



Document 2013 2098

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BONNIE WHITNEY, COUNTY RECORDER
PALO ALTO COUNTY IOWA

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RETURN TO

PREPARER: Martha Bless (CP), AgStar Financial Services, 1700 Giant Dr, Blue Earth, MN 56013, 866-577-1831

AgStar Financial Services

REAL ESTATE MORTGAGE - IOWA

Open-End To Secure Present and Future Obligations and Advances

HOMESTEAD EXEMPTION WAIVER

I understand that homestead property is in many cases protected from the claims of creditors and exempt from judicial sale; and that by signing this mortgage, I voluntarily give up my right to this protection for this property with respect to claims based on this mortgage.

ENTER DATE SIGNED NEXT TO SIGNATURE.

Kerber Milling Company,
an Iowa Corporation

Date

Gain, Inc.,
an Iowa Corporation

Date

By: Pat Joyce, Secretary

9/23/13

By: Pat Joyce, President

9/23/13

Date: September 18, 2013

Mortgagor(s): Kerber Milling Company, an Iowa Corporation and Gain, Inc., an Iowa Corporation

Mailing Address: 1901 Main St, PO Box 96, Emmetsburg, IA 50536

The above named Mortgagor(s) in consideration of the advance by Mortgagee of the principal sum specified below, the receipt of which is hereby acknowledged, and any future, additional or protective advances made at Mortgagee's option, hereby sell, convey, and mortgage to **AgStar Financial Services, FLCA**, Mortgagee, its successors and assigns, from the date hereof until all obligations secured hereby are paid in full, the following-described real estate in **Palo Alto County(ies), Iowa**, to wit:

See attached Exhibit A.

together with all Mortgagor's right, title, and interest in the property, now or hereafter acquired, including: all buildings, fixtures, crops, and improvements now on or hereafter placed upon the property; all appurtenances, water, irrigation, and drainage rights; all rents, issues, uses, income, profits, and rights to possession; all oil, gas, gravel, rock, or other minerals of whatever nature, including geothermal resources; all personal property that may integrally belong to or hereafter become an integral part of the real estate whether attached or detached, including any appurtenances and accoutrements of any structure or residence secured hereby; easements and other rights and interests now or at any time hereafter belonging to or in any way pertaining to the property, whether or not specifically described herein; all above and below ground irrigation equipment and accessories; and all leases, permits, licenses, or privileges, appurtenant or nonappurtenant to the property, now or hereafter issued, extended, or renewed by Mortgagor(s), any State, the United States, or any department, bureau, instrumentality, or agency thereof. The foregoing is collectively referred to in this document as the "property."

It is understood and agreed between Mortgagor(s) and Mortgagee that this mortgage is given to secure: the repayment in full of promissory note(s) in the original principal amount of **\$2,665,000.00**, and all future and additional loans or advances, protective or otherwise, which may be made by Mortgagee, at its option, at the request of, and to or for the account of Mortgagor(s), or any of them, for any purpose, plus interest thereon, all payable according to the terms of the note(s) or other instrument(s) modifying the same.

***Notice:** This mortgage secures credit in the amount of **\$2,665,000.00**. 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.

NOTHING CONTAINED HEREIN SHALL CONSTITUTE A COMMITMENT TO MAKE FURTHER OR ADDITIONAL ADVANCES IN ANY AMOUNT AT ANY TIME, WHETHER OR NOT THE TOTAL PRINCIPAL INDEBTEDNESS ABOVE HAS BEEN ADVANCED.

This mortgage will be due **October 1, 2020**.

Mortgagor(s) hereby warrants that Mortgagor(s) holds free simple title to the above described property, that Mortgagor(s) has good and lawful authority to mortgage the same, that the property is free and clear of all liens and encumbrances, except encumbrances of record, and that Mortgagor(s) will warrant and defend the property at Mortgagor's expense against all claimants whomsoever. Mortgagor(s) also hereby waives and relinquishes all rights of dower, homestead, distributive share, and exemption in and to the above described property.

