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Delaware County, Iowa
Daneen Schindler RECORDER
BK: 2015 PG: 3015

[ABL]

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

HENDERSON PRODUCTS, INC.

Mortgagor

to

JPMORGAN CHASE BANK, N.A.
in its capacity as Collateral Agent for the Secured Parties
10 S Dearborn St., L2,
Chicago, Illinois 60603

Mortgagee

DATED: As of September 30, 2015

Premises located in:
Manchester, Delaware County, Iowa
(Legal description set forth on Exhibit A attached hereto as page 22)

Prepared by, and Record and Return to:
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attn: Elaine Cronin
Phone: 212-455-2000

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this **"Mortgage"**) made as of this 30th day of September, 2015, by **HENDERSON PRODUCTS, INC.**, a Delaware corporation having an office at 7777 North 73rd Street, Milwaukee, Wisconsin 53223 (the **"Mortgagor"**), to **JPMORGAN CHASE BANK, N.A.**, having an office at 10 S Dearborn St., L2, Chicago, Illinois 60603, as collateral agent for the Secured Parties (as such term is, and other capitalized terms used but not otherwise defined herein are, defined in the Credit Agreement referred to below (in such capacity, and together with its successors and assigns, the **"Mortgagee"**).

NOTICE: This Mortgage secures credit in the amount of $200,000,000. 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.

W I T N E S S E T H:

WHEREAS, Mortgagor is the owner of the fee interest in those certain parcels of land lying and being situated in the City of Manchester, Delaware County, Iowa, as more particularly described in Exhibit A attached hereto;

WHEREAS, Douglas Dynamics, Inc., a Delaware corporation ("**Holdings**"), Douglas Dynamics, L.L.C., a Delaware limited liability company ("**DDLLC**"), Fisher, LLC, a Delaware limited liability company ("**Fisher**") and Douglas Dynamics Finance Company, a Delaware corporation ("**DD Finance**"), the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the other parties party thereto have entered into that certain Amended and Restated Credit and Guaranty Agreement, dated as of April 18, 2011 (as the same has been amended, restated, supplemented or otherwise modified, the "**Original Credit Agreement**"), which Original Credit Agreement was amended and restated pursuant to that certain Second Amended and Restated Credit Agreement dated as of December 31, 2014 (the "**Restated Credit Agreement**"; the Original Credit Agreement, as amended and restated pursuant to the Restated Credit Agreement, as the same may be amended, restated, supplemented or otherwise modified, the "**Credit Agreement**") among Holdings, DDLLC, Fisher, DD Finance, Trynex International LLC, a Delaware limited liability company, Henderson Enterprises Group Inc., a Delaware corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the other parties party thereto , pursuant to which Lenders have agreed to make, and Mortgagee has agreed to administer, certain credit facilities in an aggregate amount not to exceed $200,000,000, which extensions of credit shall be used for the purposes permitted under the Credit Agreement, upon the terms and conditions contained in the Credit Agreement; and

WHEREAS, Mortgagor has agreed to execute and deliver to Mortgagee this Mortgage in order to secure Mortgagor's payment and performance of Mortgagor's obligations under the Credit Agreement and under any of the other Credit Documents;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, including Mortgagee's entering into the Credit Agreement, the receipt and legal sufficiency of which are hereby expressly acknowledged by all parties, to secure the full and complete payment and performance of the Obligations, including Mortgagor's performance of Mortgagor's obligations pursuant to the Credit Agreement, this Mortgage and the other Credit Documents, Mortgagor and Mortgagee hereby agree as follows:

Mortgagor does hereby grant, pledge, mortgage, warrant, sell, transfer, assign, and convey unto Mortgagee subject only to the Permitted Liens, all of its right, title and interest in the following (collectively, the **"Property"**):

A. All that certain land located in the City of Manchester, Delaware County, Iowa, and more particularly described in Exhibit A annexed hereto and made a part hereof (collectively, the **"Land"**).

B. All the buildings, structures and improvements, now or at any time hereafter erected on the Land or any part thereof (collectively, the **"Buildings"**).

C. All machinery, apparatus, equipment, personal property and fixtures of every kind and nature whatsoever now or hereafter located in, on or about any one or more of the Buildings or upon the Land, or attached to or used or useable in connection with the operation or maintenance of the Land or any one or more of the Buildings, or any part thereof, and now owned or hereafter acquired (collectively, the **"Building Equipment"**; the Land, the Buildings and the Building Equipment being hereafter sometimes collectively referred to as the **"Premises"**).

D. All right, title and interest of Mortgagor, whether now owned or hereafter acquired, in and to any opened or proposed avenues, streets, roads, public places, sidewalks, alleys, strips or gores of land, in front of or adjoining the Land or any one or more of the Buildings and all easements, tenements, hereditaments, appurtenances, rights and rights of way, public or private, pertaining or belonging to the Land or any one or more of the Buildings.

E. All insurance proceeds and all awards and payments, subject to applicable provisions of this Mortgage, including interest thereon, and the right to receive the same, which may be made in respect of all or any part of any of the Premises or any estate or interest therein or appurtenant thereto, as a result of damage to or destruction of all or any part of any of the Premises, the exercise of the right of condemnation or eminent domain, the closing of, or the alteration of the grade of, any street on or adjoining the Land, or any other injury to or decrease in the value of all or any part of any of the Premises.

F. All right, title and interest of Mortgagor in and to any and all present and future Leases and Rents (each as defined in Paragraph 47).

G. All franchises, permits, licenses and rights therein respecting the use, occupation and operation of the Premises or the activities conducted thereon or therein.

H. All right, title and interest of Mortgagor in and to any minerals, oil or gas located on, under or appurtenant to the Land.

I. All right, title and interest of Mortgagor in and to any tax refunds with respect to the Premises.

J. To the extent assignable, all of Mortgagor's interest in and to all agreements, contracts, certificates, instruments and other documents, now or hereafter entered into, pertaining to the construction, operation or management of the Premises and all right, title and interest of Mortgagor therein (collectively, the **"Contracts"**).

