

REAL ESTATE MORTGAGE - IOWA

THIS MORTGAGE, made this 27th day of September, 19 89, between MID IOWA COOPERATIVE of P. O. Box 262, Yale, Iowa 50277, organized and existing under the laws of the State of Iowa, hereinafter called "Mortgagor", and National Bank for Cooperatives organized, chartered and existing under the Farm Credit Act of 1971, and any amendments thereto, whose address is 800 Farm Credit Building, 206 South 19th Street, Omaha, Nebraska 68102 (hereinafter called the "Mortgagee").

WHEREAS, in accordance with the Loan Agreement dated the 11th day of June, 19 80, Mortgagor and Mortgagee have established and evidenced the general agreement of Mortgagor and Mortgagee that when the Mortgagor is determined by the Mortgagee to be an eligible borrower, the Mortgagor and Mortgagee, by entering into one or more Supplements to the Loan Agreement, will evidence the willingness of Mortgagee to loan money to Mortgagor in accordance with the terms and conditions of the Loan Agreement as supplemented by one or more Supplements.

WHEREAS, Mortgagor's obligation to repay any loans made by Mortgagee to Mortgagor will be evidenced by said Loan Agreement, by one or more Supplements to said Loan Agreement and by one or more Notes aggregating in principal amounts the amount of money which the Mortgagee has committed to lend to the Mortgagor (which such Notes are hereinafter individually and collectively referred to as the "Note") and, in addition to obligation to repay the foregoing described loans, Mortgagor has other indebtedness, liabilities and obligations to Mortgagee as is provided in said Loan Agreement and said Supplements to said Loan Agreement.

WHEREAS, from time to time after the date hereof, at the option of the parties, Mortgagor and Mortgagee may enter into one or more Supplements to said Loan Agreement to provide for the Mortgagee making additional loans to the Mortgagor and changing the other obligations of Mortgagor to Mortgagee, PROVIDED, HOWEVER, THIS RECITAL SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL LOANS IN ANY AMOUNT.

WHEREAS, Mortgagor's obligation to repay all future loans, additional advances and increased advances other than those made in accordance with the Loan Agreement, and one or more Supplements dated on or before the date hereof, will be evidenced by said Loan Agreement, by one or more Supplements to said Loan Agreement, and by one or more Notes.

WHEREAS, Mortgagor desires to mortgage the real estate described herein to secure the payment of all of Mortgagor's indebtedness, liabilities and obligations to Mortgagee, including the indebtedness, liabilities and obligations evidenced by said Loan Agreement and one or more Supplements to said Loan Agreement, and by one or more Notes dated on or before the date hereof, and including all future loans, additional advances, increased advances and all future indebtedness, liabilities and obligations of Mortgagor to Mortgagee, evidenced by said Loan Agreement, and one or more Supplements to said Loan Agreement, and by one or more Notes dated after the date hereof.

NOW, THEREFORE, for and in consideration of the premises and the amount of the initial advance made to Mortgagor by Mortgagee in accordance with said Loan Agreement, and one or more Supplements thereto, and to induce Mortgagee to make future advances to Mortgagor, in order to secure the payment of all of Mortgagor's indebtedness, liabilities and obligations to Mortgagee, including the indebtedness, liabilities and obligations evidenced by said Loan Agreement, and one or more Supplements to said Loan Agreement and by one or more Notes, and including all future loans, additional advances increased advances and all future obligations of Mortgagor to Mortgagee made and incurred prior to

March 6, 1996 the principal amount of all of which, not including sums advanced to protect the hereinafter defined Property, shall not exceed \$ 25,000,000.00, the Mortgagor has executed and delivered this mortgage and hereby

(NOTICE: This mortgage secures credit in the amount of \$ 25,000,000.00. Loans in advances up to this amount, together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.)

grants, sells and conveys to said Mortgagee the following described property, to wit:

All of the following described real estate in Madison County, Iowa, to wit:

That portion of Lot 1, described as: Beginning at the Southwest corner of Lot 1, thence East to the Southeast corner of Lot 1; thence North 26-1/2 feet; thence in a Northwesterly line to a point 67 feet North of the point of beginning; thence South 67 feet to the point of beginning; and Lot 2; all in Block 15, in the Original Town of Earlham, Iowa.

