



**BK: 2016 PG: 1992**  
**Recorded: 7/12/2016 at 1:26:34.0 PM**  
**Fee Amount: \$57.00**  
**Revenue Tax:**  
**LISA SMITH RECORDER**  
**Madison County, Iowa**

**SUBORDINATION AGREEMENT**  
**Recorder's Cover Sheet**

**Preparer Information:**

Curtis G McCormick, 808 13<sup>th</sup> St, West Des Moines, IA 50265 (515)277-2200

**Taxpayer Information:**

QHC Facilities, LLC  
8350 Hickman, Ste 15  
Des Moines, Iowa 50325

**Return Address**

Curtis G McCormick  
808 13<sup>th</sup> St.  
West Des Moines, IA 50265

**Grantors:**

Jeff Schneidman, Successor Trustee of the  
Kenneth A. Webb Family Trust U/T/A  
Dated November 9, 1987

**Grantees:**

Guaranty Bank & Trust Company  
302 3<sup>rd</sup> Ave. SE  
Cedar Rapids, Iowa 52401

**Legal Description:** See Attached Exhibit A

**Document or instrument number if applicable: BK: 2016 PG: 1606**

Unit #101, #102, #103, #104, #106, #107, #108, #201, #202, #203, #204,  
#205, #206, #208, #301, #302, #303, #304, #305, #306, #307, and 308  
of Jefferson Place in the City of Winterset, Madison County, Iowa, and an undivided  
22/23<sup>rd</sup> interest in the common elements and areas of Jefferson Place as shown in the Declaration of  
Condominium of Jefferson Place filed for record on April 14, 1995 in Town Lot Deed Record 60 at Page  
159 in the Madison County Recorder's Office.

Exhibit A

**SUBORDINATION OF  
INDEBTEDNESS AND LIENS AND STANDSTILL AGREEMENT**

**THIS SUBORDINATION OF INDEBTEDNESS AND LIENS AND STANDSTILL AGREEMENT** (this "Agreement") is entered into as of this 9<sup>th</sup> day of June, 2016 by and among QHC FACILITIES, LLC, an Iowa limited liability company ("QHC"); CRESTRIDGE, INC., an Iowa corporation ("Crestridge"); CRESTVIEW ACRES, INC., an Iowa corporation ("Crestview Acres"); QHC MANAGEMENT, LLC an Iowa limited liability company ("QHC Management"); QHC FORT DODGE VILLA, LLC, an Iowa limited liability company ("Fort Dodge"); QHC HUMBOLDT NORTH, LLC, an Iowa limited liability company ("H North"); QHC HUMBOLDT SOUTH, LLC, an Iowa limited liability company ("H South"); QHC MITCHELLVILLE, LLC, an Iowa limited liability company ("Mitchellville"); QHC VILLA COTTAGES, LLC, an Iowa limited liability company ("Villa Cottages"); QHC WINTERSET NORTH, LLC, an Iowa limited liability company ("Winterset North"); and QHC WINTERSET SOUTH, LLC, an Iowa limited liability company ("Winterset South") (QHC, Crestridge, Crestview Acres, QHC Management, Fort Dodge, H North, H South, Mitchellville, Villa Cottages, Winterset North and Winterset South collectively referred to as "Borrower"); QHC MADISON SQUARE, LLC an Iowa limited liability company ("Madison Square"); JERRY W. VOYNA and NANCY A. VOYNA, husband and wife ("Voyna"); Jeff Schneidman, Successor Trustee of the KENNETH A. WEBB FAMILY TRUST U/T/A dated November 9, 1987, as amended (the "Webb Trust" or "Creditor"); and GUARANTY BANK & TRUST COMPANY ("Lender").

**RECITALS:**

A. Lender has agreed to extend to Borrower two (2) term loans in the original principal amounts of: (i) Six Million Eight Hundred Twenty-Five Thousand Four Hundred Thirty-One Dollars and Fifty-Five Cents (\$6,825,431.55) and (ii) Five Hundred Thousand Dollars (\$500,000.00), pursuant to those certain term loan promissory notes made by Borrower to the order of Lender, and delivered to Lender pursuant to that certain Business Loan Agreement between Borrower and Lender executed as of June 9, 2016, and various security documents.

