Book 2017 Page 1562
Document 2017 1562 Type 04 001 Pages 8
Date 6/07/2017 Time 9:45:04AM
Rec Amt $42.00

Daneen Schindler, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

PREPARED BY: JUSTIN NESS, HERITAGE BANK, 695 MARION BLVD. MARION, IA 52302 (319)373-5400
RETURN TO: HERITAGE BANK, 695 MARION BLVD. MARION, IA 52302

3004-963

COMBINATION LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

THIS COMBINATION LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT (the "Mortgage"), made this 30th day of May, 2017, between SUSAN J. LARSON AND CHRIS J. LARSON (collectively, the "Mortgagor") and HERITAGE BANK (the "Mortgagee").

WITNESSETH:

To secure the payment of all sums that the Mortgagor shall owe to the Mortgagee at any time hereafter pursuant to promissory notes executed by the Mortgagor and payable to the Mortgagee and dated the date of this Mortgage or given under any commitment in existence on the date of this Mortgage, and any extension, renewals, or replacements thereof (together, the "Notes"), together with interest thereon:

Mortgage. Mortgagor hereby mortgages to Mortgagee the Mortgagor's interest in the structure and Mortgagor's interest in the Lease Agreement dated February 25, 2006 (the "Lease") between Hartwick Lake Marina, Inc A/K/A Hartwick Lake Club (collectively, the "Lessor")and the Mortgagor, on the tract of land lying in the County of Delaware, State of Iowa, legally described as follows to wit:

Section 30, Delhi Township Eighty Eight (88) North, Range Four (4), West of the Fifth P.M., Delaware County, Iowa.

Together with all easements, hereditaments, privileges, buildings, fixtures and improvements now or hereafter erected or located on the above described land during the term of the Lease (hereinafter referred to as the "Mortgaged Premises"); provided, however that the rights of the

SL
CL

Mortgagee hereunder shall be subordinate to the rights of the Lessor against the Mortgagor for any sums due to the Lessor pertaining to the Lease.

NOTICE: THIS LEASEHOLD MORTGAGE SECURES CREDIT IN THE AMOUNT OF $13,402.00 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.

1. Warranties and Covenants. The Mortgagor warrants and covenants with the Mortgagee as follows:
    a. To warrant title to the Mortgaged Premises subject to the terms and conditions of the Lease.
    b. To pay the indebtedness as herein provided.
    c. To pay all taxes.
    d. To keep all buildings insured against fire for an amount not less than the full replacement cost but in any event not less than the unpaid amount of the Notes secured by this Mortgage and all prior mortgages (if any) and against other hazards for the amounts specified by Mortgagee for the protection of the Mortgagee, including, but not limited to, lightning, hazards under the usual extended coverage endorsement, and all other hazards and risks of direct physical loss occasioned by any cause whatsoever, subject only to the exceptions and exclusions, if any, agreed to by Mortgagee. All such policies shall name Mortgagee as loss payee under the so-called standard mortgage clause, contain no pro rata reduction provisions and provide for not less than thirty (30) days notice to Mortgagee of cancellation of said policy.
    e. That the Mortgaged Premises shall be kept in good repair and no waste shall be committed.
    f. That the whole of the principal sum shall become due and after default in the payment of any installment of principal or interest, or of any tax, or in the performance of any other covenant, at the option of the Mortgagee.

2. Additional Covenants and Agreements of Mortgagor. The Mortgagor makes the following additional covenants and agreements with the Mortgagee:
    a. If required in writing by Mortgagee, Mortgagor shall pay taxes and insurance by paying to Mortgagee on the day monthly installments of principal and interest are payable under the Notes, until the Notes is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, plus one-twelfth of yearly premium installments for hazard insurance, all as reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof. The Funds shall be held by Mortgagee, and Mortgagee shall apply the Funds to pay said taxes, assessments and insurance premiums. Mortgagee may not charge for so holding and applying the Funds, analyzing said account, or verifying and

SL
CL

compiling said assessments and bills, unless Mortgagee pays Mortgagor interest on the Funds and applicable law permits Mortgagee to make such a charge. Mortgagor and Mortgagee may agree in writing at the time of execution of this Mortgage that Interest on the Funds shall be paid to Mortgagor, and unless such agreement is made or applicable law requires such interest to be paid, Mortgagee shall not be required to pay Mortgagor any interest or earnings on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose of which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage. If the amount of the Funds held by Mortgagee, together with the future monthly installments of funds payable prior to the due dates of taxes, assessments and insurance premiums, shall exceed the amount required to pay said taxes, assessments and insurance premiums, as they fall due, such excess shall be, at Mortgagor's option either promptly repaid to Mortgagor or credited to Mortgagor on monthly installments of Funds. If the amount of the Funds held by Mortgagee shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, deficiency within 30 days from the date notice is mailed by Mortgagee to Mortgagor requesting payment thereof. Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor any Funds held by mortgagee, Mortgagee shall apply, no later than immediately prior to said sale or acquisition, any Funds held by Mortgagee at the time of application as credit against the sums secured by this Mortgage.

