

NationsBank

NationsBank, N.A.

MIG RECORD 190

REC \$ 55.00

AUD \$ _____

R.M.F. \$ 1.00

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BOOK 198 PAGE 380

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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

441-001-87-0010-711009

NationsBank, N.A.

THIS DOCUMENT WAS PREPARED BY:

Name: NationsBank, N.A.

Address: 801 N 11TH, ST LOUIS, MO 63101

Telephone Number:

801 N 11TH
ST LOUIS, MO 63101
"Bank"

RELEASED 3-22-04 SEE
BOOK 2004 PAGE 1221

MORTGAGE

to
Bank

("Mortgagee")

THIS MORTGAGE (referred to herein as "this instrument"), executed as of the 1ST day of MARCH
1998, by RODNEY R. CARLSON, A MARRIED PERSON

whose address is 2834 W 1ST ST, ANKENY, IA 50021

("Mortgagor"), in favor of Mortgagee, whose principal business address is 801 N 11TH, ST LOUIS, MO 63101

, Attention: Commercial Credit Operations;

WITNESSETH:

Mortgagor, for and in consideration of the loans, advances, or other financial accommodations by Mortgagee giving rise to the debt herein described and the sum of One Dollar (\$1.00), the receipt and adequacy of which are hereby acknowledged, MORTGAGES AND WARRANTS to Mortgagee the below real property, whether now owned or held or hereafter acquired by Mortgagor and whether now or hereafter existing (the "Mortgaged Property"), subject to easements, covenants, conditions, and restrictions of record as of the date hereof, and all of the items listed on Exhibit A attached hereto, to have and to hold the Mortgaged Property, with all rights, appurtenances, and privileges thereunto belonging, unto the Mortgagee, its successors and assigns forever.

The Mortgaged Property is the following:

(1) all of the following described land (the "Land") situated in the County of MADISON, State of Iowa:

See Attached Exhibit A Consisting of 1 Page(s).

(2) all improvements and fixtures (the "Fixtures") now or hereafter existing or constructed upon the Land, including but not limited to buildings and other structures;

(3) all of the hereditaments, easements, licenses, privileges, rights-of-way, water rights, uses and other appurtenances to the Land and Fixtures;

(4) all right, title and interest, if any, of Mortgagor in and to nearby ways, roads, streets, boulevards, avenues or other public thoroughfares;

(5) all right, title and interest of Mortgagor in and to the rents, income, issues, profits and revenues of all of the foregoing, including but not limited to rents and royalties payable with respect to oil, gas or minerals located on or under the Land;

NOTICE: This instrument secures the following (the "Obligations"), up to a maximum principal amount of \$ 55,000.00. Loans and advances up to this amount, together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens. If this block is checked , the Obligations include one or more revolving credit loans:

(1) The payment of all amounts due, including but not limited to principal; interest, fees and expenses, from time to time (whether at stated maturity, by acceleration or otherwise) under the following documents, all of which are incorporated herein by reference:

(a) PROMISSORY NOTE IN THE AMOUNT OF \$55,000.00 DATED MARCH 1, 1998.

which instrument matures on MARCH 1, 2013, including future advances if contemplated thereunder; and

(b) this instrument and all additional security agreements, mortgages, deeds of trust, assignments or other security instruments which are executed and delivered to Mortgagee to secure obligations of Mortgagor under the documents described in clause (a) above;

(2) Any and all other indebtedness of Mortgagor to Mortgagee, whether now existing or hereafter created, absolute or contingent, direct or indirect, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, or acquired by Mortgagee outright, conditionally or as collateral security from another, and whether or not made pursuant to commitment and whether or not presently contemplated by Mortgagor and Mortgagee, including but not limited to the obligation of Mortgagor to repay future advances by Mortgagee, and the obligation to repay advances by Mortgagee under any letters of credit issued for Mortgagor's account, other than

(a) any such other indebtedness evidenced by or secured pursuant to any writing which states in effect that such indebtedness is not secured by any property other than the property described in such writing; and

(b) if the Mortgaged Property is used or expected to be used as Mortgagor's principal dwelling, any such other indebtedness which was incurred by Mortgagor for personal, family or household purposes;

(3) Any and all extensions, renewals, amendments, replacements, restatements, refinancings, refundings or modifications (including but not limited to modifications to interest rates or other payment terms) of any of the foregoing; and

(4) The observance and performance by Mortgagor of each and every term, covenant, condition and agreement required by this instrument to be observed and performed by Mortgagor.

The term "Documents" shall mean, unless otherwise specified, all of the documents referred to in clauses (1) (a) and (b) above and "Document" shall mean any one of such documents. Each Document shall be equal and without preference over another.

