Abstract Co.

2009-4552

Book 2009 Page 4552

Document 2009 4552 Type 04 001 Pages 22
Date 12/08/2009 Time 2:10:49PM
Rec Amt $114.00

DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

By

Henderson Products, Inc.

Mortgagor,

To

The PrivateBank and Trust Company
as Administrative Agent

Mortgagee,

Relating to Premises in Delaware County, Iowa

Dated as of: December 3, 2009

Full legal description of the property is located on page A-1

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

Title:	MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT
Dated:	December 3, 2009
Mortgagor:	Henderson Products, Inc.
Mortgagor's Address:	13515 Barrett Parkway Drive, Suite 200 Ballwin, Missouri 63021
Mortgagee:	The PrivateBank and Trust Company
Mortgagee's Address:	1401 S. Brentwood, 2nd Floor St. Louis, Missouri 63144
Legal Description:	Full legal description of the property is located on page A-1.

PREPARED BY AND AFTER RECORDING RETURN TO:

John G. Boyle, Esq.
Bryan Cave LLP
One Metropolitan Square
211 North Broadway, Suite 3600
St. Louis, Missouri 63102-2750
(314) 259-2000

MORTGAGE, ASSIGNMENT
OF LEASES AND RENTS, SECURITY AGREEMENT
AND FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT dated as of December 3, 2009 (this "Mortgage"), by HENDERSON PRODUCTS, INC., a Delaware corporation, having an office at 13515 Barrett Parkway Drive, Suite 200, Ballwin, Missouri 63021 (the "Mortgagor"), to THE PRIVATEBANK AND TRUST COMPANY, having an office at 1401 S. Brentwood, 2nd Floor, St. Louis, Missouri 63144 as agent (in such capacity, the "Administrative Agent") for the benefit of the Lenders (as defined below) (the "Mortgagee").

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF $15,500,000. LOANS AND ADVANCES UP TO THAT AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

WITNESSETH THAT:

A. Reference is made to the Loan and Security Agreement dated as of even date herewith among Henderson Products, Inc., a Delaware corporation (the "Borrower"), the Lenders party thereto, and The PrivateBank and Trust Company, as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Any capitalized term used herein but not otherwise defined herein shall have the meaning assigned to such term in the Credit Agreement.

B. The Lenders have agreed to make Loans to, and the Issuing Lender has agreed to issue Letters of Credit for the account of, the Borrowers pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. The Credit Agreement provides that the sum of the principal amount of the Loans and the Letters of Credit from time to time outstanding and secured hereby shall not exceed $15,500,000.

C. Mortgagor acknowledges that it will derive substantial direct and indirect benefit from the making of the Loans and the issuance of the Letters of Credit under the Credit Agreement.

D. The obligations of the Lenders to make Loans and of the Issuing Lender to issue Letters of Credit under the Credit Agreement are conditioned upon, among other things, the execution and delivery by Mortgagor of this Mortgage in the form hereof, to secure the Obligations (as defined in the Credit Agreement).

E. Pursuant to the requirements of the Credit Agreement, Mortgagor is entering into this Mortgage to create a lien and security interest in the Mortgaged Property (as defined herein) to secure the performance and payment of the Obligations for the benefit of the Lenders (sometimes hereinafter referred to as the "Secured Parties").

Granting Clauses

NOW, THEREFORE, IN CONSIDERATION OF the foregoing and in order to secure (A) the due and punctual payment and performance of the Obligations, (B) the due and punctual payment by Mortgagor of all taxes and insurance premiums relating to the Mortgaged Property and (C) all disbursements made by Mortgagee for the payment of taxes, common area charges or insurance premiums, all fees, expenses or advances in connection with or relating to the Mortgaged Property, and interest on such disbursements and other amounts not timely paid in accordance with the terms of the Credit Agreement, this Mortgage and the other Loan Documents, Mortgagor hereby grants, conveys, mortgages, assigns and pledges to Mortgagee (for the ratable benefit of the Secured Parties), a lien and security interest in, all the following described property (the "Mortgaged Property") whether now owned or held or hereafter acquired:

(1) all Mortgagor's right, title and interest in all the land more particularly described on Exhibit A hereto (the "Land");

(2) all Mortgagor's right, title and interest in all rights appurtenant to the Land, including the easements over certain other adjoining land granted by any easement agreements, covenant or restrictive agreements and all air rights, mineral rights, water rights, oil and gas rights and development rights, if any, relating thereto, and also together with all of the other easements, rights, privileges, interests, hereditaments and appurtenances thereunto belonging or in anyway appertaining and all of the estate, right, title, interest, claim or demand whatsoever of Mortgagor therein and in the streets and ways adjacent thereto, either in law or in equity, in possession or expectancy, now or hereafter acquired (the Land and the property described in this subparagraph (2), the "Premises");

(3) all Mortgagor's right, title and interest in all buildings, improvements, structures, paving, parking areas, walkways and landscaping now or hereafter erected or located upon the Land, and all fixtures of every kind and type affixed to the Premises or attached to or forming part of any structures, buildings or improvements and replacements thereof now or hereafter erected or located upon the Land (the "Improvements");

(4) all Mortgagor's right, title and interest in all apparatus, movable appliances, building materials, equipment, fittings, furnishings, furniture, machinery and other articles of tangible personal property of every kind and nature, and replacements thereof, now or at any time hereafter placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Improvements or the Premises, including all of Mortgagor's books and records relating thereto and including all pumps, tanks, goods, machinery, tools, equipment, lifts (including fire sprinklers and alarm systems, fire prevention or control systems, cleaning rigs, air conditioning, heating, boilers, refrigerating, electronic monitoring, water, loading, unloading, lighting, power, sanitation, waste removal, entertainment, communications, computers, recreational, window or structural, maintenance, truck or car repair and all other equipment of every kind), draperies, drapery rods and brackets, awnings, venetian blinds, partitions, chandeliers and other lighting fixtures, freezers, refrigerators, walk-in coolers, signs (indoor and outdoor), computer systems, cash registers and inventory control systems, and all other apparatus, equipment, furniture, furnishings, and articles used in connection with the use or operation of the Improvements or the Premises, it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned (the "Personal Property");

