DELAWARE COUNTY IOWA
FILED
2003 AU 11 AM 9:
BOOK 2003 PAGE 3838
DEBORAH L. BRYON
DELAWARE CO. RECORDER
51.00

United Settlement Services
301 E. 53rd St Ste 200
Davenport IA 52807

2003-3838 COPY

THIS INSTRUMENT PREPARED BY: Stephen C. Nelson
Moyer & Bergman, PLC, 2720 1st Ave. NE, PO Box 1943, Cedar Rapids, IA 52406-1943, (319) 366-7881

MORTGAGE

THIS MORTGAGE is made between Xethanol One, LLC, a Delaware limited liability company ("Mortgagor") and Robert J. Lehman and Carol J. Lehman, husband and wife ("Mortgagees").

[X] If this box is checked, this Mortgage is a Purchase Money Mortgage as defined in the Iowa Code.

1. **Grant of Mortgage and Security Interest.** Mortgagor hereby sells, conveys and mortgages unto Mortgagees, and grants a security interest to Mortgagees in the following described property:

a. **Land and Buildings**. All of Mortgagor's right, title and interest in and to the following described real estate situated in Delaware County, Iowa (the "Land");
~~See Exhibit "A" attached, and also described as:~~
Lots One (1), Two (2), Three (3), Four (4), Five (5) and Six (6), Block Five (5), H.A. Carter's Addition to Hopkinton, Iowa, according to plat recorded in Book E L.D., Page 529
Per plat recorded in Bk 2003 Page 3013
AND
See Exhibit "A" attached, and also described as:

Lots Seven (7) and Eight (8), Block Three (3), of Hopkinton Addition to H.A. Carter according to plat recorded in Book E L.D., Page 529; the North one hundred (100) feet of Public Square (now vacated) of H.A. Carter's Addition to Hopkinton, Iowa, and the South thirty four (34) feet of the West two hundred fifty six (256) feet of Depot Street, and the North fourteen (14) feet of Depot Street, and the South thirty (30) feet of Second Street lying between Locust Street and Chestnut Street, and the West one hundred thirty two (132) feet of the North thirty six (36) feet of that part of Second Street lying between Locust Street and Chestnut Street, all in the Town of Hopkinton, Iowa, same being a part of the Northwest Quarter (NW1/4) of the Southwest fractional Quarter (SWfr1/4) of Section Eighteen (18), Township Eighty Seven (87) North, Range Three (3), West of the Fifth P.M. and of the Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4) of Section Thirteen (13), Township Eighty Seven (87) North, Range Four (4), West of the Fifth P.M., Delaware County, Iowa;

and all permanent buildings, structures and improvements now standing or at any time hereafter constructed or placed upon the Land (the "Buildings"), including all hereditament, easements, appurtenances, riparian rights, mineral rights, water rights, rights in and to the lands lying in streets, alleys and roads adjoining the land, estates and other rights and interests now or hereafter belonging to or in any way pertaining to the Land.

b. **Personal Property.** All fixtures and other personal property integrally belonging to or hereafter becoming an integral part of the Land or Buildings, such fixtures and other personal property more particularly described on Exhibit A attached hereto, whether attached or detached, including but not limited to, light fixtures, shades, rods, blinds, Venetian blinds, awnings, storm windows, screens, linoleum, water softeners, automatic heating and air-conditioning equipment and all proceeds, products, increase, issue, accessions, attachments, accessories, parts, additions, repairs. replacements and substitutes of, to, and for the foregoing (the "Personal Property").

c. **Revenues and Income.** All rents, issues, profits, leases, condemnation awards and insurance proceeds now or hereafter arising from the ownership, occupancy or use of the Land, Buildings, and Personal Property, or any part thereof (the "Revenues and Income").

TO HAVE AND TO HOLD the Land, Buildings, Personal Property, and Revenues and Income (collectively called the "Mortgaged Property"), together with all privileges, hereditament thereunto now or hereafter belonging, or in any way appertaining and the products and proceeds thereof, unto Mortgagees, their successors and assigns.

