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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

33-311
46-2161
48-92

Please return the recorded **assignment or rents** to:

ENJ
banc-serv PARTNERS, LLC
777 East Main Street
Westfield, IN 46074

Grantee: Kerndt Brothers Savings Bank
370 Main Street
Lansing, IA 52151

Grantor: Smitty's Inc.
314 W. Main Street
Manchester, IA 52057

See Attached Exhibit A hereto and becoming a part thereof (page 5)

Address: 228, 304, and 314 W. Main Street, Manchester, IA 52057

This document was prepared by: Le Ann Jackson
of banc-serv PARTNERS, LLC.
777 East Main Street
Westfield, IN 46074
317.664.5248

ASSIGNMENT OF RENTS

THIS ASSIGNMENT is made this 29th day of November, 2012 by and between SMITTY'S, INC. ("Assignor") and Kerndt Brothers Savings Bank ("Assignee").

WHEREAS, Assignor has executed and delivered to Assignee that certain Promissory Note dated 11/29/2012 in the original principal amount of One Million-Three Hundred Seventy Fifty Thousand and No/100 Dollars ($1,375,000.00) (the "Note"); and

WHEREAS, Assignor desires to assign to Assignee Assignor's right to payment with respect to all periodic rental payments (the "Rental Payments") that may now or hereafter be payable by any third party (a "Tenant") under any contract or agreement (a "Lease") under which Assignor is landlord or lessee and which relates to all or any part of the property described below (the "Property"), which property is commonly known as 228, 304 & 314 W. Main Street, Manchester, IA 52057

Legal Description:
See Attached Exhibit A hereto and becoming a part thereof

WHEREAS, Assignor desires to assign to Assignee the Rental Payments for application to the unpaid balance of the Note and all renewals, modifications and extensions thereof, and all other indebtedness of Assignor to Assignee (the "Obligations").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor hereby assigns to Assignee all Assignor's right, title, and interest in the Rental Payments; Assignor hereby grants to Assignee the right to enforce, at the sole discretion of Assignee, all Assignor's rights under the Lease, including the right to sue for and collect unpaid Rental Payments. In the event Assignee elects not to enforce Assignor's rights under the Lease, Assignee agrees to enforce promptly all of such rights.

2. On or before the first banking day after Assignee receives each Rental Payment, Assignee will apply said Rental Payment to reduce the unpaid balance of the Note and the other Obligations in such manner as Assignee deems fit in its sole discretion. If Tenant makes the Rental Payment by check, Assignee will provisionally apply such payment until there is a final payment of Tenant's check. When there is a final payment of Tenant's check, the provisional application will become a final payment. In the event the Tenant's check is not finally paid, the provisional application of such payment shall be reversed. It is expressly agreed that Assignor's Note and Obligations shall not be reduced or credited until such time as Assignee receives each final Rental Payment. If Tenant fails or refuses to make a Rental Payment, Assignee shall have no obligation to reduce the unpaid balance of Note or Obligation. Assignor's duties to Assignee under the Note and Obligations shall not be excused or modified if Tenant (a) fails or refuses to make Rental Payments, or (b) is delinquent in making any Rental Payment(s).

3. Nothing herein shall constitute or be construed as a delegation to Assignee of Assignor's duties under the Lease. Assignor shall have the option, but not the duty, to enforce Tenant's obligation to pay Rental Payments. Further, Assignee shall have no obligation to Tenant whatsoever other than to accept each Rental Payment.

4. After the unpaid balance of the Note and any renewals, modifications, or extensions thereof, and after the repayment of all other Obligations and debts of Assignor to Assignee, Assignee

agrees to assign back to Assignor all Assignee's rights created hereby within ten (10) days of the receipt by Assignee from Assignor of such a written request.

5. In the event Tenant breaches the Lease, and Assignee exercises its option hereunder to sue to enforce the Lease, Assignor agrees to reimburse Assignee for all Assignee's costs and reasonable attorney's fees incurred in connection with enforcing the Lease. Such costs and reasonable attorneys' fees may be paid by Assignee from the Rental Payments.

6. Assignor agrees to instruct Tenant to pay the Rental Payments directly to Assignee.

7. This Assignment shall be binding upon and shall inure to the benefit of the parties and their respective successors, assigns, heirs and personal representatives.

8. Assignee's consent to allowing Tenant to make one or more Rental Payments to Assignor is not and shall not be deemed to be a waiver of Assignee's right to directly receive all other Rental Payments.

SMITTY'S, INC.

By: W. Max Boren Jr.
W. Max Boren, Jr.

STATE OF IOWA

COUNTY OF Linn

I, the undersigned Notary Public in and for said County, in said State, hereby certify that W. Max Boren, Jr., as President of SMITTY'S, INC., is signed to the foregoing instrument and acknowledged before me on this day that, being informed of the contents of the instrument, he executed the same voluntarily.

Given under my hand and official seal this 29th day of November, 2012.

ANDREA KUHN
Commission Number 753048
My Commission Expires
6/2/2014

(Seal, if any)

Andrea Kuhn
Notary Public

Print Name: Andrea Kuhn
County of Residence: Linn

My commission expires:
6/2/2014

Kerndt Brothers Savings Bank

By: _____
Jeff Steffensmeier, Market President

STATE OF IOWA

COUNTY OF Linn

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Jeff Steffensmeier, on behalf of Kerndt Brothers Savings Bank, as Market President is signed to the foregoing instrument and acknowledged before me on this day that, being Informed of the contents of the instrument, he executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 29th day of November, 2012.

_____
Notary Public

ANDREA KUHN
Commission Number 753048
My Commission Expires
6/2/2014

Print Name: Andrea Kuhn
County of Residence: Linn

(Seal, if any)
My commission expires:
6/2/2014

Exhibit A

The North Ninety-Seven and five-tenths (97.5) feet of Lot Twenty-Seven (27) and the North Ninety-Seven and five-tenths (97.5) feet of the West Thirty-Three (33) feet of Lot Twenty-Six (26) of Ballard's Subdivision of part of Lot I and of Lots M and N of Iowa Land Company's Subdivision of part of Manchester, Delaware County, Iowa, according to the plat recorded in Book 1, Plats, Page 120

And

Lot Twenty Seven (27) and the West thirty three (33.0) feet of Lot Twenty Six (26) of Ballard's Subdivision of part of Lot I and of Lots M and N of Iowa Land Company's Subdivision of part of Manchester, Iowa, according to plat recorded in Book 1 Plats, Page 120, except any part included in Parcel No. 6 of Acquisition Plat - Amended, River Corridor Trail - Phase I, City of Manchester, Delaware County, Iowa, according to plat recorded in Book 6 Plats, Page 210, except the North ninety seven and five-tenths (97.5) feet of said Lot Twenty Seven (27) and also except the North ninety seven and five-tenths (97.5) feet of the West thirty three (33.0) feet of said Lot Twenty Six (26).

And

Lots Twenty Nine (29) and Thirty (30), and the West fifty six (56.0) feet of Lot Twenty Eight (28), Ballard's Subdivision of part of Lot "I" and of Lots "M" and "N" of Iowa Land Company's Subdivision of part of Manchester, Iowa, according to plat recorded in Book 1 Plats, Page 120, except any part included in Parcel No. 5 of Acquisition Plat - Amended, River Corridor Trail - Phase I, City of Manchester, Delaware County, Iowa, according to plat recorded in Book 6 Plats, Page 210.