DELAWARE COUNTY, IOWA
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RECORDER
DELAWARE COUNTY, IOWA
101.00

Abstract Co.

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THIS MORTGAGE SECURES CREDIT IN THE PRINCIPAL AMOUNT OF UP TO $112,000,000, AS MORE FULLY SET FORTH HEREIN. LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED AND FILED MORTGAGES AND LIENS.

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MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

This MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "**Mortgage**") is made as of this 15 day of October, 2003, by **ATTACHMENT TECHNOLOGIES, INC.**, a Delaware corporation ("**Mortgagor**"), whose address is 503 Gay Street, Delhi, Iowa 52223, in favor of **ANTARES CAPITAL CORPORATION**, whose address is 311 S. Wacker Drive, Suite 6400, Chicago, Illinois 60606, in its capacity as agent (in such capacity, "**Mortgagee**") for all Lenders (as such term is defined in the Credit Agreement described below).

RECITALS

A. Lenders have agreed, subject to the terms and conditions of that certain Credit Agreement dated as of even date herewith by and among Lenders, Mortgagor, Pengo Corporation, a Delaware corporation ("**Pengo**"; Mortgagor and Pengo are sometimes referred to herein collectively as the "**Borrowers**"), the Co-Syndication Agents parties thereto, the Documentation Agent party thereto and Mortgagee (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), to make to Borrowers a revolving loan in a principal amount not to exceed $12,000,000 in the aggregate at any time outstanding (the "**Revolving Loan**"), a term loan A (the "**Term Loan A**") in the principal amount of $20,000,000 and a term loan B (the "**Term Loan B**") in the principal amount of $24,000,000. The Revolving Loan, Term Loan A and Term Loan B are evidenced by the Notes (as defined in the Credit Agreement) issued by Mortgagor to Lenders in the aggregate original principal amount of $56,000,000. The Notes provide for certain payments as set forth therein and in the Credit Agreement with the balances thereof due and payable no later than (i) September 30, 2008 with respect to the Revolving Loan, (ii) September 30, 2008 with respect to the Term Loan A and (iii) September 30, 2010 with respect to the Term Loan B. Capitalized terms used but not defined herein shall have the same meanings herein as such terms have in the Credit Agreement. Mortgagor hereby acknowledges receipt of a copy of this Mortgage, together

Minneapolis, MN 55402

with a copy of each promissory note secured hereby.

B. Mortgagee and Lenders wish to secure: (i) the prompt payment when due of all Obligations and of all obligations, liabilities and indebtedness of Mortgagor under this Mortgage and the other Loan Documents, together with all interest, and other amounts, if any, due in accordance with the terms of the Notes, the Credit Agreement, this Mortgage or the other Loan Documents, as well as the prompt payment of any additional indebtedness of Mortgagor accruing to Lenders and Mortgagee on account of any future payments, advances or expenditures made by Lenders and Mortgagee pursuant to the Notes, the Credit Agreement, this Mortgage or any other Loan Document; (ii) the prompt performance of each and every covenant, condition, and agreement of Mortgagor contained in the Credit Agreement, the Notes and the other Loan Documents; and (iii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and indebtedness of any kind or nature now or hereafter owing, arising, due or payable from Mortgagor to Lenders or Mortgagee in connection with the transactions contemplated by the Credit Agreement, this Mortgage or the other Loan Documents. All obligations, liabilities and indebtedness of every nature of Mortgagor to Lenders and Mortgagee described in the preceding sentence are hereinafter sometimes collectively referred to as the "**Secured Obligations**".

NOW, THEREFORE, IN CONSIDERATION OF LENDERS MAKING THE LOANS AND OTHER FINANCIAL ACCOMMODATIONS TO MORTGAGOR AND TO SECURE the prompt payment and performance of all Secured Obligations, including all liabilities, obligations and indebtedness of Mortgagor under this Mortgage, Mortgagor has executed this Mortgage and does hereby mortgage, convey, assign, warrant, transfer, pledge and grant to Mortgagee, for the benefit of Lenders, a security interest in all of the following described property and all proceeds thereof (which property is hereinafter sometimes collectively referred to as the "**Property**"):

A. The real estate described on Exhibit A attached hereto (the "**Land**");

B. All of the following (collectively, the "**Improvements**"): all buildings, improvements and fixtures of every kind or nature situated on the Land; all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or to be used in connection with the Land, buildings, structures, improvements or fixtures; all building materials and goods procured for use or in connection with the foregoing; and all additions, substitutions and replacements to any of the foregoing;

C. All easements, servitudes, rights-of-way, water courses, mineral rights, water rights, air rights and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto ("**Appurtenances**");

