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Pages 15
County Recording Fee: \$77.00
Iowa E-Filing Fee: \$3.00
Combined Fee: \$80.00
Revenue Tax: \$0.00
BRANDY L. MACUMBER, RECORDER
Madison County, Iowa

MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING

Recorder's Cover Sheet

Preparer Information: (name, address and phone number)

Brian D. Torresi, Dentons Davis Brown, PC, 105 South 16th Street, Ames, IA 50010; (515) 288-2500

Taxpayer Information: (name and complete address)

VareCo, LLC, 601 Forest Avenue, Des Moines, IA 50314

Return Document To: (name and complete address)

Brian D. Torresi, Dentons Davis Brown PC, 105 South 16th Street, Ames, IA 50010

Mortgagor:

VARECO, LLC

Mortgagee:

LJJL, LLC

Legal Description:

See Exhibit A attached to Mortgage, Assignment of Rents and Leases, and Fixture Filing

Previously Recorded Document: N/A

By / Return To: ATS of Story Coun
2 SE 16th Street, Ames, IA 50010
File No. 2025-0010

MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF UP TO \$400,000.00. LOANS AND ADVANCES UP TO THE AMOUNT, TOGETHER WITH INTEREST ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

THIS MORTGAGE ALSO CONSTITUTES A PURCHASE MONEY MORTGAGE (AS DEFINED IN THE IOWA CODE) AS TO THE MORTGAGED PROPERTY (AS DEFINED LATER HEREIN).

This MORTGAGE, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING dated as of October 24, 2025 (the "Mortgage"), is executed by VARECO, LLC, a Colorado limited liability company ("Mortgagor") to and for the benefit LJL, LLC ("Mortgagee").

RECITALS:

A. Pursuant to the terms and conditions contained in a certain Purchase Agreement dated October 1, 2025 (the "Agreement") by and between Winterset Property, LLC, a New York limited liability company, as Seller therein ("Seller"), and Mortgagor, as Buyer therein, Seller agreed to sell, and Mortgagor agreed to purchase certain real estate more particularly described in the Purchase Agreement, including, without limitation, the Premises (as defined later herein) (the "Transaction").

B. In connection with the Transaction, Mortgagor has executed a certain Promissory Note of even date herewith (as the same may be amended, restated, substituted, supplemented, renewed, replaced, or otherwise modified, the "Note") payable to the order of Mortgagor in the maximum principal amount of FOUR HUNDRED THOUSAND DOLLARS and 00/100 (\$400,000.00), due eighteen (18) months after the date hereof (the "Maturity Date"), except as may be accelerated pursuant to the terms hereof, the Note, or any other document, instrument, or agreement now or hereafter given to evidence or secure payment of the Note (as the same may be amended, restated, substituted, supplemented or otherwise modified, the "Transaction Documents").

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor agrees as follows:

AGREEMENT:

1. **Grant of Mortgage.** Mortgagor hereby mortgages, grants, assigns, remises, releases, warrants and conveys to the Mortgagee, its successors and assigns, and grants a security interest in, and collaterally assigns all of Mortgagor's right, title, and interest, whether now owned or hereafter acquired, in and to the following described property (collectively, the "Mortgaged Property"):

- a. **Land and Buildings.** The real estate located in the County of Madison, State of Iowa, and legally described on Exhibit "A" attached hereto and made a part hereof (the "Land");
- b. **Improvements.** All improvements of every nature whatsoever now or hereafter situated on the Land and all fixtures and personal property of every nature whatsoever now or hereafter owned by the Mortgagor located on, or used in connection with the Land, or the improvements thereon, or in connection with any construction thereon, including all extensions, additions, improvements, betterments, renewals, substitutions and

replacements to any of the foregoing and all of the right, title and interest of the Mortgagor in and to any such personal property or fixtures together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by the Mortgagor or on its behalf (the "Improvements", the Land, together with the Improvements, may collectively be referred to herein as the "Premises");

