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Polk County Iowa
TIMOTHY J. BRIEN RECORDER
File# 2004-00144699
BK 10610 PG 430-460

RETURN TO:

Prepared By + Return To:

Mary Kay Scherer
Spence Title Services, Inc.
1905 Harney St, Ste 210
Omaha, NE 68102
402-345-8844

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

496671 ITC

This Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement ("Mortgage") made and entered into as of the 1st day of May, 2004, by and between The Reserve A Nonprofit Corporation, an Iowa not-for-profit corporation (the "Company"), as mortgagor and debtor, and Great Western Bank (the "Trustee" as assignee of the Issuer), as mortgagee and secured party; witnesseth:

That the Company in consideration of the sum of Ten Million Nine Hundred Forty Thousand Dollars (\$10,940,000) loaned to it by the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa (the "Issuer") pursuant to a certain Loan Agreement (the "Agreement") dated as of May 1, 2004, between the Issuer and the Company, and evidenced by a certain Note in the principal sum of Ten Million Nine Hundred Forty Thousand Dollars (\$10,940,000) (the "Series 2004 Note"), dated as of May 1, 2004, due December 1, 2033, unless sooner paid, bearing interest thereon in accordance with its terms, issued by the Company and payable to Great Western Bank (the "Trustee"), as Trustee under the Trust Indenture dated as of May 1, 2004, between the Issuer and said Trustee (the "Indenture"), does hereby by these presents sell, convey, and mortgage unto Great Western Bank (the "Trustee") of Omaha, Nebraska, and grant to the Trustee a first mortgage lien and security interest in and to the real estate, easements, rights, and interests situated in Polk County, Iowa, and described in Exhibit B-1 attached hereto and made a part hereof (the "Land") together with all buildings, additions, and

SPENCE TITLE SERVICES, INC.
1905 HARNEY STREET SUITE 210
OMAHA, NEBRASKA 68102
TA 48538

improvements now or contemplated to be constructed thereon, pursuant to the Agreement (the "Building") together with:

(a) all easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Land or the Building and the reversion and reversions, remainder and remainders, and all land laying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, courtesy and rights courtesy, property, possession, claim and demand whatsoever, both in law and in equity, of Company of, in and to the Land or the Building and every part and parcel thereof, with the appurtenances thereto;

(b) all goods, goods which may become fixture, fixtures, machinery, furniture, equipment, fixtures and other articles of personal property of every kind and nature whatsoever owned by Company, or in which Company has or shall have an interest, now or hereafter located upon or in the Land or the Building, or appurtenances thereto, including, without limitation such of the same as is used or usable in connection with the generation and distribution of air, water, heat, electricity, light, fuel or refrigeration, or for ventilating or air conditioning purposes, or for sanitary or drainage purposes, or for the exclusion of vermin or insects, or for removal of dust, refuse or garbage, and all awnings, window shades, drapery rods, brackets, screens, floor coverings, incinerators and carpeting used in the operation of the Land or the Building (and all other personal property, either similar or dissimilar to the foregoing, used or usable in the operation of the Land or Building and located in and on the same), together with all replacements and substitutions therefor, now owned or hereafter acquired by Company and located in or on said Land or the Building, together with all materials intended for construction, reconstruction, alteration, and repair of the Building (hereinafter collectively called the "Equipment" with the Land, Building and Equipment hereinafter collectively called the "Project"), and the right, title and interest of Company in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code), superior in lien to the lien of the Mortgage; and together with all condemnation awards and rights under insurance policies and leases described below pertaining to said Land or the Building now or thereafter located thereon;

(c) all awards or payments, including interest thereon, which may be made with respect to the Project, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in

anticipation of the exercise of said right), or for any other injury to or decrease in the value of the Project;

(d) all leases, occupancy agreements and other agreements affecting the use, enjoyment or occupancy of the Project now or hereafter entered into (the "Leases") and all oil and gas or other mineral royalties, bonuses and accounts, rents, monthly charges, issues and profits from the Project (the "Rents") and all proceeds from the sale or other dispositions of the Leases;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Project, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Project;

(f) all utility deposits made to procure or maintain utility services to the Land or the Building and any money, cash, negotiable instruments, documents of title, securities, deposit accounts or other cash equivalents, including interest or income earned thereon held by Trustee under or in accordance with this Mortgage or the Indenture;

(g) the right, in the name and on behalf of Company, to appear in and defend any action or proceeding brought with respect to the Project and to commence any action or proceeding to protect the interest of Trustee in the Project;

(h) the products and proceeds of the property described in the above (b) through (g) inclusive.

TO HAVE AND TO HOLD the Project, together with all and singular the tenements, hereditaments, appurtenances, rights, privileges, and immunities now or hereinafter in any way belonging or appertaining thereto as security for the payment, when due, of:

(a) the hereinafter described Notes, including the Series 2004 Note;

(b) the hereinafter described Existing City Notes; and

(c) any and all obligations or liabilities of the Company to the Trustee, as described herein, and the Company hereby binds itself, its successors and assigns to warrant and forever defend all and singular the

Project unto the Trustee, its successors and assigns against all persons now or hereafter claiming the same or any part thereof.

Concurrent with the execution and delivery of this Mortgage and the Series 2004 Note, the Issuer has issued Ten Million Nine Hundred Forty Thousand Dollars (\$10,940,000) principal amount of its Development Revenue Bonds, Series 2004 (The Reserve Project) (the "Series 2004 Bonds") under the Indenture. The sum of Ten Million Nine Hundred Forty Thousand Dollars (\$10,940,000) loaned by the Issuer to the Company pursuant to the Agreement and evidenced by the Agreement and the Series 2004 Note was provided by the Issuer from the proceeds of the Series 2004 Bonds. Substantially all of these proceeds are to be used to provide certain facilities for the Company.

The terms of the Series 2004 Note are identical with the terms of the Series 2004 Bonds, as to principal payment dates and amounts, interest rates and prepayment provisions.

In addition to the Series 2004 Note and the Series 2004 Bonds, the City of Urbandale, Iowa has issued Five Million Dollars (\$5,000,000) principal amount of its Development Revenue Bonds, Series 2001 (The Reserve Project) and Three Million Dollars (\$3,000,000) principal amount of its Development Revenue Bonds, Series 2002 (The Reserve Project), collectively (the "City Bonds"). The City Bonds were issued under an Indenture of Trust between the City of Urbandale, Iowa, and Great Western Bank, Trustee, dated as of August 15, 2001 and Supplement to Indenture dated January 15, 2002 (collectively the "City Indenture") the sum of \$5,000,000 was loaned by the City of Urbandale, Iowa to the Company pursuant to a Loan Agreement dated August 15, 2001 and said loan was evidenced by said Loan Agreement and a Series 2001 Note of the Company in favor of the City of Urbandale, Iowa which was assigned to said Trustee. The sum of \$3,000,000 was loaned by the City of Urbandale, Iowa to the Company pursuant to an Amendment to said Loan Agreement dated January 15, 2002 and said loan was evidenced by said Loan Agreement as amended and a Series 2002 Note of the Company in favor of the City of Urbandale, Iowa which was assigned to said Trustee. Said Series 2001 Note and said Series 2002 Note are collectively referred to as (the "Existing City Notes").