Mortgagor(s) and each of them further covenant and agree with Mortgagee as follows:

1. To pay all liens, judgments, or other assessments against the property, and to pay when due all assessments, taxes, rents, fees, or charges upon the property or under any lease, permit, license, or privilege assigned to Mortgagee as additional security to this mortgage, including those in or on public domain.
2. To insure and keep insured buildings and other improvements, including fixtures and attachments now on or hereafter placed on the property to the satisfaction of Mortgagee. Such insurance will be approved by and deposited with Mortgagee, and endorsed with a mortgage clause with loss payable to Mortgagee. Any sums so received by Mortgagee may be applied in payment of any indebtedness matured or unmatured secured by this mortgage, or at the option of Mortgagee may be used to pay for reconstruction of the destroyed improvements. Such insurance will be in an amount at least equal to the lesser of the loan balance, the actual cash value of the collateral, or the replacement cost of the property, and will at a minimum, cover losses caused by fire, lightning, explosion, riot, aircraft, vehicles, vandalism, civil commotion, smoke, windstorm, and hail. Mortgagor(s) will obtain and keep flood insurance in force to cover losses by flood as required by Mortgagee and by the National Flood Insurance Act of 1968, as amended, and by regulations implementing the same. Mortgagor(s) further agrees that Mortgagee is not and will not be liable for any failure by me/us or by any insurer, for whatever reason, to obtain and keep this insurance in force.
3. To keep all buildings, fixtures, attachments, or other improvements now on or hereafter placed on the property occupied and in good repair, maintenance, and condition and to neither commit nor permit any acts of waste or any impairment of the value of the property. Mortgagee may enter upon the property to inspect the same or to perform any acts authorized herein or in the loan agreement(s).
4. In the event Mortgagor(s) fails to pay any liens, judgments, assessments, taxes, rents, fees, or charges or maintain any insurance on the property, buildings, fixtures, attachments, or improvements as provided herein or in the loan agreement(s), Mortgagee, at its option, may make such payments or provide insurance, maintenance, or repairs and any amounts paid therefor will become part of the principal indebtedness secured hereby, be immediately due and payable and bear interest at the default rate provided in the note(s) from the date of payment until paid. The advancement by Mortgagee of any such amounts will in no manner limit the right of Mortgagee to declare Mortgagor(s) in default or exercise any of Mortgagee's other rights and remedies.
5. In the event Mortgagee is a party to any litigation affecting the property or the lien of this mortgage, including any action by Mortgagee to enforce this mortgage or any suit in which Mortgagee is named a defendant (including condemnation and bankruptcy proceedings) Mortgagee may incur expenses and advance payments for abstract fees, attorneys fees (to the extent allowed by law), costs, expenses, appraisal fees, and other charges and any amounts so advanced will become part of the principal indebtedness secured hereby, be immediately due and payable and bear interest at the default rate provided in the note(s) from the date of advance until paid.
6. Any awards made to Mortgagor(s) or their successors by the exercise of eminent domain are hereby assigned to Mortgagee; and Mortgagee is hereby authorized to collect and apply the same in payment of any indebtedness, matured or unmatured, secured by this mortgage.
7. In the event of default in the payment when due of any sums secured hereby (principal, interest, advancements, or protective advances), or failure to perform or observe any covenants and conditions contained herein, in the note(s), loan agreement(s), or other instrument(s), or any proceeding is brought under any Bankruptcy laws, Mortgagee, at its option, may declare the entire indebtedness secured hereby to be immediately due and payable and the whole will bear interest at the default rate as provided in the note(s) and Mortgagee may immediately foreclose this mortgage or pursue any other remedy at law or equity, including foreclosure by advertisement with a power of sale in Mortgagee to the extent provided by applicable law. Delay by Mortgagee in exercising its rights upon default will not be construed as a waiver thereof and any act of Mortgagee waiving any specific default will not be construed as a waiver of any future default. If the proceeds under such sale or foreclosure are insufficient to pay the total indebtedness secured hereby, Mortgagor(s) does hereby agree to be personally bound to pay the unpaid balance, and Mortgagee will be entitled to a deficiency judgment.
8. Upon default, Mortgagee will at once become entitled to *exclusive possession, use, and enjoyment* of the property and to all rents, issues, crops, profits and income thereof, from the time of such default and during the pendency of foreclosure proceedings and the period of redemption, the delivery of which may be enforced by Mortgagee by any appropriate suit, action, or proceeding. Mortgagee will be entitled to a Receiver for the property and all rents, issues, crops, profits, and income thereof, without regard to the value of the property, or the sufficiency thereof to discharge the mortgage debt and the foreclosure costs, fees, and expenses. Such Receiver may be appointed by any court of competent jurisdiction upon ex parte application, notice being hereby expressly waived. The Receiver will apply all rents, issues, crops, profits,