(5) all Mortgagor's right, title and interest in all general intangibles relating to design, development, operation, management and use of the Premises and the Improvements, all certificates of occupancy, zoning variances, building, use or other permits, licenses, approvals, authorizations and consents obtained from and all materials prepared for filing or filed with any governmental agency in connection with the development, use, operation or management of the Premises and Improvements, all construction, service, engineering, consulting, leasing, architectural and other similar contracts concerning the design, construction, management, operation, occupancy and/or use of the Premises and Improvements, all architectural, construction and engineering drawings, plans, specifications, soil tests, feasibility studies, appraisals, environmental studies, engineering and consulting reports and similar materials relating to any portion of or all of the Premises and Improvements, and all payment and performance bonds or other warranties or guarantees relating to the Premises or the Improvements, all to the extent assignable (the "Permits, Plans and Warranties");

(6) all Mortgagor's interest in and rights under any and all now or hereafter existing leases or licenses (under which Mortgagor is or becomes landlord or licensor) and subleases (under which Mortgagor is or becomes sublandlord, or which are or become direct leases between Mortgagor and subtenant), concession, management, mineral or other agreements of a similar kind that provides for or allows the use or occupancy of the Premises and the Improvements for any purpose in return for any payment, or the extraction or taking of any gas, oil, water or other minerals from the Premises in return for payment of any fee, rent or royalty (the "Leases"), and all rents, payments, charges, reimbursements, deposits, revenues, fees, income, issues, profits, receipts and royalties now or hereafter due, payable or accruing in under the Leases or from or in connection with the Premises and the Improvements (the "Lease Rents"), and all agreements or contracts for the sale or other disposition of all or any part of the Premises and the Improvements, now or hereafter entered into by Mortgagor, and all payments, charges, deposits, revenues, fees, income, issues, profits, receipts and royalties now or hereafter due, payable or accruing in connection therewith (together with the Lease Rents, "Rents");

(7) all Mortgagor's right, title and interest in and to all real estate tax refunds and all proceeds of the conversion, voluntary or involuntary, of any of the Mortgaged Property into cash or liquidated claims ("Proceeds", which shall include without limitation Casualty Proceeds and Condemnation Proceeds as defined in Section 1.07), including Proceeds of insurance maintained by Mortgagor and condemnation awards, any awards that may become due by reason of the taking by eminent domain or any transfer in lieu thereof of the whole or any part of the Premises or Improvements or any rights appurtenant thereto, and any awards for change of grade of streets, together with any and all moneys now or hereafter on deposit for the payment of real estate taxes, assessments or common area charges levied against the Mortgaged Property, unearned premiums on policies of fire and other insurance maintained by Mortgagor covering any interest in the Mortgaged Property or required by the Credit Agreement; and

(8) all Mortgagor's right, title and interest in and to all extensions, improvements, betterments, renewals, substitutes and replacements of and all additions and appurtenances to, the Land, the Premises, the Improvements, the Personal Property, the Permits, Plans and Warranties and the Leases, hereinafter acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor on the Premises or the Improvements, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, deed of trust, conveyance, assignment or other act by Mortgagor, all of which shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described herein.

TO HAVE AND TO HOLD the Mortgaged Property unto Mortgagee, its successors and assigns, for the ratable benefit of the Secured Parties, forever, subject only to the Permitted Encumbrances (as hereinafter defined) and to satisfaction and cancellation as provided in Section 3.05.

ARTICLE I

Representations, Warranties and Covenants of Mortgagor

Mortgagor agrees, covenants, represents and/or warrants as follows:

SECTION 1.01. Title. (a) Mortgagor has indefeasible fee simple title and estate in the Land and Improvements located thereon free and clear of all restrictions, conditions, covenants, easements, other encumbrances, liens, charges and claims, other than Liens permitted by Section 9.2 of the Credit Agreement (collectively, the "Permitted Encumbrances"). Mortgagor is lawfully seized and possessed of the Land and Improvements located thereon subject to no lien, charge or encumbrance other than the Permitted Encumbrances. This Mortgage is and will remain a valid and enforceable first and prior Lien on the Premises, Improvements, Leases and Rents subject only to the Permitted Encumbrances. Mortgagor warrants that the Permitted Encumbrances do not materially interfere with the current use, enjoyment, occupancy or operation of the Mortgaged Property or detract from the value of the Mortgage Property, and Mortgagor covenants that Mortgagor shall not establish, create, agree to, consent to or permit any restrictions, conditions, covenants, easements or other encumbrances, liens, changes or any claims affecting the Mortgaged Property.

(b) The Mortgaged Property is served by water, gas, electric, septic, storm and sanitary sewage facilities, as may be applicable, and such utilities serving the Premises and the Improvements are located in and in the future will be located fully within the Premises or, in the case of such utilities, within any right of way abutting the Premises. There is vehicular access to the Premises and the Improvements which is provided by either a public right-of-way abutting and contiguous with the Land or valid recorded unsubordinated easements.

(c) There is no pending or contemplated condemnation proceeding affecting the Mortgaged Property or any sale or disposition thereof in lieu of condemnation. Mortgagor is not obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Mortgaged Property or any interest therein.

(d) All easement agreements, covenant or restrictive agreements, supplemental agreements and any other instruments hereinabove referred to and mortgaged hereby (collectively, the "Agreements") are and will remain valid, subsisting and in full force and effect, unless the failure to remain valid, subsisting and in full force and effect, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the use and operation of the Mortgaged Property by Mortgagor for its intended use ("Material Adverse Effect"), and Mortgagor is not in default thereunder and has fully performed the material terms thereof required to be performed through the date hereof, and has no knowledge of any default thereunder or failure to fully perform the terms thereof by any other party, nor of the occurrence of any event that after notice or the passage of time or both will constitute a default thereunder except such default as could not reasonably be expected to have a Material Adverse Effect. The Mortgaged Property complies with all laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and requirements pertaining to the Mortgaged Property (including any applicable environmental, zoning, building, fire, occupational health and safety, use and land use laws, ordinances, rules or regulations, approvals, building permits and certificates of occupancy (collectively, the "Legal Requirements")), except for any Legal Requirements, the failure to comply with which shall

not materially and adversely affect the use of the Mortgaged Property for the business conducted on, the Mortgaged Property.

(e) To the extent required, certificates of occupancy and permits are in effect for the Mortgaged Property and the use, occupancy and operation of the Mortgaged Property as currently constructed and operated.

