

State Bar of Wisconsin Form 21-2003  
**MORTGAGE**

Document Number

Document Name

**2219 Lofts Limited Partnership**, a Wisconsin limited partnership

("Mortgagor," whether one or more) mortgages to City of La Crosse,  
Wisconsin,  
its successors or assigns ("Mortgagee," whether one or more), to secure  
payment of \$**500,000** evidenced by a note or notes, or other  
obligation ("Obligation") dated \_\_\_\_\_,  
executed by 2219 Lofts Limited Partnership

to Mortgagee, and any extensions, renewals and modifications of the Obligation  
and refinancings of any such indebtedness on any terms whatsoever (including  
increases in interest) and the payment of all other sums, with interest, advanced  
to protect the Property and the security of this Mortgage, and all other amounts  
paid by Mortgagee hereunder, the following property, together with all rights  
and interests appurtenant thereto in law or equity, all rents, issue and profits  
arising therefrom, including insurance proceeds and condemnation awards, all  
structures, improvements and fixtures located thereon, in La Crosse  
County, State of Wisconsin ("Property"):

Recording Area

Name and Return Address

City of La Crosse, Planning Department  
400 La Crosse Street  
La Crosse, Wisconsin 54601-3396

Part of Tax Parcel No. 17-50281-70

Parcel Identification Number (PIN)

This is not homestead property.  
(is) (is not)

This is not a purchase money mortgage.  
(is) (is not)

PROPERTY ADDRESS: 2219 South Avenue, La Crosse, WI 54601

**Legal Description:** Lot 10 of John Koller's Addition to City of La Crosse, La Crosse County, Wisconsin and Part of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North of Range 7 West, in the City of La Crosse, La Crosse County, Wisconsin, described as follows: Beginning at a stone monument at the Northwest corner of J. Koller's Addition to the City of La Crosse; thence Northwesterly along the Northeast line of South Avenue 200.32 feet to an iron pipe; thence Northeast, at right angles with said Street line 144.3 feet to an iron pipe in the Southwesterly line of the Chicago, Burlington & Quincy Railroad Company right-of-way; thence Southeasterly along said right-of-way 139 feet; thence West along said right-of-way line 38 feet; thence Southeasterly along said right-of-way line 292.45 feet to the North line of said J. Koller's Addition; thence Westerly along said North plat line 266.9 feet to the point of beginning, EXCEPT the right-of-way of the Chicago, Burlington & Quincy Railroad Company. TOGETHER WITH a non-exclusive easement and perpetual right-of-way over a driveway 14 feet in width, said driveway being next adjoining the property above described on the North and running from the Mormon Coulee Road to the right-of-way of the Chicago Burlington & Quincy Railroad Company. AND All that parcel of land located in the South half of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North, Range 7 West of the Fourth Principal Meridian at City of La Crosse, County of La Crosse, State of Wisconsin, described as follows: Beginning at a point on the North line of said South half of the Southeast Quarter of the Northwest Quarter of Section 8, 50 feet perpendicularly distant, Southwesterly of, the Chicago, Burlington & Quincy Railroad Company former main line track center line; thence East along said North line, 53 feet more or less to a point 20 feet perpendicularly distant Southwesterly of said track center line; thence Southeasterly along a line 20 feet normally distant Southwesterly of said main line track center line, 150 feet to a point; thence Southwesterly along a straight line, 30 feet more or less to a point, 10 feet radially distant Northerly of said Railroad Company's track No. 2 center line; thence Northwesterly along a line 50 feet normally distant, Southwesterly of said main tract center line, 200 feet more or less to the point of beginning. EXCEPTING, however, all of coal, oil, gas and other minerals underlying the surface of the above described premises, formerly reserved unto the Chicago, Burlington & Quincy Railroad Company, its successors and assigns in the City of La Crosse, La Crosse County, Wisconsin.

**I. MORTGAGOR'S COVENANTS.**

- a. **COVENANT OF TITLE.** Mortgagor warrants title to the Property, except restrictions and easements of record, if any. This property is subject to all of the terms and conditions set forth in the Loan and Affordable Housing Development Agreement and is subject to a 5-year HOME period of affordability.
- b. **FIXTURES.** Any property which has been affixed to the Property and is used in connection with it is intended to become a fixture. Mortgagor waives any right to remove such fixture from the Property which is subject to this mortgage.
- c. **TAXES.** Mortgagor promises to pay when due all taxes and assessments levied on the Property or upon Mortgagee's interest in it and to deliver to Mortgagee on demand receipts showing such payment.
- d. **INSURANCE.** Mortgagor shall keep the improvements on the Property insured against loss or damage occasioned by fire, extended coverage perils and such other hazards as Mortgagee may require, without co-insurance, through insurers approved by Mortgagee, in the amount of the full replacement value of the improvements on the Property. Mortgagor shall pay the insurance premiums when due. The policies shall contain the standard mortgage clause in favor of Mortgagee, and evidence of all policies covering the Property shall be provided to Mortgagee. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee

otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Mortgagee deems the restoration or repair to be economically feasible.

e. **OTHER COVENANTS.** Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from future liens superior to the lien of this Mortgage and to comply with all laws, ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so shall constitute a default under this Mortgage.

2. **DEFAULT AND REMEDIES.** Mortgagor agrees that time is of the essence with respect to payment of principal and interest when due, and in the performance of the terms, conditions and covenants contained herein or in the Obligation secured hereby. In the event of default, Mortgagee may, at its option, declare the whole amount of the unpaid principal and accrued interest due and payable, and collect it in a suit at law or by foreclosure of this Mortgage or by the exercise of any other remedy available at law or equity. If this Mortgage is subordinate to a superior mortgage lien, a default under the superior mortgage lien constitutes a default under this Mortgage.