K. All of Mortgagor's interest in and to all easements, rights, licenses, privileges and appurtenances including, without limitation, development and air rights now or hereafter belonging or in any way appertaining to the Land.

L. All of the estate and rights of Mortgagor now or hereafter acquired in and to land lying in streets, roads, ways and alleys, open or proposed, adjoining or contiguous to the Land.

M. The proceeds, rents, issues and profits of any of the foregoing.

TO HAVE AND TO HOLD the Property unto Mortgagee, its successors and assigns, forever. Provided, that if (i) Mortgagor shall perform all obligations hereunder and (ii) the Obligations are paid and performed in full and the Commitments are cancelled or terminated, then this Mortgage shall be released without warranty, at the cost and request of Mortgagor.

AND MORTGAGOR COVENANTS, REPRESENTS AND WARRANTS TO AND FOR THE BENEFIT OF MORTGAGEE AND THE SECURED PARTIES AS FOLLOWS:

1. Payment of Obligations and Performance of Covenants and Agreements Mortgagor shall pay or perform the Obligations when due in accordance with the provisions of the Credit Agreement, this Mortgage, and the other Credit Documents and perform the covenants and agreements of Mortgagor set forth in the Credit Documents.

2. Title to Property Mortgagor represents and warrants that (a) Mortgagor owns good and marketable fee simple title to the Premises, (b) Mortgagor has the good and unrestricted right, full power and lawful authority to make this Mortgage in accordance with the terms hereof, (c) Mortgagor has obtained any and all consents and approvals necessary or required for the making of this Mortgage, and the making of this Mortgage will not violate any contract or agreement to which Mortgagor is a party or by which the Property is bound, and (d) the Premises is free of all liens, encumbrances, adverse claims and other defects of title whatsoever except Permitted Liens. Mortgagor does hereby and shall forever warrant and defend its title to and interest in the Property and the validity and priority of the lien of this Mortgage, subject to the Permitted Liens, to Mortgagee and the Secured Parties, their respective successors and assigns, against all claims and demands whatsoever of any Person or Persons. As of the date hereof, there are no defenses or offsets to this Mortgage or to the Obligations.

3. Intercreditor Agreement Notwithstanding anything herein to the contrary, and regardless of the priority of recordation of this Mortgage, the lien and security interests granted to the Mortgagee pursuant to this Mortgage and the exercise of any right or remedy by such Mortgagee hereunder are subject to the provisions of that certain Intercreditor Agreement, dated as of December 31, 2014 (the **"Intercreditor Agreement"**), by and among DDLLC, Fisher, DD Finance, Holdings, Trynex, Henderson, JPMorgan Chase Bank, N.A., in its capacity as administrative agent and collateral agent under the Term Loan Documents (as defined therein) and JPMorgan Chase Bank, N.A., in its capacity as administrative agent and collateral agent under the ABL Loan Documents (as defined therein). In the event of any conflict between the terms of the Intercreditor Agreement and this Mortgage, the terms of the Intercreditor Agreement shall govern.

4. Future Advances Without limiting the generality of any other provision hereof, or the terms and provisions of the Credit Agreement, the Obligations shall include, without limitation: (a) all existing indebtedness of Mortgagor to Mortgagee and/or any of the Secured Parties evidenced by any of the Credit Documents; (b) all future advances that may subsequently be made by Mortgagee and/or the Lenders as provided by any of the Credit Documents; and (c) all other indebtedness, if any, of Mortgagor to Mortgagee and/or any of the Secured Parties now due or to become due or hereafter contracted pursuant to any of the Credit Documents; provided that the maximum principal amount of all existing indebtedness, future advances, readvances of sums repaid and all other indebtedness secured hereby at any one time shall not exceed the total sum of $380,000,000 (exclusive of interest thereon, attorneys' fees and costs, taxes, insurance premiums and all other obligations hereunder).

5. Insurance

(a) Mortgagor shall maintain in full force and effect with respect to the Premises the insurance as required by Section 5.5 of the Credit Agreement.

(b) In the event of a foreclosure of this Mortgage or other action or proceeding taken by Mortgagee pursuant to this Mortgage, the purchaser of the Premises shall succeed to all of the rights of Mortgagor, including any right to unearned premiums, in and to all policies of insurance which Mortgagor is required to maintain under Paragraph 5(a) and to all proceeds of such insurance.

6. Impositions

(a) Mortgagor shall pay, not later than the final delinquency date thereof, all real estate taxes, personal property taxes, assessments, water rates and sewer rents, license fees, all charges which may be imposed for the use of vaults, chutes, areas and other space beyond the lot line and abutting the public sidewalks in front of or adjoining the Land, and any other amounts which could be or become a lien upon or against the Property or any part thereof (collectively, the **"Impositions"**); provided, no such Imposition need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor. Notwithstanding the foregoing, Mortgagor shall promptly, and in any event on demand, pay such contested Imposition if at any time all or any

part of the Property shall be in danger of being foreclosed, sold, forfeited, or otherwise lost or if such contest shall be discontinued. During the continuance of any Event of Default, upon demand by Mortgagee, Mortgagor will pay the whole of any assessment (an **"Assessment"**) for local improvements which may be payable in installments, notwithstanding that such installments may not be due and payable at the time of such demand.

(b) Mortgagor shall, upon request of Mortgagee, deliver to Mortgagee, within twenty (20) days after the final delinquency date of any Imposition or Assessment, receipts evidencing such payment or other proof of payment satisfactory to Mortgagee.

7. Maintenance and Alterations Mortgagor will maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, the Premises and from time to time will make or cause to made all appropriate repairs, renewals and replacements thereof.