(f) Mortgagor has good and lawful right and full power and authority to mortgage the Mortgaged Property and will forever warrant and defend its title to the Mortgaged Property, the rights of Mortgagee therein under this Mortgage and the validity and priority of the lien of this Mortgage thereon against the claims of all persons and parties except those having rights under Permitted Encumbrances to the extent of those rights.

(g) This Mortgage, when duly recorded in the appropriate public records and when financing statements are duly filed in the appropriate public records, will create a valid, perfected and enforceable lien upon and security interest in all the Mortgaged Property and there are no defenses or offsets to this Mortgage or to any of the Obligations secured hereby.

SECTION 1.02. Credit Agreement; Certain Amounts. (a) This Mortgage is given pursuant to the Credit Agreement. Each and every term and provision of the Credit Agreement (excluding the governing law provisions thereof), including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties thereto, shall be incorporated herein by this reference, and shall be considered as if a part of this Mortgage.

(b) If any remedy or right of Mortgagee pursuant hereto is acted upon by Mortgagee or if any actions or proceedings (including any bankruptcy, insolvency or reorganization proceedings) are commenced in which Mortgagee is made a party and is obliged to defend or uphold or enforce this Mortgage or the rights of Mortgagee hereunder or the terms of any Lease, or if a condemnation proceeding is instituted affecting the Mortgaged Property, Mortgagor will pay all reasonable sums, including reasonable attorneys' fees and disbursements, incurred by Mortgagee related to the exercise of any remedy or right of Mortgagee pursuant hereto or for the expense of any such action or proceeding together with all statutory or other costs, disbursements and allowances, interest thereon from the date of demand for payment thereof at the Default Rate, and such sums and the interest thereon shall, to the extent permissible by law, be a lien on the Mortgaged Property prior to any right, title to, interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the recording of this Mortgage and shall be secured by this Mortgage to the extent permitted by law. Any payment of amounts due under this Mortgage not made on or before the due date for such payments shall accrue interest daily without notice from the due date until paid at the Default Rate, and such interest at the Default Rate shall be immediately due upon demand by Mortgagee.

SECTION 1.03. Payment of Taxes, Liens and Charges. (a) Except as may be expressly permitted by the Credit Agreement, Mortgagor will pay and discharge from time to time prior to the time when the same shall become delinquent, and before any interest or penalty accrues thereon or attaches thereto, all taxes of every kind and nature, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents, all vault charges, and all other public charges, and all service charges, common area charges, private maintenance charges, utility charges and all other private charges, whether of a like or different nature, imposed upon or assessed against the Mortgaged Property or any part thereof or upon the Rents from the Mortgaged Property or arising in respect of the occupancy, use or possession thereof.

(b) In the event of the passage of any state, Federal, municipal or other governmental law, order, rule or regulation subsequent to the date hereof (i) deducting from the value of real property for the purpose of taxation any lien or encumbrance thereon or in any manner changing or modifying the laws now in force governing the taxation of this Mortgage or debts secured by mortgages or deeds of trust (other than laws governing income, franchise and similar taxes generally) or the manner of collecting taxes thereon and (ii) imposing a tax to be paid by Mortgagee, either directly or indirectly, on this Mortgage or any of the Loan Documents or to require an amount of taxes to be withheld or deducted therefrom, Mortgagor will promptly after obtaining notice or having knowledge of such event notify Mortgagee of such event. In such event Mortgagor shall (i) agree to enter into such further instruments as may be reasonably necessary or desirable to obligate Mortgagor to make any applicable additional payments and (ii) Mortgagor shall make such additional payments.

(c) At any time that an Event of Default shall have occurred hereunder and be continuing, or if required by any law applicable to Mortgagor or to Mortgagee, Mortgagee shall have the right to direct Mortgagor to make an initial deposit on account of real estate taxes and assessments, insurance premiums and common area charges, levied against or payable in respect of the Mortgaged Property in advance and thereafter semi-annually, each such deposit to be equal to one-half of any such annual charges estimated in a reasonable manner by Mortgagee in order to accumulate with Mortgagee sufficient funds to pay such taxes, assessments, insurance premiums and charges.

SECTION 1.04. Payment of Closing Costs. Mortgagor shall pay all reasonable costs in connection with, relating to or arising out of the preparation, execution and recording of this Mortgage, including title company premiums and charges, inspection costs, survey costs, recording fees and taxes, reasonable attorneys' fees and disbursements and all other similar reasonable expenses of every kind.

SECTION 1.05. Alterations and Waste; Plans. (a) Mortgagor will not alter, demolish, remove, renovate, expand, add to or erect any additions to the existing Improvements or other structures or any part thereof on the Premises which will materially interfere with the operation conducted thereon on the date hereof, without the written consent of Mortgagee (which consent will not be unreasonably withheld). Mortgagor will not commit any waste on the Mortgaged Property or make any alteration to, or change in the use of, the Mortgaged Property that will diminish the utility thereof for the operation of the business except as may be permitted under the Credit Agreement or materially increase any ordinary fire or other hazard arising out of construction or operation, but in no event shall any such alteration or change be contrary to the terms of any insurance policy required to be kept pursuant to Section 1.06. Mortgagor will maintain and operate the Improvements and Personal Property in commercially reasonable working order and condition.

(b) To the extent the same exist on the date hereof or are obtained in connection with future permitted alterations, Mortgagor shall maintain a complete set of final plans, specifications, blueprints and drawings for the Mortgaged Property either at the Mortgaged Property or in a particular office at the headquarters of Mortgagor to which Mortgagee shall have access upon reasonable advance notice and at reasonable times.

SECTION 1.06. Insurance. Mortgagor will keep or cause to be kept the Improvements and Personal Property insured against such risks, and in the manner, required by Section 8.6 of the Credit Agreement; and without limiting the generality of the foregoing, Mortgagor will also obtain written certification from the appropriate governmental authority as to whether or not the Premises are located in a HUD identified flood hazard area, and if any portion of the Premises is so located, Mortgagor will obtain flood insurance in the maximum amount available, and all amounts recoverable under any such policies are hereby assigned to Mortgagee and, in the event of a loss, each insurance company concerned is authorized and directed to make payment for such loss directly to Mortgagee alone, and Mortgagee is

authorized to adjust and compromise such loss proceeds without the consent of Mortgagor and to collect, receive and receipt such proceeds in the names of Mortgagor and Mortgagee, and to endorse any check in payment of loss.

