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BOOK 187 PAGE 398
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MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

LINDA KNIEP, AHLERS, COONEY, DORWEILER, HAYNIE, SMITH & ALLBEE, P.C.
100 COURT AVENUE, DES MOINES, IOWA 50309 (515) 243-7611

This Mortgage constitutes a Construction Mortgage within the meaning of Article 9 of the Uniform Commercial Code. This Mortgage contains an after-acquired property clause.

MORTGAGE AND SECURITY AGREEMENT AND
FIXTURE FINANCING STATEMENT

between

T. D. Marc Inc.

as Mortgagor,

and

Norwest Bank Iowa, National Association
as Mortgagee

\$4,995,000
Iowa Finance Authority
Industrial Development Revenue and Refunding Bonds
(T. D. Marc Inc. Project)
Series 1997

Dated
as of
March 1, 1997

NOTICE: This Mortgage secures credit in the amount of \$4,995,000. 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.

*Amended 8-8-01
2001 - 3453*

MORTGAGE AND SECURITY AGREEMENT
AND FIXTURE FINANCING STATEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage"), made as of the first day of March, 1997, by and between T. D. Marc Inc. (the "Mortgagor" or the "Borrower"), as Mortgagor, and Norwest Bank Iowa, National Association, as trustee and mortgagee (the "Trustee" or the "Mortgagee"), as Trustee under the Indenture of Trust, dated as of even date herewith (the "Indenture") between the Trustee and the Iowa Finance Authority (the "Issuer").

WHEREAS, pursuant to the provisions of Chapter 16 of the Code of Iowa, as amended (the "Act") the Issuer has entered into a Loan Agreement, dated as of even date herewith (the "Agreement") with the Borrower pursuant to which the Issuer has agreed to issue its Industrial Development Revenue and Refunding Bonds, Series 1997 (T. D. Marc Inc. Project) in the aggregate principal amount of \$4,995,000 (the "Series 1997 Bonds"), to provide funds to finance the construction and equipping of an addition to an existing manufacturing facility in Winterset, Iowa (the "Project") to be owned by the Mortgagor and leased to Woodmarc Limited Company (the "Lessee"); and

WHEREAS, the Agreement provides that the Issuer will lend the proceeds from the sale of the Series 1997 Bonds to the Borrower and the Borrower will pay the Issuer sums sufficient to pay the principal of, interest, and premium, if any, on the Series 1997 Bonds as and when the same become due; and

WHEREAS, the Agreement each further provides that as a condition to the issuance of the Series 1997 Bonds and the loan of the proceeds thereof to the Borrower, to secure performance by the Borrower of its obligations under the Agreement, including the payment of sums sufficient to pay the Series 1997 Bonds and any Additional Bonds, as hereinafter defined (together the "Bonds"), and as an inducement to the purchase of the Series 1997 Bonds by all who shall at any time become Holders thereof, the Mortgagor will execute and deliver this Mortgage to the Trustee; and

WHEREAS, the Agreement further provides for the issuance and sale from time to time by the Issuer of Additional Bonds (the "Additional Bonds") for purposes provided in Section 3.7 of the Agreement to be of equal standing with the Series 1997 Bonds and which are to be equally and ratably secured under the Indenture and payable from sums payable by the Borrower under the Agreement; and

WHEREAS, all amounts owing by the Mortgagor under the Agreement are to be equally and ratably secured by this Mortgage;

WHEREAS, the last stated maturity of the Bonds is March 1, 2017.

GRANTING CLAUSES

NOW, THEREFORE, for the purposes of securing the payment of all amounts now or hereafter advanced under the Agreement, owing under the Bonds, the Agreement or this Mortgage, and the faithful performance of all covenants, conditions, stipulations and agreements in the Bonds, the Agreement and this Mortgage contained, and in consideration of the premises, the loan of the proceeds of the Bonds by the Issuer, and as an inducement to the purchase of the Bonds by all who shall at any time become holders thereof, and other good and valuable consideration the receipt whereof is hereby acknowledged, the Mortgagor has executed and delivered this Mortgage to the Mortgagee and the Mortgagor does hereby grant, bargain, sell, convey, transfer, assign, set over, mortgage, grant a security interest in, and warrant to the Mortgagee, its successors and assigns forever, as their respective interests appear, all and singular the following described properties, whether now owned or hereafter acquired (herein collectively called the "Mortgaged Property"):

- A. All of the tracts or parcels of land (the "Land") located in Madison County, Iowa, and more particularly described in Exhibit A attached hereto;
- B. All buildings, structures, additions, improvements and appurtenances now standing or at any time hereafter constructed or placed on the Land;
- C. All building materials, building equipment, fixtures and supplies of every kind and nature now or hereafter located on the Land and suitable or intended to be incorporated in any building, structure or other improvement now or hereafter standing on the Land;
- D. All fixtures and articles of personal property of every kind and nature that may integrally belong to, be or hereafter become an integral part of the Land, and whether attached or detached, and whether now owned or hereafter acquired by Mortgagor, including, but without limiting the generality of the foregoing, any and all furniture, furnishings, partitions, carpeting, drapes, dynamos, screens, awnings, storm windows, floor coverings, disposal units, motors, engines, boilers, furnaces, pipes, plumbing, elevators, cleaning, call and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, maintenance equipment, and all heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and air-cooling equipment, gas and electric machinery, and all of the right, title and interest of the Mortgagor in and to any fixtures which may be subject to any title retention or security agreement superior in lien to the

lien of this Mortgage, and all additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds of all of the foregoing, all of which shall be construed as fixtures and will be conclusively construed, intended and presumed to be a part of the foregoing, whether or not permanently affixed to the Land, shall for the purpose of this Mortgage be deemed conclusively to be conveyed hereby, and as to all of the foregoing, whether personal property or fixtures, or both, a security interest is hereby granted by the Mortgagor and hereby attaches thereto, all as provided by the Iowa Uniform Commercial Code;