and income of the property to keep the same in good repair and condition, pay all taxes, rents, fees, charges, and assessments, pay insurance premiums necessary to keep the property insured, pay the expense of the receivership and attorney fees incurred by the Receiver, and apply the net proceeds to the payment of the indebtedness secured hereby. Such Receiver will have all the other usual powers of receivers authorized by law and as the court may direct.

9. The integrity and responsibility of the Mortgagor(s) constitutes a part of the consideration for the obligations secured hereby. Should Mortgagor(s) sell, transfer, or convey the property described herein without prior written consent of Mortgagee, Mortgagee, at its option, may declare the entire indebtedness immediately due and payable and may proceed in the enforcement of its rights as on any other default.

10. Assignment of Rents including Proceeds of Mineral Leases. Mortgagor(s) hereby assigns, transfers, and conveys to Mortgagee all rents, royalties, bonuses, and delay moneys or other proceeds that may from time to time become due and payable under any real estate lease or under any oil, gas, gravel, rock, or other mineral lease of any kind including geothermal resources now existing or that may hereafter come into existence, covering the property or any part thereof. All such sums so received by Mortgagee will be applied to the indebtedness secured hereby; or Mortgagee, at its option, may turn over and deliver to Mortgagor(s) or their successors in interest, any or all of such sums without prejudice to any of Mortgagee's rights to take and retain future sums, and without prejudice to any of its other rights under this mortgage. This assignment will be construed to be a provision for the payment or reduction of the mortgage debt, subject to the Mortgagee's option as hereinbefore provided, independent of the mortgage lien on the property. Upon payment in full of the mortgage debt and the release of this mortgage of record, this assignment will become inoperative and of no further force and effect.

11. This Mortgage constitutes a Security Agreement with respect to all the property described herein.

12. The covenants contained in this mortgage will be deemed to be severable; in the event that any portion of this mortgage is determined to be void or unenforceable, that determination will not affect the validity of the remaining portions of the mortgage.

13. Redemption Period. If the property described herein is less than ten acres in size and if Mortgagee waives in any foreclosure proceeding any right to a deficiency judgment against Mortgagor(s), then the period of redemption from judicial sale will be reduced to six months. If the court finds that the property has been abandoned by Mortgagor(s) and if Mortgagee waives any right to a deficiency judgment against Mortgagor(s), then that period of redemption from judicial sale will be reduced to sixty days. In addition, if the property described herein is the residence of Mortgagor(s) at the time of foreclosure, but the court finds that after foreclosure the property has ceased to be the residence of the Mortgagor(s), then the period of redemption will be reduced to thirty days from the date of a court order so stating. The provisions of this paragraph will be construed to confirm to the provisions of Sections 628.26, 628.27, and 628.28 of the Code of Iowa.

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

Kerber Milling Company, a/k/a Kerber Milling Co.,
An Iowa Corporation

Gain, Inc, an Iowa Corporation

Pat Joyce
By: Pat Joyce, Secretary

Pat Joyce
By: Pat Joyce, President

BORROWER ACKNOWLEDGMENT

STATE OF Iowa)
COUNTY OF Palo Alto) ss.

The foregoing was acknowledged before me on September 23, 2013, by Pat Joyce, the Secretary, of Kerber Milling Co., an Iowa corporation, on behalf of said corporation.