SECTION 1.07. Casualty and Condemnation. (a) Mortgagor will furnish to Mortgagee prompt written notice of any casualty or other insured damage to the Mortgaged Property or any portion thereof ("Casualty") or the taking of the Mortgaged Property or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding ("Condemnation") or the commencement of any action or proceeding for Condemnation.

(b) If any Casualty results in cash proceeds (whether in the form of insurance proceeds or otherwise) ("Casualty Proceeds") or any Condemnation results in cash proceeds ("Condemnation Proceeds", and together with Casualty Proceeds, "Casualty/Condemnation Proceeds"), Mortgagee is authorized to collect such Proceeds and such Proceeds shall be used in accordance with Section 2.2(d)(iii) of the Credit Agreement.

(c) Nothing in this Section 1.07 shall prevent Mortgagee from applying at any time all or any part of any Casualty/Condemnation Proceeds to (i) the curing of any Event of Default under the Credit Agreement or (ii) the payment of any of the Obligations after the occurrence and during the continuance of an Event of Default.

SECTION 1.08. Assignment of Leases and Rents. (a) Mortgagor hereby irrevocably and absolutely grants, transfers and assigns and grants a security interest in all of its right title and interest in all Leases, together with any and all extensions and renewals thereof for purposes of securing and discharging the performance by Mortgagor of the Obligations. Mortgagor has not assigned or executed any assignment of, and will not assign or execute any assignment of, any other Lease or their respective Rents to anyone other than Mortgagee.

(b) Without Mortgagee's prior written consent, Mortgagor will not modify, amend, terminate or consent to the cancellation, surrender or assignment of any Lease if such modification, amendment, termination or consent could reasonably be expected to be adverse to the interests of the Secured Parties or the lien created by this Mortgage or have an adverse effect on the value of the Mortgaged Property, and Mortgagor will not waive or excuse the obligation to pay any Rent under any Lease. Without Mortgagee's prior written consent, Mortgagor will not enter into any new Leases of the Mortgaged Property. Mortgagor will enforce the Leases and all rights and privileges of the lessor under the Leases in the ordinary course of business and in accordance with good property management practices. Mortgagor will provide Mortgagee with prompt written notice of any claim or notification of default given or received under any of the Leases.

(c) Subject to Section 1.08(d), Mortgagor has assigned and transferred to Mortgagee all of Mortgagor's right, title and interest in and to the Rents now or hereafter arising from each Lease heretofore or hereafter made or agreed to by Mortgagor, it being intended that this assignment establish, subject to Section 1.08(b), an absolute transfer and assignment of all Rents and all Leases to Mortgagee and not merely to grant a security interest therein. Subject to Section 1.08(d), Mortgagee may in Mortgagor's name and stead (with or without first taking possession of any of the Mortgaged Property personally or by receiver as provided herein) operate the Mortgaged Property and rent, lease or let all or any portion of any of the Mortgaged Property to any party or parties at such rental and upon such terms as Mortgagee shall, in its sole discretion, determine, and may collect and have the benefit of all of said Rents arising from or accruing at any time thereafter or that may thereafter become due under any Lease.

(d) So long as an Event of Default shall not have occurred and be continuing, Mortgagee will not exercise any of its rights under Section 1.08(c), and Mortgagor shall receive and collect the Rents accruing under any Lease *provided* that Mortgagor will not accept any prepayment of rent (except any amount which may be required to be prepaid for a period of not more than one month by the terms of any such Lease) for any Lease now or hereafter assigned to Mortgagee without first obtaining the written consent of Mortgagee on each occasion; and Mortgagor will perform all of its obligations as lessor or otherwise under all of the Leases now or hereafter assigned to Mortgagee; but after the happening and during the continuance of any Event of Default, Mortgagee may, at its option, receive and collect all Rents and enter upon the Premises and Improvements through its officers, agents, employees or attorneys for such purpose and for the operation and maintenance thereof and otherwise may act in accordance with Section 2.03. Mortgagor authorizes Mortgagee to give notice at any time of the assignment under this Section 1.08 (as well as notice of Mortgagee's other rights under this Mortgage or any of the other Loan Documents) to any tenant or other party under any Lease, and to any successor of such a tenant or other party. Mortgagor hereby irrevocably authorizes and directs each tenant or other party, if any, and each successor, if any, to the interest of any tenant or other party under any Lease, respectively, to rely upon any notice of a claimed Event of Default sent by Mortgagee to any such tenant or other party or any successors in interest, and thereafter to pay Rents to Mortgagee without any obligation or right to inquire as to whether an Event of Default actually exists and even if some notice to the contrary is received from Mortgagor, who shall have no right or claim against any such tenant or other party or successor in interest for any such Rents so paid to Mortgagee. Each tenant or other party or any successors in interest from whom Mortgagee or any officer, agent, attorney or employee of Mortgagee shall have collected any Rents, shall be authorized to pay Rents to Mortgagor only after such tenant or other party or any of their successors in interest shall have received written notice from Mortgagee that the Event of Default is no longer continuing, unless and until a further notice of an Event of Default is given by Mortgagee to such tenant or other party or any of its successors in interest.

(e) Mortgagee will not become a mortgagee in possession so long as it does not enter or take actual possession of the Mortgaged Property. In addition, Mortgagee shall not be responsible or liable for performing any of the obligations of the landlord or otherwise under any Lease, for any waste by any tenant, or others, for any dangerous or defective conditions of any of the Mortgaged Property, for negligence in the management, upkeep, repair or control of any of the Mortgaged Property or any other act or omission by any other person.

(f) Mortgagor shall furnish to Mortgagee, within 30 days after a request by Mortgagee to do so, a written statement containing the names of all tenants, subtenants and concessionaires of the Premises or Improvements, the terms of any Lease, the space occupied and the rentals, license fees or other amounts payable thereunder.