E. All and singular the tenements, hereditaments, easements, rights of way, rights, privileges and appurtenances to the Land, belonging or in any way appertaining thereto, and all claims or demands whatsoever of the Mortgagor either in law or in equity, in possession or expectancy of, in and to the Land;

F. Any and all leases, subleases, licenses, concessions or grants of other possessory interests now or hereafter in force, oral or written, covering or affecting the building and improvements to be constructed on the Land;

G. All the rents, issues, uses, profits, condemnation awards, insurance proceeds and other rights and interests now or hereafter belonging or in any way pertaining to the Mortgagor's interest in the Land and each and every lease, sublease and agreement described in the foregoing paragraph F and every right, title and interest thereunder, from the date of this Mortgage until the terms hereof are complied with and fulfilled;

TOGETHER with the reversions, remainders and benefits and all other revenues, rents, earnings, issues and income and profits arising or to arise out of or to be received or had of and from the properties hereby mortgaged or intended so to be or any part thereof and all the estate, right, title, interest and claims, at law or in equity which the Mortgagor now or may hereafter acquire or be or become entitled to in and to the aforesaid properties and any and every part thereof; provided, however, that nothing herein shall be construed as granting a lien on or security interest in the Mortgagor's general intangibles. The above described Mortgaged Property is hereby declared to be subject to the lien of this Mortgage as security for the payment of the aforementioned indebtedness.

TO HAVE AND TO HOLD all and singular, the Mortgaged Property, whether now owned or hereafter acquired, unto the Mortgagee, its successors and assigns forever; provided, however, that this Mortgage is upon the express condition that if the Mortgagor shall pay or cause to be paid all indebtedness secured hereby and shall keep, perform and observe all and singular the covenants and promises in the Agreement, and in this Mortgage expressed to be kept, performed and observed by the Mortgagor, then this

Mortgage and the rights hereby granted shall cease, determine and be void, otherwise to remain in full force and effect.

As additional security for the payment of the Bonds and the amounts due under the Agreement, the Mortgagor hereby further covenants, warrants and agrees with the Mortgagee as follows:

Section 1. Terms Defined.

All words and phrases defined in the Agreement and the Indenture shall have the same meaning in this Mortgage, unless the context clearly otherwise requires. In addition, the following words and phrases shall have the following meanings:

"Net Proceeds", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award remaining after payment of all expenses (including attorneys, fees and any extraordinary expenses of the Mortgagee) incurred in the collection of such gross proceeds.

"Penalty Rate" means a fluctuating interest rate equal to 2% above the rate of interest announced by the Trustee from time to time as its prime rate or base rate (the "Prime Rate"), such rate of interest to change on the effective date of any change in such Prime Rate.

"Permitted Encumbrances" means, as of any particular time:

- (i) liens for ad valorem taxes and special assessments or installments thereof not then delinquent;
- (ii) presently recorded utility, access and other easements and rights of way which do not underlie any existing or contemplated improvements, restrictions and exceptions that will not materially interfere with or impair any activities permitted under applicable zoning ordinances or the operations currently being conducted on the Mortgaged Property or elsewhere on the Land;
- (iii) such minor defects, irregularities, encumbrances (exclusive of liens and judgments) and clouds on title as normally exist with respect to properties similar in character to the Mortgaged Property and as do not in the aggregate render title unmarketable or materially impair (a) the property affected thereby for the purpose for which it was acquired or is held by the Mortgagor or (b) the value of the Mortgaged Property as security for any obligations secured hereby;

(iv) zoning and building laws, ordinances or regulations and similar restrictions which are not violated by the Mortgaged Property or its current or contemplated uses;

(v) liens arising in connection with taxes, assessments, or statutory obligations or liens which are not delinquent;

(vi) undetermined or inchoate liens and charges incidental to construction, which have not at the time been filed pursuant to law, including those of contractors, subcontractors, materialmen and suppliers with respect to the Project, expressly excluding any such liens or charges as and when same are filed, become determined or a choate lien or encumbrance upon the Mortgaged Property;

(vii) such other liens and charges at the time required by law as a condition precedent to the exercise of any privileges or licenses necessary to the normal operations of the Mortgagor which are not delinquent;

(viii) this Mortgage and any financing statements showing the Mortgagor as the debtor and either Mortgagee as the secured party;

(ix) a mortgage from the Borrower to Mercantile Bank of Western Iowa (the "Reimbursement Bank") dated the date hereof and filed for record immediately after the Mortgage securing the Borrower's obligations under the Reimbursement Agreement.

Section 2. Title to the Mortgaged Property and the Status of the Lien of this Mortgage; Maintenance of Lien; Recording; Further Assurance; After-Acquired Property.

(a) The Mortgagor is lawfully seized of fee simple title in and to the Land and the lien created by this Mortgage is a first, prior and paramount lien on the Mortgagor's interest in and to the Land and the remainder of the above described Mortgaged Property, except for Permitted Encumbrances, and Mortgagor will keep the Mortgaged Property and the rights, privileges and appurtenances thereto free from all lien claims of every kind on a parity with or superior to the lien of this Mortgage and free from all subordinate financings of every kind and any liens thereof, except Permitted Encumbrances, and if any such lien be filed, Mortgagor, within 30 days after such filing shall cause same to be discharged by payment or protected against by bonding or adequate reserves as agreed upon by the Mortgagor and the Mortgagee being maintained with the Trustee, in escrow. The Mortgagor further agrees to protect and defend the title and possession of the Mortgaged Property so that this Mortgage shall be and remain a lien thereon prior to all liens other than Permitted Encumbrances until the Bonds and any amount owing under the Agreement and the indebtedness secured hereby have been fully paid, or if foreclosure

sale be had hereunder so that the purchaser at said sale shall acquire good title in and to the Mortgaged Property free and clear of all liens and encumbrances, except Permitted Encumbrances;

