

Return to:

BELIN LAMSON McCORMICK ZUMBACH FLYNN
A Professional Corporation
2000 Financial Center
DES MOINES, IOWA 50309-3889

REC \$ 110.00
AUD \$ _____
R.M.F. \$ 1.00

MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

Corporate Development, LLC, a Tennessee limited liability company with an address of 1420 Donelson Pike, Suite B-9, Nashville, Tennessee 37217-2729 (the "Mortgagor"), for consideration paid, grants to Bedford Capital Funding Corp., a New Hampshire corporation with an address of 116 South River Road, Bedford, New Hampshire 03110 (the "Mortgagee"), to secure:

(a) the payment of Two Hundred Sixty-five Thousand Five Hundred and No/100 Dollars (\$265,500.00), together with interest and other charges as provided in the Promissory Note dated of even date herewith (the "Note") made by the Mortgagor, given to the Mortgagee. The proceeds of the Loan secured hereby are being used solely for non-construction business purposes of the Borrower;

(b) the payment of all other sums with interest thereon advanced in accordance herewith to protect the security and priority of this Mortgage, Security Agreement and Fixture Filing (the "Mortgage"), including the costs of collection;

(c) the payment and performance of all of the Mortgagor's agreements, obligations and covenants as contained in a Loan Agreement between the Mortgagor and the Mortgagee dated of even date herewith (the "Loan Agreement"), the Note and certain other documents defined in the Loan Agreement as the "Loan Documents", as the same may hereafter be amended, extended or modified; and

(d) the payment, performance and satisfaction of the Mortgagor's financial liabilities and other obligations under the terms, conditions, representations, warranties and covenants contained in the Loan Documents:

COMPUTER
RECORDED
COMPARED

the following described premises (the "Premises"):

A certain tract or parcel of land, together with all buildings and improvements thereon, located at 202 North Railroad Street, Truro, Madison County, Iowa, as more particularly described in Schedule A attached hereto and made a part hereof; together with all fixtures, machinery and all other tangible personal property intended for use in the building and other improvements on said premises, now or hereafter owned by the Mortgagor and now affixed or to be affixed, or now or hereafter located upon said land, including all appurtenant easements.

The Mortgagor also grants a security interest in the following:

- (1) All fixtures, machinery, goods, documents, furniture and all other tangible personal property intended for use in the building and other improvements on the Premises, whether now or hereafter owned by the Mortgagor and now affixed or to be affixed, or now or hereafter located upon the Premises, including all appurtenant easements. The foregoing shall include without limitation all plumbing, heating, lighting, refrigerating, ventilating and air conditioning apparatus and equipment, elevators and elevator machinery, boilers, tanks, motors, sprinkler and fire extinguishing systems, alarm systems, screens, awnings, screen doors, storm and other detachable windows

For Assignment, Assumption & Consent to Assumption - see Mtg Record 322 Page 397 11-29-00

STATE OF IOWA, ss.
MADISON COUNTY,

Inst. No. 3965 Filed for Record this 14th day of April 19 98 at 2:47 P.M.
Book 197 Page 526 Recording Fee \$ 111.00 Michelle Utster, Recorder, By Paige M. Henry Deputy

and doors, perennial flowers, and other equipment, machinery, furniture and furnishings, fixtures, and articles of personal property now and hereafter owned by the Mortgagor and now and hereafter affixed to, placed upon or used in connection with the operation of the Premises, and all other purposes whether or not included in the foregoing enumeration, together with cash proceeds and non-cash proceeds of all of the foregoing, all of which are covered by this Mortgage, whether or not such property is subject to prior conditional sales agreements, chattel mortgages or other liens, excepting inventory and personal property to be consumed or sold in the normal course of business of the Mortgagor. If the lien hereof on any fixtures or personal property is subject to a conditional sales agreement or chattel mortgage or security agreement covering such property, then in the event of any default hereunder all the rights, title and interest of the Mortgagor in and to any and all deposits made thereon or therefor are hereby assigned to the Mortgagee, together with the benefit of any payments now or hereafter made thereon. There are also transferred, set over and assigned to the Mortgagee, its successors and assigns hereby all conditional sales agreements, leases and use agreements of machinery, equipment and other personal property of the Mortgagor in the categories hereinabove set forth and now and hereafter affixed to, placed upon or used in connection with the operation of the Premises under which the Mortgagor is the lessee of, or entitled to use, such items, and the Mortgagor agrees to execute and deliver to the Mortgagee specific separate assignments thereof to the Mortgagee of such leases and agreements when requested by the Mortgagee; and nothing herein shall obligate the Mortgagee to perform any obligations of the Mortgagor under such leases or agreements, unless it so chooses, which obligations the Mortgagor hereby covenants and agrees to well and punctually perform.

- (2) Any and all tenants, hereditaments, easements, rights of way, licenses, profits, privileges and other appurtenances belonging, relating or pertaining to the Premises;
- (3) All rents, security deposits, issues and profits, revenues, royalties, bonuses, rights and benefits under any and all leases or tenancies now existing or hereafter created of the Premises or any part thereof, with the right to receive and apply the same to said indebtedness, and the Mortgagee may demand, sue for and recover such payments, but shall not be required to do so; provided, however, that so long as the Mortgagor is not in default hereunder, Mortgagor is hereby granted a license to receive and retain such rents, issues and profits. To carry out the foregoing, the Mortgagor agrees (a) to execute and deliver to the Mortgagee such assignments of leases and rents applicable to the Premises as the Mortgagee may from time to time request, while this Mortgage and the debt secured hereby are outstanding, and further (b) not to cancel, accept a surrender of, reduce the rentals under, anticipate any rentals under, or modify any such leases or tenancies, or consent to an assignment or subletting thereof, in whole or in part, without the Mortgagee's written consent. Nothing herein shall obligate the Mortgagee to perform the duties of the Mortgagor as landlord or lessor under any such leases or tenancies, which duties the Mortgagor hereby covenants and agrees to well and punctually perform; and

