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CONSTRUCTION MORTGAGE
AND
SECURITY AGREEMENT AND FIXTURE FILING

from

MISSISSIPPI HOUSING PARTNERS, LP,
Mortgagor

to

WELLS FARGO BANK, NATIONAL ASSOCIATION,
Mortgagee

Dated as of June 1, 2006

Relating to:

\$5,650,000
Iowa Finance Authority
Multifamily Housing Revenue Bonds
(Mississippi Housing Partners, LP Project) Series 2006

This Instrument Prepared By
and After Recording Return To:

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Greenberg Traurig, LLP
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**CONSTRUCTION MORTGAGE AND
SECURITY AGREEMENT AND FIXTURE FILING**

This CONSTRUCTION MORTGAGE AND SECURITY AGREEMENT AND FIXTURE FILING, dated as of June 1, 2006 (as the same may be amended, modified or supplemented from time to time, this "**Mortgage**"), by MISSISSIPPI HOUSING PARTNERS, LP, a limited partnership duly organized and validly existing under the laws of the State of Iowa, (together with its permitted successors and assigns, "**Mortgagor**"), having an office at 10642 West 115th Street, Overland Park, Kansas 66210, to WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (together with and any successor trustee under the hereinbelow described Indenture and their respective successors and assigns, "**Mortgagee**"), having an office at MAC N8200-034, 666 Walnut Street, P. O. Box 837, Des Moines, Iowa 50304,

This Mortgage is a Construction Mortgage as defined in the Iowa Code.

W I T N E S S E T H:

WHEREAS, Mortgagor owns in fee simple the Land and Improvements (as such terms are hereinafter defined);

WHEREAS, Iowa Finance Authority (the "**Issuer**") has issued its Multifamily Housing Revenue Bonds (Mississippi Housing Partners, LP Project) Series 2006, in the original aggregate principal amount of \$5,650,000 (the "**Bonds**") pursuant to a Trust Indenture dated as of the date hereof (as the same may be modified, amended or supplemented from time to time, the "**Indenture**") between the Issuer and Mortgagee;

WHEREAS, Mortgagor proposes to borrow an amount equal to the principal amount of the Bonds (the "**Loan Amount**") from the Issuer pursuant to a Loan Agreement dated as of the date hereof (as the same may be amended, modified or supplemented from time to time, the "**Loan Agreement**") among the Issuer, the Trustee and Mortgagor;

WHEREAS, Mortgagor has executed and delivered to Issuer that certain promissory note dated the date of issuance of the Bonds (as the same may be amended, modified or supplemented from time to time, the "**Note**"), which evidences the loan in the same amount (the "**Loan**") being made pursuant to the Loan Agreement;

WHEREAS, the proceeds of the Loan will be utilized by Mortgagor to pay a portion of the costs of acquiring and substantially rehabilitating a 56-unit multifamily residential facility with related site improvements and amenities;

WHEREAS, the Note provides that the Loan matures on the maturity date of the Bonds (the "**Maturity Date**"), upon which date all of the outstanding and unpaid principal and interest under the Note will be due and payable; and

WHEREAS, as security for its obligations under the Note and the Loan Agreement, Mortgagor has executed and delivered this Mortgage.

NOW, THEREFORE, in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, in order to secure the payment of the Indebtedness (as hereinafter defined), together with the interest thereon, at the rates and payable at the time and in the manner specified in the Loan Documents (as defined in the Indenture), and any other sums payable under the Loan Documents; and to secure the performance and observance of all the provisions of the Loan Documents, including, without limitation, the repayment to Mortgagee of the Loan and any other sums advanced by Mortgagee hereunder or under any other Loan Document, Mortgagor hereby mortgages, grants, bargains, sells, warrants, conveys, aliens, premises, releases, assigns, sets over and confirms to Mortgagee, and grants to Mortgagee a security interest in, all of the following (all of which is hereinafter collectively referred to as the **“Mortgaged Property”**):