- c. **Appurtenant Rights to the Land.** All easements, rights of way, gores of real estate, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Premises, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of the Mortgagor in and to the same;
- d. **Rents, Revenues, Etc.** All Mortgagor's Rents (as defined later herein), revenues, issues, profits, proceeds, income, royalties, Letter of Credit Rights (as defined in the Uniform Commercial Code of the State of Iowa (the "Code") in effect from time to time), escrows, security deposits, impounds, reserves, tax refunds and other rights to monies from the Premises and/or the businesses and operations conducted by any Mortgagor thereon, to be applied against the Obligations (as defined later herein); provided, however, that the Mortgagor, so long as no Event of Default (as defined later herein) has occurred hereunder, may collect Rents as they become due, but not more than one (1) month in advance thereof;
- e. **Leases.** All interest of the Mortgagor in and to all leases now or hereafter on or of the Premises, or any portion thereof, whether written or oral, whether as lessor or lessee (each, a "Lease", and collectively, the "Leases"), together with all security therefor and all monies payable thereunder;
- f. **Fixtures.** All fixtures and articles of personal property now or hereafter owned by the Mortgagor and forming a part of or used in connection with the Premises ("Fixtures") including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, computer hardware and software used in the operation of the Premises, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, Equipment (as defined in the Code), fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Premises in any manner; it being mutually agreed that all of the aforesaid property owned by the Mortgagor and placed on the Premises, so far as permitted by law, shall be deemed to be fixtures, and a part of the Land;
- g. **Proceeds.** All proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof.

TO HAVE AND TO HOLD the Mortgaged Property, together with all privileges, hereditaments

thereunto now or hereafter belonging, or in any way appertaining and the products and proceeds thereof, unto Mortgagee, its successors and assigns.

2. **Obligations.** This Mortgage secures the following (hereinafter collectively referred to as the "Obligations"):

- a. **Payment of the Note.** the payment of the Note and all interest, late charges, and other indebtedness evidenced by or owing under the Note or any of the other Transaction Documents, together with any extensions, modifications, renewals or refinancings of any of the foregoing;
- b. **Performance and Observance.** The performance and observance of the covenants, conditions, agreements, representations, warranties and other liabilities and obligations of the Mortgagor or any other obligor to or benefiting the Mortgagee which are evidenced or secured by or otherwise provided in the Note, this Mortgage or any of the other Transaction Documents; and
- c. **Reimbursement of Sums.** The reimbursement to the Mortgagee of any and all sums incurred, expended or advanced by the Mortgagee pursuant to any term or provision of or constituting additional indebtedness under or secured by this Mortgage.

3. **Assignment of Rents and Leases.**

- a. **Assignment.** Mortgagor does hereby bargain, sell, transfer, assign, and convey as security for the Obligations, all Leases, and all rents, additional rents, revenues, issues, profits, royalties, cancellation or surrender payments, security deposits, damages and income and sums of money which may now or hereafter be or become due and owing under and by virtue of said Leases, default or termination or rejection of any lease under Bankruptcy Code or otherwise, proceeds of insurance or condemnation awards (or payments in lieu thereof) and any other benefits that are now due, past due or may hereafter become due by reason of the renting, leasing, occupancy, licensing, or bailment of any or all of the Mortgaged Property or the use or occupancy thereof (collectively, the "Rents"), it being the intention hereby to establish a complete transfer and assignment of the Leases hereby assigned and all the avails thereunder unto the Mortgagee, its successors and assigns, together with the absolute, present, irrevocable and unconditional right, but without the obligation, to collect, receive and possess all of the said Rents (collectively, the "Assignment"). Mortgagor further agrees, upon demand, to deliver to and deposit said Leases with Mortgagee. This Assignment constitutes an absolute, present, irrevocable assignment of the Leases and Rents to Mortgagee and not merely a collateral assignment of, or the grant of a lien or security interest in or on the Leases and Rents. Such grant, assignment, and transfer shall not be construed to: (i) bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any lease or otherwise impose any obligation on the Mortgagee, or (ii) create or operate to place or impose any responsibility, obligation, or liability on Mortgagee for: (A) the control, care, maintenance, management or repair of the Mortgaged Property; (B) any dangerous or defective condition of the Mortgaged Property; (C) any waste committed on the Mortgaged Property by any person; and/or (D) any negligence in the management, upkeep, repair or control of the Mortgaged Property.
- b. **License to Collect Rents.** Notwithstanding anything in this Assignment to the contrary, so long as no Event of Default exists, Mortgagee grants to Mortgagor a revocable license

to collect and receive the Rents.