Additional Bonds may be issued by the Issuer as provided in the Indenture and Additional Notes may be issued by the Company as provided in the Agreement (such Additional Notes and the Series 2004 Note are hereinafter collectively referred to as the "Notes"). The Series 2004 Bonds and any Additional Bonds (such Additional Bonds and the Series 2004 Bonds are hereinafter collectively referred to as the "Bonds") will be equally and ratably secured by the Notes.

As further security for the payment of the Bonds the Issuer has, pursuant to the terms of the Indenture, assigned and does hereby assign all of its rights in and to the Notes to the Trustee.

As additional security for the Notes, the Company hereby covenants and agrees as follows:

SECTION 1. Title to the Project and the Status of the Lien of this Mortgage.

(a) The Company is lawfully seized of the fee simple title in and to the Land and the Company has a good right to grant and convey the same; the lien of this Mortgage is a first, prior, and superior lien and encumbrance on the Land, subject only to Permitted Encumbrances as defined in the Agreement, and the Company hereby warrants and will defend fee simple title thereto against the lawful claims of all persons, subject only to such Permitted Encumbrances.

(b) The Company will be lawfully seized of the fee simple title to the entire Project upon its completion pursuant to the terms of the Agreement and the Company shall have a good right to grant and convey the same; upon the completion of the Project, this Mortgage shall be a first, prior, and superior lien and encumbrance on the entire Project, subject only to Permitted Encumbrances as defined in the Agreement, and the Company hereby warrants and will defend fee simple title thereto against the lawful claims of all persons.

SECTION 2. The Notes. The Company agrees to pay the Notes and the Existing City Notes with all interest thereon in accordance with their terms and to pay all sums, the failure to pay which may result in the acquisition of a lien prior to the lien of this Mortgage before such a prior lien may attach.

SECTION 3. Taxes and Assessments. The Company agrees to pay:

(a) Before delinquent, all taxes and assessments of every type or nature affecting the Project;

(b) All other charges and encumbrances which may now or hereafter be or appear to be a lien prior to the lien of this Mortgage;

(c) All taxes upon this Mortgage or on the interest of the Issuer or the Trustee herein, or upon the Notes or debt secured hereby; provided, however, that the total amount so paid for any taxes pursuant to this subparagraph (c), together with the interest payable on said indebtedness, shall not exceed the highest lawful rate of interest in Iowa.

SECTION 4. Insurance Required to be Carried. The Company shall take up and continuously maintain in effect, during the period the Project is being constructed, builder's risk or any other such insurance and thereafter, so long as any of the Bonds remain outstanding:

(a) Comprehensive general liability insurance covering any and all liability of the insured with respect to or arising out of the ownership, maintenance, operation, use or occupancy of the Project, and all operations incidental thereto including, but not limited to, structural alterations, new construction and demolition, and including coverage for those hazards generally known in the insurance industry as explosion, collapse and underground property damage ("XCU"), said insurance to have limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage liability. In addition, said insurance shall insure the performance by Company with respect to liability assumed by Company under any written agreement between Issuer or Trustee and Company;

(b) Insurance ("Building Insurance") on all buildings, fixtures and improvements located on and forming a part of the Project (inclusive of foundations, footings and similar structures below grade) against all perils generally included within the classification of "all risks," (not including flood but including earthquake) in amounts at least equal to the full replacement cost thereof (without deduction for depreciation) as such replacement cost shall be determined from time to time at the reasonable request of Trustee by an expert selected and paid by Company and approved by Trustee. In addition, the Building Insurance shall be written in such a manner that, in the event of loss, the amount of coverage afforded to the insured shall not be reduced or diminished by reason of the application of any co-insurance or average clause. Such insurance shall, during the course of any construction or repair of any improvements on the premises, be on All Risk Builder's Risk

100% Completed Value Non-Reporting Form or other form approved by Trustee;

(c) Insurance on personal property against fire and any peril generally included within the classification of "extended coverage" in amounts at least equal to the actual cash value thereof as such values shall be determined from time to time at the reasonable request of Trustee;

(d) Rental value or business interruption insurance (or a combination thereof as Trustee may require) on all buildings, fixtures and improvements located on and forming a part of the Project as above described (including parking and common areas) against loss by the perils covered by the Building Insurance in amounts of not less than one hundred percent (100%) of the total annual anticipated gross rental income, sales or receipts (including in the computation thereof the rental value of any portion of the Project occupied by Company) for 12 continuous months. Such rental value or business interruption insurance shall (i) be blanket on all buildings, fixtures and improvements (including parking and common areas), (ii) contain no monthly or other periodic limitation, and (iii) contain an endorsement extending the period of indemnity for not less than ninety (90) days after restoration of said buildings, fixtures and improvements is completed;

(e) To the extent not covered by the Building Insurance, boiler and machinery insurance ("Boiler- Machinery Insurance") on steam boilers and other steam apparatus and systems located from time to time on the premises and use and occupancy ("U & O") insurance thereon in such amounts and in such form as may be approved from time to time by Trustee;

(f) Additional insurance commonly referred to in the insurance industry as "Demolition and Increased Cost of Construction Insurance" covering loss of undamaged portions, demolition, site clearing, increased cost of construction and increased time of repair or replacement thereof occasioned by the operation of any law or ordinance regulating the construction, repair or use of said buildings, fixtures and improvements as above described;

(g) Workmen's or workers' compensation insurance as required by law and employer's liability insurance with limits of liability of not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000.00);

(h) Such other insurance with respect to the Project in such amounts and against such insurable hazards as Trustee from time to time may reasonably require.

All such insurance shall be taken out and maintained in generally recognized responsible insurance companies carrying a Best rating of A+, or better, organized and qualified to do business in Iowa, a certificate of each policy to be held by the Trustee and shall be carried in the names of the Company, the Issuer, and the Trustee as their respective interests may appear and shall (a) provide that coverage shall not be revised, cancelled, terminated or reduced until at least fifteen (15) days' written notice of such revision, cancellation, termination or reduction shall have been given to Trustee; and (b) contain standard mortgage clauses providing that all proceeds of insurance resulting from loss or damage covered thereby be paid to the Trustee and that all claims may be adjusted by the Company with the approval of the Trustee.