8. Leasing Mortgagor represents that there are no Leases now in effect. Mortgagor shall not enter into any Lease of all or any part of any of the Premises without in each instance obtaining Mortgagee's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed. Mortgagor shall deliver to Mortgagee a duplicate original of each Lease promptly after the execution thereof. At the option of Mortgagee, each Lease, and all renewals, replacements, extensions, and modifications thereof, and all rights of the tenant thereunder, shall be subject and subordinate to this Mortgage, and to each and every advance made or thereafter made hereunder or under the other Credit Documents and to all renewals, additions, amendments, supplements, modifications, consolidations, spreaders, replacements, and extensions of this Mortgage and shall contain provisions obligating the tenants thereunder to attorn to Mortgagee or any purchaser therefrom if Mortgagee or such purchaser succeeds to the interest of Mortgagor under such Lease. Mortgagor shall fully and promptly perform all of the obligations to be performed by the lessor under any and all Leases. Mortgagor shall enforce the performance and observance of each and every obligation to be performed or observed by the lessees under such Leases. Mortgagor shall give prompt notice to Mortgagee of (a) any notice received by Mortgagor of any default by the lessor under any Lease, (b) the commencement of any action or proceeding by any lessee the purpose of which shall be the cancellation of any Lease or a diminution or abatement of the rent payable thereunder, (c) any notice of default given by Mortgagor to the lessee under any Lease, or (d) the interposition by any lessee of any defense or counterclaim in any action or proceeding brought by Mortgagor against such lessee; and Mortgagor will cause a copy of any process, pleading or notice received or served by Mortgagor in reference to any such action, defense or claim to be promptly delivered to Mortgagee. Mortgagor shall hold in trust all security deposits and advance rent given on account of any Lease, and deposit such security in a bank or trust company and shall not mingle such funds with other funds. Mortgagor shall repay or apply such funds only in accordance with the provisions of the applicable Leases.

9. Recording, Filing and Other Fees Mortgagor shall pay all recording and filing fees, all recording taxes, and all other costs and expenses in connection with the preparation, execution and recordation of this Mortgage and any other Credit Documents, and shall reimburse Mortgagee and each of the Secured Parties on demand for all costs and expenses of any kind incurred by Mortgagee or any of the Secured Parties in connection therewith

(including, without limitation, reasonable attorneys' fees and disbursements). Mortgagor will, at any time on request of Mortgagee, execute or cause to be executed financing statements, continuation statements, or the like, in respect of any Building Equipment. Mortgagor shall pay all filing fees, including fees for filing continuation statements, in connection with such financing statements.

10. Taxes Imposed on Mortgagee and the Secured Parties Mortgagor shall pay all taxes (except income, inheritance and franchise taxes, taxes on the receipt of debt service payments, or taxes in lieu of any of the foregoing) imposed on Mortgagee or any of the Secured Parties by reason of its ownership of this Mortgage or any of the other Credit Documents.

11. Compliance with Laws, etc. Mortgagor shall comply with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including Environmental Laws), noncompliance with which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

12. Inspection Mortgagee and its authorized representatives shall have the right, at Mortgagee's option, at reasonable times during normal business hours and upon reasonable prior written notice, and as often as may be reasonably requested, to enter the Premises for the purpose of inspecting the same and any other Collateral.

13. Certificate of Mortgagor Mortgagor, upon request of Mortgagee or any of the Secured Parties, shall certify to Mortgagee or to such Secured Party or to any proposed assignee of or participant in this Mortgage, by an instrument in form reasonably satisfactory to Mortgagee or such Secured Party, duly acknowledged, the amount of the Obligations then owing, whether any offsets or defenses exist against payment or performance of all or any portion of the Obligations and anything else that Mortgagee or such Secured Party might reasonably request, within ten (10) days if the request is made personally, or within fifteen (15) days if the request is made by mail. Mortgagee, Secured Parties and any actual or proposed assignee of or participant in this Mortgage shall have the right to rely on such certification.

14. Condemnation

(a) Mortgagor shall give notice to Mortgagee upon Mortgagor receiving written notice of the commencement of any action or proceeding to take all or any part of the Premises by exercise of the right of condemnation or eminent domain or of any action or proceeding to close or to alter the grade of any street on or adjoining the Land. Mortgagee may participate in any such action or proceeding in the name of Mortgagee or, whenever necessary, in the name of Mortgagor, and Mortgagor shall deliver to Mortgagee such instruments as Mortgagee shall request to permit such participation.

Mortgagor shall not settle any such action or proceeding or agree to accept any award or payment without the prior written consent of Mortgagee (which consent shall not be unreasonably withheld, conditioned or delayed), and such award or payment and any interest thereon (hereinafter collectively called the **"Award"**) shall be applied in accordance with Section 2.14(b) and Section 2.15 of the Credit Agreement.

(b) The application of any Award toward payment of the Obligations shall not be deemed a waiver by Mortgagee or any of the Secured Parties of its right to receive payment of the balance of the Obligations in accordance with the provisions of the Credit Documents. Mortgagee shall have the right, but shall be under no obligation, to question the amount of the Award, and Mortgagee may accept the same without prejudice to the rights that Mortgagee may have to question such amount. In any such condemnation or eminent domain action or proceeding Mortgagee may be represented by attorneys selected by Mortgagee, and all sums paid by Mortgagee in connection with such action or proceeding (including, without limitation, reasonable attorneys' fees to the extent permitted by law) shall, on demand, be immediately due from Mortgagor to Mortgagee and the same shall be secured by this Mortgage.

(c) Notwithstanding any taking by condemnation or eminent domain, closing of, or alteration of the grade of, any street or other injury to or decrease in value of the Premises by any public or quasi-public authority or corporation, the unpaid principal portion of the Obligations shall continue to bear interest at the rate payable pursuant to the applicable Credit Documents until the Award shall have been actually received by Mortgagee, and any reduction in the Obligations resulting from the application by Mortgagee of the Award shall be deemed to take effect only on the date of such receipt.