Mortgagor further covenants, agrees, represents, and warrants as follows:

1. Defined Terms. All capitalized terms used in this instrument shall have the meanings defined in the Sections where they are first used, or if not therein defined, the following meanings (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Charter Documents" means the certificate or articles of incorporation and bylaws of a corporation, the constitution, certificate or articles of association and bylaws of an unincorporated association, the partnership agreement of a general partnership, the partnership agreement or certificate of partnership of a limited partnership, and the trust instruments under which a trust exists, and the articles of organization and operating agreement of a limited liability company.

"Contaminants" means hazardous substances, toxic substances, hazardous wastes, special wastes, petroleum or any other substance regulated under any applicable federal, state or local environmental law.

"Default Rate" means an interest rate of twenty percent (20%) per annum or, if less, the lowest rate of interest provided for after default under the terms of any of the Documents.

"Environmental Agency" means the U.S. Environmental Protection Agency, the Iowa Environmental Protection Agency, the Iowa Pollution Control Board, a state or local attorney general or any other federal, state or local governmental agency that regulates or controls the generation, treatment, storage, transportation, release or disposal of Contaminants or the remediation of problems pertaining to Contaminants.

"Mortgagee" means the Mortgagee identified as such in this instrument and any subsequent holder of any of the Documents or the other Obligations.

2. Security Interest. Mortgagor also grants to Mortgagee to secure the Obligations a security interest in all goods now owned or hereafter acquired by Mortgagor that are intended to be used or are actually used so as to become Fixtures, and all replacements thereof, substitutions therefor and accessions thereto and cash and non-cash proceeds thereof (the "Personal Property Collateral"). This instrument constitutes a "security agreement" as that term is used in the Uniform Commercial Code in effect where the Mortgaged Property is located. The Personal Property Collateral and the Mortgaged Property are hereinafter collectively referred to as the "Collateral".

3. Assignment of Rents. Mortgagor hereby assigns to Mortgagee all of the rents, issues, income, profits and revenues arising from the Mortgaged Property, its interest as lessor in all existing and future leases of all or any part of the Mortgaged Property and its interest as licensor in all existing and future licenses pertaining to the Mortgaged Property. Such assignment shall not be construed as a consent by Mortgagee to any such lease or license or impose upon Mortgagee any obligations with respect thereto. This assignment is absolute and effective immediately; provided, however, that until a Default occurs, Mortgagor may receive the rents, issues, income, profits and revenues arising from the Mortgaged Property, but shall hold the same as a trust fund to be applied to the Obligations as they become due before using the same for any other purpose. Mortgagor shall not terminate or cancel any such lease or license, nor terminate or accept a surrender or cancellation of any such lease or license, nor reduce the rent or fees payable thereunder, nor accept any prepayment of rent or fees (except such amount as may be required by the terms of the relevant lease or license to be prepaid for a period of not more than one month) without first obtaining the written consent of Mortgagee on each occasion. Mortgagor shall perform all of its obligations as lessor or licensor under such leases and licenses.

4. Escrow of Taxes, Assessments and Insurance. Upon demand of Mortgagee, Mortgagor shall pay to Mortgagee on the first day of each month, one-twelfth (1/12th) of the annual charge against the Mortgaged Property for state, county and municipal taxes and assessments, general and special, and one-twelfth (1/12th) of the annual cost of Insurance (as hereinafter defined) (as so estimated) required to be maintained herein, all as estimated by Mortgagee; and upon Mortgagee's demand in writing, shall promptly deposit with Mortgagee any amount in excess of said payments which shall be required to pay any such taxes, assessments or Insurance when the same shall be due. These payments shall be held in trust by Mortgagee, shall not bear interest and shall be applied by Mortgagee to payment of general and special taxes and assessments and Insurance premiums as they become due. In the event the sums so paid by Mortgagor shall not be sufficient to pay any such general or special tax or assessment or Insurance premium when due, Mortgagor shall, immediately upon notice from Mortgagee, pay the deficiency to Mortgagee, which shall then pay the general or special tax or assessment or Insurance premium then due. In case of default of any of the terms of this instrument, the above funds deposited with Mortgagee shall constitute additional security for all Obligations secured hereby and may be applied by Mortgagee against the same.

5. Representations and Warranties. Mortgagor represents and warrants to Mortgagee that:

5.1. Power and Authority. Mortgagor has full power, authority and legal capacity to execute this instrument and perform Mortgagor's obligations hereunder. If Mortgagor is not an individual,

5.1.1. Mortgagor is duly organized and exists in good standing under the laws of the state of its organization; Mortgagor is duly qualified to do business and is in good standing in every state where any of the Collateral is located and the nature or extent of its business or properties there require it to be qualified to do business as a foreign entity; and Mortgagor has the power and authority to own and use the Collateral as it is now being used.

5.1.2. The persons who have executed this instrument have been duly authorized to execute and deliver this instrument on behalf of Mortgagor; and this instrument has been duly authorized by all requisite action of Mortgagor and its shareholders, partners, members or other persons whose action is required for such authority to exist.