(b) The Mortgagor will, at its expense, take all necessary action to maintain and preserve the lien and security interest of this Mortgage so long as any of the Bonds and any of the indebtedness or other obligations secured hereby remain outstanding;

(c) The Mortgagor will, forthwith after the execution and delivery of this Mortgage and thereafter from time to time, cause this Mortgage and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to protect the lien hereof upon, and the title of the Mortgagor to, the Mortgaged Property; and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments for such publication and protection (including any necessary notation on the certificate of title of any of the Equipment for which a certificate of title is issued at any time). Except to the extent that it is exempt therefrom, the Mortgagor will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of this assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and such instruments of further assurance;

(d) The Mortgagor will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, conveyances, mortgages, assignments, transfers, financing statements, continuation statements and assurances as the Mortgagee reasonably may require for the better assuring, conveying, mortgaging, assigning and confirming unto the Mortgagee all and singular the Mortgaged Property as now or hereafter constituted; and

(e) All right, title and interest of the Mortgagor in and to all improvements, betterments, renewals, substitutions, replacements and proceeds of the Mortgaged Property or any part thereof, hereafter constructed or acquired by the Mortgagor, which shall become a part of the Mortgaged Property, immediately upon such construction or acquisition, and without any further mortgaging, conveyance or assignment, shall become and be part of the Mortgaged Property and shall be subject to the lien of this Mortgage as fully and completely and with the same effect as though now owned by the Mortgagor, but at any and all times the Mortgagor will execute and deliver to the Mortgagee any and all such further assurances, mortgages, conveyances or assignments therefor and other

instruments with respect thereto as the Mortgagee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Mortgage.

Section 3. Loan Repayment Installments Under the Agreement.

The Mortgagor agrees to pay the loan repayment installments and other amounts referred to in Section 4.2 of the Agreement in accordance with its terms.

Section 4. Taxes and Assessments.

The Mortgagor agrees to promptly pay before the same become delinquent:

(a) All taxes, liabilities, charges, impositions and assessments of every type or nature at any time levied and assessed upon or against the Mortgaged Property;

(b) All other claims which might or could become a lien on the Mortgaged Property or any part thereof equal to or prior to the lien of this Mortgage except for Permitted Encumbrances;

(c) All taxes, assessments or impositions upon this Mortgage or on the interest of the Mortgagee herein, or upon the Agreement or indebtedness secured hereby.

Provided, however, that no such tax, liability, charge, imposition, assessment or claim need be paid so long as the validity thereof is being contested in good faith by appropriate proceedings and in a manner not to jeopardize any of the Mortgaged Property or subject the Mortgagee to any liability and adequate reserves as agreed upon by the Mortgagor and the Mortgagee are maintained by the Mortgagor with the Trustee in escrow to assure full payment thereof.

The Mortgagor will not at any time create, allow to arise or exist any lien of whatsoever kind or nature equal to or prior to the lien of this Mortgage, or create, allow to arise or exist any subordinate financing of any kind or any lien thereof upon the Mortgaged Property, or any part thereof, save and except Permitted Encumbrances or which, as herein provided, are permitted to remain unpaid.

The Mortgagor agrees to exhibit to the Mortgagee, at least annually and at any time upon request, official receipts showing payment of all taxes, assessments and charges which the Mortgagor is required or elects to pay hereunder ten days prior to the respective delinquency dates.

Section 5. Maintenance and Repair.

The Mortgagor shall at all times maintain, preserve and keep the Mortgaged Property and every part thereof in good condition, repair and working order and will from time to time make all needful and proper repairs thereto and renewals, replacements, additions, betterments and improvements thereto so that the value and the operating efficiency thereof shall at all times be maintained and preserved. The Mortgagor will not commit or permit waste of the Mortgaged Property or any part thereof, and shall not remove or demolish nor alter or impair the design or structural character of any building, structure, fixture, or other improvements now or hereafter situated upon the Land without the prior written consent of the Mortgagee, and shall not do or permit any other act or thing that will damage the Mortgaged Property or cause the same or any part thereof to depreciate in value.

Section 6. Insurance Required to be Carried.

The Mortgagor shall take up and continuously maintain in effect at its sole cost and expense, insurance on the Mortgaged Property as follows:

(a) Following completion of construction, insurance covering all buildings, structures and improvements now situated or which hereinafter may be erected on the Land and any Equipment or other Mortgaged Property conveyed hereby against loss or damage resulting from fire and such other risks as may be included in the broadest form of extended coverage insurance from time to time available. Such insurance coverage shall be in an amount not less than one hundred percent (100%) of the replacement value thereof, as such amount may be or appear from time to time. Such policy shall be endorsed with a standard mortgagee clause with loss payable to the Mortgagee, as its interests appear, and the Mortgagee shall be named as an additional insured and loss payee thereunder. Any such policy may have a deductible amount of not more than \$10,000. Such insurance policy shall provide that all proceeds of insurance resulting from any loss or damage covered thereby shall be paid to the Mortgagee, as its interests appear, and that all claims may be adjusted by the Mortgagor only with the approval of the Mortgagee. No policy of insurance shall be written so that the proceeds thereof shall be less than the minimums required by this paragraph, whether by co-insurance or otherwise.