15. Restoration If the Buildings or the Building Equipment shall be damaged or destroyed, in whole or in part, by fire or other casualty, or by any taking in condemnation proceedings or the exercise of any right of eminent domain, Mortgagor shall promptly restore, replace or rebuild the same to as nearly as possible the value, quality and condition they were in immediately prior to such fire or other casualty or taking, with such alterations or changes as may be approved in writing by Mortgagee which approval shall not be unreasonably withheld or delayed, or apply the amount of any Award or insurance proceeds received with respect thereto, in each case in accordance with Section 2.14(b) and Section 2.15 of the Credit Agreement. Mortgagor shall give prompt notice to Mortgagee of any damage or destruction to the Buildings or Building Equipment by fire or other casualty, as well as the initiation of any condemnation or eminent domain proceeding affecting the same.

16. Default

(a) Any Event of Default under the Credit Agreement shall constitute an Event of Default hereunder and Mortgagee shall have all of the rights of the Administrative Agent and Collateral Agent under the Credit Agreement and all of the remedies hereunder.

(b) All notice and cure periods provided in the Credit Agreement shall run concurrently with any notice and cure periods provided under applicable law.

17. Mortgagee's Right to Perform Mortgagor's Covenants If there shall be an Event of Default, Mortgagee may, at its option, cure such Event of Default, and Mortgagee and its representatives shall have the right to enter the Premises to do so, and the amounts advanced by, and the other costs and expenses of, Mortgagee in curing such Event of Default, with interest from the time of the advances or payments at the rate of interest specified in Section 2.9 of the Credit Agreement (the **"Default Rate"**), shall, on demand, be immediately due from Mortgagor to Mortgagee and shall be secured by this Mortgage.

18. Other Mortgages THIS MORTGAGE IS MADE IN ADDITION TO OTHER MORTGAGES OR DEEDS OF TRUST GIVEN TO MORTGAGEE COVERING PROPERTY LOCATED IN OTHER STATES (as any of the same may be amended, supplemented, restated, severed, consolidated, spread, partially released, increased or otherwise modified from time to time, the **"Other Mortgages"**). The Other Mortgages secure the Obligations. Upon the occurrence of an Event of Default, Mortgagee may proceed under this Mortgage and/or the Other Mortgages against any of such property and/or the Property in one or more parcels and in such manner and order as Mortgagee shall elect. Mortgagor hereby irrevocably waives and releases, to the extent permitted by law, whether now or hereafter in force, any right to have the property and/or the Property covered by the Other Mortgages or any other mortgages or deeds of trust hereinafter executed by Mortgagor in favor of Mortgagee marshalled upon any foreclosure of this Mortgage or the Other Mortgages or any other mortgages or deeds of trust hereinafter executed by Mortgagor in favor of Mortgagee.

19. Appointment of Receiver After the occurrence and during the continuance of an Event of Default, Mortgagee may apply for the appointment of a receiver of the Rents (as defined in Paragraph 47) of all or any part of the Property from whatever source derived and thereupon it is hereby expressly covenanted and agreed that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases; and said appointment shall be made by the court ex parte as a matter of strict right to Mortgagee, without notice to or demand upon Mortgagor or any Person claiming through or under Mortgagor, and Mortgagee shall be entitled to the appointment of such receiver as a matter of right, to the extent not prohibited by applicable law, without consideration of the value of the Property as security for the amounts due to Mortgagee or the Secured Parties or the solvency of any Person liable for the payment of such amounts. Mortgagor hereby specifically waives the right to object to the appointment of a receiver as aforesaid and hereby expressly consents that such appointment shall be made ex parte and without notice to Mortgagor as an admitted equity and as a matter of absolute right to Mortgagee. In order to maintain and preserve the Property and to prevent waste and impairment of its security, Mortgagee may, at its option, advance monies to the appointed receiver and all such sums advanced shall become secured obligations and shall bear interest from the date of such advance at the Default Rate.

20. Power of Sale To the extent permitted by the laws of the State of Iowa, Mortgagee is hereby granted a power of sale and may sell any of the Premises (together with the Rents and profits and intangible personalty), or such part or parts thereof or interests therein as Mortgagee may select.

21. Judicial or Nonjudicial Foreclosure After the occurrence and during the continuance of an Event of Default, Mortgagee may institute an action of foreclosure, or take such other action as the law may allow, at law or in equity, including without limitation nonjudicial foreclosure, for the enforcement hereof and realization on the Property or any other security which is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire principal then outstanding under the Credit Documents, with interest thereon at the rate stipulated in the Credit Documents to the date of default and thereafter at the Default Rate together with all other sums secured by this Mortgage, all costs of suit, including, without limitation, the expenses which are described in Paragraphs 25 and 29, and interest at the Default Rate on any judgment obtained by Mortgagee from and after the date of

any judicial or nonjudicial sale of any of the Property until actual payment. Upon any sale or sales made hereunder, whether made under the power of sale herein granted or under or by virtue of judicial or nonjudicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee and/or any of the Secured Parties may bid for and acquire any of the Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting against the Obligations the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage. Except as otherwise provided in the Credit Agreement, the proceeds of such sale shall be applied first to the payment of the costs and charges of such sale, including, without limitation, Mortgagee's attorneys' fees, (to the extent permitted by law), and second to the payment of the Obligations, the surplus money, if any, to be paid to the Person(s) legally entitled thereto (including Mortgagor, to the extent so entitled, if at all). The obligation of Mortgagor to so execute and file such waiver shall survive the termination of this Mortgage. Following a foreclosure sale, the sheriff shall deliver to the purchaser the sheriff's deed (and bill of sale as to any personalty) conveying the property so sold without any covenant or warranty, express or implied.

22. Sale in Parcels In the event of a foreclosure of this Mortgage or upon any sale under this Mortgage pursuant to judicial or nonjudicial proceedings or otherwise, the Property may be sold in one parcel and as an entirety or in such parcels, manner or order as Mortgagee in its sole discretion may select.