B. Additionally, Lender has agreed to extend credit to Madison Square pursuant to that certain promissory note in the original principal amount of Two Million Forty-One Thousand Two Hundred Ninety Dollars and Thirty-Six Cents (\$2,041,290.36) made by Madison Square to the order of Lender, and delivered to Lender pursuant to that certain Business Loan Agreement between Madison Square and Lender executed as of June 9, 2016, and various security documents.

C. Any and all indebtedness of Borrower and Madison Square now or hereafter owing to Lender or any extensions, renewals, amendments or modifications thereof, absolute or contingent, joint or several, with or without security, due or not due, and in addition all interest, charges and expenses related thereto, is herein referred to as the "Senior Debt" and the documents evidencing the Senior Debt are herein referred to as the "Loan Documents".

D. QHC is indebted to the Webb Trust pursuant to that certain promissory note executed as of May 1, 2011 in the original principal amount of Eighteen Million Three Hundred Five Thousand Eight Hundred Nine Dollars (\$18,305,809.00) (the "Note") and secured by that certain Security Agreement and that certain Mortgage Security Agreement executed and delivered by QHC. Voyna has personally guaranteed QHC's indebtedness owed under the Note and Voyna's guaranty is secured by that certain Membership Interest Pledge Agreement executed and delivered by Voyna. Webb Trust is the successor in interest to the original holder of the Note, the original secured party under the Security Agreement, the original mortgagee under the Mortgage Security Agreement, the original holder under the Personal Guaranty and the original pledgee under the Membership Interest Pledge Agreement.

E. Crestridge is indebted to the Webb Trust pursuant to that certain promissory note executed as of May 1, 2011 in the original principal amount of One Million Twenty-Four Thousand Six Hundred Twenty-One Dollars (\$1,024,621.00) and secured by that certain Security Agreement and that certain Mortgage Security Agreement executed and delivered by Crestridge to the Webb Trust. Voyna has personally guaranteed Crestridge's indebtedness owed to the Webb Trust.

F. Crestview Acres is indebted to the Webb Trust pursuant to that certain promissory note executed as of May 1, 2011 in the original principal amount of One Million Eight Hundred Fifty-One Thousand Seven Hundred Fifty Dollars (\$1,851,750.00) and secured by that certain Security Agreement and that certain Mortgage Security Agreement executed and delivered by Crestview Acres to the Webb Trust. Voyna has personally guaranteed Crestview Acre's indebtedness owed to the Webb Trust.

G. Voyna is indebted to the Webb Trust pursuant to that certain promissory note executed as of May 1, 2011 in the original principal amount of One Hundred Fifty-One Thousand Three Hundred Eighty-Seven Dollars (\$151,387.00) and secured by that certain Stock Pledge Agreement executed and delivered by Voyna to the Webb Trust.

H. For purposes of this Agreement, the documents evidencing QHC, Crestridge, Crestview Acres and Voyna's obligations owed to Creditor described above are collectively referred to as the "Creditor Agreement." Any and all present and future indebtedness of QHC, Crestridge, Crestview Acres and Voyna to Creditor arising under the Creditor Agreement, absolute or contingent and any instrument, negotiable or otherwise, evidencing such indebtedness, and all claims, rights and remedies therefor, is herein referred to as the "Subordinated Debt".

I. In order to induce Lender to extend credit to Borrower and Madison Square, Creditor is willing to subordinate the payment of the Subordinated Debt, and all liens and security interests therefor, to the payment of the Senior Debt and all liens and security interests thereof.

## AGREEMENTS

Now, therefore, for good and valuable consideration, the parties agree as follows:

1. **Incorporation of Recitals.** The parties hereby agree and acknowledge that the Recitals set forth hereinabove are true and correct, and are hereby fully incorporated into this Agreement in their entirety as if specifically set forth in the body of this Agreement.