b. Any award of damages under condemnation or payment in lieu thereof to or the taking of all or any part of the Mortgaged Premises are hereby assigned to the Mortgagee with authority to apply the proceeds to the amounts outstanding on the Notes. All such proceeds shall be applied first to accrued interest, if any, and then to principal amount outstanding on the Notes, and if the principal amounts are payable in installments, said proceeds, after payment of accrued interest, shall be applied to said installments in the inverse order to their maturity.
c. Any proceeds of any insurance payable by reason of loss or damage to Mortgaged Premises are hereby assigned and shall be paid to the Mortgagee with authority to apply the proceeds to the amounts outstanding on the Notes. All such proceeds shall be applied first to interest, if any, and then to the principal amounts outstanding, and if the principal amounts are payable in installments, said proceeds after payment of accrued interest, shall be applied to said installments in the inverse order of their maturity.
d. Mortgagor will hold Mortgagee harmless from all costs and expenses in connection with establishing the priority of this Mortgage and if the Mortgagee becomes a party to any mechanics' lien, suit or other proceeding relating to the Mortgaged Premises or to the Mortgage, the Mortgagor will

SL
CL

reimburse the Mortgagee for the Mortgagee's reasonable attorneys' fees, costs and expenses in connection with said suit or proceeding.

e. Mortgagor will not sell, convey, mortgage, pledge, grant a security interest in, or otherwise transfer or encumber all or any part of the Mortgaged Premises or any interest therein without the prior written consent of the Mortgagee.
f. Mortgagor will pay the principal and interest, when due, on prior mortgages and other similar encumbrances, if any.
g. Mortgagor as Lessee will keep and perform all the terms and conditions of the Lease.
h. Mortgagor will promptly pay when due all charges for utilities or other services to the Mortgaged Premises including, but not limited to, electricity, water, gas, telephone, sanitary sewer and trash and garbage removal supplied and will upon request of the Mortgagee provide evidence of such payment.
i. The insurance carrier providing the insurance described in paragraph 1(d) above shall be subject to the approval by Mortgagee, which approval shall not be unreasonably withheld.

3. Payment by Mortgagee. In case of failure by Mortgagor to pay taxes and assessments, prior liens or encumbrances including but not limited to lease payments under the Lease, expenses and attorneys' fees as above specified, or to insure said buildings, improvements, and fixtures, and deliver the policies as aforesaid, the Mortgagee may pay such taxes, assessments, prior liens, expenses and attorneys' fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the same rate as set forth in the Notes, and shall be impressed as an additional lien upon the Mortgaged Premises and be immediately due and payable from the Mortgagor to the Mortgagee, and this Mortgage shall from date thereof secure the repayment of such advances with interest.

4. Events of Default/Acceleration of Maturity. Mortgagor agrees that at the option of the Mortgagee and in addition to Mortgagee's right to accelerate the maturity of the indebtedness secured hereby as set forth above in the covenants, the entire remaining principal balance plus accrued interest shall become due and payable in full upon the occurrence of any of the following (each of which is herein referred to as an "Event of Default"):
    i. A default by Mortgagor under the terms of the Notes;
    ii. The default by Mortgagor in the performance of any other terms or covenants contained herein or in the Notes or contained in any other agreement between Mortgagor and Mortgagee; or
    iii. A default by Mortgagor under the terms of the Lease.

JL
CL

Upon the occurrence of any such Event of Default, Mortgagee shall have the right, but not the obligation, in addition to such other rights and remedies as may be afforded to Mortgagee under the provisions of the Agreement or by law or in equity, without giving notice to or obtaining the consent of Mortgagor, to exercise, enforce or avail itself of any of the rights, powers, privileges, authorizations or benefits assigned and transferred to Mortgagee pursuant to this Assignment, including without limitation, the right to enter upon and to take possession of the Premises and to institute and carry on all legal actions or proceedings necessary for the protection of the Premises, including such actions or proceedings as may be necessary to recover the possession thereof, and, subject to the terms and conditions of the Lease, with power and authority to sell and assign the Lease and/or sublease the whole or any part of the Premises for such term or terms and on such conditions as Mortgagee may deem proper, and to employ an agent to rent and manage the Premises and to collect the said rents, issues and profits thereof, and to pay the reasonable value of such agent's services out of the rents received. Prior consent of the Lessor must also be obtained as under the terms and conditions of the lease prior to assignment and/or sublease. Should Mortgagor be in possession of any part or all of the Premises at the time of an Event of Default, Mortgagor agrees to vacate peacefully and surrender to Mortgagor or Mortgagee's designee any part of the Premises which Mortgagor occupies. Mortgagee shall not be entitled to remove any fixtures if such removal would damage the structural integrity of the building.

