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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

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FORM 5014 (10-2011)

RETURN TO PREPARER: Farm Credit Services of America, 700 Senate Ave, Red Oak, IA 51566 — Ogden, Tracey M (712) 623-5181

Farm Credit Services of America

REAL ESTATE MORTGAGE

For the State of Iowa

Open-End To Secure Present and Future Obligations and Advances

2012 - 74

Date: December 12, 2011

Mortgagor(s):
JM Farms LC, a Limited Liability Company

Mailing Address: 11665 NW Oaktree Dr
Grimes, IA 50111-8815

The above named Mortgagor(s) in consideration of the extension of credit identified herein and any future, additional or protective advances made at Mortgagee's option, hereby sell, convey, and mortgage to Farm Credit Services of America, FLCA, 5015 S 118th Street, Omaha, NE 68137, Mortgagee, its successors and assigns, from the date hereof until all obligations secured hereby are paid in full, the following-described real estate in Delaware County(ies), Iowa, to wit:

See attached legal description **ON PAGE #5**

together with all Mortgagor's right, title, and interest in the property, now or hereafter acquired, including: all buildings, fixtures, timber, timber to be cut, crops, and improvements now on or hereafter placed upon the property; all appurtenances, water, water rights, 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 the following described obligations, regardless of whether Mortgagor(s) is(are) liable thereon, 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), the parties liable under the note(s) or credit agreement(s) or any of them, for any purpose, plus interest thereon, all payable according to the terms of the note(s), credit agreement(s), or other instrument(s) modifying the same.

Date of Note(s) or Credit Agreement(s)	Principal Amount
12/12/2011	374,000.00

***NOTICE: This mortgage secures credit in the amount of $374,000.00. 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 March 1, 2037.

Mortgagor(s) hereby warrants that Mortgagor(s) holds fee 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.

This is a purchase money mortgage.

Mortgagor(s) and each of them further covenant and agrees with, or certifies to, 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, will on demand furnish said policies or furnish proof of insurance 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, and 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 credit 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 credit 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) or credit agreement(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) or credit agreement(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), credit 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) or credit agreement(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. That Mortgagor(s) are, and shall continue to be, duly organized, validly existing and legally qualified to do business under the laws of the states in which Mortgagor(s) operate, in compliance with federal, state and local laws or regulations, and have legal authority in such states to conduct Mortgagor(s) business operations and to own agricultural real estate. No change has been made in the name, ownership, control, relationship, legal status or organizational and formation documents of any undersigned since the time any such information was last provided to Mortgagee.

11. That if Mortgagor(s), or anyone signing this Mortgage, is a limited liability company, that those signing on behalf of said limited liability company constitute a majority of the managers or members thereof, and that the execution of this Mortgage is in the ordinary course of the limited liability company's business and has been authorized by its members.

12. 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.

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

14. 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.

15. 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 the 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 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.

JM Farms LC, A Limited Liability Company

By _____ By _____ manager

Mark Staudt, Manager *John Houlihan, Manager*

LLC ACKNOWLEDGMENT – MANAGER(S)

STATE OF IOWA)
)ss
COUNTY OF DELAWARE)

On this 12th day of December, 2011 before me, a Notary Public, personally appeared John Houlihan to me known to be the person(s) named in and who executed the foregoing instrument, who did say that he/she/they is/are the manager(s) of JM Farms LC, a limited liability company; that the instrument was signed on behalf of the limited liability company by authority of its members and the manager(s) acknowledged the execution of the instrument to be

voluntary act and deed of the limited liability company by it and by him/her/them voluntarily executed.

(SEAL) 

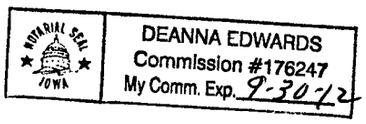
Tracy L Fonck
TRACY L FONCK
(Type name under signature)

My commission expires 7-8-2014 Notary Public in and for said County and State

LLC ACKNOWLEDGMENT – MANAGER(S)

STATE OF Iowa)
)ss
COUNTY OF Dallas)

On this 15th day of December, 2011 before me, a Notary Public, personally appeared Mark Staudt to me known to be the person(s) named in and who executed the foregoing instrument, who did say that he/she/they is/are the manager(s) of JM Farms LC, a limited liability company; that the instrument was signed on behalf of the limited liability company by authority of its members and the manager(s) acknowledged the execution of the instrument to be voluntary act and deed of the limited liability company by it and by him/her/them voluntarily executed.

(SEAL) 

Deanna Edwards
Deanna Edwards
(Type name under signature)

My commission expires 9-30-2012 Notary Public in and for said County and State

All that part of the West one-half (W½) of the Southwest Quarter (SW¼) of the Northwest Quarter (NW¼) of Section Thirty Two (32), Township Eighty Nine (89) North, Range Five (5), West of the Fifth P.M. lying South of the Railroad right-of-way, except the South thirty three (33) feet thereof.

The Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Thirty One (31), Township Eighty Nine (89) North, Range Five (5), West of the Fifth P.M., except the Railroad right-of-way and also except that part conveyed to the State of Iowa by Warranty Deed recorded in Book 88, L.D., Page 193, and also except Parcel I; Part Of The SW 1/4 - NE 1/4 In Sec. 31, T89N, R5W Of The Fifth P.M., City Of Manchester, Delaware County, Iowa, according to plat recorded in Book 2000, Page 1275.

That part of the Southeast Quarter (SE¼) of the Northeast Quarter (NE¼) of Section Thirty One (31), Township Eighty Nine (89) North, Range Five (5), West of the Fifth P.M. described as beginning at the Southeast corner of said Northeast Quarter (NE¼), running thence North along the East line of said Northeast Quarter (NE¼) eighteen and sixty and two-thirds one-hundredths (18.60 2/3) chains to the South line of the Railroad right-of-way, thence Southwesterly along said South line fifteen and thirty three one-hundredths (15.33) chains to the West line of Twelfth Street in the City of Manchester, Iowa, as originally platted, thence North along said West line to the North line of the Southeast Quarter (SE¼) of the Northeast Quarter (NE¼) of said Section, thence West twenty four (24) rods to the Northwest corner of said Southeast Quarter (SE¼) of the Northeast Quarter (NE¼), thence South to the Southwest corner of said Southeast Quarter (SE¼) of the Northeast Quarter (NE¼), thence East to the point of beginning, except a strip of land ten (10) feet wide adjoining the Railroad right-of-way on the South and extending nine hundred sixteen (916) feet Westerly from the East line of said Northeast Quarter (NE¼) and further excepting the Railroad right-of-way, and also except the East two hundred thirty five and sixty four hundredths (235.64) feet of the South thirty three (33) feet thereof, and also except the West one thousand one hundred (1100) feet of the East one thousand three hundred thirty five and sixty four hundredths (1335.64) feet of the South twenty seven (27) feet of said Southeast Quarter (SE¼) of the Northeast Quarter (NE¼), and also except Parcel J; Part Of The SE 1/4 - NE 1/4 In Sec. 31, T89N, R5W Of The Fifth P.M., City of Manchester, Delaware County, Iowa, according to plat recorded in Book 2000, Page 1275