

WOODBURY COUNTY, IOWA
LOAN AND SERVICING AGREEMENT

LOAN AND SERVICING AGREEMENT, executed this 14th day of April, 2015, by and between Woodbury County, Iowa (Woodbury County), with principal offices at 620 Douglas Street, County Courthouse, Sioux City, IA 51101, and Countryman Financial Group, LLC (Borrower/Debtor), with principal offices at 1264 Ida Avenue, Merville, IA 51039.

WITNESSETH

WHEREAS, Woodbury County and Borrower have heretofore or will hereafter enter into certain undertakings and agreements and execute certain instruments, including security and collateral instruments, for the purpose of enabling Woodbury County to lend to Borrower the initial sum of Thirty-Five Thousand--and--No/100's Dollars (\$35,000.00).

WHEREAS, Woodbury County may lawfully lend said funds and Borrower may lawfully borrow same.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings of the parties expressed below, the parties hereby covenant and agree as follows:

1. Scope of Undertaking. It is understood and acknowledged that Woodbury County shall lend funds to Borrower necessary to purchase a book of business from EGR Insurance, Inc. in Merville, IA.
2. Loan. To further assist in the financial undertaking described in Section 1 above, Woodbury County shall lend Borrower the sum of Thirty-Five Thousand--and--No/100's Dollars (\$35,000.00) subject to the terms and conditions of this Agreement and any ancillary agreements and instruments.
3. Note. The loan to Borrower shall be evidenced by a promissory note, in a form acceptable to Woodbury County, executed by Borrower's duly authorized official(s).
4. Payment. Repayment of the loan provided for in Sections 1 and 2 above shall be made under the terms and conditions contained in the promissory note for said loan.
5. Security. Borrower covenants, represents and warrants: (a) that a Security Agreement shall be executed granting Woodbury County a first security interest in all business assets now owned or hereafter acquired by the debtor, whether now existing or hereafter arising, and wherever located, together with the proper financing statements for filing in the appropriate public office or office(s); (b) that a Mortgage shall be executed granting Woodbury County a third security interest in the real property legally described on Exhibit A – Page 4; and (c) that a Personal Guarantee shall be executed by Christen J. Countryman.
6. Responsibility of Woodbury County. Woodbury County shall be responsible for the administration, monitoring and servicing of the loan from the inception of said loan through payment in full of all obligations to Woodbury County. All servicing actions of Woodbury County are expressly made subject to the terms of this Agreement, the Woodbury County Loan Program, and any promissory notes, security agreements and related instruments executed by and between Woodbury County, Borrower and Guarantors.
7. Borrower's Fees. Borrower shall be responsible for assuming all costs of closing, including attorney's fees and expenses incurred for filing or recording necessary to perfect a security interest in the assets of the Borrower. Borrower shall receive a written statement disclosing all fees and expenses associated with the loan closing.

8. Method of Repayment. Borrower shall repay the Woodbury County loan by making sixty (60) installment payments directly to Woodbury County at the address first written above in a sum including principal and interest computed as described in the promissory note evidencing said loan.

9. Additional Affirmative Covenants of Borrower. Borrower covenants, warrants, guarantees and represents:

(a) Borrower shall fully and faithfully repay the principal and interest due on all other debt of Borrower now existing or hereafter acquired.

(b) Borrower has the full power and authority to enter into this Agreement, undertake the borrowings provided for or reflected herein, and deliver the note or notes, and to execute and deliver the instruments and documents which may be required pursuant hereto; no consent or approval of any public authority or regulatory agency is required as a condition of validity of the obligation of Borrower under this Agreement; the note or notes or the documents or instruments contemplated hereby other than those consents or approvals which have already been obtained and copies of which have been delivered or will be delivered to Woodbury County pursuant to this or any ancillary agreements.

(c) There is no provision of any existing mortgage, indenture, contract, or agreement binding upon Borrower which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Agreement.