D. All agreements for the use, enjoyment or occupancy of the Land and/or Improvements now or hereafter entered into (the "**Leases**") and all rents, prepayments, termination payments, royalties, profits, issues and revenues from the Land and/or Improvements from time to time accruing under the Leases or otherwise (the "**Rents**"), reserving to Mortgagor, however, so long as no "Event of Default" (hereinafter defined) has occurred, a revocable license

to receive and apply the Rents in accordance with the terms and conditions of Section 9 of this Mortgage;

E. To the extent assignable, Mortgagor's interest in all claims, demands, judgments, insurance proceeds, tax refunds, rights of action, awards of damages, compensation, and settlements hereafter made resulting from or relating to (i) the taking of the Land or the Improvements or any part thereof under the power of eminent domain, (ii) any damage (whether caused by such taking, by casualty or otherwise) to the Land, Improvements or Appurtenances or any part thereof, or (iii) the ownership or operation of the Property;

F. All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements, Appurtenances or any other property of the types described in the preceding granting clauses; and

G. Any and all after-acquired right, title or interest of Mortgagor in and to any property of the types described in the preceding granting clauses.

TO HAVE AND TO HOLD the Property and all parts thereof together with the rents, issues, profits and proceeds thereof, unto Mortgagee, to its own proper use, benefit, and advantage forever, subject, however, to the terms, covenants, and conditions herein.

Mortgagor covenants and agrees with each Lender and Mortgagee as follows:

1. Payment of Indebtedness; Performance of Secured Obligations.

Mortgagor shall promptly pay and perform when due all the Secured Obligations.

2. Taxes and Other Obligations.

Mortgagor shall pay, when due, and before any interest, collection fees or penalties shall accrue, all taxes, assessments, fines, impositions and other charges that have heretofore been, or may hereafter be, imposed, levied or assessed upon, or against, the Property, or any part thereof, subject, however, to Mortgagor's right to contest the amount or validity thereof, subject to and in accordance with, the terms and conditions set forth in the Credit Agreement.

3. Use of Property.

Unless required by applicable law, Mortgagor shall not permit material changes in the use of any part of the Property from the use existing at the time this Mortgage was executed. Mortgagor shall not initiate or acquiesce in a change in the zoning classification of the Property without Mortgagee's prior written consent, which consent shall not be unreasonably withheld.

Mortgagor represents, warrants and covenants that none of the Property constitutes and none of the proceeds of the Loans disbursed to Mortgagor shall be used to purchase: (i) real property which is a single-family or a 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 Section 535.13; (iii) agricultural land as defined in Iowa Code Section 9H.1, or (iv) property used for an agricultural purpose as defined in Iowa Code Section 570A.1(2).

4. Insurance and Condemnation.

(a) Insurance.

(i) Mortgagor shall keep the Improvements insured, and shall maintain general liability and other insurance coverage, all in such amounts and as is otherwise required by the Credit Agreement.

(ii) In case of loss or damage by fire or other casualty, Mortgagor shall give prompt written notice thereof to the insurance carrier(s) and to Mortgagee and, if no Event of Default has occurred and is then continuing, and no material portion of the Property or the revenue generating facilities thereon have been damaged by such casualty event, then Grantor shall be permitted, after consultation with Mortgagee, to make or file proofs of loss or damage and settle or adjust any claim under insurance policies that insure against such risks. Mortgagee is authorized and empowered, and Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact (such appointment is coupled with an interest), at its option, to make or file proofs of loss or damage and to settle and adjust any claim under insurance policies which insure against such risks, or to direct Mortgagor, in writing, to agree with the insurance carrier(s) on the amount to be paid in regard to such loss, provided such appointment shall only be exercised by Mortgagee at any time (A) an Event of Default has occurred and is continuing, (B) a material portion of the Property or the revenue generating facilities thereon shall have been damaged by any casualty event or (C) Mortgagor has failed to act in accordance with the preceding sentence after a reasonable period of time after the applicable casualty event has occurred. The insurance proceeds are hereby assigned as security to Mortgagee, for the benefit of Mortgagee and Lenders.

(b) Condemnation.

Mortgagor shall within five (5) Business Days of its receipt of notice thereof, notify Mortgagee of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Mortgagor shall, after consultation with Mortgagee, appear in and prosecute any such action or proceeding. Upon Mortgagor's failure to act, Mortgagor authorizes Mortgagee, at Mortgagee's option, as attorney-in-fact for Mortgagor (such appointment as attorney-in-fact is coupled with an interest), to commence, appear in and prosecute, in Mortgagee's or Mortgagor's name, any action or proceeding relating to any condemnation or other taking of the Property, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Mortgagee and applied in accordance with the Credit Agreement. Mortgagee is authorized (but is under no obligation) to collect any such proceeds.