5.2. Consents, Permits and Approvals. No consent of any third party, and no consent, permit, license, approval or authorization of, or registration, declaration or filing with or notice to, any governmental authority is required in connection with the execution and delivery of this instrument or the performance by Mortgagor of its obligations hereunder, or the validity or enforceability against Mortgagor of this instrument.

5.3. Legal Restraint. The execution and delivery of this instrument and the performance by Mortgagor of its obligations hereunder does not and will not violate any provision of any law, rule or regulation or of any order, judgment, award or decree of any court, arbitrator or governmental authority, the Charter Documents of Mortgagor or any security issued by Mortgagor if Mortgagor is not an individual, or any agreement, indenture or undertaking to which Mortgagor is a party or by which Mortgagor or the Collateral is bound or affected.

5.4. Title to Collateral. Mortgagor has marketable fee simple title to the Mortgaged Property, and owns the Personal Property Collateral, free and clear of all easements, covenants, restrictions, conditions, encumbrances, liens and claims except those identified on page 1 hereof or in Exhibit A hereto (if any).

5.5. Environmental Matters. To the best of Mortgagor's knowledge, information and belief:

5.5.1. The Mortgaged Property is free of all Contaminants. Neither Mortgagor nor any other person (including but not limited to prior owners, occupants or tenants) has ever caused or permitted any Contaminants to be generated, treated, stored, transported, released or disposed of, on, at, through or under the Mortgaged Property.

5.5.2. Neither Mortgagor nor any other person (including but not limited to prior owners, occupants or tenants) has received any notice of any action, proceeding or investigation by an Environmental Agency related to any suspected or actual violation of any applicable federal, state or local environmental law relating to the Mortgaged Property or to Contaminants on the Mortgaged Property.

6. Covenants. Mortgagor covenants and agrees with Mortgagee as follows:

6.1. Payment of Principal and Interest. Mortgagor will pay the indebtedness evidenced by the Documents in accordance with the terms thereof.

6.2. Payment of Lienable Charges and Claims. Mortgagor shall pay, before they become delinquent, all taxes, penalties, assessments, charges and other amounts which if not so paid will result in the imposition of a lien on any of the Collateral, and Mortgagor shall pay all claims of contractors, subcontractors, materialmen, laborers and suppliers which if not paid will entitle the claimant to impose a mechanic's or materialmen's lien upon any of the Collateral, except such of the foregoing as are being diligently contested in good faith by Mortgagor by appropriate proceedings and for which Mortgagor has obtained a bond to protect the interest of Mortgagee from a bonding company acceptable to Mortgagee or established reserves acceptable to Mortgagee; provided, however, that if in the reasonable judgement of Mortgagee, the lien or security interest created by this instrument is materially endangered or any material part of the Collateral is subject to imminent loss or diminution in value as a result of such contest, then Mortgagor shall pay the same immediately upon demand by Mortgagee. Mortgagor shall furnish to Mortgagee upon its request evidence of its compliance with this Section.

6.3. Preservation of Collateral. Mortgagor shall not commit or allow waste of the Collateral and shall repair and maintain the Collateral so as to keep it in the same condition as existed on the date hereof, ordinary wear and tear alone excepted.

6.4. Compliance with Laws. Mortgagor shall comply with all laws, rules, regulations and codes, including but not limited to fire and building codes, of federal, state and local authorities applicable to the Collateral or the use of the Collateral, and with the requirements of every board of fire underwriters or similar body whose requirements apply to similar property in the area where any of the Collateral is located.

6.5. Alterations. Mortgagor shall not commit or allow any alteration, demolition or removal of any of the Fixtures which would impair the value of the Collateral without the prior written consent of Mortgagee.

6.6. Inspection by Mortgagee. Mortgagee may at any time upon reasonable prior notice inspect the Collateral and all books and records of Mortgagor pertaining to the Collateral. Mortgagor shall give Mortgagee access to the Collateral to exercise any of Mortgagee's rights and remedies under this instrument.

