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Pages 8
County Recording Fee: \$42.00
Iowa E-Filing Fee: \$3.00
Combined Fee: \$45.00
Revenue Tax:
BRANDY L. MACUMBER, RECORDER
Madison County, Iowa

**Deed of Trust
Recorder's Cover Sheet**

Preparer Information:

Katherine A Rehan, Smith Pauley, LLP, 3555 Farnham Street, Ste 1000, Omaha, Nebraska,
68131
(402)392-0101

Taxpayer Information:

JEM Property Recovery, LLC, 12820 Westwood Lane, Omaha, NE 68144

Return To:

Aaron M. Hubbard, Hubbard Law Firm, P.C. 2900 100th St Suite 209, Urbandale IA 50322

Legal Description:

Lots Five (5) and Six (6) in Block Sixteen (16) of Jones Addition to the Town of
Winterset in Madison County, Iowa.

DEED OF TRUST

This Deed of Trust is made effective this August 25, 2023. The Trustor is JEM Property Recovery, LLC, ("Borrower"). The "Trustee" is **KATHERINE A. REHAN**, an attorney duly licensed to practice law in the State of Iowa whose address is Smith Pauley LLP, 3555 Farnam Street, Suite 1000 Omaha, NE 68131. The Beneficiary is LIQUID LENDING SOLUTIONS, a Nebraska limited liability company ("Lender" or "Beneficiary"). Beneficiary's address is 4611 S. 96th Street, Suite 166, Omaha, NE 68127. Borrower irrevocably conveys to Trustee, in Trust, with power of sale, the real property specifically described on Exhibit A attached hereto (the "Property"), together with all the rents and profits therefrom and subject to easements and restrictions of record, if any.

Borrower has promised payment to Lender of One Hundred Thirty Thousand 00/100 Dollars (\$130,000), evidenced by Borrower's Promissory Note of even date herewith (the "Note").

This Deed of Trust secures to Lender the payment of the Note and of all other sums, with interest, advanced under the provisions hereafter, and to protect the security and the performance of Borrower's covenants and agreements herein, under the Note, or under the Loan Agreement.

Borrower covenants that Borrower is lawfully seized of such real estate and has the legal power and lawful authority to convey the same and warrants and will defend title to the real estate against the lawful claims of all persons.

BORROWER AND LENDER AGREE AS FOLLOWS:

1. Borrower shall pay when due, the principal and interest as provided in the Note and late charges due under the Note.
2. The payments received by Lender shall be first applied to advances which may have been required to be made by Lender and then to interest due and finally to the remaining unpaid principal.

3. Borrower shall pay all general real estate taxes and special assessments against the Property before the same become delinquent.

4. If Lender determines that any part of the Property is subject to a lien, which is or may attain priority over this Deed of Trust, Lender shall give Borrower a notice identifying the lien and Borrower shall satisfy the lien within ten (10) days.

5. Borrower shall keep the improvements on said premises insured against loss by fire and hazards included within the term "extended coverage" for their insurable value and policies for the same shall include a standard mortgage clause identifying Lender herein. In event of loss, Lender may make proof of loss if not promptly made by Borrower. Insurance proceeds shall be applied to restoration or repair of the property damaged, unless both parties otherwise agree, except if restoration or repair is not economically feasible or Lender's security is not lessened, otherwise said proceeds shall be paid on the debt herein, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any payments or proceeds from insurance shall not extend or postpone the due date of the payment provided in the Note, or change the amount of the payment.

6. If Borrower fails to perform the covenants and agreements herein contained, Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property, including the payment of any sum secured by a lien which has priority over this Deed of Trust, appearing in Court, paying reasonable attorney fees and entering the Property to make repairs. Any amount disbursed by Lender under this paragraph shall become an additional debt of Borrower secured by this Deed of Trust, to bear interest from the date of disbursement and said amount, together with the then unpaid principal amount, shall bear interest at the highest lawful rate until refunded by Borrower.

7. The proceeds of any condemnation award are hereby assigned and shall be paid to Lender and shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower.