At least fifteen (15) days before the expiration of each such policy, the Company shall deliver to the Trustee a new and sufficient policy to take the place of the one so expired, and shall, upon request, provide a copy of said policy to the Issuer.

SECTION 5. Application of Proceeds of Insurance. The proceeds of insurance carried pursuant to the first paragraph of Section 4 shall be applied as provided in Section 6 hereof.

SECTION 6. Damage or Destruction. Unless the provisions of Section 7.01(a) of the Agreement are applicable and the Company has exercised its option to prepay the Notes in whole pursuant to such provisions, and as long as any Bonds remain outstanding under the terms of the Indenture, if the Project is destroyed, in whole or in part, or is damaged by fire or other casualty, the Company shall promptly give written notice thereof to the Trustee. All proceeds of insurance resulting from claims for such losses shall be paid to and held by the Trustee, under the terms of the Indenture, whereupon (i) the Company will proceed promptly to repair, rebuild, or restore the property damaged or destroyed to substantially the same condition as it existed prior to the event causing such damage or destruction, with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Company and as will not impair the operating unity or capacity or the value of the Building as a facility for commercial or business enterprise and as will not impair the qualification of the Project as a "project" under the Act (as defined in the Agreement); and (ii) the Trustee shall apply so

much as may be necessary of the proceeds of such insurance to the payment of the cost of such repair, rebuilding, or restoration, either on completion thereof or as the work progresses, upon certification by the Company of such costs for work in place and which certification shall contain a statement that no default has occurred under the Agreement, the Notes, or this Mortgage which has not been remedied. In the event said proceeds are not sufficient to pay in full the costs of such repair, rebuilding, or restoration, the Company will nonetheless complete the work therefor and will pay that portion of the costs thereof in excess of the amount of said proceeds. Any balance of such proceeds remaining after payment of all the costs of such repair, rebuilding, or restoration shall be paid into the Bond Fund and used by the Trustee to make partial repayment on the Notes and to redeem outstanding Bonds, under the terms of the Indenture. If no Bonds remain outstanding under the terms of the Indenture, all proceeds will be paid to the Trustee under the City Indenture.

All moneys held by the Trustee under the provisions of the preceding paragraph shall, at the written request of the Company, be invested or reinvested by the Trustee as specified by the Company (by the Authorized Representatives of the Company) in such request in one or more of the investments enumerated in Section 3.05 of the Agreement. Any earnings or profits of such investments shall be considered as part of such proceeds and the Company shall forthwith pay to the Trustee the amount of any losses on such investments.

SECTION 7. Condemnation. Unless the provisions of Section 7.01(b) of the Agreement are applicable and the Company has exercised its option to prepay the Notes in whole pursuant to such provisions, and as long as any Bonds remain outstanding under the terms of the Indenture, all moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to any portion of the Project by reason of any condemnation, eminent domain, change of grade, or other proceeding shall be paid to the Trustee and such moneys and awards are hereby assigned to the Trustee. If no default is continuing under the Agreement, the Notes, or this Mortgage, the Trustee will cause said proceeds received by it to be applied in one or more of the following ways as shall be directed in writing by the Company:

(a) The restoration of the Building or other improvements located on the Land to substantially the same condition as they existed prior to the exercise of the said power of eminent domain; or

(b) The acquisition by construction or otherwise, by the Company of other improvements suitable for the Company's operations at the Project (which improvements shall be deemed a part of the Project) provided that such improvements shall be acquired by the Company subject to no liens or encumbrances prior to the lien of this Mortgage; or

(c) The partial prepayment of the Notes and redemption of the principal of any of the Bonds together with accrued interest thereon to the Date of Redemption (as defined in the Agreement) and the applicable premium pursuant to the terms of the Indenture; provided that no part of any such condemnation award may be applied for such prepayment unless (i) all of the Bonds are to be redeemed in accordance with the Indenture; or (ii) in the event that less than all of the Bonds are to be redeemed, the Company shall furnish to the Issuer and the Trustee a certificate of a registered and qualified engineer acceptable to the Trustee stating (1) that the property forming a part of the Project that was taken by such condemnation proceedings is not essential to the Company's use or occupancy of the Project, or (2) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings, or (3) that improvements have been acquired which are suitable for the Company's operation at the Project as contemplated by the foregoing subsection (b) of this Section; or

(d) If the foregoing subsection (c) of this Section is not applicable, payment into the Bond Fund for use by the Trustee in making prepayments on the Notes and redeeming Bonds under the terms of the Indenture or, if no Bonds then remain outstanding, under the terms of the Indenture, to the Company.

Unless the Company shall have given notice of its election to exercise its option to prepay the Notes pursuant to the provisions of Section 7.01(b) of the Agreement, within 45 days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Company shall direct the Trustee in writing as to which of the ways specified in this Section the Company elects to have the condemnation award applied.

Any moneys held by the Trustee under the provisions of the preceding paragraph shall, at the written request of the Company, be invested or reinvested by the Trustee as specified by the Company (by the Authorized Company Representatives, as defined in the

Agreement) in such request in one or more of the investments enumerated in Section 3.05 of the Agreement. Any earnings or profits on such investments shall be considered as part of the proceeds and the Company shall forthwith pay to the Trustee the amount of any losses on such investments.

SECTION 8. Maintenance and Repair. The Company shall keep the Project in good condition and repair making from time to time all necessary repairs thereto and renewals and replacements thereof, and covenants not to commit or permit waste thereof, and shall not remove or demolish nor alter or impair the design or structural character of any building, fixture, equipment, or other improvements now or hereafter situated upon the Project without the prior written consent of the Trustee, and shall not do or permit any other act or thing that will damage the Project or cause the same to depreciate in value.

SECTION 9. Removal of Equipment. The Company may remove and dispose of items of Equipment from the site of the Project as is provided in the Agreement.