6.7. Insurance. Mortgagor shall at all times keep the Collateral insured, in insurance companies and under forms of insurance acceptable to Mortgagee, against fire, extended coverage and other perils as Mortgagee may from time to time require ("Casualty Insurance"). If Mortgagor regularly carries on a business using any of the Collateral, however, Mortgagor may omit from the coverage of such insurance any items of the Collateral which are not of a character usually insured by others carrying on a similar business. Mortgagor shall also at all times carry insurance, in insurance companies acceptable to Mortgagee, against liability on account of damage to persons or property ("Liability Insurance;" the Casualty Insurance, Liability Insurance and any other insurance required herein to be maintained by Mortgagor are sometimes hereinafter referred to collectively as the "Insurance"). If Mortgagor regularly carries on a business using any of the Collateral, the Liability Insurance shall include product liability insurance and insurance required under all applicable workers' compensation laws and shall cover all other liabilities common to Mortgagor's business, in such manner and to such extent as such coverage is usually carried by others conducting a similar business. All policies of Liability Insurance shall name Mortgagee as an additional insured. All policies of Casualty Insurance shall reflect Mortgagee's interest therein as a mortgagee under a standard New York or Union mortgagee clause. All policies of Insurance shall contain a clause providing that such policies may not be canceled without thirty (30) days prior written notice to Mortgagee. Mortgagor shall furnish to Mortgagee upon its request at any time certificates evidencing the existence of the Insurance. Such certificates shall specify the names of the insurers, the limits of coverage, the expiration dates and the types of coverage, and shall reflect that Mortgagee is an additional insured or that the proceeds thereof are payable to Mortgagor and Mortgagee as their interests may appear, as applicable. Mortgagee is authorized, but not obligated, as the attorney-in-fact for Mortgagor, (i) to adjust and compromise proceeds payable under the policies of Insurance without the consent of Mortgagor, (ii) to collect, receive and give receipts for such proceeds in the name of Mortgagor and Mortgagee, and (iii) to endorse Mortgagor's name upon any instrument in payment thereof. This power granted Mortgagee shall be deemed coupled with an interest and shall be irrevocable. Mortgagee may, at Mortgagee's sole option, apply the proceeds of Insurance to the Obligations, and shall pay the portion not so applied to Mortgagor. If the area where the Fixtures are located is now or in the future designated as a special flood hazard area pursuant to the Flood Disaster Protection Act of 1973 (as amended), and if the community where the Fixtures are located is participating in the National Flood Insurance Program, Mortgagor shall obtain and continuously maintain a National Flood Insurance Program Standard Flood Insurance Policy or equivalent covering the Mortgaged Property. Mortgagee may, from time to time, require such additional insurance as Mortgagee may determine is reasonably necessary to protect Mortgagee's lien and security interest hereunder or to assure repayment of the Obligations.

6.8. Condemnation. Mortgagor hereby assigns to Mortgagee all awards and payments, including any interest thereon, and the right to receive the same, which may be made with respect to the Collateral as a result of (i) condemnation or the exercise of the right of eminent domain by any public or quasi-public authority, (ii) the alteration of the grade of any street or (iii) any other injury to or decrease in the value of the Collateral. Mortgagor agrees to execute and deliver such further instruments as may be requested by Mortgagee to confirm this assignment and sufficient for the purpose of assigning all proceeds from such awards or payments to Mortgagee. Mortgagee is authorized, but not obligated, as the attorney-in-fact for Mortgagor, to collect, receive and give receipts for such awards and payments. This power granted Mortgagee shall be deemed coupled with an interest and shall be irrevocable. Mortgagee may, at Mortgagee's sole option, apply such awards and payments to the Obligations, and shall pay the portion not so applied to Mortgagor.

6.9. Mortgagee's Right to Cause Performance of Covenants. If Mortgagor fails to maintain and pay the premiums for Insurance as required in Section 6.7, to pay all taxes, penalties, assessments, charges, and claims as required in Section 6.2, or to repair and maintain any of the Collateral as required in Section 6.3, or if Mortgagor fails to keep or perform any of Mortgagor's other covenants herein, Mortgagee may cause such repairs and maintenance to be made, obtain such Insurance, pay such taxes, penalties, assessments, charges, or claims; or cause such other covenants to be performed. Mortgagor shall pay to Mortgagee on demand all amounts paid by Mortgagee for the foregoing and the amount of all expenses incurred by Mortgagee in connection therewith, together with interest thereon from the date when incurred at the Default Rate. Such amounts and interest shall be secured by this instrument and shall be a lien on and

security interest in the Collateral prior to any right, title, interest, lien, or claim in or upon the Collateral subordinate to the lien of this instrument. Any such payments by Mortgagee shall not be deemed a waiver of any Default. Mortgagee shall not be obligated to exercise Mortgagee's rights under this Section and shall not be liable to Mortgagor for any failure to do so.

6.10. Costs of Preserving or Enforcing This Instrument. Mortgagor shall (to the extent permitted by law) pay to Mortgagee on demand the amount of all costs and expenses, including reasonable attorneys' fees and disbursements and appraisal fees, incurred by Mortgagee in connection with (i) amendment, interpretation or enforcement of this instrument, Mortgagee's rights or remedies under this instrument, or the priority of the lien and security interest of this instrument, (ii) collection of any of the Obligations, or (iii) any title examination or title insurance commitment or policy relating to the Mortgaged Property, together with interest thereon from the date when incurred at the Default Rate. Such amounts and interest shall be secured by this instrument and shall be a lien on and security interest in the Collateral prior to any right, title, interest, lien, or claim in or upon the Collateral subordinate to the lien of this instrument.

6.11. Change in Tax Law. If, after the date of this instrument, any law becomes effective where any of the Collateral is located that imposes a tax on Mortgagee or any of the Obligations based upon or as a consequence of the amount, value or existence of this instrument or any of the Obligations, Mortgagee shall have the right to declare that the Obligations, including all accrued interest, shall be immediately due and payable; provided, however, that Mortgagee shall not have such right if Mortgagor is permitted by law to pay the whole of such tax in addition to the Obligations, in which event Mortgagor shall reimburse Mortgagee for such tax upon demand and the amount thereof shall be secured by this instrument and shall be a lien on and security interest in the Collateral prior to any right, title, interest, lien, or claim in or upon the Collateral subordinate to the lien of this instrument.