SECTION 1.09. Restrictions on Transfers and Encumbrances. Except as expressly permitted by the Credit Agreement, Mortgagor shall not directly or indirectly sell, convey, deed over, alienate, assign, lease, sublease, license, mortgage, pledge, encumber or otherwise transfer, create, consent to or suffer the creation of any lien, charges or any form of encumbrance upon any interest in or any part of the Mortgaged Property, or be divested of its title to the Mortgaged Property or any interest therein in any manner or way, whether voluntarily or involuntarily (other than resulting from a condemnation), or engage in any common, cooperative, joint, time-sharing or other congregate ownership of all or part thereof; *provided, however*, that Mortgagor may in the ordinary course of business within reasonable commercial standards, enter into easement or covenant agreements that relate to and/or benefit the operation of the Mortgaged Property and that do not materially and adversely affect the use and operation of the same (except for customary utility easements that service the Mortgaged Property, which are permitted).

SECTION 1.10. Security Agreement. This Mortgage is both a mortgage of real property and a grant of a security interest in personal property, and shall constitute and serve as a "security agreement" within the meaning of the uniform commercial code as adopted in the state wherein the Premises are located ("UCC"). Mortgagor has hereby granted unto Mortgagee a security interest in and to all the Mortgaged Property described in this Mortgage that is not real property, and simultaneously with the recording of this Mortgage, Mortgagor has filed or will file UCC financing statements, and will file continuation statements prior to the lapse thereof, at the appropriate offices in the jurisdiction of formation of Mortgagor to perfect the security interest granted by this Mortgage in all the Mortgaged Property that is not real property. Mortgagor hereby appoints Mortgagee as its true and lawful attorney-in-fact and agent, for Mortgagor and in its name, place and stead, in any and all capacities, to execute any document and to file the same in the appropriate offices (to the extent it may lawfully do so), and to perform each and every act and thing reasonably requisite and necessary to be done to perfect the security interest contemplated by the preceding sentence. Mortgagee shall have all rights with respect to the part of the Mortgaged Property that is the subject of a security interest afforded by the UCC in addition to, but not in limitation of, the other rights afforded Mortgagee hereunder and under the Security Agreement.

SECTION 1.11. Fixture Filing. (a) Certain portions of the Mortgaged Property are or will become "fixtures" (as that term is defined in the UCC) on the Land, and this Mortgage, upon being filed for record in the real estate records of the county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said UCC upon such portions of the Mortgaged Property that are or become fixtures.

(b) The real property to which the fixtures relate is described in Exhibit A attached hereto. The record owner of the real property described in Exhibit A attached hereto is Mortgagor. The name, type of organization and jurisdiction of organization of the debtor for purposes of this financing statement are the name, type of organization and jurisdiction of organization of Mortgagor set forth in the first paragraph of this Mortgage, and the name of the secured party for purposes of this financing statement is the name of Mortgagee set forth in the first paragraph of this Mortgage. The mailing address of Mortgagor and debtor is the address of Mortgagor set forth in the first paragraph of this Mortgage. The mailing address of Mortgagee and secured party from which information concerning the security interest hereunder may be obtained is the address of Mortgagee set forth in the first paragraph of this Mortgage.

SECTION 1.12. Filing and Recording. Mortgagor will cause this Mortgage, any other security instrument creating a security interest in or evidencing the lien hereof upon the Mortgaged Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien hereof upon, and the security interest of Mortgagee in, the Mortgaged Property. Mortgagor will pay all filing, registration or recording fees, and all expenses incidental to the execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Personal Property, and any instrument of further assurance and all Federal, state, county and municipal recording, documentary or intangible taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery and recording of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Personal Property or any instrument of further assurance.

SECTION 1.13. Further Assurances. Upon demand by Mortgagee, Mortgagor will, at the cost of Mortgagor and without expense to Mortgagee, do, execute, acknowledge and deliver all such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time require for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to

Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage, and on demand, Mortgagor will also execute and deliver and hereby appoints Mortgagee as its true and lawful attorney-in-fact and agent, for Mortgagor and in its name, place and stead, in any and all capacities, to execute and file to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments reasonably requested by Mortgagee to evidence more effectively the lien hereof upon the Personal Property and to perform each and every act and thing requisite and necessary to be done to accomplish the same.

SECTION 1.14. Additions to Mortgaged Property. All right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property hereafter acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor upon the Premises or the Improvements, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to the lien and security interest of this Mortgage as fully and completely and with the same effect as though now owned by Mortgagor and specifically described in the grant of the Mortgaged Property above, but at any and all times Mortgagor will execute and deliver to Mortgagee any and all such further assurances, mortgages, conveyances or assignments thereof as Mortgagee may require for the purpose of expressly and specifically subjecting the same to the lien and security interest of this Mortgage.

SECTION 1.15. No Claims Against Mortgagee. Nothing contained in this Mortgage shall constitute any consent or request by Mortgagee, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof, nor as giving Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Mortgagee in respect thereof.

SECTION 1.16. Use of Proceeds. Mortgagor represents and warrants that none of the Land constitutes and none of the Loans or Letters of Credit will be used to purchase (a) real property which includes a single-family or two-family dwelling occupied or to be occupied by the Mortgagor; (b) agricultural products or property used for agricultural purpose as defined in Iowa Code Section 535.13; (c) agricultural land as defined in Iowa Code Section 9H.1; or (d) property used for an agricultural purpose as defined in Iowa Code Section 570A.1(2). Mortgagor further represents and warrants that none of the transactions contemplated by the Credit Agreement constitute a consumer credit transaction as defined in Iowa Code Section 535.2(2)(a)(5).

ARTICLE II

Defaults and Remedies

SECTION 2.01. Events of Default. Any Event of Default under the Credit Agreement (as such term is defined therein) shall constitute an Event of Default under this Mortgage, as shall (without limiting the generality of the foregoing), any breach of, or any default in, the payment, performance or observation of any of the representations, warranties, covenants, terms and provisions in this Mortgage (which is not remedied or waived within 15 days after the earlier of (i) the date upon which a Responsible Officer (as defined in the Credit Agreement) becomes aware, or should have become aware, of such non-compliance, or (ii) Mortgagor's receipt of notice thereof from Mortgagee) or seizure of the Mortgaged Property or any portion thereof under any writ or process of court or by any trustee or receiver, or sale, contracting to sell, assigning, transferring or otherwise alienating ownership of the Mortgaged Property or any part thereof (whether by voluntary transfer or by operation of law), or filing a declaration of

condominium in respect thereof, or file an application for subdivision, replatting or lot split in connection therewith, or placing or allowing the placement of a mortgage or other lien of encumbrance (other than this Mortgage) upon all or any portion of the Mortgaged Property, or issuance of any claim of deficiencies or citation or deficiencies from any governmental or regulatory agencies which could result in the suspension or revocation of any licensure or certification necessary for or incidental to the operation of the Mortgaged Property.