GRANTING CLAUSES:

I. All of Mortgagor's right, title and interest in and to that certain real property located in Davenport, Scott County, Iowa and more fully described on Exhibit A attached hereto as more fully defined hereinafter, (the **“Land”**) including all and singular, the easements, rights, privileges, tenements, hereditaments and appurtenances (including air rights) thereunto belonging or in anyway appertaining thereto, and the reversion and the remainder thereof; and all of the estate, right, title, interest, claim or demand of Mortgagor therein and in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of, thereof, either at law or in equity, in possession or expectancy, now or hereafter acquired and in all stripes and gores therein or adjoining thereto, the air space and right to use said air space thereinabove and all rights of ingress and egress by motor vehicles to parking facilities thereon or therein;

II. All of the right, title and interest of Mortgagor in and to (i) all buildings and other improvements and additions thereto now erected or hereafter constructed or placed upon the Land or any part thereof (the **“Improvements”**); (ii) the name or names, if any, as may now or hereafter be used for each Improvement or otherwise in connection with the Land, and the books and records and good will associated therewith, and all licenses, permits, and approvals in connection with the construction and operation of the Improvements; and (iii) all refrigerators, dishwashers, air conditioners, microwave ovens, washers, dryers, exercise equipment, lawn care equipment, pool equipment and furniture, devices, apparatus, interior improvements, appurtenances, heating, electrical, mechanical, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerating and elevator equipment and systems, stoves, ranges, vacuum cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, appliances, fittings, fixtures, equipment and building materials of every kind and nature whatsoever now or hereafter attached to or placed in or upon the Land or the Improvements, or any part thereof, or used or procured for use in connection with the operation of the Land or the Improvements or any business conducted thereon (except for fixtures and personal property that are at any time leased or the

property of Space Tenants, as hereinafter defined), all of the foregoing items set forth in this clause (iii), except as aforesaid, hereinafter collectively called the “**Equipment**”;

III. All right, title and interest of Mortgagor in and to all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture, furnishings, decorations, chattels and other personal property now or hereafter in, on or at said Land (except for trade fixtures, furniture and furnishings that are at any time the property of Space Tenants), all of the foregoing, except as aforesaid, hereinafter collectively called the “**Furnishings**”;

IV. All right, title and interest of Mortgagor in and to all unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained, or caused to be obtained, by Mortgagor and Mortgagor’s interest in and to all proceeds of the conversion, voluntary or involuntary, of the Mortgaged Property or any part thereof into cash or liquidated claims, including, without limitation, proceeds of casualty insurance, title insurance or any other insurance maintained on the Land, the Improvements, the Equipment or the Furnishings or any part of either thereof (collectively, “**Proceeds**”) and all awards and other compensation (collectively “**Awards**”) heretofore and hereafter made to the present and all subsequent owners of the Land, the Improvements, the Equipment or the Furnishings or any part of either thereof by any governmental or other lawful authorities for the taking by eminent domain, condemnation or otherwise, of all or any part thereof or any easement or other right therein, including Awards for any change of grade of streets, all of which Proceeds and Awards are hereby assigned to Mortgagee;

V. All of the rents, issues, income, receipts, revenues, benefits and profits of the Mortgaged Property (collectively, the “**Rents**”), including all leases, subleases, occupancy agreements, licenses, franchises and appurtenances now or hereafter entered into covering any part of the Mortgaged Property, including all interest of Mortgagor as landlord in and to any of the same, including, without limitation, the interest of Mortgagor in and to all cash, promissory notes and securities deposited thereunder and the right to receive and collect the Rents and any other sums payable thereunder, all of which are hereby assigned to Mortgagee;

VI. All rights under any easement or related agreements and all royalties and rights appertaining to the use and enjoyment of the Land, including, without limitation, alley, vault, drainage, mineral, ditch, reservoir, water, oil and gas rights, together with any and all other rights, privileges and interests appurtenant thereto or used in connection with the Land or the Improvements, whether existing now or hereafter acquired;