8. Any extensions or modifications of the loan granted by Lender to any successor-in-interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors-in-interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

9. Any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless Iowa law requires use of another method, to the Borrower's last known address.

10. This Deed of Trust and the Note which it secures shall be governed by Iowa law.

11. Default. Borrower will be in default if any of the following occur:

(a) Payments. Borrower fails to make a payment in full when due.

(b) Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, involuntary termination of existence by, or the commencement of any proceeding under any present or future deferral or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Borrower, or any co-signer, endorser, surety or guarantor of this Deed of Trust or any other obligations Borrower has with Lender.

(c) Business Termination. Borrower merges, dissolves, reorganizes, ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.

(d) Failure to Perform. Borrower fails to perform any condition or to keep any promise or covenant of this Deed of Trust or any other obligations Borrower has with Lender.

(e) Other Agreements. Borrower is in default on any other debt or agreement Borrower has with Lender.

(f) Misrepresentation. Borrower makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

(g) Judgment. Borrower fails to satisfy or appeal any judgment against Borrower.

(h) Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

(i) Name Change. Borrower changes Borrower's name or assumes an additional name without notifying Lender before making such a change.

(j) Property Transfer. Borrower transfers all or a substantial part of Borrower's money or property. This condition of default, as it relates to the transfer of the Property.

(k) Material Change. Without first notifying Lender, there is a material change in Borrower's business, including ownership, management, and financial conditions.

(l) Insecurity. Lender reasonably believes that Lender is insecure.

12. Lender may use any and all remedies Lender has under state or federal law or in any instrument evidencing or pertaining to the secured debt, including, without limitation, the power to sell the Property. Any amounts advanced on Borrower's behalf will be immediately due and may be added to the balance owing under the Note. Lender may make a claim for any and all insurance benefits or refunds that may be available on Borrower's default.

13. If the power of sale is invoked, the Trustee shall record a notice of default in each county in which any part of the Property is located and shall mail copies of such notice in the manner prescribed by Iowa law. If such default is not cured by Borrower in the time prescribed by Iowa law, Trustee shall give public notice of sale to the persons and in the manner prescribed by Iowa law. Trustee, with notice required by Iowa law on Borrower, shall sell the Property at public auction to the highest bidder at the time and place under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Upon receipt of payment of the price bid, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property. The recitals in the Trustee's Deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of sale in the following order: (a) to all expenses of the sale including, but not limited to, Trustee's fees as permitted by Iowa law and reasonable attorney fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons

legally entitled to it.

14. Upon acceleration under Paragraph 12 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney fees, and then to the sums secured by this Deed of Trust.

15. To protect the security of this Deed of Trust, Borrower hereby makes the following representations and warranties to Lender and covenants and agrees as follows:

(a) Payment or Performance of Obligations. Borrower shall timely pay and satisfy all obligations and Borrower shall otherwise fully perform under and comply with the terms and conditions of this Deed of Trust and the Note.

(b) Warranty of Title. Borrower is lawfully seized and possessed of good and marketable title and estate to the Property and has the right and authority to grant and convey the Property as herein provided. The Property is and, until the Property is reconveyed pursuant to the terms hereof, shall remain, free and clear of all security interests, pledges, mortgages, liens and encumbrances except those for (i) current and non-delinquent taxes or taxes being contested in good faith and by appropriate legal proceedings in a manner which, in the judgment of Beneficiary, will not jeopardize Beneficiary's interest in the Property, (ii) liens arising in the ordinary course of business for sums not past due or sums being protested in good faith and by appropriate legal proceedings in a manner which, in Beneficiary's judgment, will not jeopardize Beneficiary's interest in the Property, and (iii) easements, exceptions, reservations, covenants, and rights of way of record as of the date hereof. During the Term (as hereinafter defined) of this Deed of Trust, Borrower shall not sell, convey, transfer or dispose of all or any portion of the Property without the prior written consent of Beneficiary and will warrant and defend title to and possession of the Property against all claims and demands.