2. **Subordination of Indebtedness and Liens.** Creditor agrees that the Subordinated Debt is hereby subordinated to payment of the Senior Debt. Creditor further agrees that all liens and security interests securing payment of the Subordinated Debt, whether now existing or hereinafter created, and all deeds of trust, mortgages and security agreements on Borrower or Madison Square's assets securing payment of the Subordinated Debt, are hereby subordinated and made junior to all liens and security interests securing payment of the Senior Debt and all deeds of trust, mortgages and security agreements which secure payment of the Senior Debt. Creditor agrees to execute, record and file such other documents as Lender may reasonably request to subordinate any liens and security interests securing the Subordinated Debt to the liens and security interests of Lender securing the Senior Debt. The Subordinated Debt shall, at all times and in all respects, be wholly subordinate and inferior in claim and right to the Senior Debt, and all claims, rights and remedies under the Subordinated Debt are hereby subordinated and made subsequent and inferior to the Senior Debt and any claims, rights and remedies arising out of or in connection therewith.

3. **Standstill.** Creditor will not accelerate, ask, demand, sue for, take or receive from Borrower or Madison Square, by setoff or in any other manner, the whole or any part of the Subordinated Debt unless and until the Senior Debt shall have been fully paid and satisfied; provided, however, in the event of the voluntary or involuntary bankruptcy of Borrower or Madison Square, Creditor may file a proof of claim as authorized by applicable law, which claim shall in all respects be subordinate and subject to the security interests of Lender, and any money or property of Borrower or Madison Square received by Creditor with respect to such claim or claims shall be subject to the terms and provisions of this Agreement. Notwithstanding the foregoing sentence, so long as no event of default, or event which with the giving of notice or the passage of time, or both, would constitute an event of default ("Incipient Default") has occurred and is continuing under the Loan Documents (i) Borrower or Madison Square may make and Creditor may receive the ordinary payments under the Subordinated Debt at the times and in the amounts set forth in the Creditor Agreement if, and only if, immediately prior to, and after giving effect to any such payment to Creditor, Borrower and Madison Square shall be in compliance with all of the terms and conditions contained in the Loan Documents; provided, however, that Borrower or Madison Square may not prepay all or any part of the Subordinated Debt without the prior written consent of Lender, nor pay all or any part of the Subordinated Debt whose maturity has been accelerated, nor amend or modify the payment terms of the Subordinated Debt without the prior written consent of Lender. Upon the occurrence of and the continuation of any Incipient Default or event of default under the Loan Documents (unless waived by Lender), Borrower or Madison Square will not make and Creditor will not receive any payment upon any of the Subordinated Debt of any nature. Without the prior written consent of Lender, Creditor will not ask for or accept and Borrower or Madison Square

will not give any additional security for the payment of the Subordinated Debt nor shall Borrower or Madison Square deliver any additional negotiable instruments to evidence the Subordinated Debt, nor in any way, directly or indirectly, transfer or pay any money on the Subordinated Debt except as allowed above. Any notes evidencing the Subordinated Debt and any books of account evidencing the Subordinated Debt shall be marked with a specific statement that the indebtedness evidenced thereby is subject to the provisions of this Agreement.

4. **Distribution of Borrower's Assets.** In the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of Borrower or Madison Square, or the proceeds thereof, to creditors of Borrower or Madison Square, by reason of the liquidation, dissolution or other winding up of Borrower or Madison Square's business, or in the event of any sale, receivership, insolvency or bankruptcy proceedings by or against Borrower or Madison Square, or assignment for the benefit of creditors, or of any proceedings by or against Borrower or Madison Square for any relief under any bankruptcy or insolvency law, or relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions, or of any other event whereby it becomes necessary or desirable to file or present claims against Borrower or Madison Square for the purpose of receiving payment thereof, or on account thereof, then and in any such event, any payment or distribution of any kind or character, either in cash or other property, which shall be made or shall be payable with respect to any Subordinated Debt shall be paid over to Lender for application on payment of the Senior Debt, whether due or not due, and no payments shall be made upon or in respect of Subordinated Debt unless and until the Senior Debt shall have been paid and satisfied in full.

