5 of Plats, page 143.
2. Recreational Trail Easement to the City of Ida Grove, Iowa, dated June 2, 1994, recorded on June 6, 1994 at the Ida County Recorder's office as File No. 091539 in Book V, page 633.
3. The Plat, recorded on April 30, 192009 at the Ida County's Recorder's office as File No. 090475 in Book 7, page 39.
4. The Warranty Deed to Midwest Properties of Ida Grove, LLC, dated December 16, 2009, recorded on December 17, 2009 at the Ida County Recorder's office as File No. 091379, in Book 26, page 459.
5. The Trustee's Affidavit and Purchasers Affidavit, dated December 18, 2009, recorded on December 21, 2009 at the Ida County Recorder's office as File No. 091410, in Book 10-A, page 333.
6. The Application for Annexation dated January 10, 2011, recorded on January 12, 2011 at the Ida County Recorder's office as File No. 110055, in Book 10-A, page 879.
7. A Mortgage to Minnwest Bank, M.V. dated June 21, 2011, recorded on June 22, 2011 at the Ida County Recorder's office as Filed No. 110607 in Book A-53, page 303.