- c. **Termination of License.** Upon the occurrence of a default or an Event of Default: (i) the revocable license granted Mortgagor, above, shall immediately and automatically, with or without notice from Mortgagee, cease and terminate and shall be void and of no further force or effect, (ii) Mortgagee shall immediately and automatically be entitled to receive, collect and possess all Rents (whether or not Mortgagee enters upon or takes control of the Mortgaged Property or has a receiver appointed for the Mortgaged Property or takes any other action), and (iii) lessees and occupants of the Mortgaged Property or any part thereof, are hereby expressly authorized and directed to pay to Mortgagee, or such nominee as it may designate, all Rents herein assigned which would be payable to Mortgagor, except for this Assignment. Mortgagee shall thereafter continue to receive and collect all such Rents, as long as such Event of Default exists, and during the pendency of any foreclosure proceedings, and if there is a deficiency, during any redemption period.
- d. **Enforcement of Assignment.** Mortgagee is hereby vested with full power to use all such measures, legal and equitable, as in its discretion may be deemed reasonably necessary or proper to enforce this Assignment including the right to seek specific performance, and to collect the Rents assigned hereunder including the right to file any claim, demand, sue for, or take action to make settlement of any claims, in its own name or otherwise, which Mortgagee deems reasonably necessary or desirable in order to collect and enforce the payment of the Rents, also including the right to enter upon the Mortgaged Property or any part thereof, with or without force and with process of law, to settle, compromise, release, extend the time of payment for and make allowances, adjustments and discounts of any Rents or obligations under the Leases, to lease all or any part of the Mortgaged Property and/or modify, amend, renew or terminate any lease, to perform any and all obligations of Mortgagor under the Leases and exercise any and all rights of Mortgagor therein contained to the full extent of Mortgagor's rights and obligations thereunder, and to take possession thereof together with all Fixtures, documents, books, records, papers and accounts of Mortgagor relating thereto and may exclude Mortgagor, their agents and servants, wholly therefrom, and Mortgagor hereby grants full power and authority to Mortgagee to exercise all rights, privileges and powers herein granted at any and all times hereafter, without notice to the Mortgagor, with full power to use and apply all of the Rents herein assigned to the payments of the Obligations. Should Mortgagor remain in possession of the Mortgaged Property after the occurrence of an Event of Default without Mortgagee's prior written consent, Mortgagee may invoke any legal remedies to dispossess Mortgagor or Mortgagee may require at its option, Mortgagor to pay monthly in advance to Mortgagee the fair and reasonable rental value for the use and occupation as tenant of the Mortgaged Property. Mortgagee may also have the option, but not the obligation, with reasonable notice to Mortgagor to perform such obligations and/or cure such default or Event of Default in the name and on behalf of Mortgagor and at Mortgagor's sole cost and expense. No such action by Mortgagee shall release Mortgagor from its obligations under this Assignment.
- e. **Performance of Leases.** Mortgagor covenants and agrees that it will faithfully perform all of the obligations imposed upon it under the Leases herein assigned.

4. **Representations and Warranties of Mortgagor.** Mortgagor represents, warrants and covenants to Mortgagee that: (i) Mortgagor holds clear title to the Mortgaged Property and title in fee simple in the Land, subject only to the Permitted Exceptions; (ii) Mortgagor has the right, power and authority to execute this Mortgage and to mortgage, and grant a security interest in the Mortgaged Property; (iii) the

Mortgaged Property is free and clear of all liens and encumbrances, subject only to the Permitted Exceptions; and (iv) Mortgagor will warrant and defend title to the Mortgaged Property and the lien and priority of this Mortgage against all claims and demands of all persons, whether now existing or hereafter arising. As used herein, the term "Permitted Exceptions" shall mean and refer to any easements, restrictions, covenants, and other documents or agreements of record and any Lease.

5. **Payment and Performance of the Obligations.** Mortgagor will pay all amounts payable under the Obligations in accordance with the terms of the Note when and as due and will timely perform all other Obligations of Mortgagor. The provisions of the Obligations are hereby incorporated by reference into this Mortgage as if fully set forth herein.