6.12. Compliance with Environmental Laws.

6.12.1. Mortgagor shall immediately notify Mortgagee in writing of any notice of any pending or threatened action, proceeding or investigation from an Environmental Agency.

6.12.2. Mortgagor shall keep the Mortgaged Property free from all Contaminants and shall not use the Mortgaged Property for the generation, treatment, storage, transport or disposal of Contaminants.

6.12.3. Mortgagee shall have the right at any time and from time to time to require Mortgagor at Mortgagor's expense to obtain an environmental assessment of the Mortgaged Property, the form and content of which must be satisfactory to Mortgagee, by an environmental consultant satisfactory to Mortgagee. Should Mortgagor fail to have such environmental assessment performed within thirty (30) days of Mortgagee's written request, Mortgagee shall have the right to retain an environmental consultant to perform such environmental assessment. Mortgagee shall also have the right, without limitation of Mortgagee's other rights under this instrument, to enter onto the Mortgaged Property to conduct tests or to take such other actions as it deems necessary or advisable to cleanup, remediate, encapsulate, remove, resolve or minimize the impact of, or otherwise deal with, any Contaminants or breaches of applicable environmental laws which could result in an order, suit or other action against Mortgagor and/or which, in the sole opinion of Mortgagee, could jeopardize its lien and security interest under this instrument. Mortgagor shall pay to Mortgagee on demand the amount of all costs and expenses incurred by Mortgagee in the exercise of such rights, together with interest thereon from the date when incurred at the Default Rate. Such amounts and interest shall be secured by this instrument and shall be a lien on and security interest in the Collateral prior to any right, title, interest, lien, or claim in or upon the Collateral subordinate to the lien of this instrument.

6.12.4. Mortgagee's rights in this Section 6.12 may be exercised by it in its sole discretion. Mortgagee shall have no obligation to enter the Mortgaged Property or to take any other action which it is authorized by this Section to take for the protection of its security. Any action which it may elect to take shall be solely for its own benefit and all third party beneficiary rights are hereby expressly negated. Mortgagee shall have no responsibility for the conduct of Mortgagor's environmental practices respecting the Mortgaged Property. Any action or inaction by Mortgagee hereunder shall not be deemed to constitute the taking of control over Mortgagor's disposal, generation, treatment, storage, management, or other environmental practices with respect to the Mortgaged Property or any Contaminants.

6.13. Certifications. Mortgagor, upon the request of Mortgagee, shall certify to Mortgagee or to any proposed assignee of this instrument, by a writing duly acknowledged, whether any offsets or defenses are alleged to exist against the Obligations and the names and addresses of any lessees or licensees of the Mortgaged Property or any part thereof, together with a summary of the material terms of their respective leases or licenses, the rents and fees payable thereunder and whether any default exists thereunder. Mortgagee may request such a certificate from Mortgagor at any time and from time to time. Such certificate shall be executed and delivered to Mortgagee within ten (10) days of such request.

6.14. Indemnity. Mortgagor shall (to the extent permitted by law) protect, defend, and indemnify Mortgagee, and hold Mortgagee harmless from and against, any claims, actions or proceedings against Mortgagee and any loss, cost, damage or expense, including but not limited to reasonable attorney's fees and disbursements, incurred by Mortgagee, arising out of or in any way related to a breach of the representations, warranties, covenants or agreements of Mortgagor herein. Mortgagee shall have the right, jointly with Mortgagor, to negotiate and settle any such claims, actions or proceedings.

6.15. Defense of Title. Mortgagor shall execute and deliver to Mortgagee, at Mortgagor's sole expense, such further assurances of title to the Collateral that are necessary to evidence, preserve or protect the lien and security interest created by this instrument. Mortgagor shall, at its sole expense, warrant and defend title to the Collateral and the priority of the lien and security interest created by this instrument against all claims and demands whatsoever.

6.16. Maintain Existence. Mortgagor will maintain in good standing its corporate (if Mortgagor is a corporation) or partnership (if Mortgagor is a partnership) or limited liability company (if Mortgagor is a limited liability company) existence and its authority to transact business in all jurisdictions where the nature of its business or properties requires it to be so authorized.

7. Financial Statements. Unless otherwise specified in writing by Mortgagee:

7.1. Mortgagor shall furnish to Mortgagee, within thirty (30) days after the close of each fiscal quarter of Mortgagor, statements for the Mortgaged Property in form acceptable to Mortgagee that show all revenues and expenses of the Mortgaged Property for such quarter in such reasonable detail as Mortgagee may require.

