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ASSIGNMENT OF RENTS AND MANAGEMENT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

FOR VALUE RECEIVED, the undersigned, EARLHAM MANOR CARE CENTER, INC., an Iowa Corporation, does hereby sell, assign, transfer and set over unto AMERICAN FEDERAL SAVINGS AND LOAN ASSOCIATION OF CENTRAL IOWA, a corporation organized and existing under the laws of the United States of America, its sucessors or assigns, all of the rents, issues, profits and income whatsoever arising from or which may be had under any leases or tenancies now existing or which may be hereinafter created on the following described real estate situated in the County of Madison, State of Iowa, to-wit:

Lots Three (3) and Four (4) in Block Eight (8) of CHRISTOPHER WILSON'S ADDITION to the Town of Earlham, Madison County, Iowa,

for assignment of rents & to American Life & Casualty Insurance Co. also Mtg Rec 159-670

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BOOK 126 PAGE 133
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MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee #4.50

for Earlham Care Mtg Rec 161-517

as additional collateral security to and for the payment of the debt evidenced by the promissory note in the principal amount of $225,000.00, due as stated therein, which was executed and delivered to said AMERICAN FEDERAL SAVINGS AND LOAN ASSOCIATION OF CENTRAL IOWA on the 25th day of April, 1977, by the above named parties and the mortgage of even date therewith securing said note and the debt evidenced thereby covering and conveying the above described real estate which was recorded in Book 126 of Mortgages on Page 129 in the Office of the Recorder of Madison County, State of Iowa, and the performance of all terms and conditions thereof until said debt shall be paid in full.

It is understood and agreed that the undersigned shall be entitled to collect and retain the rents, issues and profits of and from the above described real estate unless and until they shall default in the payment of any of the sums of principal, interest, taxes or insurance due under the terms of the note and mortgage referred to above, or shall default in the performance of any of the other terms and conditions of said note and mortgage provided, however, that even before default occurs no rent not due shall be collected or accepted without the prior written consent of the assignee herein. In the event of such default and the continuance thereof for a period of thirty days, the assignee herein shall be entitled forthwith without any further notice whatsoever to the assignors to take possession and control of the above described real estate and the buildings located thereon and shall have the sole and exclusive right and authority to manage and

operate the same, to collect the rents, issues, profits and income therefrom, with full power to employ agents to manage said real estate, and to do all acts relating to such management including, but not limited to, the negotiation of new leases thereon, the adjustments of existing leases, the contracting and paying for such repairs and replacements to the building and fixtures, equipment and personal property located thereon and used in any way in the use, operation and occupancy of said premises as apartment and commercial buildings, as in the sole judgment and discretion of the assignee may be necessary to maintain the same in a tenantable condition, to purchase and pay for such additional furniture and equipment as in the sole judgment of the assignee may be necessary if a proper rental income is to be derived from said premises, to employ necessary maintenance employees, to purchase fuel, to provide utilities and to pay for all other necessary expenses incurred in the operation of said premises and the hazards, and to pay all premiums therefore, and to apply the net rents, issues, profits and income so collected from said premises after deducting the costs of collection thereof, which shall include a reasonable management fee for any management agent so employed, the amount expended for repairs, upkeep, maintenance service, fuel, utilities, taxes, assessments, insurance premiums and other such expenses as it may be necessary to incur in connection with the operation of said premises and the buildings thereon as apartment and commercial buildings on the indebtedness evidenced by the note and mortgage referred to above.

In the event of such a default, the assignors herein further agree to endorse and deliver to the assignee herein all then existing leases covering the above described premises or any part thereof, and this assignment of rents shall be construed as an assignment of all such leases to the assignees.

It is further understood that this assignment shall not operate to place responsibility for the control, care, management or repair of said premises upon the assignee, nor for the performance of any of the terms and conditions of any leases assigned or to be assigned hereunder, nor shall it operate to make the assignee responsible or liable for any waste committed on the property by the tenants or any other party or for any dangerous or defective condition of the premises or for any negligence in the management, upkeep, repair or control of said premises resulting in loss or injury to any tenant, licensee, employee or stranger.

The acceptance of this assignment of rents by the assignee and the collection of the rents hereby assigned in the event of default, as referred to above, shall be without prejudice to and shall not constitute a waiver on the part of the assignee or any rights or remedies of the assignee under the terms and conditions of the note and mortgage referred to above.

This assignment shall be binding on the assignors, their heirs, executors, administrators, grantees, and assigns.

Dated this 25 day of april, 1977.

EARLHAM MANOR CARE CENTER, INC.

By: Miriam V. Hyde President
Miriam V. Hyde, President

By: Donald E. Hyde Secretary
Donald E. Hyde, Secretary

STATE OF IOWA)
COUNTY OF POLK) SS.

On this 25th day of April A.D. 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Miriam V. Hyde and Donald E. Hyde AND of EARLHAM MANOR CARE CENTER, INC., a corporation, to me known to be the identical persons who executed the foregoing instrument, and acknowledged the execution thereof to be their voluntary act and deed as such officers of said corporation and the voluntary act and deed of said corporation and that ~~(its corporate seal was thereto affixed by its authority)~~ (said corporation has no corporate seal).

Fern A. Lahey
Notary Public in and for said County and State.

FERN A. LAHEY
MY COMMISSION EXPIRES
9-30-79

ML-58