6. **Taxes.** Mortgagor shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against the Mortgaged Property before the same become delinquent, without notice or demand, and shall deliver to Mortgagee proof of such payment upon demand.

7. **Liens.** Mortgagor shall not create, incur or suffer to exist any lien, encumbrance, security interest or charge on the Mortgaged Property or any part thereof which might or could be held to be equal or prior to the lien of this Mortgage, other than: (i) the lien of current real estate taxes and installments of special assessments with respect to which no penalty is yet payable; and (ii) liens of water rates, water meter charges, water frontage charges, sewer taxes, rents and charges, if any, provided that such items are not yet due and payable, it being understood that Mortgagor may choose to satisfy its Obligations to Mortgagee by granting a mortgage on the Mortgaged Property and other property and using proceeds from a corresponding loan to immediately satisfy the Obligations. Mortgagor shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Mortgaged Property.

8. **Compliance with Laws.** Mortgagor shall comply with all present and future statutes, laws, rules, orders, regulations and ordinances affecting the Mortgaged Property, any part thereof or the use thereof.

9. **Permitted Contests.** Mortgagor shall not be required to (i) pay any tax, assessment or other charge referred to in Section 6 hereof, (ii) discharge or remove any lien, encumbrance or charge referred to in Section 7 hereof, or (iii) comply with any statute, law, rule, regulation or ordinance referred to in Section 8 hereof, so long as Mortgagor shall contest, in good faith, the existence, amount or the validity thereof, the amount of damages caused thereby or the extent of Mortgagor's liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent (A) the collection of, or other realization upon the tax, assessment, charge or lien, encumbrances or charge so contested, (B) the sale, forfeiture or loss of the Mortgaged Property or any part thereof, and (C) any interference with the use or occupancy of the Mortgaged Property or any part thereof. Mortgagor shall give reasonably prompt written notice to Mortgagee of the commencement of any contest referred to in this Section 9.

10. **Care of Property.** Mortgagor shall take good care of the Mortgaged Property; shall keep the Mortgaged Property in good and reasonable repair and shall not injure, destroy or remove the Improvements during the term of this Mortgage.

11. **Insurance.**

- a. **Risks to be Insured.** Mortgagor, at their sole cost and expense, shall maintain insurance on the Improvements now existing or hereafter erected on the Land against loss by fire, extended coverage perils and such other hazards as Mortgagee may from time to time require, such insurance to have a "Replacement Cost" endorsement attached thereto, with the amount of the insurance at least equal to the balance of the Obligations. At Mortgagor's

option, such policy may have a coinsurance clause of not less than 90% of replacement cost provided the policy contains an appropriate form of cost escalation endorsement. Mortgagor will at their sole cost and expense, from time to time, and at any time at the request of Mortgagee, provide Mortgagee with evidence satisfactory to Mortgagee of the replacement cost of Mortgaged Property. Mortgagor will maintain such other insurance as Mortgagee may reasonably require.