- (4) All judgments, awards of damages and settlements hereafter made as a result or in lieu of any taking of the Premises or any interest therein or part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Premises or the improvements thereon or any part thereof, including any award for change of grade of streets. The Mortgagee may apply all such sums or any part thereof so received on the indebtedness secured hereby in such manner as it elects, or, at its option, the entire amount or any part thereof so received may be released. The Mortgagor hereby irrevocably authorizes and appoints the Mortgagee its attorney-in-fact to collect and receive any such judgments, awards and settlements from the authorities or entities making the same, to appear in any proceeding therefor, to give receipts and acquittances therefor, and to apply the same to payment on account of the debt secured hereby, whether then matured or not. The Mortgagor will execute and deliver to the Mortgagee on demand such assignments and other instruments as the Mortgagee may require for said purposes and will reimburse the Mortgagee for its cost (including reasonable counsel fees) in the collection of such judgments and settlements.
- (5) Any and all additions, accessions, substitutions or replacements to or for any of the foregoing.
- (6) Any and all products and proceeds of any or all of the foregoing, including, without limitation, cash and cash equivalents, tax refunds and the proceeds of insurance policies providing coverage against the loss or destruction of or damage to any of such collateral.
- (7) All of the Mortgagor's after-acquired property of the kinds and types described in the foregoing paragraphs.

1. **Representations, Warranties and Covenants of the Mortgagor.** The Mortgagor represents, warrants, covenants and agrees with the Mortgagee, its successors and assigns, as follows:

(a) *Title.* The Mortgagor, for itself and its successors and assigns, does hereby covenant, grant and agree to and with the Mortgagee and its successors and assigns, that until the delivery hereof it is the lawful owner of the Premises seized and possessed thereof in its own right in fee simple, has full power and lawful authority to grant and convey the same in manner aforesaid, that the Premises are free and clear from any encumbrance whatsoever, except as set forth in Schedule B of the title insurance policy accepted by Lender simultaneously herewith, that it and its successors shall warrant and defend the same to the Mortgagee and its successors and assigns against the lawful claims and demands of any person or persons whatsoever, except as otherwise herein recited; and that it will not cause or permit any lien to arise against the Premises which is superior to the lien of this Mortgage;

(b) *Payment and Performance.* To pay the Note hereby secured and interest thereon as the same shall become due and payable, and also any other indebtedness that may accrue to the Mortgagee under the terms of this Mortgage, and to perform all other agreements set forth herein and in the Loan Documents;

(c) *Insurance.*

(i) That the Mortgagor will keep the buildings, improvements and personal property now existing or hereafter erected or located on the Premises and the interests and liabilities incident to the ownership thereof insured against loss by fire and such other hazards, casualties and contingencies, and in manner, form and companies as may be required by the Mortgagee. In no event shall the amount of coverage be less than one hundred percent (100%) of the insurable value based on replacement cost, and in default thereof the Mortgagee shall have (in addition to other rights set forth herein) the right to obtain such insurance at the cost of the Mortgagor, such cost to be secured hereby. Such policy shall be endorsed with the standard New York mortgagee clause with loss payable to the Mortgagee, as its interest may appear, and shall be deposited with the Mortgagee and the Mortgagor shall deliver to the Mortgagee a new policy or certificate as replacement for any expiring policy at least fifteen (15) days before the date of such expiration; that all such policies shall provide for not less than thirty (30) days' written notice of cancellation from the insurer to the Mortgagee; that all amounts recoverable under any policy are hereby assigned to the Mortgagee, and in the event of a loss, the amount collected may, at the option of the Mortgagee, be used in any one or more of the following ways: (A) applied upon the indebtedness then matured or unmatured; (B) used to fulfill any of the covenants contained herein as the Mortgagee may determine; (C) used to replace or restore the property to a condition satisfactory to the Mortgagee; or (D) released to the Mortgagor; the Mortgagee is hereby irrevocably appointed by the Mortgagor as attorney-in-fact of the Mortgagor to assign any policy in the event of the foreclosure of this mortgage or other extinguishment of the indebtedness secured hereby. Additionally the Mortgagor shall maintain or cause to be maintained public liability insurance with respect to the Premises in an amount acceptable to the Mortgagee and in excess of \$1,000,000.00 from a carrier acceptable to the Mortgagee. If the Premises are located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area, it will keep the Mortgaged Premises insured against loss by flood for the term of the Note, in an amount at least equal to the outstanding principal balance of the Note or the maximum limit of coverage available for the Premises under the National Flood Insurance Act of 1968, whichever is less. Additionally the Mortgagor shall maintain or cause to be maintained business income insurance (A) with loss payable to Mortgagee; (B) covering all risks required to be covered by the insurance provided for in the first sentence of this Subsection 1(c); and (C) in an amount equal to 100% of the projected gross income from the Premises for a period of twelve (12) months. The amount of such business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on Mortgagor's reasonable estimate of the gross income from the Premises for the succeeding twelve (12) month period. All business income insurance proceeds payable to Mortgagee pursuant to this Subsection shall be held by Mortgagee and shall be applied to the obligations secured hereunder from time to time due and payable hereunder and under the Note; provided, however, that nothing herein contained shall be deemed to relieve Mortgagor of its obligations to pay the obligations secured hereunder on the respective dates of payment provided for in the Note except to the extent such amounts are actually paid out of the proceeds of such business income insurance.

(ii) (A) All insurance provided for in Subsection 1(c)(i) hereof shall be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and shall be subject to the approval of Mortgagee as to insurance companies, amounts, forms, deductibles, loss payees

and insureds. The insurance companies must have a rating of "A" or better for claims paying ability assigned by Moody's Investors Service, Inc. and Standard & Poor's Rating Group or a general policy rating of A or better and a financial class of VIII or better assigned by A.M. Best Company, Inc. Each such insurer shall be referred to herein as a "Qualified Insurer". Not less than thirty (30) days prior to the expiration dates of the Policies theretofore furnished to Mortgagee pursuant to Subsection 1(c)(i), certified copies of the Policies marked "premium paid" or accompanied by evidence satisfactory to Mortgagee of payment of the premiums due thereunder (the "Insurance Premiums"), shall be delivered by Mortgagor to Mortgagee; provided, however, that in the case of renewal Policies, Mortgagor may furnish Mortgagee with binders therefor to be followed by the original Policies when issued.