(d) That neither Borrower nor a close relative of such entity is an officer, director or person or group of persons controlling as much as ten percent of the voting power of Woodbury County. If during the terms of this Agreement, Borrower or its affiliates acquire, directly or indirectly, in excess of ten percent ownership or interest in Woodbury County, all sums due and owing pursuant to the note given in connection with the loan referred to herein shall immediately become due and payable.

(e) That Borrower will take all reasonable actions to provide and maintain hazard insurance in such amounts and for such coverages as shall be satisfactory to Woodbury County and will further purchase Federal Flood Insurance in amounts and coverages satisfactory to Woodbury County if it becomes located within a special flood hazard area as defined by FEMA during the term of this loan and Federal Flood Insurance is available.

(f) Borrower will annually submit to Woodbury County financial statements consisting of a Balance Sheet, Profit & Loss Statement, and Reconciliation of Changes in Net Worth for Countryman Financial Group, LLC. In addition, Christen J. Countryman will annually submit a personal financial statement consisting of a Balance Sheet and Profit & Loss Statement. The statements will be certified as true and correct copies by Borrower. Financial statements may be requested more frequently if deemed necessary by Woodbury County for servicing purposes.

(g) Borrower, by executing this agreement, gives written consent to Borrower's accounting service to allow the release of financial statements pertaining to Borrower to Woodbury County as may be requested.

(h) Borrower will maintain Countryman Financial as a financial services business during the term of this loan.

10. Default and Acceleration. It is understood and acknowledged that in any one of the following events, all outstanding unpaid balances due and owing to Woodbury County shall immediately become due and payable without further notice to Borrower:

(a) Borrower shall file a petition in the U.S. Bankruptcy Court or an involuntary petition shall be so filed against Borrower.

- (b) Breach of any of the covenants, promises or conditions of any note, security agreement or other agreement with the holder.
- (c) A default by Borrower in the payment of the debt to Siouxland Economic Development Corporation.
- (d) Woodbury County, in good faith, deems itself insecure.

11. Conflicting Provisions. In the event of any conflict between any provision of this Agreement and any other document, instrument or agreement executed by and between Woodbury County and Borrower in connection with the financing described in Sections 1 and 2 above, the terms of such other document, instrument or agreement shall control.

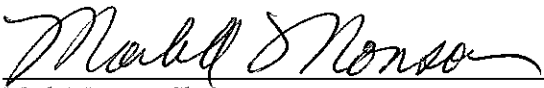
12. Confidentiality. All financial statements or any other business or financial information of the Borrower and Christen J. Countryman shall be kept confidential by Woodbury County to the fullest extent permissible under applicable law.

NOTICE: ORAL OR IMPLIED CHANGES TO THIS OR ANY OTHER CREDIT AGREEMENT(S) WITH THIS LENDER ARE NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON.

IMPORTANT: *READ BEFORE SIGNING.* THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE ALSO APPLIES TO ANY OTHER CREDIT AGREEMENTS NOW IN EFFECT BETWEEN YOU AND THIS LENDER.

IN WITNESS WHEREOF, the parties have executed this Loan and Servicing Agreement by their duly authorized representatives as of the date above first written.

Woodbury County, Iowa

By: 
Mark Monson, Chairman

Countryman Financial Group, LLC (Borrower/Debtor)


By: 
Christen J. Countryman, Sole Member

Exhibit A

Part of the Northeast Quarter (NE¼) of the Southeast Quarter (SE¼) of Section Fifteen (15), Township Eighty-nine (89) North, Range Forty-four (44) West of the 5th P.M., Woodbury County, Iowa, further described as follows:

Commencing at the Northeast (NE) Corner of the Southeast Quarter (SE¼) of said Section Fifteen (15); thence South Zero Degrees Zero Minutes Zero Seconds (S 00° 00' 00") East along the East line of the Southeast Quarter (SE¼) of said Section Fifteen (15) a distance of Three Hundred Thirteen Feet (313') to the point of beginning; thence continuing on said East line South Zero Degrees Zero Minutes Zero Seconds (S 00° 00' 00") East a distance of Nine Hundred Ten Feet (910'); thence South Ninety Degrees Zero Minutes Zero Seconds (S 90° 00' 00") West a distance of Five Hundred Ninety Feet (590'); thence North Zero Degrees Zero Minutes Zero Seconds (N 00° 00' 00") West a distance of Nine Hundred Ten Feet (910'); thence North Ninety Degrees Zero Minutes Zero Seconds (N 90° 00' 00") East a distance of Five Hundred Ninety Feet (590') to the point of beginning.