- b. **Policy Provisions.** All insurance policies and renewals thereof maintained by Mortgagor pursuant to this Mortgage shall be written by an insurance carrier satisfactory to Mortgagee, be payable to the parties as their interest may appear, contain a standard or union-type loss payable clause in favor of Mortgagee, contain an agreement of the insurer that it will not amend, modify or cancel the policy except after thirty (30) days prior written notice to Mortgagee, and be reasonably satisfactory to Mortgagee in all other respects.
- c. **Delivery of Policy or Certificate.** If requested by Mortgagee, Mortgagor will deliver to Mortgagee original policies satisfactory to Mortgagee evidencing the insurance which is required under this Mortgage, and Mortgagor shall promptly furnish to Mortgagee all renewal notices and, upon request of Mortgagee, evidence of payment thereof. At least ten (10) days prior to the expiration date of a required policy, Mortgagor shall deliver to Mortgagee a renewal policy in form satisfactory to Mortgagee.
- d. **Assignment of Policy.** If the Mortgaged Property is sold at a foreclosure sale or if Mortgagee shall acquire title to the Mortgaged Property, Mortgagee shall have all of the right, title and interest of Mortgagor in and to any insurance policies required hereunder, and the unearned premiums thereon, and in and to the proceeds thereof resulting from any damage to the Mortgaged Property prior to such sale or acquisition.
- e. **Notice of Damage or Destruction; Adjusting Loss.** If the Mortgaged Property or any part thereof shall be damaged or destroyed by fire or other casualty, Mortgagor will, within ten (10) calendar days after the occurrence of such damage or destruction, give written notice thereof to the insurance carrier and to Mortgagee and will not adjust any damage or loss which is estimated by Mortgagor in good faith to exceed \$25,000.00 unless Mortgagee shall have joined in or concurred with such adjustment; but if there has been no adjustment of any such damage or loss within four (4) months from the date of occurrence thereof and if an Event of Default shall exist at the end of such four (4) month period or at any time thereafter, Mortgagee may alone make proof of loss, adjust and compromise any claim under the policies, and appear in and prosecute any action arising from such policies. In connection therewith, Mortgagor does hereby irrevocably authorize, empower and appoint Mortgagee as attorney-in-fact for Mortgagor (which appointment is coupled with an interest) to do any and all of the foregoing in the name and on behalf of Mortgagor.
- f. **Application of Insurance Proceeds.** All sums paid under any insurance policy required by this Mortgage shall be paid to Mortgagee, which shall, at its option, apply the same (after first deducting therefrom Mortgagee's expenses incurred in collecting the same including but not limited to reasonable attorney's fees) to the reduction of the Obligations or to the payment of the restoration, repair, replacement or rebuilding of Mortgaged Property that is damaged or destroyed in such manner as Mortgagee shall determine and secondly to the reduction of the Obligations. Any application of insurance proceeds to principal of the Obligations shall not extend or postpone the due date of the installments payable under the Obligations or change the amount of such installments.

- g. **Reimbursement of Mortgagee's Expenses.** Mortgagor shall promptly reimburse Mortgagee upon demand for all of Mortgagee's expenses incurred in connection with the collection of the insurance proceeds, including but not limited to reasonable attorneys fees, and all such expenses shall be additional amounts secured by this Mortgage.

12. **Inspection.** Mortgagee, and its agents, shall have the right at all reasonable times, after three (3) days' notice to Mortgagor, to enter upon the Mortgaged Property for the purpose of inspecting the Mortgaged Property or any part thereof. Mortgagee shall, however, have no duty to make such inspection. Any inspection of the Mortgaged Property by Mortgagee shall be conducted in such a manner as to minimally effect and/or impact Mortgagor's business operations on the Mortgaged Property.

13. **Condemnation.** Mortgagor shall give Mortgagee reasonably prompt notice of any action, actual or threatened, in condemnation or eminent domain and hereby assign, transfer and set over to Mortgagee the entire proceeds of any award or claim for damages for all or any part of the Mortgaged Property taken or damaged under the power of eminent domain or condemnation. Mortgagee is hereby authorized to intervene in any such action in the names of Mortgagor, to compromise and settle any such action or claim, and to collect and receive from the condemning authorities and give proper receipts and acquittances for such proceeds. Any expenses incurred by Mortgagee in intervening in such action or compromising and settling such action or claim, or collecting such proceeds shall be reimbursed to Mortgagee first out of the proceeds. The remaining proceeds or any part thereof shall be applied to reduction of that portion of the Obligations then most remotely to be paid, whether due or not, or to the restoration or repair of the Mortgaged Property, the choice of application to be solely at the discretion of Mortgagee.

14. **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 the Fixtures and for this purpose the name and address of the debtor is the name and address of Mortgagor as set forth in Section 21 herein and the name and address of the secured party is the name and address of the Mortgagee as set forth in Section 21 herein.