SECTION 2.02. Demand for Payment. If an Event of Default shall occur and be continuing, then, upon written demand of Mortgagee, Mortgagor will pay to Mortgagee all amounts due hereunder and such further amount as shall be sufficient to cover the costs and expenses of collection, including attorneys' fees, disbursements and expenses incurred by Mortgagee and Mortgagee shall be entitled and empowered to institute an action or proceedings at law or in equity for the collection of the sums so due and unpaid, to prosecute any such action or proceedings to judgment or final decree, to enforce any such judgment or final decree against Mortgagor and to collect, in any manner provided by law, all moneys adjudged or decreed to be payable.

SECTION 2.03. Rights To Take Possession, Operate and Apply Revenues. (a) If an Event of Default shall occur and be continuing, Mortgagor shall, upon demand of Mortgagee, forthwith surrender to Mortgagee actual possession of the Mortgaged Property and, if and to the extent not prohibited by applicable law, Mortgagee itself, or by such officers or agents as it may appoint, may then enter and take possession of all the Mortgaged Property without the appointment of a receiver or an application therefor, exclude Mortgagor and its agents and employees wholly therefrom, and have access to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Mortgagee, Mortgagee may to the extent not prohibited by applicable law, obtain a judgment or decree conferring upon Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of the Mortgaged Property to Mortgagee, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor will pay to Mortgagee, upon demand, all reasonable expenses of obtaining such judgment or decree, including reasonable compensation to Mortgagee's attorneys and agents with interest thereon at the Default Rate; and all such expenses and compensation shall, until paid, be secured by this Mortgage.

(c) Upon every such entry or taking of possession, Mortgagee may, to the extent not prohibited by applicable law, hold, store, use, operate, manage and control the Mortgaged Property, conduct the business thereof and, from time to time, (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon, (ii) purchase or otherwise acquire additional fixtures, personalty and other property, (iii) insure or keep the Mortgaged Property insured, (iv) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same, and (v) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted Mortgagee, all as may from time to time be directed or determined by Mortgagee to be in its best interest and Mortgagor hereby appoints Mortgagee as its true and lawful attorney-in-fact and agent, for Mortgagor and in its name, place and stead, in any and all capacities, to perform any of the foregoing acts. Mortgagee may collect and receive all the Rents, and other issues, profits and revenues from the Mortgaged Property, including those past due as well as those accruing thereafter, and, after deducting (i) all expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes), (ii) the costs of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions, (iii) the costs of insurance, (iv) such taxes, assessments and other similar charges as Mortgagee may at its option pay, (v) other proper charges upon the Mortgaged Property or any

part thereof and (vi) the compensation, expenses and disbursements of the attorneys and agents of Mortgagee, Mortgagee shall apply the remainder of the moneys and proceeds so received first to the payment of Mortgagee for the satisfaction of the Obligations, and second, if there is any surplus, to Mortgagor, subject to the entitlement of others thereto under applicable law.

(d) Whenever, before any sale of the Mortgaged Property under Section 2.06, all Obligations that are then due shall have been paid and all Events of Default fully cured, Mortgagee will surrender possession of the Mortgaged Property back to Mortgagor, its successors or assigns. The same right of taking possession shall, however, arise again if any subsequent Event of Default shall occur and be continuing.

SECTION 2.04. Right To Cure Failure to Perform. Should Mortgagor or any Borrower fail in the payment, performance or observance of any term, covenant or condition required by this Mortgage or the Credit Agreement (with respect to the Mortgaged Property), Mortgagee may at any time after ten days notice to Mortgagor (or, to the extent Mortgagee deems it necessary to act prior the end of such ten day notice period in order to preserve the Mortgaged Property, Mortgagor's rights to and use of the Mortgaged Property or the lien created by this Mortgage any shorter notice period) pay, perform or observe the same, and all payments made or costs or expenses incurred by Mortgagee in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Mortgagor to Mortgagee with interest thereon at the Default Rate. Mortgagee shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Premises or the Improvements or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without having any obligation to so perform or observe and without thereby becoming liable to Mortgagor, to any person in possession holding under Mortgagor or to any other person.

SECTION 2.05. Right to a Receiver. If an Event of Default shall occur and be continuing, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled as a matter of right to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the Rents. The receiver shall have all of the rights and powers permitted under the laws of the state wherein the Mortgaged Property is located. Mortgagor shall pay to Mortgagee upon demand all expenses, including receiver's fees, attorney's fees and disbursements, costs and agent's compensation incurred pursuant to the provisions of this Section 2.05; and all such expenses shall be secured by this Mortgage and shall be, without demand, immediately repaid by Mortgagor to Mortgagee with interest thereon at the Default Rate.

SECTION 2.06. Foreclosure and Sale. (a) If an Event of Default shall occur and be continuing, Mortgagee may elect to sell the Mortgaged Property or any part of the Mortgaged Property by exercise of the power of foreclosure or of sale granted to Mortgagee by applicable law or this Mortgage. In such case, Mortgagee may commence a civil action to foreclose this Mortgage, or it may proceed and sell the Mortgaged Property to satisfy any Obligation. Mortgagee or an officer appointed by a judgment of foreclosure to sell the Mortgaged Property, may sell all or such parts of the Mortgaged Property as may be chosen by Mortgagee at the time and place of sale fixed by it in a notice of sale, either as a whole or in separate lots, parcels or items as Mortgagee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder. Mortgagee or an officer appointed by a judgment of foreclosure to sell the Mortgaged Property may postpone any foreclosure or other sale of all or any portion of the Mortgaged Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale. Without further notice, Mortgagee or an officer appointed to sell the Mortgaged Property may make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale. Any person, including Mortgagor or Mortgagee or any designee or affiliate thereof, may purchase at such sale. Mortgagor

agrees that, in the event of foreclosure of this Mortgage, an order shall be entered by the State District Court in the foreclosure action which directs the clerk of court to enter and record the judgment contained in the foreclosure decree on the Loans and Letters of Credit secured by the Mortgage without requiring that the notes and other agreements which evidence such indebtedness first be filed with the clerk of court for cancellation.