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT IS ENTERED INTO this 1st day of April, 2015, by and between Woodbury County, Iowa (Woodbury County), Siouxland Economic Development Corporation (SEDC), and Countryman Financial Group, LLC (Debtor).

WITNESSETH

1. WHEREAS, Woodbury County has agreed to extend credit to Debtor in the sum of \$35,000.00 ("Original Loan") for the purpose of purchasing a book of business from EGR Insurance, Inc. in Merville, IA; and

2. WHEREAS, SEDC has also agreed to extend credit to Debtor in the sum of \$15,000.00 for the purpose of purchasing a book of business from EGR Insurance, Inc. in Merville, IA; and

3. WHEREAS, Woodbury County's credit to Debtor is secured by certain collateral documents executed by Debtor which grants Woodbury County a first security interest in all business assets of Debtor, a third security interest in the personal residence owned by Christen J. Countryman and Jodi L. Countryman, husband and wife, and legally described on Exhibit A – Page 6, and a personal guarantee from Christen J. Countryman (hereinafter "Woodbury County's Collateral"); and

4. WHEREAS, SEDC's credit to Debtor is secured by (a) a Security Agreement granting SEDC a second security interest in all business assets of Debtor, together with the proper financing statements for filing in the appropriate public office or offices; (b) a Mortgage granting SEDC a second security interest in the personal residence owned by Christen J. Countryman and Jodi L. Countryman, husband and wife, and legally described on Exhibit A – Page 6; and (c) a Personal Guarantee from Christen J. Countryman. This security shall include all future advances and other debts of Debtor to SEDC of any nature whatsoever whether now existing or hereafter incurred (hereinafter collectively "SEDC's Security Interest in Collateral"); and

5. WHEREAS, to induce SEDC to extend credit to Debtor, Debtor has secured payment of its indebtedness to SEDC by granting SEDC's Security Interest in Collateral which is junior and inferior in priority only to the security interest granted to Woodbury County for the Original Loan; and

6. WHEREAS, Woodbury County may, from time to time, extend additional advances of credit to Debtor which shall be inferior and junior to SEDC; and

7. WHEREAS, upon Debtor's request and in order to induce SEDC to extend credit to Debtor, Woodbury County is willing to establish the following priority in the event of default, including but not limited to, foreclosure, sale or other disposition of or realization upon the collateral of any part thereof.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES HEREIN ABOVE STATED, the representations, warranties, covenants and agreements herein contained and for other good and valuable consideration, the receipt of which are hereby acknowledged by the parties hereto, Woodbury County, SEDC and Debtor agree as follows:

1. Woodbury County's Priority Limitation. Woodbury County's first priority in the business assets shall be limited to the amount of \$35,000.00, accrued interest and costs as further set forth in paragraph 2 hereof or amount of indebtedness of Debtor under the Original Loan, whichever is less.