5. **Power of Attorney.** Creditor irrevocably authorizes and empowers Lender, or any person Lender may designate, to act as attorney for Creditor with full power and authority in the name of Creditor, or otherwise, to make and present such claims or proofs of claims against Borrower or Madison Square on account of the Subordinated Debt as Lender, or its appointee, may deem expedient and proper and, if necessary, to vote such claims in any proceedings and to receive and collect any and all dividends or other payments and disbursements made thereon in whatever form they may be paid or issued, and to give acquittance therefor and to apply the same to the Senior Debt, and Creditor hereby agrees, from time to time and upon request, to make, execute and deliver to Lender such powers of attorney, assignments, endorsements, proofs of claim, pleadings, verifications, affidavits, consents, agreements or other instruments as may be requested by Lender in order to enable Lender to enforce any and all claims upon, or with respect to, the Subordinated Debt and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or with respect to the Subordinated Debt.

6. **Payments in Trust.** Except as set forth in Section 2 hereof, should any payment or distribution or security or proceeds be received by Creditor upon or with respect to the Subordinated Debt prior to the satisfaction of the Senior Debt, Creditor will forthwith deliver the same to the Lender in precisely the form as received (except for the endorsement or assignment of Creditor where necessary) for application on the Senior Debt, whether due or not due, and until so delivered the same shall be held in trust by Creditor as property of the Lender. In the event of the failure of Creditor to make any such endorsement or assignment, the Lender,

or any of its officers or employees on behalf of the Lender, is hereby irrevocably authorized to make the same.

7. **Modification of Senior Debt.** No renewal, modification or extension of time of payment of the Senior Debt and no release or surrender of any security for the Senior Debt, or the obligations of any endorsers, sureties or guarantors thereof, or release from the terms of this, or any other subordination agreement of any claims subordinated, and no delay or omission in exercising any right or power on account of or in connection with the Senior Debt, or under this Agreement, shall in any manner impair or affect the rights and duties of Lender and Creditor. Lender, in its uncontrolled discretion, may waive or release any right or option under this Agreement without the consent of Borrower, Madison Square or Creditor and without otherwise in any way affecting the obligations of the Creditor hereunder. Creditor hereby waives notice of the creation, existence, renewal, modification or extension of the time of payment of the Senior Debt.

8. **Continuing Agreement.** This Agreement shall be a continuing agreement and Lender may continue, without notice to Creditor, to lend monies, extend credit and make other accommodations to or for the account of Borrower or Madison Square in reliance hereon. Creditor agrees that Lender, at any time and from time to time, may enter into such agreement or agreements with Borrower or Madison Square as Lender may deem proper, extending the time of payment or renewing or otherwise altering the terms of all or any of the obligations of Borrower or Madison Square to Lender, or affecting any security underlying any or all of such obligations, or may exchange, sell or surrender or otherwise deal with any such security, or may release any balance of funds of Borrower or Madison Square with Lender, without notice to Creditor and without any way impairing or affecting this Agreement.

9. **Successors and Assigns.** This Agreement shall inure to the benefit of Lender, any successors and assigns of Lender, and any financial institution joining in making said loan or extending said credit line, or committing itself to make any advances in connection therewith or which may now, or hereafter, participate therein. This Agreement shall be binding upon the Creditor, its successors and assigns.

10. **Notice.** Any notices required or permitted to be given pursuant to the Loan Documents shall be in writing and shall be given by personal delivery or by mailing the same by United States mail, postage prepaid, addressed as follows:

If to Borrower: QHC Facilities, LLC  
Jerry W. Voyna  
8350 Hickman, Suite 15  
Des Moines, Iowa 50325  
PHONE (515) 276-3656  
FAX (515) 276-4353

If to Lender: Guaranty Bank and Trust Company  
302 3<sup>rd</sup> Avenue SE  
Cedar Rapids, IA 52401  
PHONE 319/286-6200  
FAX 319/362-7894