5. Preservation and Maintenance of Property.

Mortgagor shall: (a) not commit waste or permit impairment or deterioration of the Property, subject to ordinary wear and tear and damage by fire or other casualty; (b) not abandon the Property; (c) keep the Property in good repair and restore or repair promptly, in a good and

workmanlike manner, all or any part of the Property to the equivalent of its condition as of the date hereof, subject to ordinary wear and tear, or such other condition as Mortgagee may approve in writing, upon any damage or loss thereto; (d) comply in all material respects with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property; and (e) give notice in writing to Mortgagee of and, unless otherwise directed in writing by Mortgagee, appear in and defend any action or proceeding purporting to affect the Property, the security granted by the Loan Documents or the rights or powers of Lenders or Mortgagee.

6. Protection of Security.

If (a) Mortgagor fails to pay or perform the Secured Obligations, or (b) any action or proceeding is commenced which has a material adverse effect on, or would reasonably be expected to have a material adverse effect on, the Property or any Lender's or Mortgagee's interest therein, including any loss, damage, cost, expense or liability incurred by any Lender or Mortgagee with respect to (i) any environmental matters relating to the Property or (ii) the preparation of the commencement or defense of any action or proceeding or any threatened action or proceeding affecting the Loan Documents or the Property, then Mortgagee, at its option, may make such appearances, disburse such sums and take such action as it deems reasonably necessary, to protect the Property or Lender's or Mortgagee's interest therein, including entry upon the Property to take such actions it reasonably determines appropriate to preserve, protect or restore the Property. Any amounts disbursed pursuant to this Section 6 (including reasonable attorneys' fees, costs and expenses), together with interest thereon at the default rate of interest specified in the Credit Agreement (the **"Default Rate"**) from the date of disbursement, shall become additional indebtedness of Mortgagor secured by the lien of this Mortgage and shall be due and payable on demand. Nothing contained in this Section 6 shall require Mortgagee to incur any expense or take any action hereunder.

7. Inspection.

Mortgagee and its authorized agents may make or cause to be made reasonable entries upon and inspections of the Property in accordance with the terms and provisions of the Credit Agreement.

8. Covenants.

(a) Mortgagor hereby represents and warrants unto each Lender and Mortgagee that, at the time of the execution, delivery and recordation of this Mortgage, Mortgagor owns good and marketable title to, and is well seized of, an indefeasible estate in fee simple absolute in that portion of the Property that constitutes real property and has good and valid title to that portion of the Property that constitutes personal property, in each instance free from all liens, encumbrances, charges and other claims whatsoever, except for Permitted Liens, and that the lien created on the Property by this Mortgage is a first, paramount and prior lien on said real property, subject only to Permitted Liens.

(b) Mortgagor shall and will forever warrant and defend the title to the Property against the claims of any and all persons and entities whatsoever. Mortgagor shall not do or permit, cause or suffer to be done to, or omit to do, or permit the omission of, in, upon or about

said Property, or any part thereof, anything that may in any way impair the validity, priority and/or enforceability of this Mortgage.

(c) The Loans evidenced by the Notes and secured hereby are business Loans within the purview of Iowa Code Section 535.2(2)(a)(5) (or any substitute, amended or replacement statutes) and said Loans do not constitute a consumer credit transaction as defined in Iowa Code Section 537.1301(11). Mortgagor agrees to use the proceeds evidenced by the Notes solely and exclusively for proper business purposes within the meaning of Section 205/4 4(c) of Chapter 815 of the Illinois Revised Statutes (or any substitute, amendment or replacement statute), and the principal obligation secured hereby constitutes a "business loan" transacted solely for the purpose of carrying on or acquiring the business of Mortgagor, which comes within the purview and operation of said paragraph, and not for the purchase or carrying of registered equity securities within the purview and operation of any regulation issued by the Board of Governors of the Federal Reserve System or for the purpose of releasing or retiring any indebtedness which was originally incurred for any such purpose.

9. Lease.

Mortgagor absolutely and unconditionally assigns, transfers and sets over to Mortgagee, for the benefit of Lenders, all right, title and interest in and to all Rents and all right, title and interest under or by virtue of any and all Leases. Mortgagee grants to Mortgagor a license to collect, subject to the provisions herein, such Rents, as they respectively become due, but not more than thirty (30) days in advance, and to enforce the agreement of the Leases, so long as there shall not have occurred and be continuing an Event of Default, provided, however, that Mortgagor shall use the Rents in a manner not prohibited by the Credit Agreement. This absolute and present assignment shall be fully operative without any further action on the part of Mortgagor, Mortgagee or any Lender.

10. Transfers of the Property; No Additional Liens.

Except as permitted by the Credit Agreement, Mortgagor agrees that it shall not: (i) transfer, sell or convey all or any portion of the Property; and/or (ii) further encumber or pledge all or any portion of the Property.

