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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Top 3 inches reserved for recording data

Mortgage By a Business Entity
Prepared by and Return To:
Neal J. Blanchett
Gunder Road Holdings, LLC
1559 Southcross Drive West
Burnsville, Minnesota 55306
952-224-8939

Taxpayer
Mid-County II, Corp.
123 9th Avenue Southeast
Oelwein, Iowa 50662

MORTGAGE REGISTRY TAX DUE: $_____ Date June 24, 2008

__ CHECK IF APPLICABLE: NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, ENFORCEMENT OF THIS MORTGAGE IN IOWA IS LIMITED TO A DEBT AMOUNT OF $221,224.75.

This Mortgage ("Mortgage" is given by Mid-County II, Corp., a corporation under the laws of Iowa, as mortgagor ("Borrower") to Gunder Road Holdings, LLC, a Minnesota Corporation, as mortgagee ("Lender").

In consideration of the receipt of Two Hundred Twenty One Thousand Two Hundred Twenty Four Dollars and Seventy Five Cents ($221,224.75.) (the "Indebtedness") from Lender, borrower hereby mortgages, with power of sale, the real property in Delaware County Iowa, legally described as:

Lot Five (5), FRIEDLEIN SUBDIVISION, a subdivision of Lot Four (4), except the East Two Hundred Feet (200') thereof, of West Commercial Subdivision of part of the Northwest Quarter (NW ¼) of the Northeast Quarter (NE ¼) of Section Thirty-One (31), Township Eighty-Nine North (89N), Range Five (5), West of the Fifth Principal Meridian, in the city of Manchester, Delaware County, Iowa, according to the plat recorded in Book 8, Plats, Page 147.

Parcel #: 631312000660

Together with all hereditaments and appurtenances belonging thereto (the "Property), subject to the following exceptions:

(a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any;
(b) Reservation of minerals or mineral rights in the State of Iowa;
(c) Utility and drainage easements which do not interfere with present improvements;
(d) Applicable laws, ordinances, and regulations;
(e) The lien of real estate taxes and installments of special assessments not yet due and payable;
(f) The following liens and encumbrances, if any _____.

Borrower covenants with Lender as follows:

1. Repayment of Indebtedness. If Borrower (a) pays the indebtedness to the lender according to the terms of the promissory note or other instrument of an even date herewith that evidences the Indebtedness and all renewals, extensions, and modifications thereto (the "Note"), final payment of which is due on_____; (b) pays interest on the Indebtedness as provided in the Note; (c) repays to Lender, at the times and with interest as specified, all sums advanced in protecting the lien of this mortgage, if any; and (d) keeps and performs all the covenants and agreements contained herein, then Borrowers obligations under this Mortgage will be satisfied, and lender will deliver an executed satisfaction of this Mortgage to Borrower. It is borrower's responsibility to record any satisfaction of this mortgage at Borrower's expense.
2. Statutory Covenants. Borrower makes and includes in this Mortgage the following covenants and provisions set forth in Iowa law, and the relevant statutory covenant equivalents contained therein are hereby incorporated by reference:
    a. To warrant title to the Property;
    b. To pay the indebtedness as herein provided;
    c. To pay all taxes;
    d. That the Property shall be kept in repair and no waste shall be committed;
    e. To pay principal and interest on prior mortgages, if any
3. Additional Covenants and Agreements of Borrower. Borrower makes the following additional covenants and agreements with lender:
    a. Borrower shall keep all buildings, improvements, and fixtures now or later located on all or any part of the Property (collectively, the "Improvements") insured against any loss by fire, lightning, and such other perils as are included in a standard all-risk endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft, and, if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the improvements, without deduction for physical depreciation. If any of the Improvements are located in a federally designated flood prone area, and if flood insurance is available for that area, Borrower shall procure and maintain flood insurance in amounts

reasonably satisfactory to Lender. Borrower shall procure and maintain liability insurance against claims for bodily injury, death, and property damage occurring on or about the property in amounts reasonably satisfactory to Lender and naming Lender as an additional insured, all for the protection of Lender.

b. Each insurance policy required pursuant to Paragraph 3(a) must contain provisions in favor of Lender affording all right and privileges customarily provided under the so-called standard mortgage clause. Each policy must be issued by an insurance company licensed to do business in Iowa and acceptable to lender. Each policy must provide for not less than ten (10) days written notice to Lender before cancellation, non-renewal, termination, or change in coverage. Borrower will deliver to Lender a duplicate original or certificate of such insurance policies and of all renewals and modifications of such policies.