Also sometimes described as: Lots 1 and 2 in Block 15, Original Town of Earlham, Iowa.

Also -

Lots 1, 2 and 11, in Block 7 in the Original Town of Earlham, Iowa, except a parcel of land described as "Old Tank Area #1" or "Old Tank Area #2".

Also -

A tract commencing 28 feet North of the Southeast corner of Lot 1 in Block 16 of the Original Town of Earlham, Iowa; thence South to said Southeast corner; thence West to the Southwest corner of said Lot; thence North 54-1/2 feet; thence Easterly on a straight line to the point of beginning.

Compared

FILED NO. 640

BOOK 154 PAGE 7

89 OCT -2 PM 4: 03

MARY E. WELTY RECORDER MADISON COUNTY, IOWA

COMPUTER

156-678
156-678
From amendment see my file 156-678
For amendment see my file 156-678
For Partial Release see my file 156-678

For amendment see my file 156-678
Mtg Rec 163-288
8-4-93

11-15-93
MORTGAGE RECORD 169
8-3-04
BOOK 2004 PAGE 3607

56-5-51
411 owned by

Also sometimes described as: The South Half of Lot 1, commencing at the Southwest corner of said Lot 1, thence North 54-1/2 feet, thence Southeasterly to a point 55 feet South of the Northeast corner of said Lot 1, thence South to the Southeast corner of Lot 1, thence West to the point of beginning, in Block 16 of the Original Town of Earlham, Iowa.

Also -

A tract commencing at the Southwest corner of Lot 3 in Block 8 of the Original Town of Earlham, Iowa, thence South along the East line of Elm Street in said Town to the Northerly line of the right-of-way conveyed to Chicago, Rock Island and Pacific Railroad Company by David Hockett on November 7, 1867; thence Southeasterly along the Northerly line of said right-of-way to the West line of Locust Street in said Town; thence North to the Southeast corner of Lot 1 in said Block 8; thence Northwesterly to the point of beginning.

and

A tract commencing on the Southerly line of the above-mentioned right-of-way 55 feet East of the East line of said Locust Street; thence South to the Northerly line of Block 16 of said Town of Earlham; thence Southeasterly along the Northerly line of said Block 16 to the West line of Chestnut Street in said Town; thence North along the West line of Chestnut Street to the Southerly line of above-mentioned right-of-way; thence Northwesterly along said line to the point of beginning, except a parcel of land described as "Old Tank Area #1" or "Old Tank Area #2".

and

A tract commencing on the Southerly line of said right-of-way at its intersection with the East line of said Chestnut Street; thence South to the Northwest corner of Block 15 of said Town; thence Southeasterly along the Northerly line of said Block 15 to the West line of Sycamore Street in said Town; thence North to the Southerly line of said right-of-way; thence Northwesterly along said line to the point of beginning.

and

A tract commencing on the Southerly line of above-mentioned right-of-way at its intersection with the East line of said Sycamore Street; thence South to the Northwest corner of Block 14 of said Town; thence Southeasterly along the Northerly line of said Block 14 to the West line of Maple Street in said Town; thence North to the Southerly line of said right-of-way; thence Northwesterly along said line to the point of beginning.

and

Lot 11, except the West 55 feet thereof and except the South 45 feet of the East 90 feet thereof, in Block 16 of the Original Town of Earlham, Iowa.

and

A tract commencing at the Northwest corner of Lot 1 in Block 16 of Original Town of Earlham, Iowa; thence South along the West line of said Lot 1, 27 feet, more or less, to a point 25 feet Southwesterly, measured at right angles, from the Northerly line of said Lot 1; thence Southeasterly along a line 25 feet Southwesterly from and parallel with the Northerly line of said Lot 1, 150 feet, more or less, to the West line of Chestnut Street in said Town of Earlham; thence North to the Northeast corner of said Lot 1; thence Northwesterly along the Northerly line of said Lot 1 to the point of beginning.