(c) Maintenance and Compliance With Laws. Until the Property is reconveyed pursuant to the terms hereof, Borrower shall keep the Property in good repair and condition and shall not commit waste or permit impairment or deterioration of the Property, reasonable and normal wear and tear excepted. No improvement on the Property which materially affects the value of the Property shall be removed or demolished without the prior written consent of Beneficiary, except to the extent required by Governing Law (as hereinafter defined) or where Borrower replaces the removed or demolished improvement with an improvement of equal or greater value. Borrower shall comply with, and shall not commit, suffer or permit any act to be done in or upon the Property in violation of, any law, ordinance, regulation, covenant, condition and restriction affecting the Property, including environmental law. Borrower shall cause to be restored within a reasonable period of time and in a good and workmanlike manner any Improvement which may be damaged or destroyed and cause to be paid, when due, all claims for labor performed and materials furnished therefor and for any alterations thereof.

(d) Taxes, Assessments and Charges.

(i) Until the Property is reconveyed pursuant to the terms hereof, Borrower shall cause to be paid directly and before delinquent, all real estate and other taxes, assessments and other charges, whether general or special, including, without limitation, all fines, penalties and impositions, and all lawful claims for labor, materials, and supplies, if any, which are assessed or imposed upon all or any part of the Property, or become due and payable and create, may create, or appear to create a lien or other encumbrance upon all or any part of the Property; provided that Borrower may protest in good faith and

by appropriate legal proceedings, in a manner which will not jeopardize Beneficiary's interest in the Property. Borrower shall promptly furnish to Beneficiary all notices of amounts due under this paragraph, and all receipts evidencing payment of such amounts or evidence that Borrower is exempt from payment thereof.

(ii) If at any time after the date hereof there shall be assessed or imposed a tax assessment on the Property in lieu of or in addition to an amount payable by Borrower, or a license fee, tax or assessment imposed on Beneficiary or this Deed of Trust and measured by or based in whole or in part upon the amount of the Obligations, then all such taxes, assessments or fees shall also be paid by Borrower as herein provided with respect to the payment of amounts due. Anything to the contrary herein notwithstanding, Borrower shall have no obligation to pay any franchise, estate, inheritance, income, excess profits or similar tax levied on Beneficiary or on the Obligations.

(e) Actions Affecting Property. Borrower, at its own expense, shall appear in and contest vigorously any action or proceeding purporting to adversely affect the Property or the rights and powers of Beneficiary or Trustee hereunder, and shall pay all costs and expenses, including the cost of evidence of title and attorneys' fees to the fullest extent permitted by Governing Law, in any such action or proceeding in which Beneficiary or Trustee may appear.

16. This Deed of Trust and every part hereof shall be binding upon Borrower and upon the legal representatives, successors and assigns of Borrower, and shall inure to the benefit of Lender, its successors and assigns, including without limitation, any and all subsequent holders of any portion or all of the indebtedness represented by the Note.

17. Upon payment of all sums as herein provided, Lender shall direct Trustee to reconvey the Property and shall surrender this Deed of Trust and the Note secured. Trustee shall reconvey the Property without warranty and without charge to the persons legally entitled to it.

18. Lender, at its option, may from time to time, remove Trustee and appoint a successor trustee by an instrument recorded in the county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Iowa law.

19. Borrower requests that copies of all notices provided herein be sent to Borrower's address.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust as of the date and year first set forth above.

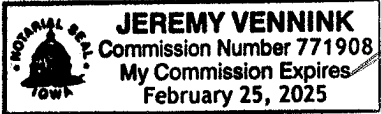
BORROWER:

JEM Property Recovery, LLC,
a Nebraska limited liability company

By: 
James Moore, Member

STATE OF IOWA)
) ss.
COUNTY OF Polk)

The foregoing Deed of Trust was acknowledged before me by James Moore, member of JEM Property Recovery LLC, a Nebraska limited liability company, on behalf of the Company, on Aug 25, 2023.



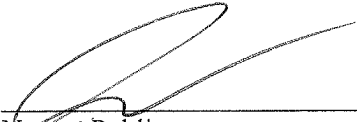

Notary Public

EXHIBIT "A"

The Property

Lots Five (5) and Six (6) in Block Sixteen (16) of Jones Addition to the Town
of Winterset in Madison County, Iowa.