11. Uniform Commercial Code Security Agreement.

(a) This Mortgage shall constitute a security agreement pursuant to the Uniform Commercial Code for any portion of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code (such portion of the Property is hereinafter called the "**Personal Property**"), and Mortgagor hereby grants to Mortgagee, for the benefit of Lenders, a security interest in the Personal Property. Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as well as all other rights available at law or in equity. Any reproduction of this Mortgage or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Mortgagor agrees to execute and deliver to Mortgagee any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Mortgage in such form as Mortgagee may require to perfect a security interest with respect to the Personal Property.

Mortgagor hereby authorizes and empowers Mortgagee and irrevocably appoints Mortgagee its agent and attorney-in-fact to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect such lien. Mortgagor shall pay all actual out-of-pocket costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements as Mortgagee may reasonably require. Without limitation of the foregoing, if an Event of Default occurs and is continuing, Mortgagee shall be entitled immediately to exercise all remedies then available to it under the Uniform Commercial Code.

(b) Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Mortgagee without the necessity of any further notice or action by Mortgagor. Mortgagee shall not by reason of this Mortgage or the exercise of any right granted hereby be obligated to perform any obligation of Mortgagor with respect to any portion of the Personal Property nor shall Mortgagee be responsible for any act committed by Mortgagor, or any breach or failure to perform by Mortgagor with respect to any portion of the Personal Property.

(c) To the extent permitted by law, Mortgagor and Mortgagee agree that with respect to all items of Personal Property which are or will become fixtures on the Land, this Mortgage, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of the Uniform Commercial Code. Mortgagor is the record owner of the Land. In furtherance of the foregoing, the following Uniform Commercial Code information is provided:

(i)	Name and Address of Debtor:	Attachment Technologies, Inc. 503 Gay Street Delhi, Iowa 52223
(ii)	Type of Organization:	corporation
(iii)	Jurisdiction of Organization:	Delaware
(iv)	Organizational ID Number:	2594324
(v)	Name and Address of Secured Party:	Antares Capital Corporation, as Agent 311 S. Wacker Drive, Suite 6400 Chicago, Illinois 60606
(vi)	Description of Collateral:	See defined term "Personal Property" above
(vii)	Description of Real Estate to which Collateral is attached or will be located:	See Exhibit A

12. <u>Events of Default; Acceleration of Indebtedness.</u>

The occurrence of an Event of Default under the Credit Agreement shall constitute an "**Event of Default**" under this Mortgage.

Upon the occurrence and during the continuance of an Event of Default, at the option of Mortgagee, the Secured Obligations shall become immediately due and payable without notice to Mortgagor and Mortgagee shall be entitled to all of the rights and remedies provided in the Loan Documents or at law or in equity. Each remedy provided in the Loan Documents is distinct and cumulative to all other rights or remedies under the Loan Documents or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

It is specifically covenanted and agreed that the Mortgagee may proceed, at the same or different times, to foreclose this Mortgage or any of the other security documents as shall have been executed and delivered in connection with the extension of the Loans to Mortgagor (the "**Other Security Documents**") or resort to any of its other remedies thereunder, by any proceedings appropriate in the state where any of the land lies, and that no event of enforcement taking place in any state, including, without limiting the generality of the foregoing, any pending foreclosure, judgment or decree of foreclosure, foreclosure sale, rents received, possession taken, deficiency judgment or decrees, or judgment taken on any of the Notes, shall in any way stay, preclude or bar enforcement of this Mortgage or any of the Other Security Documents or any of them in any other state, and that Mortgagee may pursue any or all of its remedies to the maximum extent permitted by state law until all Secured Obligations have been paid or discharged in full.

13. Entry; Foreclosure.

(a) Upon the occurrence and during the continuance of an Event of Default, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession of the Property, or to the extent permitted by law, Mortgagee or their officers or agents or a receiver appointed by a court of competent jurisdiction, may enter and take possession of all or any part of the Property, and may exclude Mortgagor and its agents and employees wholly therefrom. If Mortgagor shall for any reason fail to surrender or deliver the Property or any part thereof after such demand by Mortgagee, Mortgagee or such receiver may obtain a judgment or decree conferring on Mortgagee or such receiver, the right to immediate possession of the Property or requiring the delivery of the Property to Mortgagee or such receiver, and Mortgagor specifically consents to the entry of such judgment or decree. Upon every such entering upon or taking of possession, Mortgagee or such receiver may hold, store, use, operate, manage and control the Property and conduct the business thereof, and Mortgagee or such receiver may take any action required by applicable law or which Mortgagee or such receiver reasonably believes necessary to enforce compliance with applicable law. Mortgagee and such receiver and their representatives shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission which was taken or omitted in good faith.