Also sometimes described as:

Part of the Chicago, Rock Island and Pacific Railroad Company's depot grounds in the Southwest Quarter of Section 6, Township 77 North, Range 28 West of the Town of Earlham, Madison County, Iowa, more particularly described as follows:

Parcel No. 1 - Beginning at the point of intersection of the East line of Elm Street, as originally platted, with the Northeasterly line of said Railroad Company's depot grounds, as originally platted, said Northeasterly line of depot grounds being 150 feet Northeasterly of and parallel with the centerline of said Railroad Company's main track; thence Southerly 105 feet, more or less, along said East line of Elm Street, to a point on a line located 50 feet Northeasterly of and parallel with the centerline of said Railroad Company's main track; thence Southeasterly 321 feet, more or less, along the last said parallel line to a point on a Southerly extension of the West line of Locust Street; thence Northerly 105 feet, more or less, along said Southerly extension of the West line of Locust Street to a point on the Northeasterly line of said depot grounds; thence Northwesterly 321 feet, more or less along the Northeasterly line of said depot grounds to the point of beginning.

Parcel No. 2 - Beginning at a point located 50 feet Southwesterly as measured at right angles from the centerline of said Railroad Company's main track, and 55 feet Easterly, as measured at right angles from a Northerly extension of the East line of Locust Street; thence Southerly, parallel with said Northerly extension of the East line of Locust Street, 155 feet, more or less, to a point on a line located 45 feet Northerly of and parallel with the South line of Lot 11 in Block 16, as originally platted; thence Easterly along the last said parallel line, 90 feet to a point on the East line of said Lot 11; thence North along said East line of Lot 11, 27 feet, more or less, to a point on the Southwesterly line of said Railroad Company's depot grounds as originally platted; thence Southeasterly along the Southwesterly line of said depot grounds, 21 feet, more or less, to the Northwest corner of Lot 1 in Block 16, as originally platted; thence Southerly along the West line of said Lot 1, 27 feet, more or less, to a point located 25.0 feet Southwesterly, as measured at right angles, from the North line of said Lot 1; thence Southeasterly along a line located 25 feet Southwesterly from and parallel with the North line of said Lot 1, 150 feet, more or less, to a point on the West line of Chestnut Street; thence Northerly along the West line of Chestnut Street and a Northerly extension thereof, 130 feet, more or less, to a point on a line located 50 feet Southwesterly from and parallel with the centerline of said Railroad Company's main track; thence Northwesterly along said parallel line 263 feet, more or less, to the point of beginning, except a parcel of land described as "Old Tank Area #1" or "Old Tank Area #2".

Parcel No. 3 - Beginning at the point of intersection of the East line of Chestnut Street, as originally platted, with the Southwesterly line of said Railroad Company's depot grounds, as originally platted, said Southwesterly line of depot grounds being 150 feet Southwesterly from and parallel with the centerline of said Railroad Company's main track; thence Northerly 150 feet, more or less, along a Northerly extension of said East line of Chestnut Street, to a point on a line located 50 feet Southwesterly from and parallel with the centerline of said Railroad Company's main track; thence Southeasterly 321 feet, more or less, along the last said parallel line, to a point on a Northerly extension of the West line of Sycamore Street; thence Southerly 150 feet, more or less, along said Northerly extension of the West line of Sycamore Street to a point on the Southeasterly line of said depot grounds; thence Northwesterly along the Southeasterly line of said depot grounds 321 feet, more or less, to the point of beginning.