My Commission expires 4/30/14.
Gregory J. Eglund
Gregory J. Eglund (Type name under signature)
Notary Public in and for said County and State

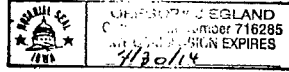
BORROWER ACKNOWLEDGMENT

STATE OF Iowa)
COUNTY OF Palo Alto) ss.



The foregoing was acknowledged before me on September 23, 2013, by Pat Joyce,
the President, of Gain, Inc., an Iowa corporation, on behalf of said corporation.

My Commission expires 4/30/14.
Gregory J England
Gregory J England (Type name under signature)
Notary Public in and for said County and State



**EXHIBIT A
LEGAL DESCRIPTION ATTACHMENT**

Loan No. 7754173700

The real estate in Palo Alto County, Iowa, referred to in the Mortgage or Deed of Trust dated **September 18, 2013**, executed by **Kerber Milling Company, an Iowa Corporation and Gain, Inc., an Iowa Corporation**, as Mortgagors/Grantors, to AgStar Financial Services, FLCA as Mortgagee/Beneficiary, is described as follows:

Tract 1:

The South 420.00 feet of the East 311.00 feet of the SE1/4 of SW1/4 of Section 19, Township 97 North, Range 32 West, Palo Alto County, Iowa.

Tract 2:

That part of the NE1/4 of NE1/4 of Section 8, T95N, R32W of the 5th P.M., Palo Alto County, Iowa, described as follows: Beginning at the Northeast corner of said Section 8; thence on an assumed bearing of South 90 degrees 00 minutes West, along the North line of said Section, a distance of 400.00 feet to an iron monument; thence South 0 degrees 38 minutes East a distance of 540.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 400.00 feet to an iron monument located on the East line of said Section; thence North 0 degrees 38 minutes West along said East line a distance of 540.00 feet to the point of beginning, subject to easements now of record in said county and state.

Tract 3:

That part of the Southeast Quarter of the Southeast Quarter (SE1/4SE1/4) of Section Fourteen (14), Township Ninety-seven (97) North, Range Thirty-two (32), West of the 5th P.M., Palo Alto County, Iowa, described as follows: Commencing at the Southeast corner of said Section 14; thence on an assumed bearing of North 0 degrees 00 minutes East, along the East Line of said Section, a distance of 412.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence South 90 degrees 00 minutes West a distance of 326.80 feet to an iron monument; thence North 0 degrees 00 minutes East a distance of 400.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 326.80 feet to an iron monument located on the East line of said Section; thence South 0 degrees 00 minutes West, along said East line, a distance of 400.00 feet to the point of beginning, subject to easement now of record in said county and state.

Tract 4:

A part of the SE1/4 of SE1/4 of Section 22, Township 97 North, Range 32 West, Palo Alto County, Iowa, described as follows: Beginning at the southwest corner of the said SE1/4 of SE1/4; thence North 0 degrees 15 minutes 22 seconds West 420.00 feet along the West line of said SE1/4 of SE1/4; thence North 90 degrees 00 minutes 00 seconds East 311.00 feet; thence South 0 degrees 15 minutes 22 seconds East 420.00 feet to a point on the south line of said SE1/4 of SE1/4; thence South 90 degrees 00 minutes 00 seconds West 311.00 feet to the point of beginning. Note: The south line of the SE1/4 of SE1/4 of said Section 22 is assumed to bear true East and West.

AND

A part of the SE1/4 of Section 21, Township 97 North, Range 32 West, Palo Alto County, Iowa, described as follows: Beginning at a point on the south line of said SE1/4, at a distance of 1263.93 feet West of the southeast corner of said Section 21; thence North 0 degrees 00 minutes 00 seconds West 420.00 feet; thence North 90 degrees 0 minutes 00 seconds West 311.00 feet; thence South 0 degrees 0 minutes 00 seconds East 420.00 feet to a point on the South line of said SE1/4; thence South 90 degrees 0 minutes 00 seconds East 311.00 feet to the point of beginning. NOTE: The South line of the SE1/4 of said Section 21 is assumed to bear true East and West.