(b) The Mortgaged Property may be sold subject to unpaid taxes and Permitted Encumbrances, and, after deducting all costs, fees and expenses of Mortgagee (including costs of evidence of title in connection with the sale), Mortgagee or an officer that makes any sale shall apply the proceeds of sale in the manner set forth in Section 2.08.

(c) Any foreclosure or other sale of less than the whole of the Mortgaged Property or any defective or irregular sale made hereunder shall not exhaust the power of foreclosure or of sale provided for herein; and subsequent sales may be made hereunder until the Obligations have been satisfied, or the entirety of the Mortgaged Property has been sold.

(d) If an Event of Default shall occur and be continuing, Mortgagee may instead of, or in addition to, exercising the rights described in Section 2.06 (a) above and either with or without entry or taking possession as herein permitted, proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy (i) to specifically enforce payment of some or all of the Obligations, or the performance of any term, covenant, condition or agreement of this Mortgage or any other Loan Document or any other right, or (ii) to pursue any other remedy available to Mortgagee, all as Mortgagee shall determine most effectual for such purposes.

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

(i) to reduce the period of redemption after sale on foreclosure to six (6) months in accordance with Iowa Code Section 628.27, as now enacted or hereafter modified, amended, or replaced; or

(ii) to reduce the period of redemption after sale on foreclosure to sixty (60) days in accordance with the Iowa Code Section 628.27, as now enacted or hereafter modified, amended, or replaced; or

(iii) to reduce the period of redemption after sale on foreclosure to such time period as may be applicable pursuant to Iowa Code Section 628.28, as now enacted or hereafter modified, amended, or replaced.

SECTION 2.07. Other Remedies. (a) In case an Event of Default shall occur and be continuing, Mortgagee may also exercise, to the extent not prohibited by law, any or all of the remedies available to a secured party under the UCC.

(b) In connection with a sale of the Mortgaged Property or any Personal Property and the application of the proceeds of sale as provided in Section 2.08, Mortgagee shall be entitled to enforce payment of and to receive up to the principal amount of the Obligations, plus all other charges, payments and costs due under this Mortgage, and to recover a deficiency judgment for any portion of the aggregate principal amount of the Obligations remaining unpaid, with interest.

SECTION 2.08. Application of Sale Proceeds and Rents. After any foreclosure sale of all or any of the Mortgaged Property, Mortgagee shall receive the proceeds of sale, no purchaser shall be required to

see to the application of the proceeds and Mortgagee shall apply the proceeds of the sale together with any Rents that may have been collected and any other sums that then may be held by Mortgagee under this Mortgage as follows:

FIRST, to the payment of all costs and expenses incurred by Mortgagee as the Administrative Agent (in its capacity as such hereunder or under any other Loan Document) for the Secured Parties in connection with such collection or sale or otherwise in connection with this Mortgage, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by Mortgagee as the Administrative Agent, or the Secured Parties hereunder or under any other Loan Document on behalf of Mortgagor or any other Loan Party, and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution); and

THIRD, to Mortgagor, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

Mortgagee shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Mortgage. Upon any sale of the Mortgaged Property by Mortgagee (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of Mortgagee or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Mortgaged Property so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to Mortgagee or such officer or be answerable in any way for the misapplication thereof.

SECTION 2.09. Mortgagor as Tenant Holding Over. If Mortgagor remains in possession of any of the Mortgaged Property after any foreclosure sale by Mortgagee, at Mortgagee's election Mortgagor shall be deemed a tenant holding over and shall forthwith surrender possession to the purchaser or purchasers at such sale or be summarily dispossessed or evicted according to provisions of law applicable to tenants holding over.

SECTION 2.10. Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. Mortgagor waives, to the extent not prohibited by law, (i) the benefit of all laws now existing or that hereafter may be enacted providing for any appraisement of any portion of the Mortgaged Property, (ii) the benefit of all laws now existing or that may be hereafter enacted in any way extending the time for the enforcement or the collection of amounts due under any of the Obligations or creating or extending a period of redemption from any sale made in collecting said debt or any other amounts due Mortgagee, (iii) any right to at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, homestead exemption, valuation, stay, statute of limitations, extension or redemption, or sale of the Mortgaged Property as separate tracts, units or estates or as a single parcel in the event of foreclosure or notice of deficiency, and (iv) all rights of redemption, valuation, appraisement, stay of execution, notice of election to mature or declare due the whole of or each of the Obligations and marshaling in the event of foreclosure of this Mortgage.

SECTION 2.11. Discontinuance of Proceedings. In case Mortgagee shall proceed to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall be discontinued or abandoned for any reason, or shall be determined adversely to Mortgagee, then

and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding had been taken.

SECTION 2.12. Suits To Protect the Mortgaged Property. Mortgagee shall have power (a) to institute and maintain suits and proceedings to prevent any impairment of the Mortgaged Property by any acts that may be unlawful or in violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property and in the Rents arising therefrom and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of or compliance with such enactment, rule or order would impair the security or be prejudicial to the interest of Mortgagee hereunder.

SECTION 2.13. Filing Proofs of Claim. In case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor, Mortgagee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Mortgagee allowed in such proceedings for the Obligations secured by this Mortgage at the date of the institution of such proceedings and for any interest accrued, late charges and additional interest or other amounts due or that may become due and payable hereunder after such date.

SECTION 2.14. Possession by Mortgagee. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagor, any of its property or the Mortgaged Property, Mortgagee shall be entitled, to the extent not prohibited by law, to remain in possession and control of all parts of the Mortgaged Property now or hereafter granted under this Mortgage to Mortgagee in accordance with the terms hereof and applicable law.

SECTION 2.15. Waiver. (a) No delay or failure by Mortgagee to exercise any right, power or remedy accruing upon any breach or Event of Default shall exhaust or impair any such right, power or remedy or be construed to be a waiver of any such breach or Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver by Mortgagee to or of any breach or default by Mortgagor in the performance of the Obligations shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other Obligations by Mortgagor hereunder. No failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies consequent on any future Event of Default by Mortgagor.