(B) Mortgagor shall not obtain (1) any umbrella or blanket liability or casualty Policy unless, in each case, such Policy is approved in advance in writing by Mortgagee and Mortgagee's interest is included therein as provided in this Mortgage and such Policy is issued by a Qualified Insurer, or (2) separate insurance concurrent in form or contributing in the event of loss with that required in Subsection 1(c)(i) to be furnished by, or which may be reasonably required to be furnished by, Mortgagor. In the event Mortgagor obtains separate insurance or an umbrella or a blanket Policy, Mortgagor shall notify Mortgagee of the same and shall cause certified copies of each Policy to be delivered as required in Subsection 1(c)(i). Any blanket insurance Policy shall specifically allocate to the Premises the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would a separate Policy insuring only the Premises in compliance with the provisions of Subsection 1(c)(i).

(C) Mortgagor shall furnish to Mortgagee, on or before thirty (30) days after the close of each of Mortgagor's fiscal years, a statement certified by Mortgagor or a duly authorized officer of Mortgagor of the amounts of insurance maintained in compliance herewith, of the risks covered by such insurance and of the insurance company or companies which carry such insurance and, if requested by Mortgagee, verification of the adequacy of such insurance by an independent insurance broker or appraiser acceptable to Mortgagee.

(D) If at any time Mortgagee is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Mortgagee shall have the right, without notice to Mortgagor to take such action as Mortgagee deems necessary to protect its interest in the Premises, including, without limitation, the obtaining of such insurance coverage as Mortgagee in its sole discretion deems appropriate, and all expenses incurred by Mortgagee in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Mortgagor to Mortgagee upon demand and until paid shall be secured by this Mortgage and shall bear interest at the Default Rate (as defined in the Note).

(d) *Taxes and Assessments.* That the Mortgagor will pay, before the same become delinquent or any penalty attached thereto for nonpayment, all taxes, assessments and charges of every nature that may now or hereafter be levied or assessed, upon the Premises or any part thereof, or upon the rents, issues, income or profits thereof, whether any or all of said taxes, assessments or charges be levied directly or indirectly, and will pay, before the same become delinquent or any penalty attached thereto for the nonpayment, all taxes which by reason of nonpayment create a lien prior to the lien

of the Mortgage; and will thereupon submit to the Mortgagee such evidence of the due and punctual payment of such taxes, etc. as the Mortgagee may require;

(e) *Maintenance of the Premises.* That the Mortgagor will keep protected in good order, repair and condition (reasonable wear and tear and casualty insured against excepted) at all times the buildings and improvements (including the Mortgagor's fixtures) now standing or hereafter erected or placed upon the Premises and any and all of the Mortgagor's appurtenances, apparatus and articles of personal property, including, but not limited to, furniture, furnishings and equipment, now or hereafter in or attached to or used in connection with said buildings or improvements, promptly replacing any of the aforesaid which may become lost, destroyed or unsuitable for use; will always maintain in good order and condition all the facilities, easements, works, and ways set forth in the description and easements of the Mortgage, whether located upon the Premises hereby mortgaged or elsewhere, and will not commit or suffer any strip or waste of the Premises, or any violation of any law, regulation, ordinance or contract affecting the Premises, and will not commit or suffer any demolition, removal or material alteration of any buildings or improvements (including fixtures) on the Premises without the written consent of the Mortgagee. The Mortgagor shall maintain and preserve the parking areas, passageways and drives, now or hereafter existing on the Premises, and, without prior written consent of the Mortgagee (which shall not be unreasonably withheld), no building or other structure other than those designated on the project layout plans shall be erected thereon and no new buildings or additions to existing buildings shall be erected on the remainder of the Premises herein mortgaged without prior written consent of the Mortgagee;

(f) *Tax Escrow.* For the purpose of providing regularly for the prompt payment of all taxes or betterment assessments levied or assessed against the Premises, the Mortgagor agrees to deposit with the Bank, on and after the Mortgagor's demand following an Event of Default, on the dates installments under the Note are payable, an amount equal to an estimate of such taxes divided by the number of months to elapse prior to the date when such taxes will become due and payable. The monies thus deposited with the Bank are to be held by the Bank as escrowee, and disbursed by it in payment of such taxes as and when due (except for such taxes or assessments which are contested in good faith provided that adequate security is provided to the Bank to prevent injury or loss as a result of such contest), subject to the obligation of the Bank to pay the minimum interest, if any, on the escrowed funds, as may be required by law.

(g) *Books and Records.* That the Mortgagor shall maintain full and correct books and records showing in detail the earnings and expenses of the Premises and will permit the Mortgagee and its representatives to examine said books and records and all supporting vouchers and data any time from time to time upon request by the Mortgagee. The Mortgagor shall provide the Mortgagee with financial statements, in form satisfactory to the Mortgagee, for itself, the Premises and the guarantors of the Note as of the end of the calendar year no later than one hundred twenty (120) days after the end of such year;

(h) *Other Proceedings.* That if any action or proceeding be commenced, excepting an action to foreclose the Mortgage or to collect the debt hereby secured, to which action or proceeding the Mortgagee is made a party by reason of the execution of the Mortgage or the Note which it secures, or in which it becomes necessary to defend or uphold the lien of the Mortgage, all reasonable sums

paid by the Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created hereby including attorneys' fees, shall be paid by the Mortgagor, together with interest thereon from date of payment at the highest rate specified in the Note secured hereby, and any such sum, and the interest thereon, shall be immediately due and payable and be secured hereby, having the benefit of the lien hereby created, as a part thereof and of its priority. The Mortgagee shall give the Mortgagor prompt notice of the initiation of any such action or proceeding;

(i) *Consent to Release, Etc.* Without affecting the liability of the Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of the Mortgagee with respect to any security not expressly released in writing, the Mortgagee may at any time and from time to time, either before or after the maturity of the Note and without notice or consent:

(i) Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation;

(ii) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or other dealing with the lien or charge hereof;

(iii) Exercise or refrain from exercising or waive any right the Mortgagee may have;

(iv) Accept additional security of any kind; or

(v) Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby;