3. **NOTICE.** Unless otherwise provided in the Obligation secured by this Mortgage, prior to any acceleration (other than under paragraph 9, below) Mortgagee shall mail notice to Mortgagor specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 15 days from the date the notice is mailed to Mortgagor by which date the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration.

4. **EXPENSES AND ATTORNEY FEES.** In case of default, whether abated or not, all costs and expenses, including, but not limited to, reasonable attorney fees, to the extent not prohibited by law shall be added to the principal, become due as incurred, and in the event of foreclosure be included in the judgment.

5. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Sections 846.101 and 846.103, Wis. Stats., as may apply to the Property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and hold the foreclosure sale within the time provided in such applicable Section.

6. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, including homestead interest, to collect the rents, issues and profits of the Property during the pendency of such an action, and such rents, issues and profits when so collected shall be held and applied as the court shall direct.

7. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

8. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage or any Obligation secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the rate then in effect under the Obligation secured by this Mortgage and shall constitute a lien upon the Property.

9. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, long-term lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee without notice, which notice is hereby waived, upon any transfer, sale or conveyance made in violation of this paragraph. A violation of the provisions of this paragraph will be considered a default under the terms of this Mortgage and the Obligation it secures.

10. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control following any default under this Mortgage or the Obligation secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property in accordance with the provisions of Section 708.11, Wis. Stats, as may be amended. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

11. **ENVIRONMENTAL PROVISION.** Mortgagor represents, warrants and covenants to Mortgagee that (a) during the period of Mortgagor's ownership or use of the Property no substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); (b) Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property; (c) without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components ("PCBs") or underground storage tanks; (d) there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claims relating to any Hazardous Substance; (e) Mortgagor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance; and (f) Mortgagor in the past has been, at the present is and in the future will remain in compliance with all Environmental Laws. Mortgagor shall indemnify and hold harmless Mortgagee from all loss, cost (including reasonable attorney fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of or based upon (i) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

12. **SECURITY INTEREST ON FIXTURES.** To further secure the payment and performance of the Obligation, Mortgagor hereby grants to Mortgagee a security interest in:

**CHOOSE ONE OF THE FOLLOWING OPTIONS; IF NEITHER IS CHOSEN, OPTION A SHALL APPLY:**

- A. All fixtures and personal property located on or related to the operations of the Property whether now owned or hereafter acquired.
- B. All property listed on the attached schedule.

This Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to those parts of the Property indicated above. This Mortgage constitutes a fixture filing and financing statement as those terms are used in the Uniform Commercial Code. This Mortgage is to be filed and recorded in the real estate records of the county in which the Property is located, and the following information is included: (1) Mortgagor shall be deemed the "debtor"; (2) Mortgagee shall be deemed to be the "secured party" and shall have all of the rights of a secured party under the Uniform Commercial Code; (3) this Mortgage covers goods which are or are to become fixtures; (4) the name of the record owner of the land is the debtor; (5) the legal name and address of the debtor are 2210 Lofts Limited Partnership, 801 Washington Ave N #108, Minneapolis, MN, 55401; (6) the state of organization and the organizational identification number of the debtor (if applicable) are Minnesota; and (7) the address of the secured party is 2219 South Avenue, La Crosse WI 54601

13. **SINGULAR; PLURAL.** As used herein, the singular shall include the plural and any gender shall include all genders.

14. **JOINT AND SEVERAL/LIMITATION ON PERSONAL LIABILITY.** The covenants of this Mortgage set forth herein shall be deemed joint and several among Mortgagors, if more than one. Unless a Mortgagor is obligated on the Obligation secured by this Mortgage, Mortgagor shall not be liable for any breach of covenants contained in this Mortgage.

15. **INVALIDITY.** In the event any provision or portion of this instrument is held to be invalid or unenforceable, this shall not impair or preclude the enforcement of the remainder of the instrument.

16. **MARITAL PROPERTY STATEMENT.** Any individual Mortgagor who is married represents that the obligation evidenced by this instrument was incurred in the interest of Mortgagor's marriage or family.

Dated \_\_\_\_\_ .

2219 Lofts Limited Partnership

\_\_\_\_\_(SEAL)\_\_\_\_\_(SEAL)  
\*By: Rob McCready, Co-President \*

\_\_\_\_\_(SEAL)\_\_\_\_\_(SEAL)  
\*By: LaVerne Hanson, Co-President \*

**AUTHENTICATION**

**ACKNOWLEDGMENT**

Signature(s) \_\_\_\_\_  
\_\_\_\_\_  
authenticated on \_\_\_\_\_

STATE OF MINNESOTA )  
 ) ss.  
\_\_\_\_\_ COUNTY )

\_\_\_\_\_  
\* \_\_\_\_\_  
TITLE: MEMBER STATE BAR OF WISCONSIN  
(If not, \_\_\_\_\_  
authorized by Wis. Stat. § 706.06)

Personally came before me on \_\_\_\_\_,  
the above-named Rob McCready and La Verne Hanson of,  
Metro Plains, LLC.  
to me known to be the person(s) who executed the  
foregoing instrument and acknowledged the same.

THIS INSTRUMENT DRAFTED BY:  
Mark N. Mathias (#1033477)

\_\_\_\_\_  
\* \_\_\_\_\_  
Notary Public, State of Wisconsin  
My Commission (is permanent) (expires: \_\_\_\_\_)

(Signatures may be authenticated or acknowledged. Both are not necessary.)

**NOTE: THIS IS A STANDARD FORM. ANY MODIFICATIONS TO THIS FORM SHOULD BE CLEARLY IDENTIFIED.**  
MORTGAGE STATE BAR OF WISCONSIN FORM NO. 21-2003

\* Type name below signatures.