(b) Even if Mortgagee (i) grants some forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security for the payment of any sums secured hereby, (iii) waives or does not exercise some right granted herein or under the Loan Documents, (iv) releases a part of the Mortgaged Property from this Mortgage, (v) agrees to change some of the terms, covenants, conditions or agreements of any of the Loan Documents, (vi) consents to the filing of a map, plat or replat affecting the Premises, (vii) consents to the granting of an easement or other right affecting the Premises or (viii) makes or consents to an agreement subordinating Mortgagee's lien on the Mortgaged Property hereunder; no such act or omission shall preclude Mortgagee from exercising any other right, power or privilege herein granted or intended to be granted in the event of any breach or Event of Default then made or of any subsequent default; nor, except as otherwise expressly provided in an instrument executed by Mortgagee, shall this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or part of the Mortgaged Property, Mortgagee is hereby authorized and empowered to deal with any vendee or transferee with reference to the Mortgaged

Property secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings.

SECTION 2.16. Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, and each and every such right, power and remedy shall be cumulative and concurrent and in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE III

Miscellaneous

SECTION 3.01. Partial Invalidity. In the event any one or more of the provisions contained in this Mortgage should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein, at the option of Mortgagee, shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 3.02. Notices. All notices and communications hereunder shall be in writing and given as provided in Section 13.16 of the Credit Agreement. All communications and notices hereunder to Mortgagor shall be given to it in care of the Borrowers.

SECTION 3.03. Successors and Assigns. All of the grants, covenants, terms, provisions and conditions herein shall run with the Premises and the Improvements and shall apply to, bind and inure to, the benefit of the permitted successors and assigns of Mortgagor and the successors and assigns of Mortgagee.

SECTION 3.04. Subrogation. Mortgagee is subrogated for further security to the lien and security interest, although released of record, of any and all liens or security interests paid with all or a portion of the proceeds of the indebtedness secured by this Mortgage.

SECTION 3.05. Satisfaction and Cancellation. (a) The conveyance to Mortgagee of the Mortgaged Property as security, created and consummated by this Mortgage shall be null and void when all Obligations (as defined in the Credit Agreement) have been paid in full and the Lenders have no further commitment to lend under the Credit Agreement, the aggregate Letter of Credit Obligations have been reduced to zero and the Issuing Lender has no further obligation to issue Letters of Credit under the Credit Agreement.

(b) In connection with any termination or release pursuant to subsection (a) of this Section 3.05, the Mortgage shall be marked "satisfied" by Mortgagee, and this Mortgage shall be canceled of record at the request and at the expense of Mortgagor. Mortgagee shall execute any documents reasonably requested by Mortgagor to evidence the foregoing and Mortgagor will pay all costs and expenses, including reasonable attorneys' fees, disbursements and other charges, incurred by Mortgagee in connection with the preparation and execution of such documents.

SECTION 3.06. Applicable Law; Certain Particular Provisions. This Mortgage shall be governed by and construed in accordance with the internal law of the State of Illinois; *provided, however*, that the provisions of this Mortgage relating to the creation, perfection and enforcement of the lien and security interest created by this Mortgage in respect of the Mortgaged Property and the exercise of each

remedy provided hereby, including the power of foreclosure or power of sale procedures set forth in this Mortgage, shall be governed by and construed in accordance with the internal law of the State of Iowa, and Mortgagor and Mortgagee agree to submit to jurisdiction and the laying of venue for any suit on this Mortgage in such state.

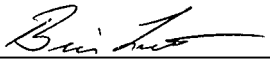
SECTION 3.07. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR RELATING TO THIS MORTGAGE OR THE TRANSACTIONS CONTEMPLATED IN CONNECTION WITH THIS MORTGAGE (WHETHER BASED ON CONTRACT, TORT OR OTHER THEORY). EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS MORTGAGE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Remainder of page is blank; signature appears on next page]

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, this Mortgage has been duly executed and delivered to Mortgagee by Mortgagor on the date first above written.

HENDERSON PRODUCTS, INC.

By: 

Name: Brian A. Lovett
Title: Executive Vice President

STATE OF Missouri)
) ss.
COUNTY OF St. Louis)

On this 1 day of December, 2009, before me the undersigned, a Notary Public in and for said State, personally appeared Brian Levitt to me known to be the identical person(s) named in and who executed the foregoing instrument and acknowledged the same as their voluntary act and deed.

Sharon Tenholder
Notary Public

SHARON TENHOLDER
Notary Public-Notary Seal
State of Missouri, St Louis County
Commission # 08511696
My Commission Expires Jun 26, 2012

Exhibit A
to Mortgage

Legal Description

Parcel 1:

PARCEL P IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 89 NORTH, RANGE 5 WEST OF THE 5TH P.M., CITY OF MANCHESTER, DELAWARE COUNTY, IOWA ACCORDING TO PLAT RECORDED IN BOOK 2004, PAGE 4504 BEING A PART OF LOTS TWELVE (12) AND THIRTEEN (13) OF THE SUBDIVISION OF THE EAST THREE-FOURTHS (E ¾) OF THE SOUTH ONE-HALF (S ½) OF SAID SECTION 32.

Parcel 2:

LOT TWO (2) OF LOT THIRTEEN (13) OF THE SUBDIVISION OF THE EAST THREE-FOURTHS (E ¾) OF THE SOUTH ONE-HALF (S ½) OF SECTION THIRTY-TWO (32), TOWNSHIP EIGHTY-NINE (89) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M., DELAWARE COUNTY, IOWA ACCORDING TO PLAT RECORDED IN BOOK 2 PLATS, PAGE 96 ½ IN THE OFFICE OF THE RECORDER, DELAWARE COUNTY, IOWA; EXCEPT THAT PORTION DEEDED TO THE CITY OF MANCHESTER BY QUIT CLAIM DEED AS RECORDED IN BOOK 125 L.D., PAGE 322 IN THE OFFICE OF THE RECORDER, DELAWARE COUNTY, IOWA; AND FURTHER EXCEPTING THAT PORTION DEEDED TO THE STATE OF IOWA, AS RECORDED IN BOOK 91 L.D., PAGE 403 IN THE OFFICE OF THE RECORDER, DELAWARE COUNTY, IOWA.

Together with all gaps and gores, and strips and alleys lying between the same or adjacent to any part of the same.