During construction of the Project, builders risk insurance shall cover the Project on a builders risk-completed value basis; provided, that to the extent that any contractor for such construction shall provide a duplicate insurance policy showing that the same coverage as is herein required is being carried by such contractor and adequately protects

the interests of the Mortgagor and the Mortgagee with respect to the Project, or a part thereof, the insurance provided by this subparagraph (a) with respect to the Project, or a part thereof, shall not be required for such construction period with respect to the Project, or such part thereof, while the Project or such part thereof is so covered by such other insurance.

All Net Proceeds of insurance remaining after payment in full of all sums due or advanced under or secured by this Mortgage, the Agreement or the Bonds shall be paid to Mortgagor.

(b) Comprehensive general public liability insurance and property damage liability insurance with limits of not less than \$500,000 for any one occurrence, and \$1,000,000 in the aggregate to protect the Mortgagor from claims (including all costs and expenses of defending the same) for personal injury, sickness, disease or death or for damage or injury to or destruction of property (including loss of use thereof) occurring in, on or about the Mortgaged Property, which may arise from the Mortgagor's operation, including any use or occupancy of the Mortgaged Property, structures or vehicles used on or about the premises owned or controlled by the Mortgagor or the Lessee; and

(c) Worker's compensation insurance respecting all employees of the Mortgagor as required by law.

All such insurance policies shall be issued by one or more recognized, financially sound and responsible insurance companies which are qualified under the laws of the State of Iowa to assume the risk covered by such policy and shall provide that coverage evidenced thereby shall not be cancelled, reduced or materially modified without 10 days prior written notice to the Mortgagee.

Upon delivery of this Mortgage and thereafter not less than 15 days prior to the expiration dates of any policies, a certificate evidencing such policies or duplicate copies of the original policies and any additional, replacement or renewal policies issued by the respective insurers provided for in this Section shall be delivered by the Mortgagor to the Mortgagee. If requested in writing by the Mortgagee, the Mortgagor shall furnish the Mortgagee with a schedule of premium payment dates and receipted bills or other evidence satisfactory to such mortgagee of the payment when due of all premiums for all policies of insurance at any time required to be maintained hereunder. Upon reasonable prior written notice, the Mortgagor will permit the Mortgagee to visit the offices of the Mortgagor and inspect the Mortgagor's insurance records.

Any insurance maintained by the Mortgagor pursuant hereto may be evidenced by one or more blanket insurance policies covering the Mortgaged Property and other property or assets of the Mortgagor, provided that any such policy shall specify that portion of the total coverage of such policy that is allocated to such Mortgaged Property and shall in all other respects comply with the requirements of this Section. Upon the happening of any loss or damage covered by any such policy on the Mortgaged Property, from one or more of the causes insured against, the Mortgagor shall make due proof of loss containing a power of attorney in favor of the Mortgagee to endorse all drafts drawn for the payment thereof to the order of the Mortgagor, and to sign receipts therefor, and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Mortgagee.

Section 7. Damage, Destruction and Condemnation; Application of Net Proceeds.

Unless the Mortgagor shall have exercised its options to cause the Bonds to be redeemed in whole pursuant to the provisions of Article III of the Indenture, if prior to full payment of the Bonds (or provision for payment thereof in accordance with the provisions of the Indenture) (i) the Mortgaged Property or any substantial portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or (ii) title to, or the temporary use of, the Mortgaged Property or any substantial portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Mortgagor shall be obligated to continue to pay the amounts specified in the Agreement.

So long as any of the Bonds are outstanding and unpaid, or provision for the payment thereof has not been made in accordance with the Indenture, the Mortgagee and the Mortgagor shall cause the Net Proceeds received by the Mortgagor of any insurance proceeds or condemnation award resulting from any event described above to be paid to the Trustee. If and only if no default or Event of Default exists under the Agreement, or this Mortgage, (a) if the Project cannot be substantially restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction or, in the case of condemnation, if the Mortgagor will, in its reasonable judgment, be prevented from carrying on its normal operations at the Project for a period of six consecutive months, such Net Proceeds may, at the option of the Mortgagor, be applied to the prepayment of installments payable under the Agreement pursuant to Section 7.3 (a) or (b) thereof for redemption of the Bonds pursuant to Section 301(3) of the Indenture but only if the Bonds can be redeemed in whole, or (b) in all other cases, such Net Proceeds shall be applied to the prompt repair, restoration or improvement of the Mortgaged Property by the Mortgagor, and the Trustee shall make payments from the

amount of Net Proceeds held by it for such purposes or to reimburse the Mortgagor for costs paid by it in connection therewith upon written order of the Mortgagor made in the same manner and under the same conditions as provided for disbursements from the Construction Fund in the Indenture, and such disbursements shall be to (i) the Mortgagor to reimburse it for costs of repair, restoration or improvement of the Mortgaged Property paid by the Mortgagor, (ii) the general contractor with respect to any such repair, restoration or improvement, and (iii) any other person designated by the Mortgagor. Any balance of the Net Proceeds remaining after such redemption has occurred or such work has been completed shall be paid to the Mortgagor.

If the Mortgagor proceeds to repair, restore or improve the Mortgaged Property as provided in (b) above and the Net Proceeds are insufficient to pay in full the cost of any such repair, restoration or improvement, the Mortgagor shall pay, prior to any disbursement of Net Proceeds by the Mortgagee, any cost in excess of the Net Proceeds held by the Mortgagee in which case the work will proceed to completion. All such payments for repair, restoration or improvement shall be made in accordance with the provisions of the Disbursing Agreement.

Section 8. Inspection of the Mortgaged Property.

The Mortgagee is authorized by itself, its agents or workmen to enter, after reasonable notice, at any reasonable time upon any part of the Mortgaged Property for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage.

Section 9. Compliance with Laws.