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

a. The payment of the loan made by Mortgagees to Mortgagor evidenced by a promissory note dated the 9th day of June, 2003, in the principal amount of $1,125,000.00 with a due date of June 30, 2006, any renewals, extensions, modifications or refinancing thereof and any promissory notes issued in substitution therefor (the "Promissory Note"); and

b. All other obligations of Mortgagor to Mortgagees, now existing or hereafter arising, whether direct or indirect, contingent or absolute and whether as maker or surety, including, but not limited to, future advances and amounts advanced and expenses incurred by Mortgagees pursuant to this Mortgage.

c. All obligations of the Mortgagor under this Mortgage and this Mortgage, itself shall be released and considered void upon the fulfillment of all conditions and payments under the Promissory Note.

3. **Representations and Warranties of Mortgagor.** Mortgagor represents, warrants and covenants to Mortgagees that (i) Mortgagor holds clear title to the Mortgaged Property and title in fee simple in the Land; (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, except for real estate taxes not yet delinquent and except for a mortgage in favor of Citizens State Bank of Hopkinton, Iowa which is the obligation of the Mortgagee to satisfy at the time the Promissory Note is paid in full and this Mortgage is released; as otherwise stated in subparagraph 1a. herein; (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; and (v) all buildings and improvements now or hereafter located on the Land are, or will be, located entirely within the boundaries of the Land.

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

5. **Taxes.** At the time that Mortgagor pays each monthly payment due under the Promissory Note, Mortgagor shall also pay 1/12th of the estimated annual real estate taxes against the Mortgaged Property to be placed in a non-interest bearing escrow account by Mortgagees. Mortgagees shall pay each installment of real estate taxes and special assessment from the funds being held in escrow before the same become delinquent, without notice or demand and shall deliver to Mortgagor proof of such payment within 15 days after the date in which such tax assessment becomes delinquent. Mortgagee shall be responsible for the real estate tax installment due March 31, 2004 and the real estate tax installment due September 30, 2004 shall be prorated from July 1, 2003 to the date of possession is delivered to Mortgagor. If the Mortgagees fail to pay real estate taxes and special assessments before such taxes and/or assessments become delinquent, Mortgagor may advance monies to pay such taxes and special assessments and may withhold monthly payments due under the Note to the Mortgagees until such time as the amount advanced for such real estate taxes and special assessments has been recovered and the

Mortgagor's obligation to escrow 1/12th of the estimated annual real estate taxes against the Mortgaged Property shall be null and void.

6. **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 the lien of current real estate taxes and installments of special assessments with respect to which no penalty is yet payable. Mortgagor shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Mortgaged Property.

7. **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.

8. **Permitted Contests.** Mortgagor shall not be required to (i) pay any tax, assessment or other charge referred to in paragraph 5 hereof, (ii) discharge or remove any lien, encumbrance or charge referred to in paragraph 6 hereof, or (iii) comply with any statute, law, rule, regulation or ordinance referred to in paragraph 7 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 written notice to Mortgagees within thirty (30) days of the commencement of any contest referred to in this paragraph 8.

9. **Care of Property.** Mortgagor shall take good care of the Mortgaged Property; shall keep the Buildings and Personal Property now or later placed upon the Mortgaged Property in good and reasonable repair and shall not injure, destroy or remove either the Buildings or Personal Property during the term of this Mortgage. Mortgagor shall not, during the term of this mortgage, make any material alteration to the Mortgaged Property without the prior written consent of Mortgagees, provided, however, such written consent shall not be unreasonably withheld.