23. Notice Upon Acceleration Whenever Mortgagee in this Mortgage is given the option to accelerate the maturity of all or part of the Obligations upon the occurrence of an Event of Default, Mortgagee may, to the extent permitted by law, do so without prior notice or demand to or upon Mortgagor except as otherwise specifically provided herein.

24. Possession of Premises To the extent permitted by law, after the occurrence and during the continuance of an Event of Default, Mortgagee and its agents and any receiver appointed by a court are authorized to (a) take possession of the Premises, with or without legal action, and by force if necessary; (b) lease the Premises or make modifications to or cancel Leases; (c) maintain, repair, alter, and restore the Premises; (d) with or without taking possession, collect all Rents and profits payable under all Leases directly from the lessees thereunder upon notice to each such lessee that an Event of Default exists under this Mortgage accompanied by a demand on such lessee for the payment to Mortgagee of all Rents due and to become due under its Lease, and Mortgagor FOR THE BENEFIT OF MORTGAGEE AND EACH SUCH LESSEE hereby covenants and agrees that the lessee shall be under no duty to question the accuracy of Mortgagee's statement of default and shall unequivocally be authorized to pay said Rents to Mortgagee without regard to the truth of Mortgagee's statement of an Event of Default and notwithstanding notices from Mortgagor disputing the existence of an Event of Default such that the payment of rent by the lessee to Mortgagee pursuant to such a demand shall constitute performance in full of the lessee's obligation under the Lease for the payment of Rents by the lessee to Mortgagor; and (e) after deducting all costs of collection and administration expense, apply the net Rents to the payment of Impositions, insurance premiums and all other carrying charges (including, without limitation, agents' compensation and fees and reasonable costs of counsel to the extent permitted by law, and receivers) and to the maintenance, repair or restoration of the Premises, or, except as otherwise provided in the Credit Agreement, on account and in reduction of the Obligations in such order and amounts as Mortgagee in Mortgagee's sole

discretion may elect. Mortgagee shall be liable to account only for Rents actually received by Mortgagee.

25. Expenses of Mortgagee and/or the Secured Parties All sums (including reasonable attorneys' fees and disbursements, to the extent permitted by law) paid by Mortgagee and/or any of the Secured Parties in connection with any litigation to prosecute or defend the rights and obligations created by this Mortgage, with interest thereon at the default interest rate specified in Section 2.9 of the Credit Agreement from the time of payment by Mortgagee and/or any of the Secured Parties shall, on demand, be immediately due from Mortgagor to Mortgagee and/or any such Secured Party and shall be added to and included in the Obligations and shall be secured by this Mortgage.

26. Mortgagor's Waivers Mortgagor, for itself and its successors and assigns, hereby irrevocably waives and releases, to the extent permitted by law, whether now or hereafter in force, (i) the benefit of any and all valuation and appraisement laws, (ii) any right of redemption whether statutory or otherwise, in respect of the Property, (iii) any applicable homestead or dower laws, (iv) all exemption laws whatsoever and all moratoriums, extensions or stay laws or rules, or orders of court in the nature of any one or more of them, (v) any right to have any of the Property marshalled upon foreclosure of this Mortgage, (vi) the right to interpose any set-off, recoupment, counterclaim or cross-claim in any litigation in any court with respect to, in connection with, or arising out of this Mortgage or any of the other Credit Documents unless such set-off, recoupment, counterclaim or cross-claim could not, by reason of the applicable Federal or State procedural laws, be interposed, pleaded or alleged in any other action, and (vii) any right Mortgagor may have to claim or recover in any litigation arising out of this Mortgage or any of the other Credit Documents any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages.

27. Partial Foreclosure Mortgagee may from time to time, if permitted by law, take action to recover any sums, whether interest, principal or any other sums, required to be paid under this Mortgage or any other Credit Document as the same become due, without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for an Event of Default by Mortgagor existing when such earlier action was commenced. Mortgagee may also foreclose this Mortgage for any sums due under this Mortgage or any other Credit Document and the lien of this Mortgage shall continue to secure the balance of the Obligations due.

28. No Waiver; Rights Cumulative No failure or delay on the part of Mortgagee or any of the Secured Parties in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to Mortgagee and each of the Secured Parties hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

29. Attorneys' Fees If this Mortgage shall be foreclosed, or if any of the Credit Documents is placed in the hands of an attorney for collection or is collected through any court, including any bankruptcy court, there shall be included in the computation of the sums secured hereby, to the extent permitted by law, the amount of a reasonable fee for the services of the attorney retained by Mortgagee in the foreclosure action or proceeding, and all disbursements, costs, allowances and additional allowances provided by law.

30. Interest After Maturity The Obligations secured by this Mortgage shall bear interest from and after maturity, whether or not resulting from acceleration, at the Default Rate, but this shall not constitute an extension of time for payment of the Obligations.

31. No Credit for Taxes Mortgagor shall not claim or demand or be entitled to any credit or credits on account of any of the sums secured hereby by reason of the Impositions assessed against all or any part of the Property or for any payments made on account thereof. No deductions shall be made or claimed from the taxable value of all or any part of the Premises by reason of this Mortgage.