SECTION 10. Release of Certain Land. The Trustee reserves the right at any time and from time to time to (i) release from this Mortgage any unimproved part of the Land (on which neither the Building nor any Equipment as defined in the Agreement is situated) on which the Company then proposes to construct improvements which are not part of the Project; (ii) release from this Mortgage any part of the Land with respect to which the Company proposes to grant an easement or convey fee title to a railroad, public utility, or public body in order that railroad, utility services, or roads may be provided for the Project, provided that in either case there shall be deposited with the Trustee the following:

(a) a written release;

(b) A certified copy of a resolution of the governing body of the Company (i) stating that the Company is not in default under any of the provisions of the Agreement, the Note, or this Mortgage; (ii) giving an adequate legal description of that portion of the Land involved in such release; (iii) stating the purpose for which the Company desires the same; (iv) stating that the said improvements which will be so constructed will be such as will promote the continued commercial development of the Issuer; and (v) requesting such release;

(c) A statement of the Authorized Company Representative (as defined in the Agreement) regarding such release and stating that the

Company is not in default under any of the provisions of the Agreement, any of the Notes and this Mortgage;

(d) If applicable, a copy of the instrument granting the easement or conveying the title to a railroad, public utility, or public body;

(e) If applicable, a complete description of the improvements to be constructed on the Land requested to be released and a detailed statement of the purpose for which they are being constructed;

(f) A certificate of a registered and qualified engineer who is acceptable to the Trustee, dated not more than sixty (60) days prior to the date of the release stating that, in the opinion of the person signing such certificate (i) the portion of the Land involved in the release is necessary or desirable for a railroad, utility services, or roads to benefit the Project or is not otherwise needed for the operation of the Project for the purposes hereinafter stated and (ii) the action so proposed to be taken will not impair the usefulness of the Project and will not destroy the means of ingress thereto and egress therefrom; and

(g) The proceeds, if any, of any such transaction which shall be paid into the Construction Fund or Bond Fund, whichever is appropriate.

SECTION 11. Assignment of Rents, Issues, and Profits. All leases or occupancy agreements with respect thereto and all of the accounts, rents, monthly charges, issues, proceeds, and profits of the Project are hereby assigned to the Trustee as further security for the payment of the indebtedness and performance of the obligations, covenants, promises, and agreements secured hereby. In case Company defaults in the performance of any of the covenants, promises, and agreements secured hereby or in the performance of any of the Company's agreements herein contained, or in the Agreement, or any of the Notes the Trustee shall be entitled at any time without notice, in its sole discretion, 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, to enter upon and take possession of the Project or any part thereof, and to do and perform any act that the Trustee may deem necessary or proper to conserve the value thereof, and to collect and receive all accounts, rents, monthly charges, issues, and profits therefrom, including those past due and unpaid, as well as those accruing thereunder. The Company further agrees that the Trustee may also take possession of, and use any and all personal

property contained in the Project and used by the Company in the operation, rental or leasing of the Project, or any part thereof. The Trustee shall apply all such accounts, rents, monthly charges, issues, and profits collected or received by it in the manner as provided in the Indenture. The expense (including receiver's fees, if any, the compensation to any agent appointed by the Trustee, 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 accounts, rents, monthly charges, issues, and profits and the application or release thereof as aforesaid, shall cure or waive any default. Said accounts, rents, monthly charges, issues, and profits may be applied upon any indebtedness and/or obligation secured hereby as provided in the Indenture.

SECTION 12. Compliance with Laws. The Company shall comply with all the laws, ordinances, regulations, covenants, conditions and restrictions affecting the Project and covenants not to suffer or permit any act to be done in or upon the Project in violation thereof.

SECTION 13. Advances. Upon the Company's failure to comply with the preceding covenants and agreements as to payment of prior liens, taxes, assessments, and charges, maintenance of insurance and repairs as contained in the preceding Sections 3, 4, and 8, the Trustee without prejudice to any rights given herein, may make advances to perform the same on behalf of the Company, and the Company hereby agrees to repay all sums so advanced, on demand, with interest thereon, from the date advanced at the rate of eighteen percent (18%) per annum, and all sums so advanced with interest as aforesaid until paid by the Company 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 Trustee 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 Company 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 Trustee and not obligatory, and the Trustee shall not in any case be liable to the Company for failure to exercise any such right.

SECTION 14. Failure to Complete. If Company at any time prior to the completion of the Project abandons the same or ceases work thereon for a period of more than 20 days or fails to complete the construction of the Building substantially and in accordance with plans and specifications for the Project, or fails to construct, or acquire or install all other facilities necessary in connection with the Project, then the Trustee, at its option, and at any time thereafter, may but shall be under no obligation to enter into possession of all or any portion of the Project and perform any and all work and labor necessary to complete the Building substantially in accordance with the plans and specifications for the Project, may construct, acquire and install all other facilities necessary in connection with the Project, and employ watchmen to protect the Project from injury. For this purpose, the Company hereby constitutes and appoints the Trustee its true and lawful attorney-in-fact with full power of substitution in the premises, to complete the construction and equipping of the Building on the Land and hereby empowers said attorney as follows:

(a) To, in the name of the Company, execute and deliver orders for the disbursement of monies from the Construction Fund established in accordance with the Indenture;

(b) To make such additions and changes and corrections in the plans and specifications for the Project which shall, in the opinion of the Trustee, be necessary or desirable to complete the Project in substantially the manner contemplated by such plans and specifications;

(c) To employ such contractors, subcontractors, and agents, architects and inspectors as shall be required for said purposes;

(d) To purchase or install all or any portion of the Equipment;

(e) To pay, settle or compromise all existing bills and claims which may be liens against the Project, or as may be necessary or desirable for the completion of the Project, or for the clearance of title; and

(f) To execute all applications and certificates in the name of the Company which may be required by any of the contract documents and to do any and every act which the Company might do in its own behalf with respect to or related to the construction of the Project and the construction, acquisition, and installation of all other facilities (including the Equipment) necessary in connection with the Project.

It is further understood and agreed that this Power of Attorney shall be deemed to be a power coupled with interest and cannot be revoked. The Trustee shall also have power to prosecute and defend all actions or proceedings in connection with the Project and to take such actions and require such performance as it deems reasonably necessary in connection with the Project.

In the event monies in the Construction Fund available for payment of the cost of the Project should not be sufficient to pay the cost thereof in full, all sums paid or incurred by the Trustee to complete construction of the Building or to construct, acquire, or install the facilities (including the Equipment) necessary in connection with the Project or to complete the Project, shall be repaid by the Company together with interest thereon from the date of payment by the Trustee at the rate of eighteen percent (18%) per annum until paid, and all such sums and interest thereon shall be immediately due and payable and shall be added to and become part of any indebtedness or obligation secured hereby in such manner or order as the Trustee may desire or determine, and be secured hereby, having the benefit of the lien hereby created and of its priorities.

SECTION 15. Litigation. If any action or proceedings be commenced, to which action or proceedings the Issuer or the Trustee is made a party by reason of the execution of this Mortgage or the Notes, or in which the Trustee deems it necessary to appear or answer in order to uphold the lien of this Mortgage or the priority hereunder, all sums paid or incurred by the Issuer or the Trustee for attorney fees and other expenses in such action or proceeding shall be repaid by the Company, together with interest thereon from the date of payment by the Trustee at the rate of eighteen percent (18%) per annum, and all such sums and the interest thereon shall be immediately due and payable and shall be added to and become a part of any indebtedness or obligation secured hereby in such manner or order as the Trustee may desire or determine, and be secured hereby, having the benefit of the lien hereby created and of its priority.