10. **Insurance.**

a. **Risks to be Insured.** Mortgagor, at its sole cost and expense, shall maintain insurance on the Buildings and other improvements now existing or hereafter erected on the Land and on the Personal Property included in the Mortgaged Property against loss by fire, extended coverage perils and such other hazards as Mortgagees may from time to time reasonably 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 80% of replacement cost provided the policy contains an appropriate form of cost escalation endorsement. Mortgagor will at its sole cost and expense, from time to time, and at any time at the request of Mortgagees, provide Mortgagees with evidence satisfactory to Mortgagees of the replacement cost of Mortgaged Property.

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 Mortgagees, be payable to the parties as their interest may appear, contain a loss payable clause in favor of Mortgagees, 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 Mortgagees, and be reasonably satisfactory to Mortgagees in all other respects.

c. **Delivery of Policy or Certificate.** If requested by Mortgagees, Mortgagor will deliver to

Mortgagees original policies satisfactory to Mortgagees evidencing the insurance which is required under this Mortgage, and Mortgagor shall promptly furnish to Mortgagees all renewal notices and, upon request of Mortgagees, evidence of payment thereof. At least ten (10) days prior to the expiration date of a required policy, Mortgagor shall deliver to Mortgagees a binder or other evidence that a renewal or new policy is in force in form satisfactory to Mortgagees.

d. **Assignment of Policy.** If the Mortgaged Property is sold at a foreclosure sale or if Mortgagees shall acquire title to the Mortgaged Property, Mortgagees 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 five (5) calendar days after the occurrence of such damage or destruction, give written notice thereof to the insurance carrier and to Mortgagees and will not adjust any damage or loss which is estimated by Mortgagor in good faith to exceed $25,000 unless Mortgagees 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, Mortgagees 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 with an Event of Default, Mortgagor does hereby irrevocably authorize, empower and appoint Mortgagees 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.** The insurance proceeds covering the damage or destruction of the Mortgaged Property shall be paid to Mortgagees. Upon Mortgagees receiving satisfactory proof that the insurance proceeds will cover the repair and restoration of the Mortgaged Property, Mortgagees shall pay Mortgagor from the proceeds for the estimated reasonable cost of repair or restoration of the Mortgaged Property if Mortgagor is not in default under this Mortgage. Any proceeds which have not been committed to the repair or restoration of the Mortgaged Property shall be used first to pay any amount owing to Mortgagees under this Mortgage, then to pay accrued interest and the remainder, if any, shall be applied to the principal balance of the Promissory Note and the balance if any shall be paid to the Mortgagor.

g. **Reimbursement of Morgagees' Expenses.** In the event of a dispute or litigation, the prevailing party shall be entitled to recover expenses and attorneys fees from the other party.

h. **Mortgagor's Report on Insurance.** Upon request of Mortgagee's, however not more than once a year, Mortgagor shall furnish to Mortgagees copies of all insurance policies applicable to the Mortgaged Property.

11. **Inspection.** Mortgagees, and their agents, shall have the right, upon reasonable notice and during normal business hours, to enter upon the Mortgaged Property for the purpose of inspecting the Mortgaged Property or any part thereof. Mortgagees shall, however, have no duty to make such inspection. Any inspection of the Mortgaged Property by Mortgagees shall be entirely for its benefit and Mortgagor shall in no way rely or claim reliance thereon.

12. **Protection of Mortgagees' Security.** Subject to the rights of Mortgagor under paragraph 8 hereof, if Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage or if any action or proceeding is commenced which affects the Mortgaged Property or the interest of the Mortgagees therein, or the title thereto and Mortgagor has not corrected such failure within thirty (30)