15. **Events of Default.** Each of the following occurrences shall constitute an event of default hereunder ("Event of Default"):

- a. **Payments.** If Mortgagor fails to make any payment of principal on the date when such payment is due and payable, and such failure continues for ten (10) Business Days after Mortgagor's receipt of written notice from Mortgagee of such failure;
- b. **Interest and Other Charges.** If Mortgagor fails to pay any interest on the Note or any other charges, fees, expenses or other monetary obligations owing to Mortgagee, whether arising out of or incurred in connection with this Mortgage, the Note, or any other Transaction Document, on the date when such payment is due and payable, whether upon maturity, acceleration, demand or otherwise, and such failure continues for a period of ten (10) Business Days after Mortgagor's receipt of written notice from Mortgagee of such failure;
- c. **General Covenant Defaults.** If Mortgagor fails to perform, comply with or observe any covenant or undertaking contained in this Mortgage, the Note, or any other Transaction Document, and such failure continues for a period of thirty (30) days after the Mortgagor's receipt of written notice from Mortgagee of such failure or if the nature of such failure cannot be cured within such thirty (30) day period, then for such longer period as may be necessary provided that Mortgagor commences to cure such failure within thirty (30) days after notice thereof and thereafter diligently prosecutes such cure to completion;

- d. **Representations or Warranties.** If any representation, warranty or other statement by or on behalf of Mortgagor contained in or pursuant to this Mortgage, the Note or any of the other Transaction Document is false, erroneous or misleading in any material respect when made, and any such failure continues for thirty (30) days after Mortgagor's receipt of written notice from Mortgagee of such failure;
- e. **Bankruptcy, Assignment of Benefit of Creditors, Etc.** Mortgagor shall make an assignment for the benefits of their creditors, or a petition shall be filed by or against Mortgagor under the United States Bankruptcy Code or Mortgagor shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties or of the Mortgaged Property or shall not, within thirty (30) days after the appointment of a trustee, receiver or liquidator of any material part of its properties or of the Mortgaged Property, have such appointment vacated;
- f. **Judgment.** If any final, nonappealable judgment for the payment of money in excess of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) which is not covered by insurance or an appeal bond, or for which Mortgagor has not established a cash or cash equivalent reserve in the amount of such judgment, shall be rendered and shall remain unsatisfied and unstayed for a period of at least thirty (30) days;
- g. **Execution Process, Seizure, Etc.** The issuance of any execution or distraint process affecting any portion of the Mortgaged Property, or any portion of the Mortgaged Property is seized by any governmental entity, federal, state or local, in each case, to the extent the value of such property exceeds Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00);
- h. **Mechanic's Liens.** The filing of a lien or claim of lien for the performance of work or supply of materials against the Land or Improvements which remains unsatisfied for a period of thirty (30) calendar days after the date of filing thereof; provided that Mortgagor may cure this default by: (i) discharging said lien in accordance with Iowa Code §572.15, as the same may be amended or modified, within such period; and/or (ii) pursuant to Section 9 herein;
- i. **Other Defaults.** Any event occurs which is denominated as an "Event of Default" or "Default" in any section of the Note or in any of the other Transaction Document past expiration of any applicable cure period; or

16. **Acceleration; Foreclosure.** During the continuance of any Event of Default, Mortgagee may, at its option, after such notice as may be required by law, exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

- a. **Acceleration.** Mortgagee may declare immediately due and payable all Obligations secured by this Mortgage, and the same shall thereupon be immediately due and payable, without further notice or demand, except as may be required by law.
- b. **Foreclosure.** Mortgagee may (and is hereby authorized and empowered to) foreclose this Mortgage in accordance with the law of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case may at the request of Mortgagee appoint a receiver to take immediate possession of the Mortgaged Property and of the Rents and other income accruing therefrom, and to rent or cultivate the same as such receiver may deem best for

the interest of all parties concerned, and such receiver shall be liable to account to Mortgagor only for the net profits, after application of Rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the Obligations.

17. **Cross-Default.** In addition to the Obligations, this Mortgage is cross-defaulted with the Transaction Documents.

18. **Redemption.** It is agreed 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 sheriff's 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 or reduced to three (3) months if the property is not used for an agricultural purpose as defined in Iowa Code §535.13. provided in all cases under this Section the 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 two (2) months after sale such right of redemption shall be exclusive to the Mortgagor, and the time periods in §§628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to three (3) 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 its successors 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 §§628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days.

This Section 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.

19. **Attorneys' Fees.** In the event a suit or action is instituted to enforce any of the terms of this Mortgage, the prevailing party shall be entitled to recover its reasonable attorneys' fees and expenses, in addition to all other sums provided by law.