The Mortgagor shall furnish and keep in force a Certificate of Occupancy, or its equivalent, and shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions from time to time affecting the Mortgaged Property and shall not suffer or permit any act to be done in or upon the Mortgaged Property in violation thereof, unless and to the extent the same are being contested in good faith by appropriate proceedings and in a manner not to jeopardize the Mortgaged Property or the lien or priority of this Mortgage or the Indenture or subject the Mortgagee to any liability. Except as heretofore disclosed by Mortgagor to the Mortgagee in writing, Mortgagor has no knowledge of any public health, environmental or other land-use action or proceeding, either instituted or threatened, which would or might detrimentally affect the use or operation of the Mortgaged Property or adversely affect the value thereof. Promptly upon learning of any such action or proceeding, whether threatened or initiated, Mortgagor will notify the Mortgagee thereof in writing.

All public health and environmental permits, licenses and authorizations required by law, ordinance or regulation, if any, in connection with the intended use or operation of the Mortgaged Property have been or will be obtained; and Mortgagor and any lessee claiming by, through or under the Mortgagor at all times hereafter will be in full compliance with all requirements of all such permits, licenses, authorities, laws, regulations and ordinances.

If any of the foregoing covenants or representations are breached or prove to be inaccurate in any material respect, then, in addition to all rights, powers and remedies granted to the Mortgagee by law hereunder (including rights of acceleration of indebtedness as in the case of any other default or Event of Default hereunder or under any obligation secured hereby) the Mortgagee, upon failure of Mortgagor to do so and in exercise of its reasonable judgment, may (but shall not be required to) do any or all of the following, at the expense of the Mortgagor:

(a) Appear in and defend any such action or proceeding; and

(b) Retain such legal and technical advice and counsel as the Mortgagee believes necessary to protect itself and the security of this instrument. The Mortgagor hereby agrees to indemnify, protect and hold the Mortgagee harmless of and from all loss or damage (including reasonable attorneys' fees and expenses) which the Mortgagee may incur by reason of any material breach or inaccuracy in any of the covenants or representations contained in this Section. If any action has occurred in the past which would constitute a violation of any of the laws, ordinances and regulations referred to in this Section, the Mortgagor hereby agrees to indemnify, protect and hold the Mortgagee harmless of and from all loss or damage (including reasonable attorneys, fees and expenses) which the Mortgagee may incur by reason thereof.

Section 10. Advances.

Upon the Mortgagor's failure to comply with the preceding covenants and agreements relating to the payment of prior liens, liens on a parity with this Mortgage, taxes, assessments and charges, maintenance of insurance and repairs as required by the Agreement and this Mortgage, the Mortgagee without prejudice to any rights given herein, may make advances to perform the same in behalf of the Mortgagor, and in furtherance thereof, the Mortgagee may place or cause the Mortgaged Property to be placed in good condition, repair and working order; pay, settle or contest any such taxes, liabilities, charges and assessments; redeem the Mortgaged Property from any sale or forfeiture for any tax or assessment; purchase any tax title obtained or that shall be obtained thereon; pay any judgments based on such tax or assessment; pay, settle or

contest any unpermitted lien on the Mortgaged Property and procure such insurance as may be necessary to comply with the provisions of this Mortgage, and the Mortgagor hereby agrees to repay all sums so advanced, on demand, with interest thereon, to the extent permitted by law, from the date advanced until paid at the Penalty Rate, and all sums so advanced with interest as aforesaid until paid by the Mortgagor shall be immediately due and payable and be added to and become a part of any indebtedness or obligation secured hereby in such manner or order as the Mortgagee may desire or determine, having the benefit of the lien hereby created as a part thereof, and of its priority, but no such advances shall be deemed to relieve the Mortgagor from any default hereunder or impair any right or remedy consequent thereon, and the exercise of the rights to make advances granted in this Section shall be optional with the Mortgagee and not obligatory, and the Mortgagee shall not in any case be liable to the Mortgagor for failure to exercise any such right.

Section 11. Mortgage, Sale, Lease, etc. of the Mortgaged Property.

The Mortgagor will not, now or in the future, mortgage, pledge or encumber or place any lien or encumbrance (or permit same to exist) on the Mortgaged Property, or any part thereof without the prior written consent of the Mortgagee, except for Permitted Encumbrances.

The Mortgagor shall not lease, sell, convey, transfer or otherwise alienate in any manner, whether directly or indirectly, any right, title or interest in the Mortgaged Property, or any part thereof except as expressly permitted under the Agreement without obtaining in each such instance the prior written consent of the Mortgagee.

Section 12. Defaults, Events of Default.

If any of the following defaults occur, it is hereby declared to constitute an "Event of Default":

- (a) The occurrence of an Event of Default under the Agreement; or
- (b) The failure of the Mortgagor to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Mortgage (other than an occurrence which may sooner constitute an Event of Default under the Agreement) for a period of 30 days after written notice specifying such failure and requesting that it be remedied, given to the Mortgagor by the Mortgagee, unless the Mortgagee shall agree in writing to an extension of such time prior to its expiration.

Section 13. Remedies on Default.

Upon the occurrence of an Event of Default:

- (a) The Trustee may, at its option, by notice in writing to the Mortgagor, declare the installments referred to in Section 4.2 of the Agreement, remaining unpaid immediately due and payable, upon the same terms and conditions and in the manner provided for in Sections 6.1 and 6.2 of the Agreement, as applicable;
- (b) The Trustee may, at its option, after notice in writing to the Mortgagor, institute proceedings for the collection at law or in equity of any and all indebtedness due under the provisions of the Agreement secured by this Mortgage;
- (c) The Trustee may, at its option, after notice in writing to the Mortgagor, immediately cause this Mortgage to be foreclosed in the manner prescribed by law and, upon the commencement of foreclosure proceedings shall be entitled to have a receiver appointed at once or at any time thereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the Mortgaged Property (the provisions for the appointment of a receiver and assignment of rents hereby granted to the Mortgagee being an expressed condition upon which the loans and payments hereby secured are made) for the benefit of the Mortgagee, with power to rent the same and to collect the rents, issues and profits of the Mortgaged Property, due and to become due, during the pendency of such foreclosure suit and in the case of a sale and deficiency, during the full statutory period of redemption whether there be redemption or not, as well as during any future times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits and shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. Any amount so collected by such receiver, whether prior to or following foreclosure, shall be applied under direction of the court to the costs and expenses of foreclosure and receivership, expense of insurance on the improvements, expense of repairs, taxes, assessments, and the balance shall be paid to the Mortgagee to be applied to the indebtedness secured by this Mortgage.
- (d) The Trustee may, at its option, after 10 days notice in writing to the Mortgagor, at any time either by its agents, attorneys, employees or by a receiver to be appointed by a court and without regard to the adequacy of any security for the indebtedness hereby secured, either with or without process of law, forcibly or otherwise, enter upon and take possession of the Mortgaged Property or any part thereof, expel and

remove any persons, goods or chattels occupying or upon the same, do and perform any act that the Mortgagee may deem necessary or proper to conserve the value thereof, and to collect and receive all rents, issues and profits therefrom, including those past due and unpaid, as well as those accruing thereunder, to manage and control the same, and to lease the same or any part thereof. The Mortgagor further agrees that the Mortgagee may also take possession of, and use any and all personal property contained in the Mortgaged Property and used by the Mortgagor in the operation, rental or leasing of the Mortgaged Property or any part thereof. The expense (including receiver's fees, if any, and compensation to any agent appointed by such Mortgagee, and counsel fees and costs and disbursements) incurred in taking possession and effecting such collection, shall be deemed a portion of the expense of this Mortgage secured hereby. Neither the collection of such rents, issues and profits and the application or release thereof as aforesaid shall cure or waive any default. After deducting all attorneys fees and expenses incurred in connection herewith, the remaining net income shall be paid to the Mortgagee to be applied upon the indebtedness secured hereby.

In any suit to foreclose the lien of this Mortgage there shall be allowed and included in the decree for sale, to be paid out of the proceeds of such sale:

(a) All of the principal remaining unpaid on the Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment, plus interest on the foregoing amounts of principal and interest (to the extent permitted by law) from their respective due dates until paid;

(b) All items advanced or paid by the Mortgagee pursuant to this Mortgage, with interest thereon at the Penalty Rate per annum from the date of advancement until paid; and

(c) All court costs attorneys' fees, appraisers' fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantee policies, and similar data with respect to title which the Mortgagee may deem necessary in connection with any proceeding, including probate and bankruptcy proceedings, to which such Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness secured or in connection with preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose, whether or not actually commenced, and all such expenses shall become so much additional indebtedness secured hereby and immediately due and payable, with

interest thereon at the Penalty Rate per annum from the date when paid or incurred by the Mortgagee until paid.

The proceeds of any foreclosure shall be distributed and applied to the items described in (b) of this Section, then to (a) by depositing the same in the Bond Fund to be applied in the manner provided in Article VIII of the Indenture, and any surplus of the proceeds of such sale shall be paid to the Mortgagor.

In case of any sale under this Mortgage by virtue of judicial proceedings or otherwise, the Mortgaged Property may be sold in one parcel, as an entirety or in such parcels, manner or order as the Mortgagee in its sole discretion may elect, and the Mortgagor waives any and all rights which the Mortgagor may have to insist upon the sale of the Mortgaged Property in one parcel or separate parcels.

To the extent permitted by law, the Mortgagor hereby waives any and all rights of redemption or reinstatement that it may have.

If the aforesaid waiver of redemption is not effective, then in the event of foreclosure of this Mortgage and sale of the property in sheriff's sale on special execution in said foreclosure proceedings, the period of one hundred eighty days for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to ninety days, provided the Mortgagee waives in said foreclosure proceedings any rights to a deficiency judgment against the Mortgagor which may arise out of the foreclosure proceedings. If the aforesaid waiver of redemption is not effective, then it is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty days if both of the following contingencies develop: (1) the Court finds affirmatively that said real estate has been abandoned by the Mortgagor and those persons personally liable under this Mortgage at the time of such foreclosure; and (2) the Mortgagee files an election to waive any deficiency judgment against the Mortgagor or its successors in interest in such action.

Nothing in this Section shall be deemed as a waiver of the rights of the Mortgagee to seek non-judicial foreclosure proceedings or foreclosure without redemption or any other foreclosure procedures as provided by the statutes of the State of Iowa, as amended from time to time.

Any sale or sales under this Section shall operate, after any applicable redemption period, to divest all estate, right, title, interest, claim or demand whatsoever, whether at law or in equity, of the Mortgagor in and to that portion of the Mortgaged Property so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor, its

successors and assigns and against any and all persons claiming or who may claim the same, or any part thereof, from, through or under the Mortgagor, its successors or assigns.

Section 14. Assignment of Rents, Issues and Profits; Receiver.

All of the rents, issues, proceeds and profits and any and all leases, subleases and the rights of management of the Mortgaged Property are hereby assigned to the Mortgagee as further security for the payment of the indebtedness and performance of the obligations, covenants, promises and agreements secured hereby in granting clauses F and G hereof. Such assignment, grant and conveyance is intended by the parties hereto to be a present conveyance of and security interest in and chattel mortgage upon such collateral, subject to the right of the Mortgagor to receive the same prior to any default hereunder, and is not a mere pledge of such collateral to be given effect as a lien upon default, foreclosure and the appointment of a receiver. The Mortgagor agrees that it will duly perform and observe all of the terms and provisions of the landlord's part to be performed and observed under any and all leases of the Mortgaged Property and that it will refrain from any action or inaction which would result in the termination by the tenants thereunder of any such leases or subleases or in the diminution of the value thereof or of the rents, issues, profits and revenues thereunder. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of landlord under any lease of the Mortgaged Property, and the Mortgagor shall and does hereby agree to indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Mortgagee may or might incur under any lease of the Mortgaged Property, and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness hereby secured, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest at the Penalty Rate per annum, from the date of demand to the date of payment. The Mortgagor shall not enter into any lease of the Mortgaged Property without the prior written consent of the Mortgagee.