2. Distribution of Proceeds. Notwithstanding the aforesaid priority of Woodbury County under its Security Agreement on Woodbury's Collateral, Woodbury County hereby agrees that after default on Debtor's Original Loan to Woodbury County, the proceeds from voluntary surrender, foreclosure, sale, liquidation or other disposition of or realization upon Woodbury County's Collateral shall be applied in the following manner:

- A. The payment of all costs and expenses of Woodbury County and SEDC, including reasonable attorney fees in the event of legal action relative to a foreclosure, sale, liquidation or other disposition or realization upon the Woodbury County's Collateral incurred by either party or both parties initiating and conducting such legal action, provided that SEDC's costs shall not be reimbursed from the Woodbury County's Collateral without the prior consent of Woodbury County or the payment to Woodbury County of the amount due in Section B. below.
- B. The payment of an amount from Woodbury County's Collateral to Woodbury County in the sum of \$35,000.00 (Original Loan), and interest thereon at the rate set out in Woodbury County's promissory note, or the amount of the indebtedness of Debtor owed to Woodbury County, whichever is lesser, realized from the sale of Woodbury County's Collateral.
- C. The payment of an amount to SEDC in the sum of \$15,000.00 or the amount of the indebtedness of Debtor owed to SEDC, including unreimbursed costs, the unpaid principal balance, and interest thereon at the rate set out in SEDC's promissory note, whichever is lesser.
- D. Payment to Woodbury County of the amount equal to the indebtedness of Debtor to Woodbury County.
- E. Payment to any party, including, but not limited to, Debtor, entitled to any surplus remaining.

The effectiveness and enforceability of this provision and this agreement are conditioned on the existence and continuation of valid enforceable and perfected liens and security interests in favor of Woodbury County or SEDC, as the case may be.

3. Default Under Loan Documents. Debtor agrees that any default or event of default which may occur under any loan documents for SEDC and/or Woodbury County shall also be a default under the loan documents of the other lender.

4. Notification and Necessary Consent. Woodbury County and SEDC shall promptly give written notice to the other of the occurrence and/or continuance of any default or event of default by Debtor under any agreement, instrument or document to which Debtor is a party. Woodbury County and SEDC shall each be entitled to receive and retain payment properly paid by Debtor pursuant to the loan documents until notification of default is given by Woodbury County or SEDC to the other. Woodbury County and SEDC agree that neither shall amend, increase, extend, renew, alter, modify nor receive additional collateral or guarantees with the respect to the original note of Woodbury County or SEDC's original note without written consent of the other party. After notification, all proceeds received must be distributed pursuant to paragraph 2 hereof unless otherwise agreed in writing by Woodbury County and SEDC. Woodbury County and SEDC agree to mutually establish an escrow account for deposit and accounting of the proceeds.

5. Financial Data. Debtor agrees that Woodbury County and SEDC may provide to one another financial data provided by Debtor or otherwise obtained including, but not limited to, financial statements.


6. Cure. Woodbury County and SEDC agree that, with respect to the indebtedness, obligations and liabilities, now and hereafter arising, of Debtor to either of them, Woodbury County or SEDC shall have the same right to cure any default by payment or performance of such obligations as shall be afforded to Debtor under any agreement, instrument, or document to which Debtor and Woodbury County or Debtor and SEDC are parties.

7. Successor and Assigns Amendment. This agreement shall be binding upon and inure to the benefit of Woodbury County, SEDC and Debtor, their successors and assigns. This is a continuing agreement and may not be revoked or terminated or modified in any way except in writing executed by all the parties hereto.

8. Termination. This agreement and the relative lien priorities herein contained shall be continued in full force and effect until the payment in full of all indebtedness, obligations and liabilities now or hereafter arising of Debtor owed to Woodbury County and SEDC.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Woodbury County, Iowa (Woodbury County)

By: 
Mark Monson, Chairman

Siouxland Economic Development Corporation (SEDC)

No Seal

By: 
Kenneth A. Beekley, Assistant Secretary

Countryman Financial Group, LLC (Debtor)

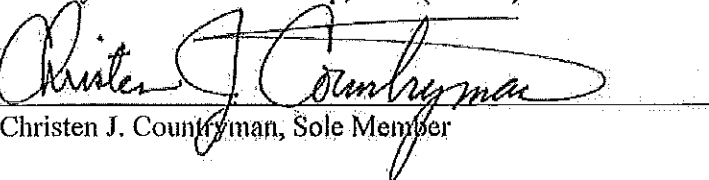
By: 
Christen J. Countryman, Sole Member

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