(j) *Zoning, Etc.* If at any time the then-existing use or occupancy of the Premises shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, that the Mortgagor shall not cause or permit such use or occupancy to be discontinued without the prior written consent of the Mortgagee;

(k) *Leases.* The Mortgagee must examine and approve (which approval will not be unreasonably withheld) in writing prior to execution, delivery and commencement thereof, all leases, tenancies and occupancies of the Premises entered into by the Mortgagor other than in the ordinary course of business;

(l) *Due on Sale.*

(i) Mortgagee Reliance. Mortgagor acknowledges that Mortgagee has examined and relied on the experience of Mortgagor and its general partners, managing members, principals and (if Mortgagor is a trust) beneficial owners in owning and operating properties such as the Premises in agreeing to make the loan evidenced by the Note, and will continue to rely on Mortgagor's

ownership of the Premises as a means of maintaining the value of the Premises as security for payment and performance of the obligations of Mortgagor set forth in the Loan Documents (the "Obligations"). Mortgagor acknowledges that Mortgagee has a valid interest in maintaining the value of the Premises so as to ensure that, should Mortgagor default in the payment or the performance of the Obligations, Mortgagee can recover the debt evidenced by the Note by a sale of the Premises.

(ii) No Sale/Encumbrance. Mortgagor agrees that Mortgagor shall not, without the prior written consent of Mortgagee, sell, convey, mortgage, grant, bargain, encumber, pledge, assign, or otherwise transfer the Premises or any part thereof or permit the Premises or any part thereof to be sold, conveyed, mortgaged, granted, bargained, encumbered, pledged, assigned, or otherwise transferred.

(iii) Sale/Encumbrance Defined. A sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer within the meaning of this Section 1(l) shall be deemed to include, but not be limited to, (A) an installment sales agreement wherein Mortgagor agrees to sell the Premises or any part thereof for a price to be paid in installments; (B) an agreement by Mortgagor leasing all or a substantial part of the Premises for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Mortgagor's right, title and interest in and to any leases or any rents under such leases; (C) if Mortgagor, any guarantor, any indemnitor, or any general partner or managing member of Mortgagor, guarantor or indemnitor is a corporation, the voluntary or involuntary sale, conveyance, transfer or pledge of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders; (D) if Mortgagor, any guarantor or indemnitor or any general partner or managing member of Mortgagor, any guarantor or indemnitor is a limited or general partnership or joint venture, the change, removal or resignation of a general partner or managing partner, or the transfer or pledge of the partnership interest of any general partner or managing partner of such partnership or any profits or proceeds relating to such partnership interest or the transfer or pledge of more than 49% in the aggregate of any limited partnership interests in such partnership or any profits or proceeds related to such interests whether in one transfer or pledge or a series of transfers or pledges; (E) if Mortgagor, any guarantor or indemnitor or any general partner or managing member of Mortgagor, any guarantor or indemnitor is a limited liability company, the change, removal or resignation of the managing member of such company, or the transfer or pledge of the membership interest of the managing member of such company or any profits or proceeds relating to such membership interest or the transfer or pledge of more than 49% in the aggregate of any membership interests in such company or any profits or proceeds related to such interests whether in one transfer or pledge or a series of transfers or pledges; and (F) without limitation to the foregoing, any voluntary or involuntary sale, transfer, conveyance or pledge by any person or entity which directly or indirectly controls Mortgagor (by operation of law or otherwise) (a "Principal") of its direct or indirect controlling interest in Mortgagor. Notwithstanding the foregoing, the following transfers shall not be deemed to be a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment

or transfer within the meaning of this Section 1(l): (A) transfer by devise or descent or by operation of law upon the death of a partner, member or stockholder of Mortgagor or any general partner thereof, and (B) a sale, transfer or hypothecation of a partnership, shareholder or membership interest in Mortgagor, whichever the case may be, by the current partner(s), shareholder(s) or member(s), as applicable, to an immediate family member (i.e., parents, spouses, siblings, children or grandchildren) of such partner, shareholder or member to a Principal (or a trust for the benefit of any such persons).

(m) *Liens*. The Mortgagor shall not, without the prior written consent of the Mortgagee, grant any other mortgage, lien or security interest in the Premises;

(n) *Underground Tanks*. The Mortgagor will comply with all statutory and regulatory provisions under the laws of Iowa relating to the inspection and replacement of underground fuel storage tanks located on the Premises;

(o) *Hazardous Waste*. The Mortgagor represents and warrants that the Premises do not contain any hazardous wastes, hazardous substances, hazardous materials, toxic substances or toxic pollutants, as those terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act and the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, or any similar state or local law, or in any regulations promulgated pursuant thereto, or in any other applicable law. The Mortgagor covenants to strictly comply with the requirements of all such laws and to promptly notify the Mortgagee of the presence in or on the Premises of any materials, the use, storage, transportation or disposal of which is regulated by such laws. The Mortgagor hereby covenants to protect, indemnify, and hold the Mortgagee harmless from and against all loss, cost, damage and liability, including attorneys' fees and costs of litigation, suffered or incurred by the Mortgagee on account of the presence of any such materials in or on the Premises, including, without limitation, any such loss, cost, damage or liability arising from a violation of any of such laws;

(p) *Future Advances*. Future advances from the Mortgagee shall be secured by this Mortgage as evidenced by the Note secured hereby;

(q) *Compliance with Laws, Etc*. The Mortgagor will comply, and will cause any tenant or person occupying the Premises to comply, with all regulations, condominium documentation, covenants, rules, ordinances, statutes, codes, permits, orders and decrees applicable to the Mortgagor, or to the Premises, the use, occupancy or condition thereof or any part thereof. The Mortgagor shall have the right to contest by appropriate legal proceedings, but without cost or expense to the Mortgagee, the validity of any laws, ordinances, order, rules and regulations affecting the Premises if compliance therewith may legally be held in abeyance without the sufferance of any charge, lien or liability against the Premises, and the Mortgagor may postpone compliance therewith until the final determination of any such proceedings, provided they shall be prosecuted with due diligence and dispatch, and if any lien or charge is incurred, the Mortgagor may, nevertheless, make the contest and delay compliance, provided the Mortgagee is furnished with security, reasonably satisfactory to it, against any loss or injury by reason of such noncompliance or delay;