SECTION 16. Non-Waiver. Acceptance by the Trustee 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 any remaining default or invalidate any foreclosure proceedings for any such remaining default or prejudice any of

the rights of the Trustee under this Mortgage. Further, the failure of the Trustee to insist upon the strict performance of any of the covenants or agreements of the Company contained in this Mortgage, or the delay by Trustee in the enforcement of any of its remedies herein upon any default of the Company shall never constitute a waiver of any requirement or obligation of the Company or right or remedy of the Trustee contained in or based upon said covenants or agreements.

SECTION 17. Severability. If any provisions hereof should be held unenforceable or void, then such provision shall be deemed separate from the remaining provisions and shall in no way affect the validity of the remaining portions of this Mortgage.

SECTION 18. Security Interest. An express security interest is hereby granted to the Issuer and the Trustee in respect to any part of the Project which under Iowa law, including Chapter 554, Code of Iowa, might now or hereafter be construed or considered as personal property and this Mortgage shall constitute a security agreement in respect thereto. This Mortgage further constitutes a financing statement with respect to the Project under the terms of Chapter 554, Code of Iowa.

From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all goods constituting part of the Project (as more particularly described in item (b) of the granting clause of this Mortgage) which are or are to become fixtures related to the real estate described herein. For this purpose, the following information is set forth:

(a) Name and address of Debtor:

The Reserve A Nonprofit Corporation
c/o Howard Hahn
1620 Dodge Street
Omaha, Nebraska 68102

(b) Name and address of Secured Party:

Great Western Bank
6015 Northwest Radial Highway
Omaha, Nebraska 68104

Attention: Corporate Trust Department

(c) This document covers goods which are to become fixtures.

SECTION 19. Construction. This Mortgage is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Mortgage shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

SECTION 20. Mortgage of the Project. The Company will not, now or in the future, mortgage, pledge, or encumber or place any lien or encumbrance (or permit same to exist) on the Project, as defined in this instrument, or any part thereof without the prior written consent of the Trustee, except for this Mortgage or Permitted Encumbrances (as defined in the Agreement).

SECTION 21. Sale of the Project. If the Project or any portion thereof is sold or otherwise transferred, whether voluntarily or by operation of law except in accordance with Sections 9 and 10 hereof, without the prior written consent of the Trustee, then the Trustee shall have the right at its option subject to the provisions of Section 24(b) hereof to declare the indebtedness secured hereby immediately due and payable.

SECTION 22. Inspection of the Project. The Trustee is authorized by itself, its agents, or workmen to enter at any time upon any part of the Project and the improvements thereon situated 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 23. Discharge of Lien. In the event that all payments on the Bonds shall have been made in accordance with the applicable provisions of the Indenture and that the lien of the Indenture has been cancelled and discharged in accordance with its terms, then and in that case only, the Mortgage shall be null and void, whereupon the Trustee shall cancel and discharge the lien of this Mortgage in due form at the expense of the Company, otherwise, it shall remain in full force and effect.

SECTION 24. 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 a "Default" under any of the Notes or the Agreement.

(b) The failure of the Company 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 constitutes an Event of Default under any of the Notes or the Agreement) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Company by the Trustee, unless the Trustee shall determine that the Company is diligently pursuing such remedy and shall agree in writing to an extension of such time prior to its expiration.

SECTION 25. Remedies on Default. Upon the occurrence of an Event of Default, the Trustee may, at its option and without notice, declare the whole of the principal and accrued interest on the Notes remaining unpaid to be immediately due and payable; and the Trustee may, at its option, institute proceedings at law or in equity for the collection of all indebtedness due under the provisions of the Agreement, the Notes, and the Mortgage; and upon any such default, the Trustee may 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 to take possession and charge of the Project during the pendency of the foreclosure proceedings and during the redemption period, to rent same and receive and collect the rents, issues and profits thereof, under the direction of the court, and any amount so collected by such receiver shall be applied under direction of the court upon the costs and expenses of the receivership, expense of insurance on the improvements, expense of repairs, taxes, assessments, and on the Mortgage indebtedness as provided in the Indenture.

After default, in order to facilitate Trustee's enforcing its rights and remedies as a secured party under Chapter 554 of the Code of Iowa, as amended (the "UCC"), Company hereby agrees that Trustee or its representatives may take possession of such of the Project as is not real estate and may enter any premises of Company to take possession of said properties and the proceeds thereof; authorizes and empowers Trustee and its representatives to take possession of said properties and the proceeds thereof from any and all third parties; and acknowledges and agrees that Trustee's taking possession of said properties and the proceeds thereof will not be considered as a breach of the peace and may be done without the order of any court.

Company hereby agrees that upon Trustee's taking possession of the said properties and the proceeds thereof, Trustee shall have and is hereby granted the right to use, improve, operate, hold, lease, sell, or otherwise dispose of said properties and the proceeds thereof or any portion thereof, in such a manner and for such an amount as Trustee, in its sole discretion, deems to be in the best interest of the holders of the Bonds. In the event Trustee sells or otherwise disposes of all or any portion of said properties, Company acknowledges and agrees that any sale of such of the properties, after having given Company fifteen (15) days' written notice, including the method, manner, time, place, and terms, shall be conclusively deemed to be commercially reasonable and such disposition shall be deemed to be commercially reasonable and Company hereby waives any and all further notice of the time and place at or after which any such sale or other disposition is to be made and agrees that Trustee may purchase all or any portion of said properties by means of a private sale to itself.

Company acknowledges, covenants, and agrees that Trustee enforcing its rights and remedies shall not be considered as the discharge or satisfaction of Company's obligations in accordance with the Notes.

Company agrees that, notwithstanding any attempts by Trustee to sell or otherwise dispose of all or any portion of said properties, Trustee will not have waived and may at its option avail itself of the rights granted it pursuant to Section .9505(2) of the UCC. Company acknowledges and agrees that unless Trustee avails itself of the rights granted it pursuant to Section .9505 (2) of the UCC, the proceeds of any disposition of any of said properties, or a portion thereof, shall be applied pursuant to the provisions of Section .9504(1)(2) of the UCC and that the reasonable expenses of retaking, holding, preparing for sale, selling, and the like shall be inclusive of but not limited to any and all attorneys' fees and legal expenses incurred by Trustee.