(b) When the Secured Obligations, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy to: (a) enforce payment of the Notes or the performance of

any term, covenant, condition or agreement of Mortgagor under any of the Loan Documents; (b) foreclose the lien hereof for the Secured Obligations or part thereof by judicial action, and sell the Property as an entirety or otherwise, as Mortgagee may determine; and/or (c) pursue any other right or remedy available to it under or by the law and decisions of the state in which the Land is located. Notwithstanding any statute or rule of law to the contrary, the failure to join any tenant or tenants of the Property as party defendant or defendants in any foreclosure action or the failure of any such order or judgment to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect (i) the indebtedness secured hereby, or any part thereof or (ii) any deficiency remaining unpaid after foreclosure and sale of the Property.

Mortgagee shall have all of the rights and remedies provided in the Uniform Commercial Code including the right to proceed under the Uniform Commercial Code provisions governing default as to any personal property separately from the real estate included within the Property, or to proceed as to all of the Property in accordance with its rights and remedies in respect thereof. If Mortgagee should elect to proceed separately as to such personal property, Mortgagor agrees to make such personal property available to Mortgagee at a place or places acceptable to Mortgagee, and if any notification of intended disposition of any such personal property is required by law, such notification shall be deemed reasonably and properly given if given at least ten (10) days before such disposition in the manner herein provided.

Upon any foreclosure sale, Mortgagee and any Lender may bid for and purchase the Property and shall be entitled to apply all or any part of the Secured Obligations owing to it as a credit to the purchase price.

(c) Mortgagee shall have all powers, rights and remedies under applicable law whether or not specifically or generally granted or described in this Mortgage. Nothing contained herein shall be construed to impair or to restrict such powers, rights and remedies or to preclude any procedures or process otherwise available to mortgagees in the state in which the Land is located. Mortgagee shall be entitled to enforce the payment and performance of the Secured Obligations and to exercise all rights and powers under this Mortgage or under any other Loan Document or other agreement of any laws now or hereafter in force, notwithstanding the fact that some or all of the Secured Obligations may now or hereafter be otherwise secured, whether by mortgage, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers contained herein, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other rights or security now or hereafter held by Mortgagee. Mortgagee shall be entitled to enforce this Mortgage and any other rights or security now or hereafter held by Mortgagee in such order and manner as they or either of them may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy contained herein or by law provided or permitted, but each shall to the extent permitted by law be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Every power or remedy given by any of the Loan Documents to Mortgagee, or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies. By exercising or by failing to exercise any right, option or election hereunder, Mortgagee shall not be deemed to have waived any provision hereof or to have released Mortgagor from any of the obligations

secured hereby unless such waiver or release is in writing and signed by Mortgagee and, if necessary, Required Lenders. The waiver by Mortgagee of Mortgagor's failure to perform or observe any term, covenant or condition referred to or contained herein to be perform or observed by Mortgagor shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent failure of Mortgagor to perform or observe the same or any other such term, covenant or condition referred to or contained herein, and no custom or practice which may develop between Mortgagor, Mortgagee and any Lender during the term hereof shall be deemed a waiver of or in any way affect the right of Mortgagee to insist upon the performance by Mortgagor of the obligations secured hereby in strict accordance with the terms hereof or of any other Loan Document.

(d) Mortgagor hereby agrees that in the event of foreclosure of this Mortgage, the Mortgagee may, at its sole option, elect:

(i) Pursuant to Iowa Code 628.26 to reduce the period of redemption after sale on foreclosure to six months (it being agreed that (A) 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 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 Code of Iowa, and (B) if the redemption period is so reduced pursuant to the immediately preceding clause (A), 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 Code of Iowa shall be reduced to four (4) months), or

(ii) Pursuant to Iowa Code 628.27 to reduce the period of redemption after sale on foreclosure to sixty (60) days (it being further agreed that (A) 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 Property is less than ten (10) acres in size; (2) a court finds affirmatively that the Property has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure (provided entry of appearance by pleading or docket entry by or on behalf of Mortgagor shall be a presumption that the Property is not abandoned); and (3) Mortgagee in such action files an election to waive any deficiency judgment against Mortgagor or its successors in interest in such action and (B) 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 Sections 628.5, 628.15 and 628.16 of the Code of Iowa shall be reduced to forty (40) days, all of the foregoing to be consistent with all of the provisions of Chapter 628 of the Code of Iowa), or

(iii) Pursuant to Iowa Code 628.28 or any other Iowa Code Section to reduce the period of redemption after sale on foreclosure to such time as may be then applicable and provided by law, or

(iv) Pursuant to Iowa Code 654.20 to foreclose without redemption or

(v) any other remedies or procedures permitted by applicable law. This Section 13 (d) shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Code of Iowa.