Parcel No. 4 - Beginning at the point of intersection of the East line of Sycamore Street, as originally platted, with the Southwesterly line of said Railroad Company's depot grounds, as originally platted, said Southwesterly line of depot grounds being 150 feet Southwesterly from and parallel with the centerline of said Railroad Company's main track; thence Northerly 105 feet, more or less, along a Northerly extension of the East line of Sycamore Street, to a point on a line located 50 feet Southwesterly from and parallel with the centerline of said Railroad Company's main track; thence Southeasterly 321 feet, more or less, along the last said parallel line, to a point on a Northerly extension of the West line of Maple street; thence Southerly 105 feet, more or less, along said Northerly extension of the West line of Maple Street, to a point on the Southwesterly line of said depot grounds; thence Northwesterly along the Southwesterly line of said depot grounds, 321 feet, more or less, to the point of beginning.

Also -

Lot 2 in Block 16, in the Original Town of Earlham, Iowa.

Also -

A tract commencing at the Northwest corner of Lot 2 in Block 8 of the Original Town of Earlham, Iowa; thence North along the East line of Elm Street in said Town, 105 feet, more or less, to a line being 50 feet Southerly of and parallel with the centerline of the Chicago, Rock Island and Pacific Railroad Company's station grounds in said Town; thence Southeasterly along said parallel line 305 feet; thence South parallel with the West line of Locust Street in said Town, 105 feet, more or less, to the Southerly line of said station grounds; thence Northwesterly along said Southerly line of said station grounds 305 feet to the point of beginning.

Also sometimes described as:

A part of the Chicago, Rock Island and Pacific Railroad Company's station grounds in the Southwest Quarter of Section 6, Township 77 North, Range 28 West in the Town of Earlham, Iowa, more particularly described as follows: Beginning at the point of intersection of the Southerly line of said station grounds with the East line of Elm Street produced Northerly; thence Northerly along said East line of Elm Street 105 feet, more or less, to a line being 50 feet Southerly of and parallel with the centerline of said Railroad Company's main track; thence Easterly along said parallel line 305 feet; thence Southerly parallel with the West line of Locust Street 105 feet, more or less, to a point on the Southerly line of said Railroad Company's station grounds; thence Westerly along the Southerly line of said station grounds, 305 feet to the point of beginning.

Also -

The West 145 feet of Lot 2, in Block 8, in the Original Town of Earlham, Iowa.

Also -

All that part of the West Half of the Northwest Quarter of Section 2, Township 77 North, Range 29 West of the 5th P.M., lying South of the Chicago, Rock Island and Pacific Railway right-of-way, as now located.

Also -

Lots, 3, 4 and 5, in Block 16 of the Original Town of Earlham, Iowa.

Also -

The North Half of the Northwest Quarter of the Southeast Quarter of Section 7, Township 77 North, Range 28 West of the 5th P.M.

MORTGAGEE'S RIGHT TO RELEASE SECURITY INTEREST

Notwithstanding anything to the contrary contained in this Mortgage, in the event that any lien or security interest of this Mortgage encumbers any underground storage tanks, or any portion of the mortgaged property contains or has been contaminated by or releases or discharges any hazardous substance, at Mortgagee's option exercised in its sole discretion, Mortgagee shall have the right and privilege to release any or all of such underground storage tanks or other mortgaged property from the lien and security interest of this mortgage without notice to or approval by Mortgagor.

Together with all of the improvements now or hereafter erected on the foregoing described property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the foregoing described property, all of which, including replacements and additions thereto, shall be deemed to be and remain part of the property covered by this Mortgage; and all of the foregoing, together with said foregoing described property (or the leasehold estate in the event this Mortgage is on leasehold) are herein referred to as the "Property."