(r) *Mechanics Liens, Etc.* The Mortgagor will pay, as such shall become due, all lawful claims and demands of mechanics, materialmen, laborers and other which, if unpaid, might result in, or permit the creation of, a lien on the Premises or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom. The Mortgagor will not create or permit to be created and will promptly discharge any mortgage, lien, or charge on the Premises or any part thereof or on the interest of the Mortgagor or the Mortgagee therein, and the Mortgagor will do or cause to be done everything necessary so that the lien hereof shall be fully preserved, at the cost of the Mortgagor, without expense to the Mortgagee; and

(s) *Covenant to Perform Under Lease; Power of Attorney to Mortgagee.* Mortgagor agrees that it shall at all times comply with and fully perform the terms and conditions of the Lease (as such term is defined in the Loan Agreement). If at any time Mortgagor fails to so comply or perform under the Lease, Mortgagee shall have the right, in the place and stead of Mortgagor, to effect such compliance or performance under the Lease. To effect the foregoing, Mortgagor hereby irrevocably and unconditionally appoints Mortgagee as Mortgagor's attorney-in-fact to perform any and all obligations of Mortgagor under the Lease, it being expressly agreed that said appointment as Mortgagor's attorney-in-fact is coupled with an interest. Mortgagee shall be entitled to rely on the accuracy and completeness of any notice received by Mortgagee from the tenant under the Lease. If such notice states that Mortgagor has defaulted under the Lease or otherwise failed to comply with or perform under the Lease, then the Mortgagee shall have the right to cure such default, non-compliance or non-performance, at Mortgagor's sole cost and expense. All costs and expenses incurred by Mortgagee with respect to the foregoing shall be immediately due and payable upon demand by Mortgagee therefor, shall _____ be added to and made a part of the indebtedness evidenced by the Note and shall be secured by this Mortgage, and such indebtedness shall bear interest at the Default Rate (as such term is defined in the Note).

2. Payments, Etc. by the Mortgagee. If the Mortgagor shall neglect or refuse to keep in good repair the property conveyed by this Mortgage, to replace the same as herein agreed, to maintain and pay the premiums for insurance which may be required under Paragraph 1(c) or to pay and discharge all taxes, assessments, charges and liens of every nature and to whomever assessed, as provided for in Paragraphs 1(d) and 1(r), the Mortgagee may, at its election, cause such repairs or replacements to be made, obtain such insurance or pay said taxes, assessments, charges and liens and any amounts paid as a result thereof, together with interest thereon at the highest rate of interest specified in the Note secured hereby from the date of payment, shall be immediately due and payable by the Mortgagor to the Mortgagee, and until paid shall be added and become part of the principal debt secured hereby, and the same may be collected as a part of said principal debt in any suit herein or upon the Note; or the Mortgagee, by the payment of any tax, assessment or charge, may, if it sees fit if allowed by law, be thereby subrogated to the rights of the state, county, village and all political or governmental subdivisions. No such advances shall be deemed to relieve the Mortgagor of any default hereunder or impair any right or remedy consequent thereon, and the exercise of the rights to make advances granted in this paragraph shall be optional with the Mortgagee and not obligatory, and the Mortgagee shall not in any case be liable to the Mortgagor for a failure to exercise any such right. The Mortgagee shall have no responsibility with respect to the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium, and of the amount necessary to

be paid in satisfaction thereof.

3. Default; Remedies.

(a) *Events of Default.* The following events or conditions shall in each instance constitute an Event of Default hereunder:

(i) If any statement, representation or warranty made by the Mortgagor in any of the Loan Documents or in connection therewith or any financial statement, report, schedule, or certificate furnished by the Mortgagor or any of its officers or accountants to the Mortgagee during the term of this Mortgage or the Loan Agreement shall prove to have been false or misleading when made, or subsequently becomes false or misleading, in any material respect;

(ii) Default by the Mortgagor in payment within ten (10) business days of the due date of any principal or interest or other amounts called for under the Loan Documents;

(iii) Default by the Mortgagor in the performance or observance of any of the provisions, terms, conditions, warranties or covenants of this Mortgage or the Loan Documents, which remains unremedied for a period of thirty (30) days after notice to the Mortgagor by the Mortgagee;

(iv) The dissolution, termination of existence, merger, consolidation or death of the Mortgagor or a sale of all or substantially all of the assets of the Mortgagor;

(v) A change in the beneficial ownership of the issued and outstanding voting capital stock, partnership interests, beneficial interest or membership interest of the Mortgagor from the ownership on the date of this Mortgage, whether through transfer, issuance of stock or otherwise, without the prior, written consent of the Mortgagee;

(vi) The Mortgagor shall (A) apply for or consent to the appointment of a receiver, trustee or liquidator for any of its or his property, (B) admit in writing its or his inability to pay its or his debts as they mature, (C) make a general assignment for the benefit of creditors, (D) be adjudicated a bankrupt or insolvent, (E) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization to take advantage of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it or him in any proceeding under any such law or (F) offer or enter into any composition, extension or arrangement seeking relief or extension of its or his debts;

(vii) In the event that proceedings shall be commenced or an order, judgment or decree shall be entered, without the application, approval or consent of the Mortgagor, in or by any court of competent jurisdiction, relating to the bankruptcy, dissolution, liquidation, reorganization or the appointment of a receiver, trustee or liquidator of the Mortgagor, of all or a substantial part of its or his assets, and such proceedings, order, judgment or decree shall continue undischarged or unstayed for a period of sixty (60) days;

(viii) A final and unappealable judgment for the payment of money in excess of Twenty-five Thousand Dollars (\$25,000.00) shall be rendered against the Mortgagor and the same shall remain undischarged for a period of thirty (30) days, during which period execution shall not be effectively stayed;

(ix) Any levy or execution upon, or judicial seizure of, any portion of any collateral or security for the Loan;

(x) Any attachment or garnishment of, or the existence or filing of any lien or encumbrance, other than any lien or encumbrance permitted by this Mortgage or the Loan Documents against any portion of any collateral or security for the Loan;

(xi) The institution of any legal action or proceedings to enforce any lien or encumbrance upon any portion of any collateral or security for the Loan, that is not dismissed within sixty (60) days after its institution;

(xii) Title to the Premises is not satisfactory to the Mortgagee by reason of any lien, charge, encumbrance, title condition or exception (other than exceptions permitted by the Mortgagee to be contained in the title insurance policy to be issued to the Mortgagee in connection with the Loan);

(xiii) The Premises, or any portion thereof, are materially injured or destroyed by fire or otherwise which casualty is not fully and adequately insured, or the Premises are thereby rendered unsuitable for their intended use, which casualty has a material adverse effect upon the security for the Loan, or the Premises, or any portion thereof, are taken by eminent domain; or

(xiv) The USPS fails or refuses to make rental payments under the Lease for any reason.