14. Expenditures and Expenses.

In any action to foreclose the lien hereof or otherwise enforce Mortgagee's rights and remedies hereunder, there shall be allowed and included as additional indebtedness secured hereby all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee including repair costs, payments to remove or protect against liens, attorneys' fees, costs and expenses, receivers' fees, costs and expenses, appraisers' fees, engineers' fees, accountants' fees, fees, costs and expenses in connection with any environmental matters concerning the Property, outlays for documentary and expert evidence, stenographers' charges, stamp taxes, publication costs, and costs (which may be estimates as to items to be expended after entry of an order or judgment) for procuring all such abstracts of title, title searches and examination, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute any action or to evidence to bidders at any sale which may be had pursuant to an order or judgment the true condition of the title to, or the value of, the Property. All expenditures and expenses of the nature mentioned in this Section 14 and such costs, expenses and fees as may be incurred or as may be owing to Mortgagee in the protection of the Property and the maintenance of the lien of this Mortgage, including the fees, costs and expenses of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the other Loan Documents to which Mortgagor is a party or the Property, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, including costs and expenses in connection with obtaining any court order or the appointment of a receiver, shall be immediately due and payable to Mortgagee, with interest thereon at the Default Rate, and shall be secured by this Mortgage. In addition to the foregoing award of attorneys' fees and costs, Mortgagee shall be entitled to its attorneys' fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment or order relating to this Mortgage, or the other Loan Documents to which Mortgagor is a party. This provision is separate and several and shall survive the merger of this provision into any judgment.

15. Application of Proceeds of Foreclosure Sale.

After deducting all reasonable costs, fees and expenses of Mortgagee, including, without limitation, costs of evidence of title and actual and customary attorneys' fees of Mortgagee in connection with a sale as provided in Section 13 above, the proceeds of any foreclosure sale of the Property shall be distributed and applied in the order of priority set forth in the Credit Agreement with the excess, if any, being applied, to be distributed to the Person or Persons legally entitled thereto.

16. Appointment of Receiver or Mortgagee in Possession.

If an Event of Default has occurred and is continuing or if Mortgagee shall have accelerated the indebtedness secured hereby, Mortgagee, upon application to a court of competent jurisdiction, whether in conjunction with Mortgagee's commencement of judicial

proceedings to foreclose the lien hereof, or pursuant to other proceedings, shall be entitled as a matter of strict right, without notice, and without regard to the occupancy or value of the Property or any other security for the indebtedness or the insolvency of any party bound for its payment, in each of the foregoing instances, to the extent permitted by applicable law, to the appointment of a receiver to take possession of and to operate the Property, or any portion thereof, and to collect and apply the Rents and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor.

17. After - Acquired Property.

To the extent permitted by, and subject to, applicable law, the lien of this Mortgage, including without limitation the security interest created under the granting clauses of this Mortgage, shall automatically attach, without further act, to all property hereafter acquired by Mortgagor located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Property or any part thereof.

18. Forbearance by Mortgagee Not a Waiver.

Any forbearance by Mortgagee or any Lender in exercising any right or remedy under any of the Loan Documents, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. Mortgagee's or any Lender's acceptance of payment of any sum secured by any of the Loan Documents after the due date of such payment shall not be a waiver of Mortgagee's or such Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the maturity of the indebtedness secured hereby, nor shall Mortgagee's receipt of any awards, proceeds or damages under Section 4 hereof operate to cure or waive Mortgagor's default in payment or sums secured by any of the Loan Documents. With respect to all Loan Documents, only waivers made in writing by Mortgagee and, to the extent required, Required Lenders shall be effective against Mortgagee and Lenders.

19. Waiver of Statute of Limitations.

To the extent permitted by applicable law, Mortgagor hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien created by any of the Loan Documents or to any action brought to enforce the Notes or any other obligation secured by any of the Loan Documents.

20. Waivers.

Mortgagor, on behalf of itself, its successors and assigns, and each and every person it may legally bind acquiring any interest in, or title to, the Property on or subsequent to the date of this Mortgage; (i) does hereby expressly waive any and all rights of appraisement, valuation, stay, extension, reinstatement and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Mortgage; (ii) does hereby waive any equitable, statutory or other right available to it, in respect to marshalling of assets hereunder, so as to require the separate sales of interests in the Property before proceeding against any other interest

in the Property; (iii) does hereby expressly consent to and authorize, at the option of Mortgagee, the sale, either separately or together, of any and all interests in the Property; and (iv) does hereby agree that in no event shall Mortgagee or Lenders be required to allocate any proceeds received from foreclosure sale or otherwise, to all or any interest in the Property; and (v) does hereby agree that when sale is had under any decree of foreclosure of this Mortgage, upon confirmation of such sale, the master in chancery or other officer making such sale, or his successor in office, shall be and is authorized immediately to execute and deliver to the purchaser at such sale a deed conveying the Property, showing the amount paid therefor, or if purchased by the person in whose favor the order or decree is entered, the amount of his bid therefor.