TO HAVE AND TO HOLD the Property unto the Mortgagee, forever, the intention being to convey an absolute title in fee to said Property and the Mortgagor covenants and agrees:

FIRST. That it will keep the Property and all parts thereof insured by policies of insurance, of such kinds and in forms and amounts and with a company or companies satisfactory to the Mortgagee, with a clause or clauses attached making loss payable to the Mortgagee as its interest may appear; if so requested by the Mortgagee, the said policies of insurance are to be delivered to the Mortgagee. The Mortgagee is hereby given a first lien on any insurance proceeds paid as a result of loss or damage to the Property. Any insurance funds paid to the Mortgagee as a result of damage or loss to the Property shall, at the option of the Mortgagee, be credited against the payment or payments of the indebtedness, liabilities and obligations secured by this Mortgage.

SECOND. That it will pay all premiums upon insurance policies, licenses, or fees legally owing by the Mortgagor, and all taxes and assessments which may be levied or assessed upon the Property, and in default thereof the Mortgagee may pay the said insurance premiums, licenses, fees, taxes, or assessments due, and any amount so paid shall become a part of the principal debt, shall bear interest from the date of payment at the rate of eighteen percent per annum, shall, together with interest, be a lien on the Property and be secured by this mortgage, and shall be immediately due and payable.

THIRD. That it will keep all buildings and equipment subject to this mortgage in good and substantial repair during the continuance hereof and will not cause, suffer, or permit waste thereof.

FOURTH. That it will bear all expenses or costs incident to the release of the lien of this mortgage, in whole or in part.

FIFTH. That it will, at all times during the existence of any part of the lien herein provided for, maintain its corporate existence and operate its business as a cooperative association qualified under the provisions of the Act of Congress known as the Farm Credit Act of 1971, as amended.

SIXTH. That it will not, during the existence of any part of the lien herein provided for, sell, lease, or assign all, or any part of the Property without the prior written consent of the Mortgagee approving such sale, lease, or assignment.

SEVENTH. That no remedy herein conferred on or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative to and shall be in addition to every other remedy given hereunder, and now or hereafter existing at law or in equity or, by statute, by operations of law or otherwise.

EIGHTH. That every right, remedy, privilege, covenant, agreement, and power granted hereunder to the said Mortgagee shall run, inure and be likewise for the benefit of any or all successors or assigns of said Mortgagee.

NINTH. That it is lawfully seized of the Property, has good right to sell and convey same, free of all encumbrances, that it will defend the quiet enjoyment thereof by the Mortgagee, and will warrant and defend the same against all lawful claims of any person whomsoever; that it will not remove all or any portion of the said Property from the county.

TENTH. That in the event the Mortgagor defaults in the payment of all or any of the indebtedness, liabilities and obligations of Mortgagor to Mortgagee evidenced by said Loan Agreement and by one or more Supplements to said Loan Agreement, and by one or more Notes, when due whether by acceleration or otherwise, or defaults in the payment of any insurance premiums or taxes and such default shall continue for a period of 10 days, or in the event of the violation of any of the other above conditions, agreements or covenants, or in the event the Mortgagor fails or refuses to make the investment in the Mortgagee as required by the Farm Credit Act of 1971, as amended, or upon any change of ownership by legal process, execution, judicial sale, or operation of law, or if the Mortgagor shall cease the operation of its plant, then the Mortgagee may elect, without notice, that the whole of the principal sum hereby secured, or so much as shall then remain unpaid, together with any interest accrued thereon, shall immediately become due and payable, and the Mortgagee may immediately foreclose this mortgage or pursue any other available legal remedy. Provided that in the event of such default and prior to said foreclosure and sale, the Mortgagee is hereby authorized to enter upon the Property, to take possession of the same, and to rent or lease any of the Property to any person, who is hereby authorized to occupy the said Property, the proceeds thereof, after deducting all necessary expenses, to be applied to the payment of the indebtedness, liabilities and obligations secured hereby; and said Mortgagor hereby appoints and designates the Mortgagee, or any person appointed by it therefor, as its agent and attorney in fact, with full power and authority to execute, in the name of and by authority of the Mortgagor, any instrument by which the Mortgagee exercises any of the rights and privileges herein conferred. In the event of any action by the Mortgagee to enforce collection of said indebtedness, liabilities or obligations, the Mortgagor agrees that all taxable costs of such action, including statutory attorney fees for plaintiff's attorney and the cost of extending the abstract of title shall become a part of said indebtedness, liabilities or obligations secured hereby and shall be paid by the Mortgagor.