(b) *Remedies.* Upon the occurrence of any Event of Default, Mortgagor agrees that Mortgagee may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to the Premises, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee: (i) declare the entire unpaid debt evidenced by the Note (the "Debt") to be immediately due and payable; (ii) with or without entry, institute proceedings, judicial or otherwise, for the complete or partial foreclosure of this Mortgage under any applicable provision of law in which case the Premises or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner, any partial foreclosure to be subject to the continuing lien and security interest of this Mortgage for the balance of the Debt not then due, unimpaired and without loss of priority; (iii) sell for cash or upon credit the Premises or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in one or more parcels; (iv) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note or in the other

Loan Documents; (v) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage or the other Loan Documents; (vi) apply for the appointment of a receiver, trustee, liquidator or conservator of the Premises, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Mortgagor, any guarantor, indemnitor or of any person, firm or other entity liable for the payment of the Debt; (vii) enter into or upon the Premises, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Mortgagor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Mortgagor agrees to surrender possession of the Premises and of such books, records and accounts to Mortgagee upon demand, and thereupon Mortgagee may exercise all rights and powers of Mortgagor with respect to the Premises including, without limitation, (A) the right to use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Premises and conduct the business thereat; (B) the right to make or complete any construction, alterations, additions, renewals, replacements and improvements to or on the Premises as Mortgagee deems advisable; (C) the right to make, cancel, enforce or modify any leases, including the Lease, obtain and evict tenants, and demand, sue for, collect and receive all rents derived from the Premises (the "Rents") and every part thereof; (viii) require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Premises as may be occupied by Mortgagor; (ix) require Mortgagor to vacate and surrender possession of the Premises to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; (x) apply the receipts from the Premises, any deposits and interest thereon and/or any unearned insurance premiums paid to Mortgagee upon the surrender of any Policies maintained pursuant to Article 1 hereof (it being agreed that Mortgagee shall have the right to surrender such Policies upon the occurrence of an Event of Default), to the payment of the Obligations, in such order, priority and proportions as Mortgagee shall deem appropriate in its sole discretion; (xi) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code of the State of Iowa, including, without limiting the generality of the foregoing: (A) the right to take possession of the Collateral (as such term is defined in the Loan Agreement) or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Collateral, and (B) request Mortgagor at its expense to assemble the Collateral and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least five (5) days prior to such action, shall constitute commercially reasonable notice to Mortgagor.

In the event of a sale, by foreclosure, power of sale, or otherwise, of less than all of the Premises, this Mortgage shall continue as a lien and security interest on the remaining portion of the Premises unimpaired and without loss of priority. Notwithstanding the provisions of this Section 3(b) to the contrary, if any Event of Default as described in clauses (vi) and/or (vii) of Subsection 3(a) shall occur, the entire unpaid Debt shall be automatically due and payable, without any further notice, demand or other action by Mortgagee.

(c) *Application of Proceeds.* The purchase money, proceeds and avails of any disposition of the Premises, or any part thereof, or any other sums collected by Mortgagee pursuant to the Note,

this Mortgage or the other Loan Documents, may be applied by Mortgagee to the payment of the Debt in such priority and proportions as Mortgagee in its discretion shall deem proper.

(d) *Right to Cure Defaults.* Upon the occurrence of any Event of Default, Mortgagee may, but without any obligation to do so and without notice to or demand on Mortgagor and without releasing Mortgagor from any obligation hereunder, make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. Mortgagee is authorized to enter upon the Premises for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Premises or to foreclose this Mortgage or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 3(d) shall constitute a portion of the Debt and shall be due and payable to Mortgagee upon demand. All such costs and expenses incurred by Mortgagee in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate (as defined in the Note), for the period after notice from Mortgagee that such cost or expense was incurred to the date of payment to Mortgagee. All such costs and expenses incurred by Mortgagee together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Mortgage and the other Loan Documents and shall be immediately due and payable upon demand by Mortgagee therefor.

(e) *Actions and Proceedings.* Mortgagee has the right to appear in and defend any action or proceeding brought with respect to the Premises and to bring any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee, in its discretion, decides should be brought to protect its interest in the Premises.

(f) *Recovery of Sums Required to be Paid.* Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

(g) *Examination of Books and Records.* Mortgagee, its agents, accountants and attorneys shall have the right to examine the records, books, management and other papers of Mortgagor and its affiliates or of any guarantor or indemnitor which reflect upon their financial condition, at the Premises or at any office regularly maintained by Mortgagor, its affiliates or any guarantor or indemnitor where the books and records are located. Mortgagee and its agents shall have the right to make copies and extracts from the foregoing records and other papers. In addition, Mortgagee, its agents, accountants and attorneys shall have the right to examine and audit the books and records of Mortgagor and its affiliates or of any guarantor or indemnitor pertaining to the income, expenses and operation of the Premises during reasonable business hours at any office of Mortgagor, its affiliates or any guarantor or indemnitor where the books and records are located. This Section 3(g) shall apply throughout the term of the Note and without regard to whether an Event of Default has occurred or is continuing.

(h) *Other Rights, Etc.* (i) The failure of Mortgagee to insist upon strict performance of any

term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (A) the failure of Mortgagee to comply with any request of Mortgagor, any guarantor or any indemnitor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (B) the release, regardless of consideration, of the whole or any part of the Premises, or of any person liable for the Debt or any portion thereof, or (C) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or the other Loan Documents.