Section 15. Litigation.

If any action or proceedings be commenced, to which action or proceeding the Mortgagee is made a party by reason of the execution of this Mortgage, or in which the Mortgagee deems it necessary to appear or answer in order to uphold the lien of this Mortgage or the priority thereof or the possession of the Mortgaged Property, or otherwise to protect the interest of the Issuer or Mortgagee or security hereunder, all sums paid or incurred by the Mortgagee for reasonable attorneys fees and other expenses in

such action or proceeding shall be repaid by the Mortgagor, together with interest thereon to the extent permitted by law from the date of payment by the Mortgagee at the Penalty Rate per annum until paid and all such sums and the interest thereon shall be immediately due and payable and shall be added to and become a part of the indebtedness secured hereby, and be secured hereby, having the benefit of the lien hereby created and of its priority.

Section 16. Non-Waiver.

Acceptance by the Mortgagee of any sum in payment or part payment of any indebtedness secured hereby after the same is due or after foreclosure proceedings are filed shall not constitute a waiver of the right to require prompt payment when due of all the sums so secured nor shall such acceptance cure or waive any remaining default or invalidate any foreclosure proceedings for any such remaining default or prejudice any of the rights of the Issuer or the Mortgagee under this Mortgage. Further, the failure of the Mortgagee to insist upon the strict performance of any of the covenants or agreements of the Mortgagor contained in this Mortgage, or the delay by the Mortgagee in the enforcement of any of its remedies herein contained upon any default of the Mortgagor shall never constitute a waiver of any requirement or obligation of the Mortgagor or right or remedy of the Mortgagee contained in or based upon said covenants or agreements.

Section 17. Remedies Cumulative.

No remedy herein or in the Agreement conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. In addition, no recovery of any judgment by the Mortgagee and no levy of any execution under any judgment upon the Mortgaged Property or upon any other property shall affect the lien created by this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of the Mortgagee hereunder, but such lien, rights, powers or remedies of the Mortgagee shall continue unimpaired as before.

Section 18. Waiver of Certain Rights and Remedies.

If applicable and if permitted by law, the Mortgagor hereby waives and release any and all rights and remedies related to redemption or marshaling of liens and assets under the Mortgage.

Section 19. Attorneys Fees.

The Mortgagor hereby agrees in the event of foreclosure to pay to the Mortgagee such reasonable attorneys fees as are authorized by law, together with the cost of extending the abstract and all court costs.

Section 20. Usury.

Notwithstanding any provision herein or in the Agreement, the total liability for payments in the nature of interest shall not exceed the limits imposed on the date hereof by the usury laws of Iowa.

Section 21. Severability.

If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Mortgage. All rights, remedies and powers provided by this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Mortgage are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Mortgage invalid or unenforceable under the provisions of any applicable law.

Section 22. Security Interest.

An express security interest is hereby granted to the Mortgagee in respect to any part of the Mortgaged Property which under the Iowa law might now or hereafter be construed or considered as personal property or fixtures, or otherwise be considered collateral subject to the Iowa Uniform Commercial Code, including without limitation the collateral described in granting clauses D and H hereof, and this Mortgage shall constitute a security agreement in respect thereto.

Upon the occurrence of an Event of Default hereunder in addition to the other rights and remedies available to it, the Mortgagee may exercise all other rights and remedies with respect to such property that are available to a secured party under the Iowa Uniform Commercial Code. The Mortgagor agrees to pay any reasonable attorney fees and legal expenses incurred by the Mortgagee in enforcing or protecting its rights under the security interest created hereunder. In the event notice of intended disposition of such property is required by law in any particular instance, the Mortgagor agrees that notice given in the manner and place provided in Section 25 hereunder and sent ten (10)

days prior to a disposition of collateral is commercially reasonable notification within the meaning of the Iowa Uniform Commercial Code. Information concerning the security interests may be obtained from the Secured Party (the Mortgagee) at the address set forth in Section 25 hereof and the mailing address of the Debtor (Mortgagor) is also set forth in Section 25 hereof. This Mortgage constitutes a construction mortgage for the purpose of Article 9 of the Iowa Uniform Commercial Code.

The Mortgagor warrants and agrees that no financing statement or security agreement covering any of the Mortgaged Property is or will be placed on file in any public office or delivered to any secured party except pursuant hereto, except for Permitted Encumbrances.

Section 23. Construction.

This Mortgage shall be construed according to the laws of the State of Iowa.

Section 24. Amendments, Changes and Modifications.

The Mortgagor and the Mortgagee may from time to time enter into amendments, changes and modifications of this Mortgage, but only in writing signed by the Mortgagor and the Mortgagee and in accordance with the provisions of Article XII of the Indenture.

Section 25. Addresses for Notice and Demands.

All notices, demands, certificates or other communications hereunder shall be personally delivered or mailed by registered or certified mail, postage prepaid, with proper address as indicated below. The Mortgagor and the Mortgagee may, by written notice given by each to the others, designate any address or addresses to which notices, demands, certificates or other communications to them shall be sent when required as contemplated by this Mortgage. Until otherwise provided by the respective parties, all notices, demands, certificates and communications to each of them shall be addressed as follows:

If to the Mortgagor: T. D. Marc Inc.
 10215 Douglas
 Urbandale, IA 50322
 Attention: President

If to the Trustee: Norwest Bank Iowa, National Association
 666 Locust Street
 Des Moines, Iowa 50309
 Attention: Corporate Trust Department

All such notices and other communications shall be deemed given when delivered or, if mailed, three days after the date of deposit in the mails, addressed as aforesaid, or upon receipt thereof, whichever is earlier.