32. Liens This Mortgage is and shall be maintained as a valid first lien on the Property subject only to any encumbrances created pursuant to the Credit Documents and the Permitted Liens, if any. Notwithstanding any provision in the Credit Documents to the contrary, Mortgagor shall not, directly or indirectly, create or suffer or permit to be created, or to stand, against the Property or any portion thereof, or against the Rents therefrom, any lien, charge, mortgage, deed of trust, adverse claim or other encumbrance (herein collectively referred to as a **"lien"**), whether senior or junior in lien to this Mortgage, other than the lien of (i) this Mortgage and (ii) the Permitted Liens (including easements, rights-of-way, restrictions, encroachments, minor defects or irregularities in title and other similar charges, in each case which do not and will not interfere in any material respect with the use or value of the Property; provided, however, that Mortgagor shall give Mortgagee at least twenty (20) days prior written notice of any Permitted Lien described in the parenthetical to clause (ii) above which is to be created after the date hereof together with a reasonably detailed description thereof; and provided, further, that nothing contained in this Paragraph shall require Mortgagor to pay any real estate taxes or other Impositions prior to the time when same are required to be paid under this Mortgage. Mortgagor will keep and maintain all of the Premises free from all liens of Persons supplying labor or materials relating to the construction, alteration, modification or repair of the Premises. If any such lien shall be filed against any of the Property, Mortgagor agrees to discharge the same of record (by payment, bonding or otherwise) within 10 days of notice of the filing thereof. No financing statement, conditional bill of sale or chattel mortgage shall be made or filed against any Building Equipment without the prior consent of Mortgagee and if at any time there should be any (with or without the consent of Mortgagee), then upon the occurrence and during the continuance of an Event of Default, all right, title and interest of Mortgagor in and to all deposits and payments made thereon are hereby assigned to Mortgagee.

33. Change in Taxation In the event of the enactment of or change in (including, without limitation, a change in interpretation of) any applicable law (a) deducting or allowing Mortgagor to deduct from the value of the Property for the purpose of taxation any lien or security interest thereon, (b) imposing, modifying or deeming applicable any reserve or special requirement against deposits in or for the account of, or loans by, or other liabilities of, or

other assets held by Mortgagee or any of the Secured Parties, or (c) subjecting Mortgagee or any of the Secured Parties to any tax or changing the basis of taxation of mortgages, deeds of trust, or other liens or debts secured thereby, or the manner of collection of such taxes, in each such case, so as to affect this Mortgage, the Obligations, Mortgagee or any of the Secured Parties, and the result is to increase the taxes imposed upon or the cost to Mortgagee or any of the Secured Parties of maintaining the Obligations, or to reduce the amount of any payments receivable hereunder or under the other Credit Documents, then, and in any such event, Mortgagor shall, on demand, pay to Mortgagee for the account of Mortgagee or any of the Secured Parties, as the case may be, such additional amounts as may be required to compensate for such increased costs or reduced amounts, provided that if any such payment or reimbursement shall be unlawful or would constitute usury under applicable law, then Mortgagee may, at its option, require Mortgagor to make a partial repayment of the Obligations in an amount equal to the then value of the Premises.

34. Assignment of Leases and Rents Mortgagor absolutely and unconditionally assigns to Mortgagee the Leases and Rents, as further security for the payment and performance of the Obligations and Mortgagor grants to Mortgagee during the existence of an Event of Default the right to enter the Premises for the purpose of collecting the same and to let the Premises, or any part thereof, and, except as otherwise provided in the Credit Agreement, to apply said Rents, issues and profits, after payment of all necessary charges and expenses, on account of the Obligations. This assignment and grant shall continue in effect until the payment and performance in full of the Obligations and the cancellation or termination of the Commitments. Mortgagee hereby waives the right to enter the Premises for the purpose of collecting said Rents, and Mortgagor shall be entitled to collect, receive and use said Rents, until the occurrence and during the continuance of an Event of Default. During the continuance of any Event of Default, the right of Mortgagor to collect, receive and use said Rents, shall be revoked forthwith. Further, from and after delivery of written notice of such revocation, constructive possession of the Premises shall be vested in Mortgagee, and this assignment shall be activated and perfected. Notwithstanding the foregoing, this assignment shall also be activated and perfected upon Mortgagee's exercising, upon the occurrence and during the continuance of an Event of Default, any of the following remedies pursuant to this Mortgage: (i) taking actual possession of the Premises; (ii) moving or applying for the appointment of a receiver; (iii) filing or commencing an action to foreclose this Mortgage; or (iv) collecting the Rents directly from the tenant(s). Mortgagor shall, from time to time after request by Mortgagee, execute, acknowledge and deliver to Mortgagee, in form reasonably satisfactory to Mortgagee, separate assignments effectuating the foregoing. Neither Mortgagee nor the Secured Parties shall be obligated to perform or discharge any obligation or duty to be performed or discharged by Mortgagor under any Lease or other agreement affecting all or any part of the Premises, and Mortgagor hereby agrees to indemnify Mortgagee and the Secured Parties for and hold them harmless from, any and all liability arising from any such Lease or other agreement or any assignments thereof, and no assignment of any such Lease or other agreement shall place the responsibility for the control, care, management or repair of all or any part of the Premises upon Mortgagee or the Secured Parties, nor make Mortgagee or the other Secured Parties liable for any negligence in the management, operation, upkeep, repair or control of all or any part of the Premises resulting in injury, death or property damage. In addition, after the occurrence and during the continuance of an Event of Default and following the giving of notice to Mortgagor, Mortgagor will pay monthly in advance to Mortgagee, or to any receiver appointed to collect said

Rents , the fair and reasonable rental value for the use and occupancy of the Premises or of such part thereof as may be in the possession of Mortgagor, and upon default in any such payment will vacate and surrender the possession thereof to Mortgagee or to such receiver, and in default thereof may be evicted by summary or other proceedings.

