Del. Co. Abstract Co.

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DELAWARE COUNTY IOWA FILED

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135-342

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT is made August 20, 1996, by COUNTRYSIDE ASSOCIATES OF MANCHESTER, L. P., an Iowa limited partnership ("**Assignor**").

IT IS AGREED AS FOLLOWS:

1. **Definitions.**

(a) "**LOAN**" as hereinafter used shall mean the Construction loan in the original amount of up to Three Hundred Nine Thousand and no/100ths ($309,000.00), as evidenced by the Note and Mortgage referred to in paragraphs (b) and (d) below, as well as other securing agreements and instruments.

(b) "**MORTGAGE**" shall mean that certain Mortgage and Security Agreement, dated as of December 20, 1995, together with any amendments thereto made by and between Assignor and NORWEST BANK IOWA, NATIONAL ASSOCIATION ("**Bank**"), securing a Construction Note in the amount of up to Three Hundred Nine Thousand and no/100ths Dollars ($309,000.00).

(c) "**MORTGAGED PROPERTY**" shall mean the real estate described in Exhibit A attached hereto.

(d) "**NOTES**" shall mean that certain Construction Note in the original principal sum of up to Three Hundred Nine Thousand and no/100ths Dollars ($309,000.00), executed pursuant and in reference to the Mortgage referred to above by Assignor, as maker, and payable to the Bank, as payee, and all renewals, extensions and replacements thereof.

(e) "**LOAN AGREEMENT**" shall mean that certain Construction Loan Agreement, dated as of 8/20, 1996, by and among Assignor, James F. Levy and Bank.

NOW, THEREFORE, for and in consideration of the making and funding of said Loans, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor, for itself, its successors and assigns, has bargained, sold, transferred, assigned, conveyed, set over and delivered, and by these presents does hereby bargain, sell, transfer, assign, and convey as security for the repayment of the above-described indebtedness and the payment or performance of all of the terms and conditions of the Notes and Mortgage and any and all amendments, extensions and renewals thereof, all leases now existing or hereafter executed affecting the Mortgaged Property, and all rents, issues, profits, and income and sums of money

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which may now or hereafter be or become due and owing under and by virtue of said leases, it being the intention hereby to establish a complete transfer and assignment of the leases hereby assigned and all the avails thereunder unto the Bank, its successors and assigns, together with the right, but without the obligation, to collect all of the said rents, issues, profits and income arising or accruing, or which may become due at any time during the life of this Assignment. Assignor further agrees, upon demand, to deliver to and deposit said leases with the Bank.

Notwithstanding anything in this Assignment of Leases and Rents to the contrary, so long as no Event of Default exists under the Loan Agreement, Assignor shall be entitled to collect and keep, all rents, issues, profits and incomes which may due from lessees and other occupants of the Mortgaged Premises.

Upon the occurrence of an Event of Default under the Loan Agreement, the lessees and occupants of the Mortgaged Property or any part hereof, are hereby expressly authorized and directed to pay to the Bank all rents and sums herein assigned which would be payable to Assignor, except for this Assignment, and to transmit and deliver such payment to the Bank, or such nominee as it may designate in writing.

The Bank is hereby vested with full power to use all such measures, legal and equitable, as in its discretion may be deemed necessary or proper to enforce this Agreement and to collect the rents, issues, profits and income assigned hereunder, including the right to enter upon the Mortgaged Property and to take possession thereof, and Assignor hereby grants full power and authority to the Bank to exercise all rights, privileges and powers herein granted at any and all times hereafter, without notice to the Assignor, with full power to use and apply all of the rents, issues, profits and income herein assigned to the payments of the Indebtedness of the Assignor to the Bank.

The Bank shall be under no obligation to Assignor to press any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations undertaken by the Assignor under the leases, and it does not assume any of the liabilities in connection with, or rising or growing out of, the covenants and agreements of the Assignor. Assignor covenants and agrees that it will faithfully perform all of the obligations imposed upon it under the leases herein assigned, and agrees to indemnify the Bank, and hold the Bank harmless from any and all liability, loss or damage which may or might be incurred by the Bank by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants, or agreements contained in the leases. It is further understood that this Assignment shall not operate to place responsibility for the control, care, management or repair of said leased premises upon the Bank, nor for the carrying out of any of the terms and conditions of the leases, nor shall it operate to make the Bank responsible or liable for any waste committed on the property by tenants or occupants under such leases or any other party, or for any dangerous or defective condition of the leased premises resulting in loss, injury or death to any tenant, licensee, employee, occupant or any other person.

Upon payment in full of the Indebtedness for which this Assignment is additional security, this Agreement shall be null and void, otherwise, it shall remain and be in full force and effect as herein provided, and together with the covenants and warranties herein contained, shall inure to the benefit of the Bank and any subsequent holder of said Indebtedness, and shall be binding upon the Assignor, its successors and assigns, including any subsequent owner of the Mortgaged Property.

This Assignment of Leases and Rents is subject to the terms and conditions of the Loan Agreement and in the event of any conflict between the terms and conditions of the Loan Agreement and of this Assignment of Leases and Rents, the Loan Agreement shall prevail.

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.

IN WITNESS WHEREOF, Assignor has executed this Agreement as of the day and year above written.

COUNTRYSIDE ASSOCIATES OF MANCHESTER, L.P., an Iowa limited partnership

By: James F Levy
James F. Levy, its general partner

STATE OF IOWA)
)SS:
COUNTY OF POLK)

On this 20 day of August, 1996, before me, the undersigned a Notary Public in and for the State of Iowa, personally appeared James F. Levy, to me personally known, who, being by me duly sworn, did say that he is the General Partner of Countryside Associates of Manchester, L.P., an Iowa limited partnership, executing the foregoing instrument; that the instrument was signed on behalf of the partnership by authority of the limited partnership; and that the General Partner acknowledged execution of the instrument to be the voluntary act and deed of the limited partnership by it and by him voluntarily executed.

NOTARIAL SEAL IOWA
BRYAN FREUND
MY COMMISSION EXPIRES
June 20, 1999

Bryan R. Freund 8/20/96
Notary Public in and for said State

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EXHIBIT A

Countryside Associates of Manchester, L.P.

Parcel D, a part of the NE¼ NW¼ of Section 29, Township 89 North, Range 5 West of the 5th P.M. according to Plat recorded in Book 7 Plats, Page 47, also sometimes described as follows: Commencing at the North Quarter Corner of section 29, T89N, R5W of the 5th P.M.; thence N90° 00′ 00″ W along the North line of the NE¼ of the NW¼ of said Section 29, 628.68 feet; thence S0° 04′ 15″ W, 33.00 feet to the Northwest Corner of Lot 114 of Henry Acres Addition to Manchester, Iowa; thence N90° 00′ 00″ W along the South Right-of-Way line of Line Street 66.00 feet to the point of beginning; thence continuing N90° 00′ 00″ W, 400.00 feet; thence S0° 04′ 15″ W, 655.00 feet; thence S90° 00′ 00″ E, 400 feet; thence N0° 04′ 15″ E, 655.00 feet to the point of beginning.

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