(ii) It is agreed that the risk of loss or damage to the Premises is on Mortgagor, and Mortgagee shall have no liability whatsoever for decline in value of the Premises, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Mortgagee shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Premises or collateral not in Mortgagee's possession.

(iii) Mortgagee may resort for the payment of the Debt to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

(i) *Right to Release Any Portion of The Premises.* Mortgagee may release any portion of the Premises for such consideration as Mortgagee may require without, as to the remainder of the Premises, in any way impairing or affecting the lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and may accept by assignment, pledge or otherwise any other Premises in place thereof as Mortgagee may require without being accountable for so doing to any other lienholder. This Mortgage shall continue as a lien and security interest in the remaining portion of the Premises.

(j) *Violation of Laws.* If the Premises is not in compliance with any applicable law, Mortgagee may impose additional requirements upon Mortgagor in connection herewith including, without limitation, monetary reserves or financial equivalents.

(k) *Recourse And Choice of Remedies.* Notwithstanding any other provision of this Mortgage, Mortgagee is entitled to enforce the obligations of Mortgagor, any guarantor or any indemnitor without first resorting to or exhausting any security or collateral and without first having recourse to the Note or any of the Premises, through foreclosure or acceptance of a deed in lieu of foreclosure or otherwise, and in the event Mortgagee commences a foreclosure action against the Premises,

Mortgagee is entitled to pursue a deficiency judgment with respect to such obligations against Mortgagor, guarantor and indemnitor. The liability of Mortgagor, any guarantor or indemnitor are not limited to the original principal amount of the Note. Notwithstanding the foregoing, nothing herein shall inhibit or prevent Mortgagee from foreclosing pursuant to this Mortgage or exercising any other rights and remedies pursuant to the Note, this Mortgage and the other Loan Documents, whether simultaneously with foreclosure proceedings or in any other sequence. A separate action or actions may be brought and prosecuted against Mortgagor, whether or not action is brought against any other person or entity or whether or not any other person or entity is joined in the action or actions. *THIS MORTGAGE IS SUBJECT TO THE NONRECOURSE PROVISIONS OF SECTIONS OF THE LOAN AGREEMENT.*

(l) *Right of Entry.* Mortgagee and its agents shall have the right to enter and inspect the Premises at all reasonable times.

(m) *Default Interest And Late Charges.* Mortgagor acknowledges that, without limitation to any of Mortgagee's rights or remedies set forth in this Mortgage, Mortgagee has the right following an Event of Default to demand interest on the principal amount of the Note at the Default Rate and late payment charges in accordance with the terms of the Note.

(n) *Security Interest.* This Mortgage is among things intended to be a security agreement and financing statement with respect to the personal property and fixtures described and included in the Mortgage, and all additions, accessions, substitutions and replacements thereto and therefor, together with the proceeds thereof, and all of which are hereinafter referred to as the collateral and the Mortgagor hereby grants and conveys to Mortgagee, its successors and assigns, a security interest therein. That upon default of any term, condition or covenant of the Mortgage and acceleration of any indebtedness hereby secured, the Mortgagee may, at its discretion, require the Mortgagor to assemble the collateral and make it available to the Mortgagee at a place reasonably convenient to both parties to be designated by the Mortgagee. The Mortgagee shall give the Mortgagor notice, by registered mail, postage prepaid, of the time and place of any public sale of any of the collateral or of the time any private sale or other intended disposition thereof is to be made by sending notice to the Mortgagor at least five (5) days before the time of the sale or other disposition, which provisions for notice the Mortgagor and the Mortgagee agree are reasonable; provided, however, that nothing herein shall preclude the Mortgagee from proceeding as to both real and personal property in accordance with the Mortgagee's rights and remedies in respect of the real property. The Mortgagee shall have all of the remedies of a secured party under the Uniform Commercial Code as now in effect in the State of Iowa, and such further remedies as may from time to time hereafter be provided in Iowa for a secured party. The Mortgagor agrees that all rights of the Mortgagee as to said collateral and as to said real estate, and rights and interest appurtenant thereto, may be exercised together or separately and further agrees that in exercising its power of sale as to said collateral and as to said real estate, and rights and interest appurtenant thereto, the Mortgagee may sell the collateral or any part thereof, either separately from or together with the sale real estate, rights and interests appurtenant thereto, or any part thereof, all as the Mortgagee may in its discretion elect.

4. Joint and Several Liability. If the Mortgagor be more than one party, such parties shall be jointly and severally liable under any and all obligations, covenants and agreements of the Mortgagor contained herein or in any of the other documents.

5. **General Provisions.** The Mortgagor and the Mortgagee further agree that:

(a) *Homestead.* There is no homestead interest in the Premises;

(b) *Waivers.*

(i) Except as otherwise specifically provided in this Mortgage, the Note and the other Loan Documents, the Mortgagor waives demand, notice of any action taken in reliance on this Mortgage, and all other demands and notices of any description;

(ii) No delay or omission on the part of the Mortgagee in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy or of any other right or remedy under this Mortgage. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right and/or remedy on any future occasion. No single or partial exercise of any power hereunder shall preclude other or future exercise thereof or the exercise of any other right; and

(iii) That receipt and disposition of rents, income of the Premises, insurance proceeds, eminent domain awards, or any other sums under the provisions of the Loan Documents by the Mortgagee shall not be a waiver or release of any rights of the Mortgagee, including but not limited to, the right of foreclosure or acceleration of the Note, whether such receipt or disposition shall be before or after exercise of any such rights.