7.2. Mortgagor shall furnish to Mortgagee, within ninety (90) days after the close of each fiscal year of Mortgagor, annual statements of revenues and expenses for the Mortgaged Property for such year in form acceptable to Mortgagee and audited, reviewed or compiled (as required by Mortgagee) by a certified public accountant. Such annual statements shall show such revenues and expenses in such reasonable detail as Mortgagee may require.

7.3. Mortgagor shall furnish to Mortgagee, within ninety (90) days after the close of Mortgagor's fiscal year, annual statements for the Mortgagor in form acceptable to Mortgagee and audited, reviewed or compiled (as required by Mortgagee) by a certified public accountant. Such annual statements shall each contain a balance sheet and an income statement, and if Mortgagor is not an individual, such annual statements shall contain a statement of cash flows.

7.4. Mortgagor shall cause each guarantor (if any) of the Obligations to furnish to Mortgagee, within ninety (90) days after the close of such guarantor's fiscal year, annual statements for such guarantor in form acceptable to Mortgagee and audited, reviewed or compiled (as required by Mortgagee) by a certified public accountant. Such annual statements shall each contain a balance sheet and an income statement, and if such guarantor is not an individual, a statement of cash flows.

8. Waiver of Homestead and Other Rights. Except to the extent contrary to applicable law, Mortgagor hereby releases and waives the benefit of (i) all laws now existing or hereafter enacted that provide for appraisal before sale of the items of the Collateral being sold, or that provide for the extension of the time for the enforcement of the collection of the Obligations or that create or extend the period for redemption of any of the Collateral from any sale thereof to collect the Obligations, and (ii) the homestead exemption laws of the state where the Mortgaged Property is located.

9. Default. Any one or more of the following shall constitute a "Default" under this instrument:

9.1. Payment of Obligations Evidenced by the Documents or Other Obligations. Nonpayment, when due, whether by acceleration or otherwise, of any principal or interest payment on the Obligations evidenced by the Documents or any fee or other amount due from Mortgagor to Mortgagee hereunder; failure to pay, when due, any of the other Obligations.

9.2. Obligations and Other Material Agreements. A default or event of default (other than a payment default) by Mortgagor with respect to any of the Obligations or default under any material agreement to which Mortgagor is a party which continues unwaived beyond any applicable grace period.

9.3. Payment or Acceleration of Other Indebtedness. Nonpayment, when due, of any other indebtedness of Mortgagor which continues unwaived beyond any applicable grace period or acceleration of any other indebtedness of Mortgagor prior to the stated maturity thereof.

9.4. Representations and Warranties. Any representation or warranty made by Mortgagor herein or in any other agreement, instrument or other paper delivered to Mortgagee proves to have been untrue or misleading in any material respect at the time when made or deemed to be made.

9.5. Covenants, Terms or Agreements. A default by Mortgagor in the due observance or performance of any covenant, term or agreement contained herein (other than a breach which would constitute a Default under Sections 9.1. through 9.4. hereof or for which another cure period is specifically provided) which continues unwaived for a period of ten (10) days.

9.6. Disposal of Collateral. After the date hereof, any conveyance, further encumbrance, exchange or other transfer or disposal, or agreement to transfer or dispose, of any Collateral, more than fifty percent (50%) of the issued and outstanding stock of Mortgagor entitled to vote on any matter (if Mortgagor is a corporation) or more than fifty percent (50%) of the partnership interests in Mortgagor (if Mortgagor is a partnership) or more than fifty percent (50%) of the membership interests in Mortgagor (if Mortgagor is a limited liability company), without Mortgagee's prior written consent.

9.7. Loss of Collateral. Uninsured loss, theft, damage or destruction to or of any item of the Collateral.

9.8. Bankruptcy, Insolvency, Etc. Mortgagor (i) fails to pay, or admits in writing Mortgagor's inability to pay, Mortgagor's debts as they become due, or otherwise becomes insolvent (however evidenced); (ii) makes an assignment for the benefit of creditors; (iii) is adjudicated insolvent or bankrupt, (iv) petitions or applies to any tribunal for a receiver or trustee of Mortgagor or any substantial part of Mortgagor's property, or allows any such receivership or trusteeship imposed without Mortgagor's consent to continue undischarged for a period of thirty (30) days; (v) files a petition in bankruptcy or commences any other proceeding relating to Mortgagor under any reorganization, arrangement, adjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (vi) has commenced against it any such proceeding which remains undismissed for a period of thirty (30) days; or (vii) by any act authorizes, consents to or acquiesces in any of the foregoing.

9.9. Judgments, Attachment, Etc. Any one or more judgments or orders against Mortgagor or any attachment or other levy against any of the Collateral remains unpaid, unstayed on appeal, undischarged, unbonded, or undismissed for a period of thirty (30) days.

9.10. Liquidation or Dissolution. Mortgagor, if other than an individual, is liquidated or dissolved or Mortgagor otherwise fails to maintain its corporate, partnership or limited liability company existence, as the case may be, in good standing in its state of organization or its authority to transact business is revoked, suspended or relinquished in any state where the nature of its business or properties requires it to be so authorized. Mortgagor, if an individual, dies or is adjudicated incompetent.