35. Security Agreement This instrument shall constitute a Security Agreement and a Financing Statement within the meaning of the Uniform Commercial Code as enacted in the state in which the Land is located with respect to the personalty and fixtures comprising a part of the Property. Mortgagor hereby grants to Mortgagee, and this instrument creates, a security interest in the personalty and fixtures comprising a part of the Property in favor of Mortgagee, and such security interest shall attach thereto for the benefit of Mortgagee, as secured party, to further secure the Obligations. Mortgagor hereby authorizes Mortgagee to file financing and continuation statements with respect to such collateral in which Mortgagor has a mortgageable interest, without the signature of Mortgagor whenever lawful, and upon request, Mortgagor shall promptly execute financing and continuation statements in form satisfactory to Mortgagee to further evidence and secure Mortgagee's interest in such collateral, and shall pay all filing fees in connection therewith. In the event of the occurrence and during the continuance of an Event of Default, Mortgagee, pursuant to the applicable provision of the Uniform Commercial Code, shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies in respect of the real property, in which event the default provisions of the Uniform Commercial Code shall not apply. The parties agree that in the event Mortgagee elects to proceed with respect to collateral constituting personalty or fixtures separately from the real property, without demand, notice or advertisement whatsoever except that where an applicable statute requires reasonable notice of sale or the dispositions, the giving of ten (10) days' notice by Mortgagee to Mortgagor, shall be deemed to be reasonable notice thereof and Mortgagor waives any other notice with respect thereto.

36. No Release Neither Mortgagor nor any other Person now or hereafter obligated for the payment or performance of all or any portion of the Obligations shall be released from paying such Obligations and the lien of this Mortgage shall not be affected by reason of (a) the failure of Mortgagee or any of the Secured Parties to comply with any request of Mortgagor, or of any other Person so obligated, to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or of any of the covenants and agreements of Mortgagor under the Credit Documents, (b) the release, regardless of consideration, of the whole or any part of the security held for the Obligations, (c) the release, regardless of consideration, of the obligations of any Person or Persons liable for payment or performance of all or any portion of the Obligations, or (d) any agreement or stipulation extending the time of payment or modifying the terms of any of the Credit Documents, and in the event of such agreement or stipulation, Mortgagor and all such other Persons shall continue to be liable under the Credit Documents, as amended by such agreement or stipulation, unless expressly released and discharged in writing by Mortgagee and the Secured Parties.

37. Notices All notices, consents and other communications provided for herein shall be sent to such Person's address as follows (or to such other address indicated in an unrevoked written notice from such Person given in accordance the terms of this Paragraph):

(a) if to Mortgagor, c/o Douglas Dynamics, Inc., 7777 North 73rd Street, Milwaukee, WI 53223, Attention: Chief Executive Officer and President, (Fax: 414-354-8448); and

(b) if to Mortgagee, JPMorgan Chase Bank, N.A., 10 S Dearborn St., L2, Chicago, IL 60603, Attention: Susan M. Thomas (Telephone No. 312-732-7982), Email: jpm.agency.servicing1@jpmorgan.com

(c) if to any of the Secured Parties, at the address set forth for notice in the Credit Agreement.

Each notice hereunder shall be in writing and shall be delivered in accordance with the provisions of the Credit Agreement.

38. Severability In case any provision in or obligation hereunder shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

39. Intentionally Deleted

40. Indemnification Against Liabilities Mortgagor will defend, indemnify, pay and hold harmless Mortgagee and the Secured Parties and their respective officers, partners, directors, trustees, employees, agents and Affiliates of Mortgagee and each of the Secured Parties from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind (including, without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against Mortgagee and any of the Secured Parties by reason of (a) ownership of a mortgagee's or participating lender's interest in the Property, (b) any accident or injury to or death of Persons or loss of or damage to or loss of the use of property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, unless due to the willful misconduct of Mortgagee or such Secured Party, (c) any use, nonuse or condition of the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, (d) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage, (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof made or suffered to be made by or on behalf of Mortgagor, (f) any negligence or tortious act on the part of Mortgagor or any of its agents, contractors, lessees, licensees or invitees, or (g) any work in connection with any alterations, changes, new construction or demolition of the Premises. All amounts payable to Mortgagee and the Secured Parties under this Paragraph shall be payable promptly on demand and shall be deemed indebtedness and Obligations secured by this Mortgage and any such amounts shall bear interest at the Default Rate from the date of such demand. In case any action, suit or proceeding is brought against Mortgagor, Mortgagee and/or any of the Secured Parties by reason of any such occurrence, Mortgagor, upon request of Mortgagee or any of the Secured Parties will, at Mortgagor's expense, resist and defend such action, suit or proceeding or cause the same to be resisted or defended by counsel designated by Mortgagee or such Secured Party and approved by Mortgagor.

41. No Oral Changes This Mortgage and its provisions cannot be changed, waived, discharged or terminated orally but only by an agreement in writing, signed by Mortgagor and Mortgagee.

42. Governing Law THE PROVISIONS OF THIS MORTGAGE REGARDING THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS HEREIN GRANTED SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED. ALL OTHER PROVISIONS OF THIS MORTGAGE AND THE RIGHTS AND OBLIGATIONS OF MORTGAGOR AND MORTGAGEE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPALS THEREOF.

43. Construction This Mortgage shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted.

44. Headings Paragraph headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

45. After Acquired Property All property of every kind which is hereafter acquired by Mortgagor which, by the terms hereof, is required or intended to be subjected to the lien of this Mortgage shall, immediately upon the acquisition thereof by Mortgagor, and without any further giving of a deed of trust and/or mortgage, conveyance, assignment or transfer, become subject to the lien of this Mortgage.

46. Further Assurances Mortgagor shall execute, acknowledge and deliver to Mortgagee any documents and instruments which Mortgagee may reasonably request from time to time for the better assuring, conveying, assigning, transferring, confirming or perfecting of Mortgagee's security and rights under this Mortgage, in form and substance reasonably satisfactory to Mortgagee.

47. Definitions The following terms shall, for all purposes of this Mortgage, have the respective meanings herein specified unless the context otherwise requires and such meanings shall apply equally to the singular and plural forms of such defined terms unless a definition is provided herein for both the singular and plural form of such defined term:

(a) **"Lease"** shall mean every lease, sublease, license, concession, rental agreement or occupancy agreement (written or oral) for the use or hire of all or any portion of the Premises, which shall be in effect at the date hereof or which shall hereafter be entered into by or on behalf of Mortgagor.