(c) *Binding Agreement.* This Mortgage shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, and assigns; provided, however, that any assumption of any obligations of Mortgagor hereunder shall not constitute a release of the party whose obligation is being assumed without the Mortgagee's prior written consent;

(d) *Amendment.* This Mortgage shall not be changed in any respect except by written instrument signed by the party against whom enforcement is sought;

(e) *Governing Law.* This Mortgage and all rights and obligations hereunder, including matters of construction, validity and performance shall be governed by the laws of the State of Iowa;

(f) *Severability.* If any term, condition, or provision of this Mortgage or the application, thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable according to law, then the remaining terms, conditions, and provisions of this Mortgage, or the application of any such invalid or unenforceable term, condition or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, and provision of this Mortgage shall be valid and enforced to the fullest extent permitted by law;

(g) *Headings.* The descriptive headings of the sections of this Mortgage have been inserted for convenience and reference only and shall not control or affect the meaning or construction of any of the contents hereof;

(h) *Estoppel Certificate.* The Mortgagor, within five (5) days after being given notice as provided below, will furnish to the Mortgagee a written statement duly acknowledged by the Mortgagor certifying the principal amount then outstanding on the Note and certifying that no offsets or defenses exist against the Mortgage indebtedness;

(i) *Notice.* Any demand or notice required or permitted under the Loan Documents shall be effective if either: (A) hand-delivered to the addressee, or (B) deposited in the United States mail, registered or certified, return receipt requested and postage prepaid, or deposited for overnight delivery with any reputable overnight courier service addressed to the addressee: (1) at the address shown at the beginning of this Loan Agreement, or (2) if such party has provided the other in writing with a change of address, at the last address so provided. Any notice or demand mailed as provided in this paragraph shall be deemed given and received on the earlier of:

a. the date received; or

b. the date of delivery, refusal or non-delivery as indicated on the return receipt, if sent by mail or overnight courier as provided above.

(j) *Gender and Number.* All words denoting gender or number shall be construed to include any other gender or number as the context and facts require;

(k) *Conflict with other Loan Documents.* In the event of any conflict between the terms, covenants, conditions and restrictions contained in the Loan Documents, the term, covenant and condition or restriction which grants the greater benefit upon the Mortgagee shall control. The determination as to which term, covenant, condition or restriction is the more beneficial shall be made by the Mortgagee in its sole discretion; and

(l) *Waiver of Right of Exemption.* The Mortgagor, for the consideration aforesaid, hereby waives all rights of exemption in the Premises as the same are now or here after provided by virtue of the Bankruptcy provisions of the United States Code, including, without limitation, 11 U.S.C. 522.

6. Secondary Market/Transfer of Loan. Mortgagee may, at any time, sell, transfer or assign the Note, this Mortgage and the other Loan Documents, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"). Mortgagee may forward to each purchaser, transferee, assignee, servicer, participant, investor in such Securities or any rating agency (a "Rating Agency") rating such Securities (all of the foregoing entities collectively referred to as the "Investor") and each prospective Investor, all documents and information which Mortgagee now has or may hereafter acquire relating to the Debt and to Mortgagor, any guarantor, any indemnitor and the Premises, whether furnished by Mortgagor, any guarantor, any indemnitor or otherwise, as Mortgagee determines necessary or desirable. Mortgagor, any guarantor and any indemnitor agree to cooperate with Mortgagee in connection with any transfer made or any Securities created pursuant to this Section, provided such cooperation does not require Mortgagor to incur any material cost or expense. Mortgagor shall also furnish and Mortgagor, any guarantor and any indemnitor consent to Mortgagee furnishing to such Investors or

such prospective Investors or Rating Agency any and all available information concerning the Premises, any leases, the financial condition of Mortgagor, any guarantor and any indemnitor as may be requested by Mortgagee, any Investor or any prospective Investor or Rating Agency in connection with any sale, transfer or participation interest.

7. **Special Provisions.** Please see Schedule B

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have caused this Mortgage to be executed as of March 31, 1998.

Corporate Development, LLC (the "Mortgagor")

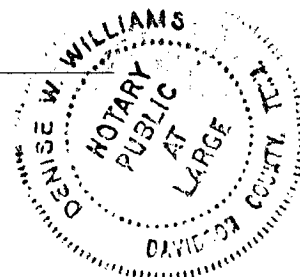
Mary D. Warren
Witness

By: William S. Warren Sr.
William S. Warren, Sr., its duly authorized Manager

STATE OF Tennessee
COUNTY OF Davidson

The foregoing instrument was acknowledged, subscribed and sworn to before me on APRIL 2, 1998, by William S. Warren, Sr., in his capacity as the duly authorized Manager of Corporate Development, LLC, a Tennessee limited liability company, on behalf of such limited liability company.

Denise W. Williams
Justice of the Peace/Notary Public
My Commission Expires: 1/27/2001
Notary Seal or Stamp:



SCHEDULE A

The West 36 feet of Lot Two (2) and the East 48 feet of Lot Three (3) in Block Two (2) of Original Town of Truro, formerly called Ego, in Madison County, Iowa.

Lot Four (4) and the West 18 feet of Lot Three (3) in Block Two (2) of Original Town of Truro, Madison County, Iowa.



SCHEDULE B

Iowa Provisions

Acceleration; Foreclosure. Upon the occurrence of any Event of Default and at any time thereafter while such Event of Default exists, Mortgagee may, at its option, after such notice as may be required by law, exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

a. Mortgagee may declare immediately due and payable all Obligations secured by this Mortgage, and the same shall thereupon be immediately due and payable, without further notice or demand.

b. Mortgagee shall have and may exercise with respect to the Personal Property, all the rights and remedies accorded upon default to a secured party under the Iowa Uniform Commercial Code. If notice to Mortgagors of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to Mortgagors at least ten (10) days prior to the date of intended disposition.

c. Mortgagee may (and is hereby authorized and empowered to) foreclose this Mortgage in accordance with the law of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall at the request of Mortgagee appoint a receiver to take immediate possession of the Mortgaged Property and of the Revenues and Income accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Mortgagors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the Obligations.

Redemption. It is agreed that if this Mortgage covers less than ten (10) acres of land, and in the event of the foreclosure of this Mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes 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 Mortgagors which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Mortgagor, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and (3) Mortgagee in such action files an election to waive any deficiency judgment against Mortgagors or their successors in interest in such action. If the redemption period is so reduced, Mortgagors or their successors in

interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Mortgagors shall be a presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

Attorneys' Fees. Mortgagors shall pay on demand all costs and expenses incurred by Mortgagee in enforcing or protecting its rights and remedies hereunder, including, but not limited to, reasonable attorneys' fees and legal expenses.