9.11. Condemnation; Eminent Domain. Any court or governmental authority condemns or otherwise appropriates the Collateral or any part thereof and such appropriation or condemnation renders the remainder of the Collateral unusable for its intended purpose.

10. Remedies Upon Default. If a Default occurs, Mortgagee shall have the right to do one or more of the following:

10.1. Mortgagee may, at its option and without notice or demand to Mortgagor except as otherwise required by applicable law, declare all of the Obligations immediately due and payable regardless of maturity.

10.2. Mortgagee may, at its option and without notice or demand to Mortgagor except as otherwise required by applicable law, take immediate possession of some or all of the Collateral, with or without appointment of a receiver or application therefor, and lease or rent the same either in its own name or in the name of Mortgagor, and receive the rents, income, issues, profits and any other revenues thereof and apply the same, after payment of (to the extent permitted by law) all costs and expenses incurred by Mortgagee in doing the foregoing, including but not limited to reasonable attorneys' fees and disbursements, to the Obligations. Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact to manage, repair, maintain, lease and rent the Collateral and collect all rents, income, issues, profits and any other revenues thereof, with full power and authority to bring suit to collect the same and to give receipts therefor; provided, however, that Mortgagee shall not be obligated to do so. This power granted Mortgagee shall be deemed coupled with an interest and shall be irrevocable.

10.3. Mortgagee may institute an action of foreclosure on this instrument or institute other proceedings according to law for foreclosure, and prosecute the same to judgment, execution and sale, for the collection of the Obligations and (to the extent permitted by law) all costs and expenses of such proceedings, including but not limited to reasonable attorney's fees and disbursements.

10.4. Mortgagee may exercise in respect of the Personal Property Collateral all of the rights and remedies available to a secured party upon default under the applicable provisions of the Uniform Commercial Code then in effect where the Personal Property Collateral is located.

11. Appointment of Receiver. In any action or proceeding for foreclosure, or upon actual or threatened waste to any part of the Collateral, Mortgagee shall be entitled to the appointment of a receiver to take possession of, and to operate, maintain, and manage, the Collateral and to collect the rents, income, issues, profits and revenues from the Collateral and pay the same over to Mortgagee for application to the Obligations. Mortgagee shall be entitled to the appointment of such a receiver as a matter of right without regard to the value of the Collateral as security for the Obligations or the solvency of Mortgagor or anyone else who may be liable for the payment or performance of the Obligations.

12. Application of Sale Proceeds. The proceeds of any sale made pursuant to judicial proceedings for foreclosure or other sale or realization from the Collateral pursuant to this instrument, and all other monies received by Mortgagee in any proceedings for the enforcement hereof, shall be paid and applied as follows:

First, (to the extent permitted by law) to the payment of the costs and expenses of so realizing on the Collateral, including but not limited to all costs and expenses incurred by Mortgagee in connection therewith, including but not limited to reasonable attorneys' fees and disbursements, together with interest thereon at the Default Rate from the date incurred;

Second, to the portion of the Obligations that constitute interest accrued but unpaid;

Third, to the remainder of the Obligations;

Fourth, to the holders of any liens or security interests on the Collateral that are junior to the lien and security interest under this instrument; and

Fifth, the balance, if any, to the Mortgagor, or its heirs, executors, administrators, personal representatives, successors or assigns, or to whosoever else may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

13. Partial Releases. Any part of the Collateral may be released by Mortgagee from the lien and security interest created by this instrument. Any such partial release shall be at the sole option of Mortgagee; Mortgagee shall not be obligated to grant partial releases. Any such partial release shall not affect the lien and security interest created by this instrument as to the remainder of the Collateral.

14. Full Release. When the Obligations are paid in full and all of Mortgagor's covenants and agreements in this instrument are fully performed, this instrument shall be released of record at the cost of Mortgagor.

15. Additional or Other Security. Mortgagee may take additional security for the Obligations, and Mortgagee may resort for the payment of the Obligations to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect, without releasing or impairing the lien and security interest created by this instrument.

16. Effect of Extensions and Modifications. Mortgagee, at its sole option, may extend the time for the payment or performance of the Obligations, or reduce the payments of principal or interest thereof, or accept a modification or renewal of the Documents or other Obligations (including such as effect an increase in the interest rate thereof), without the consent of any endorser, guarantor, or other party to the Documents or any other document evidencing any of the Obligations. Any such extension, reduction, modification or renewal shall not impair or affect the priority of the lien and security interest created by this instrument, or limit, release, discharge or affect the liability of Mortgagor, any endorser, guarantor or other party to the Documents or any other document evidencing the Obligations, except in accordance with the strict terms and tenor of any such extension, reduction, modification or renewal, and regardless of whether Mortgagor consents to any such extension, reduction, modification or renewal where a subsequent owner of the Mortgaged Property and Mortgagee are the parties to the extension, reduction, modification or renewal.