c. If the Property is damaged by fire or other casualty, Borrower must promptly give notice of such damage to Lender and the insurance company. In such event, the insurance proceeds paid on account of such damage will be applied to payment of am0ounts owed by Borrower pursuant to the Note, even if such amounts are not otherwise then due, unless Borrower is permitted to make and election as described in the next paragraph. Such amounts first will be applied to unpaid accrued interest and next to the principal to be paid as provided in the Note in the inverse order of their maturity. Such payments will not postpone the due date of the installments to be paid pursuant to the Note or change the amount of such installments. The balance of the insurance proceeds, if any, will be the property of Borrower.

d. Notwithstanding the provisions of Paragraph 3(c),, and unless otherwise agreed to by Borrower and Lender in writing, if:

    i. Borrower is not in default under this Mortgage (or after Borrower has cured any such default);
    ii. The mortgagees under any prior mortgages do not require otherwise; and
    iii. Such damage does not exceed ten percent (10%) of the then-assessed market value of the Improvements,

then Borrower may elect to have that portion of such insurance proceeds necessary to repair, replace, or restore the Property (the "Repairs") deposited in escrow with a bank or title insurance company qualified to do business in Minnesota, or such other party as may be mutually agreeable to Lender and Borrower. The election may only be made by written notice to lender within sixty (60) days after the damage occurs; and the election will only be permitted if the plans, specifications, and contracts for the Repairs are approved by lender, which approval shall not be unreasonably withheld, conditioned, or delayed. If such a permitted election is made by Borrower, Lender and Borrower shall jointly deposit the insurance

proceeds into escrow when paid. If such insurance proceeds are insufficient for the Repairs, Borrower shall, before the commencement of the repairs, deposit into such escrow account sufficient additional money to ensure the full payment for the Repairs. Even if the insurance proceeds are unavailable or are insufficient to pay the cost of the Repairs, Borrower shall at all times be responsible to pay the full cost of the Repairs. All escrowed funds shall be disbursed in accordance with sound, generally accepted, construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Borrower into such escrow before the commencement of Repairs. Borrower shall complete the repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be completed by borrower within one (1) year after the damage occurs. If, following the completion of and payment for the repairs, there remains and undisbursed escrow funds, such funds shall be applied to payment of the amounts owed by Borrower under the Note in accordance with Paragraphs 3(c).

e. If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof must be applied to payment of the amounts due by Borrower to Lender under the Note as set forth in Paragraph 3(c), even if the amounts are not then due to be paid.
f. Borrower will diligently complete all improvements, if any, that may now or hereafter be under construction on the Property.
g. Borrower will pay all dues, fees, or assessments, if any, which are due and payable by Borrower to any homeowners or common-interest community or similar association as a result of the Property's inclusion therein.
h. Borrower will pay any other expenses and attorneys' fees incurred by Lender pursuant to the Note or as reasonably required for the protection of the lien of this Mortgage.

4. Payment by Lender. If Borrower fails to pay any amounts to be paid hereunder to Lender or any third parties, or to insure the Improvements, and deliver the policies as required herein, lender may make such payments or secure such insurance. The sums so paid shall be additional indebtedness, bear interest from the date of such payment at the same rate as set forth in the Note, be an additional lien upon the Property, and be immediately due and payable upon written demand. This mortgage secures the repayment of such advances.
5. Default. In case of default
    a. In the payment of sums to be paid under the Note or this Mortgage, when the same becomes due,
    b. In any of the covenants set forth in this Mortgage;
    c. Under the terms of the Note, or
    d. Under any addendum attached to this Mortgage

Lender may declare the unpaid balance of the Note and the interest accrued thereon, together with any sums advanced hereunder, immediately due and payable without notice, and buyer hereby authorizes and empowers lender to foreclose this mortgage by judicial proceedings are to sell the Property at public auction and convey the same in fee simple in accordance with Iowa law, and out of the monies arising from such sale, to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorneys fees permitted by law, which costs, charges and fees Borrower agrees to pay.

6. Governing Law, Severability. This mortgage shall be governed by the laws of Iowa. In the event that any provision or clauses of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.
7. Additional Terms. ___ Check here if any other addendum containing additional terms or conditions is attached to this Mortgage. If the foregoing is not checked, then this Mortgage shall not contain any such additional terms and conditions. The number of additional attached pages is ___. Terms of this Mortgage will run with the Property and run with the successors and bind the parties hereto and their successors in interest.

BORROWER
Mid County II Corp
Michael J Puff

Michael J. Puff

Its: President

State of Iowa, County of ~~Delaware~~ Fayette

This instrument was acknowledged before me on June 26, 2008 by

Michael J Puff as President of Mid County II Corp

DIANE HARTMANN
Commission Number 140037
My Commission Expires
July 17, 2010

NOTARY Diane Hartmann

My Commission Expires _____