20. **Forbearance Not a Waiver; Rights and Remedies Cumulative.** No delay by Mortgagee in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by Mortgagee of any particular provisions of this Mortgage shall be deemed effective unless in writing signed by Mortgagee. All such rights and remedies provided for herein or which Mortgagee or the holder of the Obligations may have otherwise, at law or in equity, shall be distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as the occasion therefor arises.

21. **Notices.** Any notice required or permitted to be given hereunder will be properly given in accordance with this Mortgage, if in writing and (i) delivered by hand, (ii) sent by recognized overnight courier (such as Federal Express), (iii) sent via electronic mail, or (iv) mailed by United States first class mail, postage prepaid, to the most recent street or email address of the parties, as applicable. Notices shall be effective, and the time for response to any notice by the other party shall commence to run, one (1) business day after any such deposit if by overnight carrier, or three (3) days if by U.S. mail, or the day of receipt if delivered by hand, or the day when sent by email if sent during normal business hours and on the next business day if sent after normal business hours, in each case with confirmation of transmission by the

transmitting equipment, to the addresses and email addresses and marked to the attention of the individual (by name or title) set forth below or to such other address email address or individual as such party may designate by a notice given in accordance with this Section 21:

a. If to Mortgagor, to:

VareCo, LLC
Attn. Terrance Doyle
601 Forest Ave.
Des Moines, IA 50314
Email: terrance@thevareco.com

With copy to:

Dentons Davis Brown, PC
Attn. Brian D. Torresi
120 S. 16th St.
Ames, IA 50010
Email: brian.torresi@dentons.com

b. If to Mortgagee, to:

LJL, LLC
Attn. _____
401 Westwood Dr.
Denver, CO 80206
Email: abramsjim@gmail.com

22. **Severability.** In the event any portion of this Mortgage shall, for any reason, be held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected thereby and shall continue to be valid and enforceable and if, for any reason, a court finds that any provision of this Mortgage is invalid, illegal, or unenforceable as written, but that by limiting such provision it would become valid, legal and enforceable then such provision shall be deemed to be written, construed and enforced as so limited.

23. **Further Assurances.** At any time and from time to time until payment in full of the Obligations, Mortgagor will, at the request of Mortgagee, promptly execute and deliver to Mortgagee such additional instruments as may be reasonably required to further evidence the lien of this Mortgage and to further protect the security interest of Mortgagee with respect to the Mortgaged Property, including, but not limited to, additional security agreements, financing statements and continuation statements.

24. **Successors and Assigns.** The rights, covenants and agreements contained herein shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the parties.

25. **Governing Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of Iowa.

26. **Not a Residential or Agricultural Loan.** None of the Land constitutes and none of the funds represented by the Note will be used to purchase: (i) real property which is a single-family or two-family dwelling occupied or to be occupied by Mortgagor; (ii) agricultural products or property used for an

agricultural purpose as defined in Iowa Code §535.13; (iii) agricultural lands defined in Iowa Code §91.1 or 172.2(2), or (iv) property used for agricultural purposes defined in Iowa Code §570A.1(2).

27. **Business Purpose.** Transactions contemplated by this Mortgage, the Note and the other Transaction Documents do not constitute a consumer credit transaction as defined in Iowa Code §537.1301.11; and the transactions contemplated by this Mortgage, the Note and are for a business purpose as defined in Iowa Code §535.2(a)(2)(5).

28. **Surrender of Note.** In the event of foreclosure of this Mortgage, Mortgagor hereby agrees that a court may, and request the court to, enter a special order directing the clerk of court to enter and record the judgment contained in the foreclosure decree on the promissory note secured by this Mortgage without requiring that the promissory note be first filed with the clerk of court for cancellation. Mortgagor further agrees, because the promissory note secured by this Mortgage is also secured by other collateral and will be necessary and 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 promissory note secured by this Mortgage without the requirement that the promissory note be first filed with the clerk of court for cancellation.

29. **Non-Statutory Liens.** Mortgagor hereby represents, warrants and agrees that the liens and security interest granted hereby are not the type of lien referred to 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 Iowa Code 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.