Tract 5:

That part of the NW1/4 of NE1/4 of Section 3, Township 95 North, Range 32 West, Palo Alto County, Iowa, described as follows: Commencing at the Northeast corner of the NW1/4 of NE1/4 of said Section 3; thence on an assumed bearing of South 90 degrees 00 minutes West, along the North line of said Section, a distance of 110.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence South 0 degrees 04 minutes 44 seconds West, a distance of 382.00

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LEGAL DESCRIPTION ATTACHMENT
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feet to an iron monument; thence South 90 degrees 00 minutes West, a distance of 693.00 feet to an iron monument; thence North 0 degrees 04 minutes 44 seconds East, a distance of 382.00 feet to an iron monument located on the North line of said section; thence North 90 degrees 00 minutes East, along said North line, a distance of 693.00 feet to the point of beginning.

Tract 6:

A tract of land in the SE1/4 of NE1/4 of Section 4, Township 96 North, Range 31 West, Palo Alto County, Iowa, described as follows: Commencing at a point 470 feet North of the Southeast corner of the NE1/4; thence West 540 feet; thence North 430 feet; thence East 540 feet; thence South 430 feet to the point of beginning.

Subject to existing highways, easements and rights of way of record.

Mortgagors (Debtors) hereby further grant to Mortgagee (Secured Party) a security interest, as security for the payment of all indebtedness of the Mortgagors (Debtors) to Mortgagee (Secured Party) in certain property generally described as: all feed storage and handling systems, feeders, waterers, water handling systems and medication injection systems, manure handling and storing systems, farrowing equipment, pens, swine nursery equipment, ventilating, lighting, and heating systems, auxiliary power system, electrical control systems with replacements, additions and similar equipment hereafter acquired, located on and affixed to:

Tract 1:

The South 420.00 feet of the East 311.00 feet of the SE1/4 of SW1/4 of Section 19, Township 97 North, Range 32 West, Palo Alto County, Iowa.

Tract 2:

That part of the NE1/4 of NE1/4 of Section 8, T95N, R32W of the 5th P.M., Palo Alto County, Iowa, described as follows: Beginning at the Northeast corner of said Section 8; thence on an assumed bearing of South 90 degrees 00 minutes West, along the North line of said Section, a distance of 400.00 feet to an iron monument; thence South 0 degrees 38 minutes East a distance of 540.00 feet to an iron monument; thence North 90 degrees 00 minutes East a distance of 400.00 feet to an iron monument located on the East line of said Section; thence North 0 degrees 38 minutes West along said East line a distance of 540.00 feet to the point of beginning, subject to easements now of record in said county and state.

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EXHIBIT A
LEGAL DESCRIPTION ATTACHMENT
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Tract 5:

That part of the NW1/4 of NE1/4 of Section 3, Township 95 North, Range 32 West, Palo Alto County, Iowa, described as follows: Commencing at the Northeast corner of the NW1/4 of NE1/4 of said Section 3; thence on an assumed bearing of South 90 degrees 00 minutes West, along the North line of said Section, a distance of 110.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence South 0 degrees 04 minutes 44 seconds West, a distance of 382.00 feet to an iron monument; thence South 90 degrees 00 minutes West, a distance of 693.00 feet to an iron monument; thence North 0 degrees 04 minutes 44 seconds East, a distance of 382.00 feet to an iron monument located on the North line of said section; thence North 90 degrees 00 minutes East, along said North line, a distance of 693.00 feet to the point of beginning.

Tract 6:

A tract of land in the SE1/4 of NE1/4 of Section 4, Township 96 North, Range 31 West, Palo Alto County, Iowa, described as follows: Commencing at a point 470 feet North of the Southeast corner of the NE1/4; thence West 540 feet; thence North 430 feet; thence East 540 feet; thence South 430 feet to the point of beginning.

This security interest is being given pursuant to the Iowa Uniform Commercial Code to secure the above described items. In case of default, the Mortgagee (Secured Party) shall have all remedies as provided under said code and under the other terms and conditions of this mortgage, and may proceed upon any security lien to it, either concurrently or separately, in any manner it may elect.

File this instrument in the real estate records.