Section 26. Fixture Filing.

From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture financing statement with respect to the collateral described in Granting Clause D hereof, and for this purpose the name and address of the debtor is the name and address of the Mortgagor, as set out in Section 25 herein, and the name and address of the secured party is the name and address of the Mortgagee as set forth in Section 25 herein.

Section 27. Discharge of Lien.

If the Mortgagor shall pay and discharge or provide, in a manner satisfactory to the Mortgagee, for the payment and discharge of the whole amount of all sums payable hereunder and under the Agreement, or shall make arrangements satisfactory to the Mortgagee for such payment and discharge, then and in that case all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Mortgagor, and the estate, right, title and interest of the Mortgagee therein shall thereupon cease, terminate and become void; and this Mortgage, and the covenants of the Mortgagor contained herein, shall be discharged and each Mortgagee in such case on demand of the Mortgagor and at the Mortgagor's cost and expense, shall execute and deliver to the Mortgagor a proper instrument or proper instruments acknowledging the satisfaction and termination of this Mortgage, and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Mortgagor, all property, including money, then held by the Mortgagee hereunder.

Section 28. Acceptance of Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Mortgage and agrees to perform said trusts but only upon and subject to the terms and conditions set forth in Article IX of the Indenture insofar as they may be applicable hereto.

Section 29. Concerning Any Successor Trustee.

Every successor Trustee appointed under the Indenture shall thereupon automatically be and become successor Trustee and Mortgagee hereunder and shall execute, acknowledge and deliver to its or his predecessor and also to the Issuer, and the Mortgagor an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors hereunder; but such predecessor shall, nevertheless, on the written request of the successor Trustee, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Mortgagor be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Mortgagor. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Section, shall be filed or recorded by the successor Trustee in each recording office where the Mortgage shall have been filed or recorded.

Section 30. Separate or Co-Trustees.

It is recognized that in certain instances an individual or institution may be appointed as a separate or co-trustee under Section 912 of the Indenture. In the event of any such appointment of an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Mortgage to be exercised by or vested in or conveyed to the Trustee hereunder, as Mortgagee, shall be exercisable by and vested in such separate or co-trustee appointed under Section 912 of the Indenture, but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them. Should any instrument in writing from the Mortgagor be required by the separate trustee or co-trustee so appointed for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Mortgagor. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law,

shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 31. Indemnification of the Mortgagee.

The Mortgagor agrees to indemnify and save harmless the Mortgagee not in possession of the Mortgaged Property against any and all losses, injuries, claims, damages or injuries to persons or property, demands and expenses, including legal expenses, of whatsoever kind and nature and by whomsoever made arising from or in any manner directly or indirectly growing out of (a) the use and occupancy or non-use of the Mortgaged Property or any equipment or facilities thereon or used in connection therewith by anyone whomsoever, (b) any repairs, construction, restoration, replacements, alterations, remodeling on or to the Mortgaged Property, or any part thereof, or any equipment or facilities therein or thereon, and (c) the condition of the Mortgaged Property including any adjoining sidewalks, ways or alleys and any equipment or facilities at any time located thereon or used in connection therewith.

Section 32. Execution of Counterparts.

This Mortgage may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have caused these presents to be signed and sealed in their names and behalf by their duly authorized officers, all as of the day and year first above written.

T. D. Marc Inc.

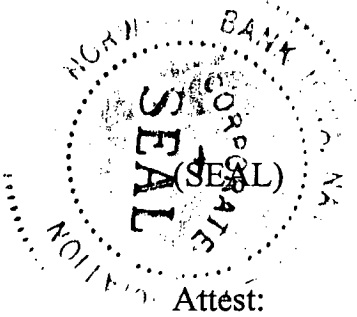
By Alan C. Merschman
Alan C. Merschman, President

Attest:

Teresa J. Merschman
Teresa J. Merschman, Secretary

Norwest Bank Iowa, National Association

By Dawn E. Meade
Dawn E. Meade, Senior Trust Officer



Attest:

By Steven R. Amend
Steven R. Amend, Trust Officer

STATE OF IOWA)
)ss:
COUNTY OF POLK)

On this 18th day of March, 1997, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Alan C. Merschman and Teresa J. Merschman, to me personally known, who being by me duly sworn did say that they are the President and Secretary, respectively of T. D. Marc Inc., the corporation executing the within and foregoing Mortgage to which this is attached; that no seal has been procured by the corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors and that the said Alan C. Merschman, and Teresa J. Merschman, as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL)



Karen L Biegler
Notary Public

STATE OF IOWA)
)ss:
COUNTY OF POLK)

On this 18th day of March, 1997, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Dawn E. Meade and Steven R. Amend, to me personally known, who being by me duly sworn did say that they are the Senior Trust Officer and Trust Officer, respectively, of Norwest Bank Iowa, National Association, the national banking association executing the within and foregoing Mortgage to which this is attached; that the seal affixed thereto is the seal of the said bank; that said instrument was signed on behalf of said bank by authority of its Board of Directors and that the said Dawn E. Meade and Steven R. Amend, as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said national banking association by it and by them voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL)



Karen L Biegler
Notary Public

EXHIBIT A
DESCRIPTION OF THE LAND

The following described real estate located in Madison County, Iowa:

Lot Two (2) and Three (3) in Bellamy Addition to the City
of Winterset, Plat No. 1, Madison County, Iowa