Company hereby consents to and agrees to any and all actions taken or not taken by Trustee of every and any kind and character whatsoever, growing out of or referable to Trustee's possession of the said properties or growing out of or referable to any and all actions taken or not taken by Trustee in the custody and preservation of the said properties. Company hereby expressly acknowledges and agrees that Trustee shall not

be liable for any loss caused by its failure to meet any obligations imposed upon by it by Section .9207 of the UCC or any other law pertaining to possession of collateral; and the Company hereby expressly covenants, acknowledges, and agrees that any and all actions taken or not taken, at any time, by Trustee in connection with Trustee's using, improving, operating, holding, having possession of, or dealing with any and all of said properties, in connection with trustee's attempts to dispose of any or all of the said properties, and in connection with Trustee's disposition of any or all of said properties, shall not be considered as an impairment of any collateral given by Company and Company hereby waives any and all rights it may have, or may have in the future, if any, to claim discharge pursuant to Section .3606 of the UCC or any other applicable law, whether common or statutory.

Company acknowledges and agrees, in the event that all or any portion of said properties are sold or otherwise disposed of by Trustee, it shall be liable for any deficiency due under the Notes after the proceeds of the disposition of the said properties are applied pursuant to Section .9504 of the UCC.

Company hereby agrees that it shall and will indemnify and hold harmless Trustee at all times from and after the date of this Mortgage, for and from any and all claims, losses, damages, charges, and expenses of every and any kind and character whatsoever growing out of or referable to this Mortgage, growing out of or referable to Trustee's taking possession of said properties, growing out of or referable to any and all actions taken or not taken by Trustee as a secured party or mortgagee, or growing out of or referable to any and all actions taken or not taken by Trustee in using, improving, operating, holding, leasing, or selling or otherwise disposing of all or any portion of said properties.

SECTION 26. Amendments, Changes, and Modifications. The Mortgage may not, in any manner, be amended, changed, modified, altered, or released without the written consent of the parties hereto and the Trustee, and pursuant to Article XII of the Indenture.

SECTION 27. Additional Notes. This Mortgage shall stand as security for all Additional Notes for loans authorized to be made under the Agreement, as well as the Series A Note and any and all future and additional advances made to the Company. All

Additional Notes shall be equally and ratably secured along with the Notes under the terms of this Mortgage.

SECTION 28. Attorneys' Fees. The Company hereby agrees in the event of foreclosure to pay to the Trustee such reasonable attorneys' fees as are authorized by law, together with the cost of extending the abstract, procuring title insurance and all court costs.

SECTION 29. Definition of Terms. The terms "Company," "Issuer," and "Trustee" wherever used in this instrument shall be construed to include heirs, legatees, devisees, executors, administrators, successors, and assigns where the context may require or permit and the covenants and agreements herein contained shall bind and inure to the benefit of the Company and the Trustee and their respective heirs, executors, administrators, successors, and assigns and the terms "Company," "Issuer," and "Trustee" shall include singular and plural, regardless of gender. All other terms used herein which are defined in the Agreement shall have the same meanings when used herein as assigned them in the Agreement unless the context otherwise requires.

SECTION 30. Waiver. If applicable and if permitted by law, the Company hereby waives and releases any and all rights and remedies related to marshalling of liens and assets, redemptions, and statutes or limitations.

SECTION 31. Notices. All notices or other communications shall be sufficiently given and shall be deemed given on the fifth day following the day on which the same have been mailed by certified mail, postage prepaid, addressed as follows: If to the Trustee, at Great Western Bank, 6015 Northwest Radial Highway, Omaha, Nebraska, 68104, Attention: Corporate Trust Department; or if to the Company, The Reserve A Nonprofit Corporation, c/o Howard Hahn, 1620 Dodge Street, Suite 2100, Omaha, Nebraska 68102. The Company and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent.

SECTION 32. Usury. Notwithstanding any provision herein or in the Notes or the Agreement, the total liability for payments in the nature of interest shall not exceed the limits now or hereafter imposed by the usury laws of Iowa.

SECTION 33. Recording. Company covenants that it will cause, at its expense, this Mortgage and all supplements thereto and all financing statements deemed reasonably necessary by the Trustee, to be kept recorded and filed in such manner and in such places as may be required by the Trustee.

SECTION 34. Environmental Matters.

(a) Certain Defined Terms. As used in this paragraph and unless otherwise expressly indicated, the following terms shall have the following meanings (such meanings to be equally applicable in both the singular and plural forms):

"Applicable Environmental Law" means the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Superfund Amendment and Reauthorization Act ("SARA"), the Toxic Substances Control Act, the Occupational Safety and Health Act ("OSHA"), and any other federal, state or local statute, rule or regulation in effect in any jurisdiction in which Company is or hereafter may be doing business or where the Project or any other real or personal property owned, occupied, operated or used by Company is or hereafter may be located, pertaining to health, the environment (as defined in CERCLA), or any Contaminant, assuming disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, as enacted or amended, and all licenses, orders, permits, certificates or the like promulgated under any of the foregoing.

"Contaminant" means any pollutant, hazardous or toxic substance or waste, or contaminated material, including petroleum and petroleum products, asbestos and asbestos-containing products, ureaformaldehyde and all other materials and substances designated or regulated as a hazardous or toxic substance or waste, pollutant or contaminant under any Applicable Environmental Law.

"Enforcement Action" means any pending or threatened action, proceeding, investigation or order instituted by the United States Environmental Protection Agency, any other federal, state or local governmental authority, or any other individual or entity, related to any suspected or actual Environmental Activity, Contaminant, or noncompliance with any Applicable Environmental Law on, at, through or under any of the Project or any other real or personal property owned, occupied, constructed, operated or used by Company or any business conducted thereon or therewith.

"Environmental Activity" means any past, present or future, storage, holding, existence, release, threatened release, production, emission, discharge,

spilling, leaking, migrating, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, generation, processing, treatment, abatement, handling or transportation of any Contaminant on, at, through or under the Project or any other property owned, occupied, constructed, operated or used by Company not in compliance with any Applicable Environmental Law.

"Release Date" shall mean the date on which (a) the debt secured by this Mortgage have been paid and performed in full and this Mortgage has been released, and (b) if the Trustee becomes the owner of the Project by way of foreclosure of the lien hereof, deed in lieu of such foreclosure or otherwise, the Project has been sold by it.

"Site Assessment Report" means any site environmental assessment report pertaining to the Project, procured by or presented to Trustee in conjunction with this Mortgage.

(b) Environmental Representations and Warranties. Company hereby represents and warrants to Trustee that, except as set forth in the Site Assessment Report:

(i) The Project is free of any Contaminants and neither Company nor any other person (including, but not limited to, prior owners, occupiers, operators or users of the Project) has ever caused or permitted any Contaminant to be manufactured, placed, generated, stored, held, transferred, processed, produced, transported or disposed on, at, through or under the Project.

(ii) The Project and any and all other real or personal property owned, occupied, operated, or used by Company, is in full and complete compliance with all Applicable Environmental Laws.

(iii) Neither Company nor any other person (including, but not limited to, prior owners, occupiers, operators or users of any of the Project) has ever caused or permitted (through any action or inaction, intentional or unintentional) any Environmental Activity or other noncompliance of the Project with any Applicable Environmental Law.