30. **Consents.** Except as otherwise expressly set forth herein, any time the consent of Mortgagee is required hereunder, such consent shall not be unreasonably withheld, conditioned, or delayed.

31. **Complete Agreement.** This Mortgage, the Note and the other Transaction Documents constitute the complete agreement between the parties with respect to the subject matter hereof and the Transaction Documents may not be modified, altered or amended except by an agreement in writing signed by both Mortgagor and Mortgagee.

32. **Interpretation.** The following rules of construction are applicable for the purposes of this Mortgage and all other documents and instruments supplemental hereto unless the context clearly requires otherwise:

- a. Capitalized words and phrases used but not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.
- b. All references herein to numbered sections or lettered exhibits are references to the sections hereof and the exhibits annexed hereto.
- c. The terms "include," "including," and similar terms shall be construed as if followed by the phrase "without being limited to" or the phrase "without limitation", as the context may require.
- d. All references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations.

- e. The terms "Land," "Improvements," "Premises," "Fixtures," "Leases," and "Mortgaged Property" shall be construed as if followed by the phrase "or any part thereof."
- f. All references to any agreement, document, or instrument shall include any amendments, restatements, substitutions, renewals, replacements, or other modifications thereto or thereof.
- g. All references to indebtedness, obligations, monetary sums or the like that are owed to Mortgagee shall be construed as if followed by the phrase "or any part thereof."
- h. Words of masculine, feminine or neutral gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural, and vice versa.

33. **Certain Defined Terms.** In addition to the terms defined in the recitals and elsewhere in this Mortgage, the following terms shall have the following meanings:

"Business Day" shall mean any day other than a Saturday, Sunday, or any legal holiday.

34. **WAIVER OF JURY TRIAL.** MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS MORTGAGE OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. NO PARTY SHALL SEEK TO CONSOLIDATE BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY ANY PARTY HERETO EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY ALL PARTIES.

35. **Acknowledgment of Receipt of Copies of Debt Instrument.** Mortgagor hereby acknowledges the receipt of a copy of this Mortgage, together with a copy of each promissory note secured hereby, including, without limitation, the Note, and all other documents executed by Mortgagor in connection herewith, including, without limitation, the Transaction Documents.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. MORTGAGOR ACKNOWLEDGES AND AGREES THAT THERE ARE NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT AND NO SUCH OTHER TERMS AND PROVISIONS MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

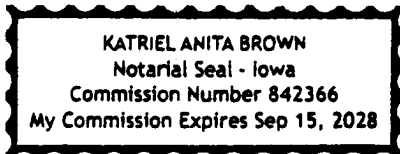
IN WITNESS WHEREOF, the Mortgagor has executed and delivered this Mortgage, Assignment of Rents and Leases, and Fixture Filing the day and year first above written.

VARECO, LLC,
A Colorado limited liability company

By: [Signature]
Name: Terrance J. Doyle
Title: Manager

STATE OF Iowa, COUNTY OF Polk, SS:

This record was acknowledged before me on October 30 2025, by Terrance J. Doyle, as a Manager of VareCo, LLC, a Colorado limited liability company.



[Signature]
Notary Public, State of Iowa
My Commission Expires: 09/15/2028

EXHIBIT A

Legal Description

A tract of land located in the Northwest Fractional Quarter (¼) of the Northwest Fractional Quarter(¼) of Section Thirty-one (31) in Township Seventy-six (76) North, Range Twenty-seven (27) West of the 5th P.M., City of Winterset, Madison County, Iowa, more particularly described as follows, to-wit: Commencing at the Southwest corner of the Northwest Fractional Quarter (¼) of the Northwest Fractional Quarter(¼) of said Section Thirty-one (31), thence South 88°37' East, 935.1 feet along the South line of said Northwest Fractional Quarter (¼) of the Northwest Fractional Quarter(¼) to the point of beginning, thence continuing South 88°37' East, 347.2 feet, thence North 506.5 feet, thence North 88°37' West, 347.2 feet, thence South 506.5 feet to the point of beginning, containing 4.0359 acres

locally known as 411 E. Lane Street, Winterset, Madison County, Iowa; Madison County Treasurer Parcel No. 821004900080000