17. **Mortgagee's Rights Non-Exclusive.** The rights and remedies of Mortgagee under this instrument are in addition to the rights and remedies of Mortgagee at law and in equity. The exercise of any of Mortgagee's rights or remedies shall not be deemed to be an election of one right or remedy over another or to prevent Mortgagee from exercising any other of Mortgagee's rights or remedies.

18. **Partial Invalidity.** If any provision of this instrument is held to be invalid or unenforceable, the rest of this instrument shall remain fully valid and enforceable.

19. **Waivers and Amendments.** No failure by Mortgagee to insist upon the strict and timely performance of any of the provisions of this instrument shall be deemed a waiver thereof. Mortgagee, notwithstanding any such failure, shall have the right to insist upon the strict and timely performance by Mortgagor of any and all terms and provisions of this instrument to be performed by Mortgagor. No waiver by Mortgagee shall be effective unless it is in writing and signed by an authorized officer of Mortgagee. No such waiver shall operate as a waiver of any other matter or of a similar matter at a future time. This instrument may not be modified or amended except by a duly recorded writing executed by both Mortgagor and an authorized officer of Mortgagee.

20. **Notices.** Any communication by Mortgagee to Mortgagor shall be deemed given if in writing and when (i) personally delivered to Mortgagor, or (ii) sent to Mortgagor at Mortgagor's Notice Address by certified or registered mail, courier, or telegram, or (iii) sent by facsimile to Mortgagor's FAX Number, whether received by Mortgagor or not. No communication from or concerning Mortgagor shall be deemed for any purpose to have been received by Mortgagee unless it is in writing and actually received by an executive officer of Mortgagee. Whenever applicable provisions of the Uniform Commercial Code or other applicable law require that notice be reasonable, ten (10) days' notice shall be deemed reasonable. Mortgagor's "Notice Address" is the mailing address shown below Mortgagor's signature. Mortgagor's FAX Number is the telephone number for Mortgagor's facsimile machine shown below Mortgagor's signature.

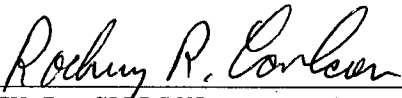
21. **Captions.** Section captions in this instrument are for convenience only and shall not affect the interpretation or construction of this instrument.

22. **Binding Effect.** This instrument shall bind Mortgagor and Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns, and shall inure to the benefit of Mortgagee and Mortgagee's successors and assigns.

23. **Governing Law.** This instrument and the rights and obligations of the parties hereunder shall be governed by and construed and interpreted in accordance with the laws of the State of Iowa, without regard to choice or conflict of laws rules.

Executed MARCH 1, 1998

IN WITNESS WHEREOF, this instrument has been executed as of the day and year first above written.



RODNEY R. CARLSON

Mortgagor's
Notice Address: 2834 W 1ST ST, ANKENY, IA 50021

Telephone Number: 515-964-2022

FAX Number:

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS MORTGAGE, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS MORTGAGED PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS MORTGAGE.

Rodney R. Carlson Dated: 24 April 98
RODNEY R. CARLSON

441-001-87-0010-711009

STATE OF IOWA)
)
County OF _____)

SS:

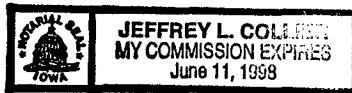
On this 24th day of April, 1998, before me, a Notary Public in and for said County (City) and State, personally appeared RODNEY R. CARLSON, A MARRIED PERSON

_____, known to me to be the person(s) who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

Jeffrey L. Collier
Notary Public

My Commission Expires:



STATE OF _____)
)
OF _____)

SS:

On this _____ day of _____, _____, before me, a Notary Public in and for said County (City) and State, personally appeared _____

_____, known to me to be the person(s) who executed the foregoing instrument, and acknowledged that he executed the same as h free act and deed for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

Notary Public

My Commission Expires:

Exhibit A

441-001-87-0010-711009

THE NORTH TEN (10) ACRES OF THE NORTHWEST QUARTER (1/4) OF THE NORTHWEST QUARTER (1/4) OF SECTION THIRTY-TWO (32) AND THE SOUTHWEST QUARTER (1/4) OF SECTION TWENTY-NINE (29), EXCEPT A TWO ACRE TRACT, MORE OR LESS, DESCRIBED AS THE SOUTH 300 FEET OF THE WEST 290.4 FEET OF THE SOUTHEAST QUARTER (1/4) OF THE SOUTHWEST QUARTER (1/4) OF SAID SECTION TWENTY-NINE (29), ALL IN TOWNSHIP SEVENTY-FIVE (75) NORTH, RANGE TWENTY-EIGHT (28) WEST OF THE 5TH P.M.

Rodney R. Carlson M.D. 24 June 1988

RODNEY R. CARLSON