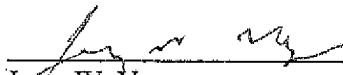
If to Creditor: Jeff Schneidman, Successor Trustee  
of the Kenneth A. Webb Family Trust  
U/T/A dated November 9, 1987, as amended  
Plattner, Schneidman,  
Schneider & Jeffries, P.C.  
9141 E. Hidden Spur Trail  
Scottsdale, Arizona 85255  
PHONE (602) 274-7955  
FAX (602) 285-5589

11. Governing Law and Jurisdiction. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF IOWA WITHOUT REGARD TO THE CONFLICTS OF LAW PROVISIONS THEREOF. CREDITOR AGREES THAT ANY SUIT OR PROCEEDING AGAINST IT IN CONNECTION WITH, ARISING OUT OF, OR RELATED TO THIS AGREEMENT, MAY BE INSTITUTED IN ANY COURT IN THE STATE OF IOWA, AND CREDITOR, FOR THE PURPOSE OF ANY SUCH SUIT OR PROCEEDING, IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT. CREDITOR, BORROWER AND MADISON SQUARE WAIVE NOTICE OF ACCEPTANCE HEREOF AND ALL OTHER NOTICES OR DEMANDS WHATSOEVER.

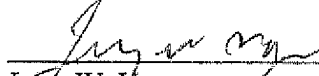
12. Replacement. This Agreement supersedes and replaces any and all prior Subordination Agreements by and among Borrower, Lender and Creditor.

IN WITNESS WHEREOF, the parties hereto have executed this Subordination of Indebtedness and Lien and Standstill Agreement as of the day and year first written above.

QHC FACILITIES, LLC, an Iowa limited liability company

By:   
Jerry W. Voyna  
Its: Member

CRESTRIDGE, INC., an Iowa corporation

By:   
Jerry W. Voyna  
Its: President



CRESTVIEW ACRES, INC., an Iowa corporation

By: Jerry W. Voyna  
Jerry W. Voyna  
Its: President

QHC MANAGEMENT, LLC an Iowa limited liability company

By: Jerry W. Voyna  
Jerry W Voyna  
Its: Manager / Member

QHC FORT DODGE VILLA, LLC, an Iowa limited liability company

By: Jerry W. Voyna  
Jerry W Voyna  
Its: Manager / Member

QHC HUMBOLDT NORTH, LLC, an Iowa limited liability company

By: Jerry W. Voyna  
Jerry W Voyna  
Its: manager / member

QHC HUMBOLDT SOUTH, LLC, an Iowa limited liability company

By: Jerry W. Voyna  
Jerry W Voyna  
Its: manager / member

QHC MITCHELLVILLE, LLC, an Iowa limited liability company

By: Jerry W. Voyna  
Jerry W Voyna  
Its: manager / member

QHC VILLA COTTAGES, LLC, an Iowa limited liability company

By: Jerry W Voyna Jerry W Voyna

Its: Manager / Member

QHC WINTERSET NORTH, LLC, an Iowa limited liability company

By: Jerry W Voyna Jerry W Voyna

Its: Manager / Member

QHC WINTERSET SOUTH, LLC, an Iowa limited liability company

By: Jerry W Voyna Jerry W Voyna

Its: Manager / Member

[Borrower]

QHC MADISON SQUARE, LLC an Iowa limited liability company

By: Jerry W Voyna Jerry W Voyna

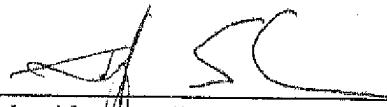
Its: Manager / Member

[Madison Square]

Jerry W Voyna  
JERRY W. VOYNA

Nancy A Voyna  
NANCY A. VOYNA

[Voyna]

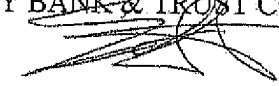


Jeff Schneidman, Successor Trustee of the  
KENNETH A. WEBB FAMILY TRUST U/T/A  
dated November 9, 1987, as amended

[Creditor]

GUARANTY BANK & TRUST COMPANY

By:

  
Kevin S Albertsen

Its:

SVP

[Lender]