days written notice from Mortgagees, then Mortgagees, at Mortgagees' option, may perform such covenants and agreements, defend against or investigate such action or proceeding, and take such other action as Mortgagees deem necessary to protect Mortgagees' interest. Any amounts or expenses disbursed or incurred by Mortgagees in good faith pursuant to this paragraph 12 with simple interest thereon at the rate of 9.0% per annum, shall become an Obligation of Mortgagor secured by this Mortgage. Such amounts advanced or disbursed by Mortgagees hereunder shall be due and payable by Mortgagor within 15 (fifteen) business days of Mortgagees making such demand for payment unless Mortgagor and Mortgagees agree in writing to other terms of repayment. Mortgagees shall, at their option, be subrogated to the lien of any mortgage or other lien discharged in whole or in part by the Obligations or by Mortgagees under the provisions hereof, and any such subrogation rights shall be additional and cumulative security for this Mortgage. Nothing contained in this paragraph shall require Mortgagees to incur any expense or do any act hereunder, and Mortgagees shall not be liable to Mortgagor for any damage or claims arising out of action taken by Mortgagees pursuant to this paragraph.

13. **Condemnation.** Mortgagor shall give Mortgagees prompt notice of any action, actual or threatened, in condemnation or eminent domain and hereby assign, transfer and set over to Mortgagees the proceeds, up to the amount of the balance due under the Promissory Note at the time of such condemnation, 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.

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 Personal Property and for this purpose the name and address of the debtor is the name and address of Mortgagor as set forth in paragraph 20 herein and the name and address of the secured party is the name and address of the Mortgagees as set forth in paragraph 20 herein.

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

a. Mortgagor shall default in the due observance or performance of or breach its agreement contained in paragraph 4 hereof or shall default in the due observance or performance of or breach any other covenant, condition or agreement on its part to be observed or performed pursuant to the terms of this Mortgage.

b. Mortgagor shall make an assignment for the benefit of its 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.

c. A judgment, writ or warrant of attachment or execution, or similar process shall be entered and become a lien on or be issued or levied against the Mortgaged Property or any part thereof which is not released, vacated or fully bonded within thirty (30) days after its entry, issue or levy.

d. An event of default, however defined, shall occur under any other mortgage, assignment or other security document constituting a lien on the Mortgaged Property or any part thereof.

16. **Acceleration; Foreclosure.** Upon the occurrence of any Event of Default and at any time thereafter while such Event of Default exists, Mortgagees may, at their 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. Mortgagees may declare due and payable all Obligations secured by this Mortgage, and the same shall thereupon be due and payable within thirty (30) days of receipt by Mortgagor of such notice of acceleration.

b. Mortgagees shall have and may exercise with respect to the Personal Property, all the rights and remedies accorded upon default to a secured party under the Iowa Uniform Commercial Code. If notice to Mortgagor of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to Mortgagor at least thirty (30) days prior to the date of intended disposition.

c. Mortgagees may (and are 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 shall at the request of Mortgagees appoint a receiver to take immediate possession of the Mortgaged Property and of the Revenues and Income accruing therefrom, and to rent or cultivate the same as the 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. **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 statues of the State of Iowa shall be reduced to six (6) months provided the Mortgagees, 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 three (3) months after sale such right of redemption shall be exclusive to the Mortgagor, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) 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) Mortgagees 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 their 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 Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Mortgagor shall be a presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

18. **Attorneys' Fees.** In the event of a dispute and litigation between Mortgagor and Mortgagees arising out of or in connection with this Mortgage, the prevailing party shall be entitled to recover from the other all costs and expenses incurred by the prevailing party in enforcing or protecting its rights and remedies hereunder, including, but not limited to, reasonable attorneys' fees and legal expenses.

19. **Forbearance not a Waiver, Rights and Remedies Cumulative.** No delay by Mortgagees 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 Mortgagees of any particular

provisions of this Mortgage shall be deemed effective unless in writing signed by Mortgagees. All such rights and remedies provided for herein or which Mortgagees 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.