21. Governing Law; Severability.

This Mortgage shall be governed by and construed in accordance with the internal laws of the State of Illinois except that the provisions of the laws of the jurisdiction in which the Land is located shall be applicable to the creation, perfection and enforcement of the lien created by this Mortgage and the exercise of remedies mandatorily governed by the laws of the state in which the Land is located. The invalidity, illegality or unenforceability of any provision of this Mortgage shall not affect or impair the validity, legality or enforceability of the remainder of this Mortgage, and to this end, the provisions of this Mortgage are declared to be severable.

22. Notice.

Unless otherwise specifically provided herein or required by law, all notices, requests and other communications provided for hereunder shall be in writing (including, by facsimile transmission) and mailed by certified or registered mail, faxed or delivered, to the address or facsimile number specified below or to such other address as shall be designated by such party in a written notice to each of the other parties hereto given in compliance herewith. All such notices, requests and communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next day) delivery, or transmitted by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. Mail, certified or registered, or if delivered, upon delivery.

Notices shall be addressed as follows:

Notices to Mortgagor:	Attachment Technologies, Inc. 503 Gay Street Delhi, Iowa 52223 Attention: Steven A. Hoeger Telecopy: (563) 922-2082
With copies to:	Faegre & Benson LLP

2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402
Attention: Susan Jacobson
Telecopy: (612) 766-1600

Notices to Mortgagee: Antares Capital Corporation
311 S. Wacker Drive, Ste. 6400
Chicago, Illinois 60606
Attention: Portfolio Manager – ATI
Telecopy: (312) 697-3998

23. Successors and Assigns Bound; Joint and Several Liability; Agents; Captions.

The covenants and agreements contained in the Loan Documents shall bind, and the rights thereunder shall inure to, the respective successors and assigns of Mortgagee and Mortgagor, subject to the provisions of Section 10 hereof. All covenants and agreements of Mortgagor shall be joint and several. In exercising any rights under the Loan Documents or taking any actions provided for therein, Mortgagee may act through its employees, agents or independent contractors as authorized by Mortgagee. 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. Release.

Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage. Mortgagor shall pay Mortgagee's reasonable costs incurred in releasing this Mortgage and any financing statements related hereto.

25. Time of Essence.

Time is of the essence of this Mortgage and the performance of each of the covenants and agreement contained herein.

26. Jury Trial Waiver.

MORTGAGOR AND MORTGAGEE EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS MORTGAGE, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. MORTGAGOR AND MORTGAGEE EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY ARE WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION,

COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS.

27. Mortgage Foreclosure Law.

(a) In the event that any provision in this Mortgage shall be inconsistent with any applicable provision of the law of the state in which the Land is located governing foreclosure, (herein collectively called the "**Laws**"), the provisions of the Laws shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Laws.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Laws in the absence of said provision, Mortgagee shall be vested with the rights granted in the Laws to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under the Laws, whether incurred before or after any decree or judgment of foreclosure, and whether or not provided for elsewhere in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

28. Relationship.

The relationship between each Lender (and Mortgagee) and Mortgagor shall be that of creditor-debtor only. No term in this Mortgage or in any of the other Loan Documents and no course dealing between the parties shall be deemed to create any relationship of agency, partnership or joint venture or any fiduciary duty by Mortgagee or any Lender to Mortgagor or any other party.

29. Revolving Credit.

Inasmuch as the Credit Agreement provides for advances to be made in the future ("**Future Advances**"), this Mortgage is given to, and shall, secure not only existing indebtedness, but also the payment of any and all Future Advances, whether such Future Advances are obligatory or are to be made at the option of Lenders, or otherwise, which are to be made within ten (10) years from the date of the execution of this Mortgage. The total amount of indebtedness secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed two (2) times the aggregate principal amount of the Notes, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Property (as hereinafter defined), if any, together with interest on such disbursements. Mortgagor hereby agrees that it shall not execute or file or record any notice limiting the maximum principal amount that may be so secured, and that no such notice shall be of any force and effect whatsoever unless Mortgagee shall have consented thereto in writing signed by Mortgagee and recorded in the public records of the county in which the Land (as

hereinafter defined) is situated.

30. Variable Rate.

This Mortgage secures, among other things, amounts owing by Mortgagor to the Mortgagee and Lenders from time to time in respect of the Revolving Loan, Term Loan A and Term Loan B. Each of the Revolving Loan, Term Loan A and Term Loan B provide for a variable rate of interest, as such rates are determined pursuant to Section 1.3 of the Credit Agreement.