5. No Amendments. Mortgagor agrees that it will not enter into any agreement amending, modifying, or terminating the Lease without the consent thereto in writing of Mortgagee, and Mortgagor hereby covenants and agrees with Mortgagee that it will remain obligated under the Lease strictly in accordance with its terms, and that it will not take any action to terminate, rescind or avoid the same, notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding up or other proceedings affecting Mortgagor or any assignee or transferee of the Mortgagor, and notwithstanding any action with respect to the Lease which may be taken by any trustee or receiver of Mortgagor or any such assignee or transferee or by any court in any such proceeding. Any agreement amending, modifying or terminating the Lease in violation of the provisions of this paragraph shall be void.

6. Right to Cure. Should Mortgagor fail to perform or discharge its obligations or duties under the Lease as required in Item #1 above, then Mortgagee may, but shall have no obligation to (and shall not thereby release Mortgagor from any obligation thereunder), perform or discharge any such obligation or duties to such extent as Mortgagee may deem necessary or advisable to protect the security provided hereby, including appearing in and defending any action or proceeding purporting to affect the security hereof and the rights or powers of Mortgagee hereunder. All costs and expenses (including fees and disbursements of counsel(incurred by Mortgagee in exercising any of such rights shall be additional obligations of

SR
CL

Mortgagor to Mortgagee, payable upon demand, and shall bear interest at the rate of interest applicable to loans made pursuant to the Agreement.

7. Fixture Filing. From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all goods constituting part of the Mortgaged Property (as more particularly described in the granting clause of this Mortgage) which are or are to become fixtures related to the real estate described herein. For this purpose, the following information is set forth:

   a. Name and Address of Debtor:
      Susan J. Larson
      22222 260th Street
      Delhi, IA 52223
      Name and Address of Secured Party:
      Heritage Bank
      695 Marion Blvd.
      Marion, IA 52302
   b. This document covers goods which are or are to become fixtures.
   c. The name of record owner of the Land is Hartwick Lake Marina, Inc A/K/A Hartwick Lake Club.

8. Miscellaneous. This Mortgage shall be governed by and construed in accordance with the laws of the State of Iowa. All covenants and agreements by Mortgagor in the Mortgagee shall bind Mortgagor and Mortgagor's heirs, successors and assigns and shall inure to benefit of Mortgagee and its successors and assigns, whether so expressed or not. Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of the Mortgagee's rights to accelerate the maturity of the indebtedness secured by this Mortgage. In the event any provision hereof is determined to be unenforceable or invalid, such provision or such part thereof as may be unenforceable or invalid shall be deemed severed from this Mortgage and the remaining provisions carried out with the same force and effect as if the severed provisions or part thereof had not been made a part hereof.

CONSENT BY MORTGAGOR

NOTICE TO CONSUMER
(For purposes of this Notice, "You" means Mortgagor)
1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law. 4. If you prepay the unpaid balance, you may have to pay a minimum charge not greater than seven dollars and fifty cents.

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

May 30, 2017
DATE

SUSAN J. LARSON

May 30, 2017
DATE

CHRIS J. LARSON

STATE OF IOWA)
)SS.
COUNTY OF DELAWARE)

On this 30th day of May, A.D. 2017, before me, Notary Public, personally appeared Susan J. Larson to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

NOTARIAL SEAL IOWA
CYNTHIA L. ORR
Commission Number 171430
MY COMMISSION EXPIRES
OCTOBER 6, 2017

Notary Public

STATE OF IOWA)
)SS.
COUNTY OF DELAWARE)

On this 30th day of May, A.D. 2017, before me, Notary Public, personally appeared Chris J. Larson to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

NOTARIAL SEAL IOWA
CYNTHIA L. ORR
Commission Number 171430
MY COMMISSION EXPIRES
OCTOBER 6, 2017

Notary Public

(In the following statement "I" means the Mortgagor.) I understand that homestead property is in many cases protected from the claims of creditors and exempt from judicial sale; and that by signing this contract, I voluntarily give up my rights to this protection for this property with respect to claims based upon this contract.

May 30, 2017
DATE

SUSAN J. LARSON

5/30/17
DATE

CHRIS J. LARSON

Loan origination organization: Heritage Bank NMLS ID: 410742
Loan originator: Cynthia L. Orr NMLS ID: 445677

Lessor hereby consents to the mortgagor taking an assignment of the lease as detailed in this document and becoming the tenant under the lease in the case of default.

CONSENT BY LESSOR

5-30-17
DATE

HARTWICK LAKE MARINA, INC. A/K/A HARTWICK LAKE CLUB
MARCHETA R. COOEY LUX

STATE OF IOWA)
)SS.
COUNTY OF DELAWARE)

On this 30th day of May, A.D. 2017, before me, Notary Public, personally appeared Marcheta R. Cooey Lux, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

CYNTHIA L. ORR
Commission Number 171430
MY COMMISSION EXPIRES
OCTOBER 6, 2017

Notary Public