20. **Notices.** All notices required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the United States mail, postage prepaid, sent certified or registered, addressed as follows:

a. If to Mortgagor, to:

Xethanol One, LLC
360 W. 22nd Street, Suite 16B
New York, NY 10001

With a copy to:

John Bradley Mitchell
Roberts Markel Guerry, P.C.
2500 City West Blvd.
Suite 1350
Houston, Texas 77042

b. If to Mortgagees, to:

Robert and Carol Lehman
5400 Downs Blvd. SW
P.O. Box 9521
Cedar Rapids, IA 52406-9521

With a copy to:

Stephen C. Nelson
Moyer & Bergman, PLC
2720 1st Ave. NE, PO Box 1943
Cedar Rapids, IA 52406-1943

or to such other address or person as hereafter designated in writing by the applicable party in the manner provided in this paragraph for the giving of notices.

21. **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.

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

limited to, additional security agreements, financing statements and continuation statements. Any expenses incurred by Mortgagees in connection with the recordation of any such instruments shall become additional Obligations of Mortgagor secured by this Mortgage. Such amounts shall be immediately due and payable by Mortgagor to Mortgagees.

23. **Successors and Assigns bound; Number; Gender; Agents; Captions**. 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. Words and phrases contained herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the contexts. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

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

25. **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.

Dated this 9 day of June, 2003.

XETHANOL One, LLC
a Delaware limited liability company

By: Xethanol Corporation, a Delaware corporation,
its manager

_____
By

_____
By

STATE OF NEW YORK)
) ss:
COUNTY OF NY)

On this 9 day of July, 2003, before me, a notary public in and for said county, State of New York, personally appeared C. Barnard Taylor, to me personally known, who being by me duly sworn did say that that person is President (insert title of executing member) of said limited liability company and that said instrument was signed on behalf of the said limited liability company by authority of its managers and the said _____ acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.

_____
NOTARY PUBLIC – STATE OF NEW YORK

PAULETTE MANOS
Notary Public, State of New York
No. 41-4965100
Qualified in Brooklyn County
Commission Expires April 16, 2006

Exhibit "A"

LEGAL DESCRIPTION:

***PARCEL N**, INCLUDING LOT 7 & 8, BLOCK 3 OF H.A. CARTER'S ADDITION, PART OF VACATED SECOND STREET, PART OF VACATED DEPOT STREET, AND PART OF PUBLIC SQUARE ADDITION, ALL IN THE CITY OF HOPKINTON, DELAWARE COUNTY, IOWA,* containing a total of 2.05 acres, subject to easements of record, and more particularly described by metes and bounds as follows;

BEGINNING at the Northwest Corner of Lot 7, Block 3 of H.A. Carter's Addition, City of Hopkinton, Iowa;

THENCE along the Northerly Line of Lot 7, and Lot 8 of said Block 3, South 63° 43' 58" East, to the Northeast Corner of said Lot 8, 134.34 feet;

THENCE along the Easterly Line of said Lot 8, South 26° 38' 02" West, to the Northerly Line of the South 30 feet of vacated Second Street, 168.00 feet;

THENCE along the Northerly Line of the South 30 feet of vacated Second Street, South 63° 43' 58" East, to the Westerly Line of Chestnut Street, 268.88 feet;

THENCE along the Westerly Line of Chestnut Street, South 26° 34' 06" West, to the Southerly Line of the North fourteen (14) feet of vacated Depot Street, 144.00 feet;

THENCE along the Southerly Line of the North fourteen (14) feet of vacated Depot Street, North 63° 43' 58" West, 147.80 feet;

THENCE South 26° 16' 00" West, to the Southerly Line of vacated Depot Street, 34.00 feet;

THENCE along the Southerly Line of vacated Depot Street, North 63° 43' 58" West, to the Easterly Line of Locust Street, 256.00 feet;

THENCE along the Easterly Line of Locust Street, North 26° 40' 00" East, 346.00 feet to the **POINT OF BEGINNING**;

Containing a total of 2.05 acres and subject to easements of record.

The Easterly Line of Locust Street is assumed to bear North 26° 40' 00" East.

The attached Plat of Parcel N is a survey of property deeded in a Warranty Deed in T.L.D. Book 54, Page 380 in the Office of the Delaware County Recorder.

Per plat recorded in Bk 2003 Page 3013