(iv) Company and all other owners, occupiers, operators or users of any of the Project are owning, occupying, operating and using the Project only in full compliance with all Applicable Environmental Laws.

(v) No lien has or is currently attached to any revenues or any real or personal property owned by Company including, but not limited to, the Project, and Company has no other absolute, contingent or threatened

liability as a result of any governmental authority or any other individual or entity expending monies as a result of any actual or alleged Environmental Activity, existence of a Contaminant or violation of an Applicable Environmental Law on, through or under any of the Project or any other real or personal property owned, occupied, operated, or used by Company or any violation of any Applicable Environmental Law.

(vi) Company has caused no condition to exist (through its action or inaction, intentional or unintentional) and to the best of Company's knowledge, after reasonable inquiry, no condition does exist, as to any parcel of property contiguous with any of the Project or located within five hundred (500) yards of the perimeter of the Project, which would require disclosure under this paragraph if such property were the Project.

(vii) Neither Company nor any other person (including, but not limited to, prior owners, occupiers, operators or users of any of the Project) has received any notice or advice of any Enforcement Action.

(c) Environmental Activity. Company shall not, from the date hereof to the Release Date, cause or permit (by its action or inaction, intentional or unintentional) the occurrence or continuance of any Environmental Activity or any other noncompliance with any Applicable Environmental Law.

(d) Use of Contaminants. Company will not use, generate, transport, treat, handle, store or dispose of any Contaminants upon or with any of the Project except those Contaminants used, generated, transported, treated, managed, handled, stored or disposed of in the ordinary course of Company's business and as in the Site Assessment Report. Company will procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental regulatory approvals required for the conduct of Company's business including, without limitation, discharge of properly treated materials or wastes in sanitary sewers serving the Project. Company will exercise prudent skill and care (which standard of care shall be defined by reference to the then current technology and best practices then in use in the industry in which Company conducts his business) in the handling, use, generation, treatment, transport, disposal or management of any Contaminants and no Contaminants will be permitted to be accumulated on the Project in amounts in excess of those required in the ordinary course of Company's business as described above. All amounts of such materials which may be accumulated will be

handled, used, disposed, managed, transported, treated and stored in compliance with all Applicable Environmental Laws.

(e) Additional Environmental Covenants. Company shall, from the date hereof to the Release Date, unless the Trustee shall otherwise consent in writing:

(i) Comply fully with all Applicable Environmental Laws with respect to the Project and any and all other real or personal property owned, occupied, operated or used by Company.

(ii) Obtain and maintain in full force and effect, any permit, license, or similar authorization required by any Applicable Environmental Law to own, construct, occupy, operate or use the Project or any other real or personal property owned, occupied, operated or used by Company or for the conduct of any business conducted thereon or therewith by Company or any other person.

(iii) Take any and all actions necessary to prevent any actual or threatened Environmental Activity or any other violation of any Applicable Environmental Law; and in the event that such Environmental Activity or other violation of Applicable Environmental Law is threatened or does occur, take any and all steps necessary to prevent the occurrence or continuation thereof, and to correct or remediate any effect thereof in accordance with the provisions of any Applicable Environmental Law.

(iv) If Company shall receive notice or obtain any other knowledge of any Enforcement Action; receive notice or obtain any other knowledge that any Environmental Activity or any other violation of Applicable Environmental Law has or may have occurred or is about to occur; receive notice from any governmental authority or private party alleging that Company may be liable or responsible for costs associated with response to or cleanup of any Environmental Activity or any other violation of any Applicable Environmental Law or any consequence thereof; or receive notice of the enactment or promulgation of any Applicable Environmental Law not in force as of the date hereof which would impair the value of any of the Project to Trustee then Company shall notify Trustee within three (3) days of Company's receipt thereof and shall provide Trustee with such additional information in regard thereto as Trustee may from time to time request.

(f) Indemnification. Company indemnifies, agrees to indemnify and hold Trustee harmless from and against, and to reimburse it with respect to, any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown,

fixed or contingent, asserted against or incurred by Trustee at any time and from time to time by reason of or arising out of (i) the breach of any representation or warranty of Company set forth herein; and (ii) the failure of Company to perform any obligation herein required to be performed by Company, from the date hereof to the Release Date; provided, however, this indemnity shall not apply with respect to matters caused by or arising out of the gross negligence or willful misconduct of the Trustee. This indemnity applies, without limitation, to any violation from the date hereof to the Release Date of any Applicable Environmental Law and any and all matters arising out of any act, omission, event or circumstance existing or occurring on or prior to the Release Date (including without limitation the presence on the Project or release from the Project of any Contaminant), regardless of whether such act, omission, event or circumstance constituted a violation of any Applicable Environmental Law at the time of its existence or occurrence; provided, however, such indemnity shall not apply with respect to matters caused by or arising out of the gross negligence or willful misconduct of Trustee. The provisions of this subparagraph shall survive the Release Date and shall continue thereafter in full force and effect.

(g) Additional Events of Default. Notwithstanding any other provisions contained in this Mortgage to the contrary, in addition to the Events of Default as set forth in this Mortgage, the Debt shall become due at the option of Trustee, upon any one or more of the following events, which shall constitute "Additional Events of Default."

(i) If any governmental authority or other individual or entity asserts or creates a lien on any or all of the Project by reason of any Environmental Activity or any other violation of any Applicable Environmental Law; or

(ii) If any governmental authority or other individual or entity asserts any claim against Company, any of the Project or any other real or personal property owned, occupied, operated or used by Company for damages or costs relating to a response to Environmental Activity or any other violation of any Applicable Environmental Law; provided, however, such claim shall not constitute an Additional Event of Default if, within five (5) business days of the assertion of the claim: Company shall prove to Trustee's satisfaction that Company has commenced and is diligently pursuing either (1) a cure or remediation of any circumstance which constitutes the basis for the claim, and continues diligently to pursue such cure or remediation to completion or

(2) proceedings for an injunction, a restraining order or other appropriate relief preventing such governmental authority or individual or entity from asserting such claim, which relief is granted within ten (10) business days of the claim and the injunction, order or relief is not thereafter dissolved or reversed on appeal; and in either of the foregoing events, Company has posted a bond, letter of credit or other security satisfactory in form, substance and amount to Trustee to secure the proper and complete satisfaction of the claim, as alleged.