ELEVENTH. That the omission of the Mortgagee to exercise any option hereunder, in case of any default by the Mortgagor, shall not preclude it from the exercise thereof at any subsequent time, or for any subsequent default, and nothing but a written contract of the Mortgagee shall be a waiver of any such option.

TWELFTH. It is further agreed that in case of default in respect to any of the terms of this mortgage, the Mortgagee, either before or on the commencement of an action to foreclose this mortgage, or at any time thereafter, shall be entitled to the appointment of a receiver, who shall have the power to take and hold possession of said Property and to rent the same, collect the rents and profits therefrom for the benefit of said Mortgagee, pay the taxes levied against said Property, and keep the same in repair, and such right shall in no event be barred, forfeited, or retarded by reason of judgment, decree or sale in such foreclosure, and the right to have such receiver appointed upon application of the Mortgagee shall exist regardless of the fact of solvency or insolvency of the Mortgagor, and regardless of the value of said mortgaged premises, or the waste, loss, and destruction of the rents and profits of said mortgaged premises during the statutory period of redemption. The right to the appointment of such receiver shall be construed as auxiliary to and in aid of any other rights under this mortgage as hereinbefore provided, and in no manner as detracting from or in derogation of said lien.

THIRTEENTH. And whereas the said Mortgagor in making application for a loan has made certain representations to the Mortgagee as to the purpose or purposes for which the money loaned on this mortgage was borrowed, such representations are hereby specifically referred to and made a part of this mortgage. It is further agreed that this mortgage is made pursuant, and is subject to all the provisions of the Act of Congress known as the Farm Credit Act of 1971, and all Acts amendatory thereof or supplementary thereto.

PROVIDED, NEVERTHELESS, that this mortgage and all the conditions hereof, shall be and become null and void upon the making by the Mortgagor of the payments and meeting of conditions and covenants herein stated, otherwise to remain in full force and effect.

The Mortgagor hereby acknowledges that the Mortgagee has delivered to it, and it has, at the time of the delivery of this mortgage, received a true duplicate copy of said instrument.

IN WITNESS WHEREOF, the Mortgagor having complied with all the conditions necessary to render this a valid mortgage, and its officers being duly authorized to do so, has executed this mortgage and affixed its seal thereto on the day and year first above written.

MID IOWA COOPERATIVE

Mortgagor

(Corporate Seal)

By: Frankie Kolbe
FRANKIE KOLBE President

ATTEST: Larry L. Kness
Secretary
LARRY L. KNESS

ACKNOWLEDGMENT

STATE OF IOWA
COUNTY OF GUTHRIE } ss.

On this 2nd day of October, 1989, before me MICHAEL R. BLASEN

, a Notary Public in and for said County, personally appeared

FRANKIE KOLBE

and LARRY L. KNESS

to me personally known, who, being by me duly sworn did say that they are respectively, President and Secretary of MID IOWA COOPERATIVE, Yale, Iowa

~~**that the seal affixed to said instrument is the seal of said corporation;~~
~~**that said corporation has no corporate seal.~~

and that the instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that said officers above named acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, and by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed my Notarial Seal at DES MOINES, POLK

COUNTY, IOWA

, in said County, the day and year last above written.

My commission expires MAY 29, 1992

Michael R. Blasen
Notary Public in and for said County and State
MICHAEL R. BLASEN