[Remainder of page intentionally left blank; signature page follows.]

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 APPLIES TO ALL AGREEMENTS TO WHICH MORTGAGOR IS A PARTY RELATING TO ANY CREDIT EXTENSION OR ANY SECURED OBLIGATION.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage or has caused the same to be executed by its duly authorized representatives as of the date first above written.

MORTGAGOR

ATTACHMENT TECHNOLOGIES, INC.,
a Delaware corporation

By: Steven A. Hoeger
Name: Steven A. Hoeger
Title: CFO

STATE OF Minnesota)
COUNTY OF Hennepin)

I, Christine M. Goyer, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Steven A. Hoeger personally known to me to be the CFO of Attachment Technologies, Inc., a Delaware corporation, and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as CFO of said company, pursuant to authority given by the Board of Directors of said company, as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 13th day of October, 2003.

Christine M. Goyer
Notary Public

My Commission Expires:
Jan. 31, 2005

CHRISTINE M. GOYER
NOTARY PUBLIC – MINNESOTA
My Comm. Expires Jan. 31, 2005

EXHIBIT A

LEGAL DESCRIPTION

Tract A:

Lots Five (5), Six (6) and Seven (7), Block Sixteen (16), and Lots One (1), Two (2), Three (3), Four (4), Seven (7), Eight (8), Nine (9) and Ten (10), Block Eighteen (18), Delhi, Iowa, and that part of vacated Sixth Street in said Town of Delhi, Iowa lying South of the extended center line of Gay Street and North of the railroad right-of-way, according to plat recorded in Book A L.D., Pages 128-129; and that part of the Southeast Quarter (SE 1/4) of the Southwest Quarter (SW 1/4) of Section Seventeen (17), Township Eighty Eight (88) North, Range Four (4), West of the Fifth P.M. described as commencing at the intersection of the center line of Gay Street with the West line of Sixth Street in the Town of Delhi, Iowa, and running thence West to the East line of the Anamosa and Garnavillo State Road, thence Southwesterly along said road to the North Line of the railroad right-of-way, thence Southeasterly along said railroad right-of-way to its intersection with the West line of said Sixth Street, thence North to the point of beginning, except that part described as commencing at the intersection of the North line of the railroad right-of-way with the East line of the Anamosa and Garnavillo State Road and running thence Southeasterly along said railroad right-of-way two hundred fifty (250.0) feet, thence Northwesterly to a point on the East line of said Anamosa and Garnavillo State Road which is one hundred seventy five (175.0) feet from the point of beginning, thence Southwesterly along the East line of said road one hundred seventy five (175.0) feet to the point of beginning; and Lot One (1) of the Subdivision of the Northwest part of the Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section Twenty (20), Township Eighty Eight (88) North, Range Four (4), West of the Fifth P.M., according to plat recorded in Book A Plats, Page 49; also Fifth Street between the South side of Market Street and the North side of Gay Street, and Fifth Street between the South side of Gay Street and the North side of South Street, and South Street between the East line of Fifth Street and the West line of Sixth Street and the alley in Block Eighteen (18); all in Delhi, Iowa, according to plat recorded in Book A L.D., Pages 128-129.

Abstract

AND

Tract B:

Parcel I, Part of the NE 1/4 NW 1/4, Section 20,; Parcel J, Part of the NW 1/4 NE 1/4, Section 20; Parcel K, Part of Lot 2 of the Sub. of NW 1/4 NE 1/4, Section 20; Parcel H, Part of Parcel G in Sections 17 and 20; all in Township 88 North, Range 4 West of the Fifth P.M., City of Delhi, Delaware County, Iowa, according to plat recorded in Book 2000, page 506, except Parcel O, Part of Parcel H in Section 17 and 20, Township 88 North, Range 4 West of the Fifth P.M., City of Delhi, Delaware County, Iowa, according to plat recorded in Book 2000, page 1290; also Parcel N, Part of the SE 1/4 SW 1/4 of Section 17 and Part of the NE 1/4 NW 1/4 of Section 20, all in Township 88 North Range 4 West of the Fifth P.M., City of Delhi, Delaware County, Iowa, according to plat recorded in Book 2000, page 880; and also Parcel C, Part of the SE 1/4 SW 1/4 of Section 17, Township 88 North Range 4 West of the Fifth P.M., City of Delhi, Delaware County, Iowa, according to plat recorded in Book 2000, page 1290, from the 22nd day of September, 2000, at 8:00 o'clock A.M. to the 2nd day of September 2003, at 8:00 o'clock A.M.

Abstract

Common Address: 503 Gay Street, Delhi, Iowa 52223