(b) **"Rents"** shall mean all rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits,

charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Mortgagor or its agents or employees from any and all sources arising from or attributable to the Land and the Building, including, without limitation, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property, and proceeds, if any, from business interruption or other loss of income insurance.

48. Successors and Assigns The terms, covenants and provisions of this Mortgage shall apply to and be binding upon Mortgagor and the successors and assigns of Mortgagor and shall inure to the benefit of Mortgagee, the Secured Parties and their respective successors and assigns. All grants, covenants, terms, provisions, and conditions contained herein shall run with the Land.

49. Credit Agreement In the event of any inconsistency or conflict between the terms and provisions of the Credit Agreement and this Mortgage, the terms and provisions of the Credit Agreement shall control.

50. WAIVER OF JURY TRIAL MORTGAGOR AND MORTGAGEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS MORTGAGE AND ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THIS WAIVER IN ENTERING INTO THIS MORTGAGE, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR FUTURE DEALINGS. MORTGAGOR AND MORTGAGEE REPRESENT AND WARRANT THAT EACH HAS HAD AN OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

51. Local Law Provisions

(a) Maturity Date The maturity date of the obligations secured by this Mortgage is December 31, 2019.

(b) Representations Mortgagor represents, warrants, and covenants that none of the Property constitutes and none of the loans secured by the Mortgage will be used to purchase any: (a) real property which is a single-family or a two-family dwelling occupied or to be occupied by Mortgagor; (b) agricultural products or property used for an agricultural purpose as defined in Iowa Code §535.13; (c) agricultural land as defined in Iowa Code §9H.1(2); (d) property used for an agricultural purpose as defined in Iowa Code §570A.1(2); or (e) agricultural property as defined in Iowa Code §654A.1(1), and the provisions of Chapter 654A of the Iowa Code do not apply to the parties to this Mortgage with respect to the secured indebtedness.

(c) Redemption 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

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

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 their 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. Entry of appearance by pleading or docket entry by or on behalf of Mortgagor shall be a presumption that the property is not abandoned.

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.

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

(d) Surrender of Note In the event of foreclosure of this Mortgage, Mortgagor hereby agrees that the court may, and requests the court to, enter a special order directing the Clerk of the Court to enter and record the judgment contained in the foreclosure decree on the Credit Agreement secured by this Mortgage without requiring that the Credit Agreement be first filed with the Clerk of Court for cancellation. Mortgagor further agrees, because the Credit Agreement 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 Credit Agreement secured by this Mortgage without requirement that the Credit Agreement be first filed with the Clerk of Court for cancellation.

(e) Non-Statutory Liens Mortgagor hereby represents, warrants, and agrees that the liens and security interest 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 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 Code of Iowa 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 Mortgagee from any loss, damage, and cost, including reasonable attorney's fees, threatened or suffered by 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.

(f) Usury Savings Clause/Late Charge 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 §535.2 since the parties have agreed in writing to a rate of interest pursuant to Iowa Code §535.2(2)(a). There shall be no automatic reduction to the highest lawful rate or other like terms as to Mortgagor or other party barred by law from availing itself in any action or proceeding of the defense of usury, or 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. 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.

IMPORTANT: READ 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed under seal as of the day and year first above written.

Mortgagor:

HENDERSON PRODUCTS, INC.

By: _____
Name: Robert Young
Title: Treasurer

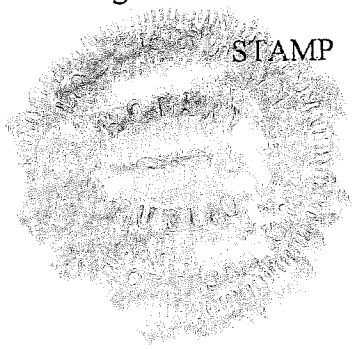
MORTGAGOR ACKNOWLEDGES THE RECEIPT OF A COPY OF THIS DOCUMENT AT THE TIME IT WAS SIGNED.

ACKNOWLEDGMENT

STATE OF WISCONSIN)
)ss.
COUNTY OF MILWAUKEE)

This record was acknowledged before me on September 15, 2015 by Robert Young as Treasurer of Henderson Products, Inc.

STAMP



Linda K. Buteyn
Linda K. Buteyn, Notary Public
My Commission expires: 01/29/2017

4842-6236-7522.7

Exhibit A

Description of the Land

Parcel 1:

PARCEL P IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 89 NORTH, RANGE 5 WEST OF THE 5TH P.M., CITY OF MANCHESTER, DELAWARE COUNTY, IOWA ACCORDING TO PLAT RECORDED IN BOOK 2004, PAGE 4504 BEING A PART OF LOTS TWELVE (12) AND THIRTEEN (13) OF THE SUBDIVISION OF THE EAST THREE-FOURTHS (E ¾) OF THE SOUTH ONE-HALF (S ½) OF SAID SECTION 32.

Parcel 2:

LOT TWO (2) OF LOT THIRTEEN (13) OF THE SUBDIVISION OF THE EAST THREE-FOURTHS (E ¾) OF THE SOUTH ONE-HALF (S ½) OF SECTION THIRTY-TWO (32), TOWNSHIP EIGHTY-NINE (89) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M., DELAWARE COUNTY, IOWA ACCORDING TO PLAT RECORDED IN BOOK 2 PLATS, PAGE 96 ½ IN THE OFFICE OF THE RECORDER, DELAWARE COUNTY, IOWA; EXCEPT THAT PORTION DEEDED TO THE CITY OF MANCHESTER BY QUIT CLAIM DEED AS RECORDED IN BOOK 125 L.D., PAGE 322 IN THE OFFICE OF THE RECORDER, DELAWARE COUNTY, IOWA; AND FURTHER EXCEPTING THAT PORTION DEEDED TO THE STATE OF IOWA, AS RECORDED IN BOOK 91 L.D., PAGE 403 IN THE OFFICE OF THE RECORDER, DELAWARE COUNTY, IOWA.