(h) Additional Rights. Not in limitation but in addition to any other rights Trustee may have under this Mortgage, Trustee shall have the following rights and remedies with respect to the environmental status of the Project:

(i) Trustee shall have the right to, at any time, enter on and upon the Project at any time and from time to time for the purpose of making such audit tests, inspections, and examinations, including subsurface exploration and testing, as Trustee, in its discretion, deems necessary, convenient, or proper to determine whether the ownership, use and operation of the Project and the conduct of the activities engaged in thereon are in compliance with Applicable Environmental Law. Trustee, or its designated agents, shall have the right to inspect and copy all of Company's records relating to environmental matters and to enter all buildings or facilities of Company for such purpose. In confirmation of Trustee's rights to inspect and copy all of Company's records relating to environmental matters and to secure Company's obligations to Trustee under this Mortgage, Company hereby grants to Trustee a continuing security interest in and to all of Company's existing and future records with respect to environmental matters, whether or not located at the Project or elsewhere, whether or not in the possession of Company or some third party (including any federal, state, or local agency or instrumentality) and whether or not written, photographic, or computerized, and the proceeds and products thereof. Trustee, or its designated agent, may interview any or all of Company's agents and employees regarding environmental matters, including any consultants or experts retained by Company, all of whom are directed to discuss environmental issues fully and openly with Trustee or its designated agent and to provide such information as may be requested by Trustee. All of the costs and expenses incurred by Trustee with respect to the audits, tests, inspections and examinations which Trustee may conduct, including the fees of the engineers, laboratories and contractors, shall be paid by Company. Trustee may, but shall not be required to, advance such costs and expenses on behalf of Company. All sums so advanced shall bear interest at the Default Rate provided in the Note.

(ii) Trustee shall have the right but not the obligation, and without limitation of Trustee's other rights under this Mortgage, to enter onto any of

the Project to conduct or to take such other actions as it deems necessary or advisable to clean up, remediate, encapsulate, remove, resolve or minimize the impact of, or otherwise deal with, any Contaminants or Enforcement Actions or breaches of any Applicable Environmental Law pertaining to the Project or any part thereof which could result in an order, suit or other action against Company or which, in the sole opinion of Trustee, could otherwise jeopardize its security under this Mortgage. All reasonable costs and expenses incurred by Trustee in the exercise of any such rights shall be secured by this Mortgage and shall be payable together with interest at the Default Rate provided in the Note, by Company upon demand.

(iii) Trustee shall have the right, in its sole discretion, to require Company to establish and maintain (at Company's sole expense) a system for the purpose of monitoring compliance with any and all Applicable Environmental Law, and to periodically (but not more frequently than annually, unless an Enforcement Action is then outstanding or an Event of Default under this Mortgage has occurred, in which case this limitation will not apply) require the performance (at Company's sole expense) of an environmental assessment of any of the Project and any or all other real or personal property owned, occupied, operated, or used by Company or any business conducted thereupon or therewith, satisfactory in scope, form and content to Trustee. Said environmental assessment must be performed by an environmental consultant satisfactory to Trustee. Should Company fail to provide said environmental assessment within thirty (30) days of Trustee's written request, Trustee shall have the right but not the obligation to retain an environmental consultant to perform said environmental assessment. All costs and expenses incurred by Trustee in the exercise of such rights shall be secured by this Mortgage and shall be payable together with interest at the Default Rate provided in the Note, by Company upon demand.

SECTION 35. Execution 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 Reserve A Nonprofit Corporation and Great Western Bank, Trustee, have caused these presents to be signed all as of the 1st day of May, 2004.

THE RESERVE A NONPROFIT CORPORATION

By Richard D Walters
Its President

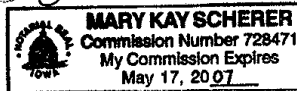
GREAT WESTERN BANK, Trustee

By [Signature]
Its VP

STATE OF Iowa)
COUNTY OF Lack) ss.

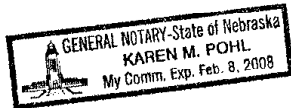
On this 16 day of June, 2004, before me a notary public, in and for said county, personally appeared Richard P. Walters, who is the President of The Reserve A Nonprofit Corporation, to me personally known, who being by me duly sworn did say that he is the individual named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed and the voluntary act and deed of said corporation.

Mary Kay Scherer
Notary Public



STATE OF NEBRASKA)
COUNTY OF DOUGLAS) ss.

On this 17th day of June, 2004, before me a notary public, in and for said county, personally appeared Tom Van Robays, who is the Vice President of Great Western Bank, to me personally known, who being by me duly sworn did say that he is the individual named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed and the voluntary act and deed of said bank.



Karen M. Pohl
Notary Public

EXHIBIT B-1
Description of Land

PARCEL A:

An irregular shaped portion of Parcel "B" in Outlot "X", Colby Woods West Plat No. 6, an Official Plat, Urbandale, Polk County, Iowa, as shown in Book 8850 at Page 634 in the Office of the Polk County Recorder and described as follows: Beginning at the Northwest Corner of said Parcel "B"; thence N 90°00'00" E, along the North line of said Parcel "B", a distance of 205.28 feet; thence S 29°58'24" E, a distance of 386.64 feet to the southerly line of said Parcel "B"; thence S 60°01'02" W along the southerly line of said Parcel "B", a distance of 135.95 feet; thence N 29°58'24" W along the southerly line of said Parcel "B", a distance of 7.00 feet; thence S 60°01'36" W along the southerly line of said Parcel "B", a distance of 320.50 feet to the Southwest corner of said Parcel "B", thence N 00°02'45" E along the West line of said Parcel "B", a distance of 556.92 feet to the point of beginning.

Together with rights provided by that certain Construction and Permanent Easement, by and between Essex Corporation, a Nebraska corporation, and The Reserve, a Nonprofit Corporation, dated August 29, 2001 and recorded September 7, 2001 in Book 8979 at Page 209 of the Records in the Office of the Recorder for Polk County, Iowa.

PARCEL B:

An irregular shaped portion of Lot 7, Colby Woods West Plat No. 7, an Official Plat, Urbandale, Polk County, Iowa is described as follows:

Commencing at the Northwest corner of said Lot 7; thence, N90°00'00"E along the North Line of said Lot 7, a distance of 205.28 feet to the point of beginning; thence, continuing N90°00'00"E along the North line of said Lot 7, a distance of 39.28 feet; thence, N54°00'20"E along the Northerly line of said Lot 7, a distance of 165.80 feet; thence, S88°34'39"E along the Northerly line of said Lot 7, a distance of 235.81 feet to the Northeast corner of said Lot 7; thence, S06°24'08"W along the Easterly line of said Lot 7, a distance of 324.82 feet to the Southeast corner of said Lot 7; thence, S60°01'02"W along the Southerly line of said Lot 7, a distance of 207.55 feet; thence, N29°58'24"W, a distance of 386.64 feet to the point of beginning.

Said tract of land being subject to and together with any and all easements of record.

Said tract of land contains 2.63 acres more or less.

DOCS/605380.5