VII. All construction contracts, subcontracts, architectural agreements, labor, material and payment bonds, guarantees and warranties, plans and specifications, and permits and approvals relating to the construction of the Improvements, whether now or hereinafter existing;

VIII. All books, records and good will associated with the Land and the Improvements, all logos, trademarks and tradenames used in connection with the Land and the Improvements, all management contracts now in effect or hereafter entered into, and all

extensions, renewals and replacements thereof, and all permits, licenses and approvals for the operation of the Improvements;

IX. All tax credits or abatement certificates under Federal, State or local law arising out of or related to the Mortgaged Property and all of Mortgagor's right, title and interest in and to any instrument, document or agreement relating thereto, including, without limitation, any regulatory agreement relating to the leasing of individual units comprising the Mortgaged Property; and

X. All extensions, improvements, betterments, substitutions and replacements of, and all additions and appurtenances to, the Land, the Improvements, the Equipment and the Furnishings, hereafter acquired by or released to Mortgagor or constructed, assembled or placed on the Land, and all conversions of the security constituted thereby immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described herein.

TO HAVE AND TO HOLD the Mortgaged Property, together with all rights, hereditaments and appurtenances in any wise appertaining or belonging thereto, unto Mortgagee, its successors and assigns, forever for the uses set forth herein.

ARTICLE I CERTAIN DEFINITIONS

In addition to other definitions contained herein, the following terms shall have the meanings set forth below, unless the context of this Mortgage otherwise requires. All other capitalized terms used herein which are defined in the Indenture or the Loan Agreement, and not defined herein, shall have the respective meanings ascribed thereto in the Indenture or Loan Agreement, unless otherwise expressly provided or unless the context otherwise requires.

Section 1.1. "Default Rate" shall mean a per annum rate of interest equal to the lower of (a) higher of (i) 4% in excess of the rate of interest payable on the Bonds, or (ii) 12% per annum and (b) the maximum rate allowed by law.

Section 1.2. "Due and Payable" shall mean (i) when used with reference to the principal of, premium or interest on the Indebtedness, or when referring to any and all other sums secured by this Mortgage or any other of the Loan Documents shall mean due and payable, whether at the monthly or other date of payment or at the date or maturity specified in the Note, this Mortgage or other Loan Documents or by acceleration or call for prepayment as provided in the Note, the Loan Agreement, this Mortgage or the other Loan Documents, and (ii) when used with reference to Impositions, the last day upon which any such charge may be paid without penalty or interest and without becoming a lien upon the Mortgaged Property.

Section 1.3. "Environmental Laws" shall mean and include each and every federal, state or local statute, regulation or ordinance or any judicial or administrative

decree, policy, guidance or decision, whether now existing or hereafter enacted, promulgated or issued, governing or relating to the protection of the environment, natural resources and human health and safety, with respect to any Hazardous Substances (as hereinafter defined), Environmentally Sensitive Areas (as hereinafter defined), drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions, wells or radon.

Section 1.4. "Environmentally Sensitive Area" shall mean (i) a wetland or other "water of the United States" for purposes of the Clean Water Act or other similar area regulated under any State Environmental Law, (ii) a floodplain or other flood hazard area as defined pursuant to any applicable State Environmental Law, (iii) a portion of the coastal zone for purposes of the Federal Coastal Zone Management Act, or (iv) any other area, development of which specifically restricted under applicable Environmental Law by reason of its physical characteristics or prior use.

Section 1.5. "Event of Default" shall mean each of the events and circumstances described as such in Section 6.1 hereof.

Section 1.6. "Governmental Authority" means any federal, state, county, municipal or local government or any department, commission, board, legislature or office thereof, having or claiming jurisdiction over the Mortgaged Property.

Section 1.7. "Hazardous Substances" shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law, including without limitation, asbestos, asbestos-containing materials, poly-chlorinated biphenyls, urea foam formaldehyde insulation, radon and lead-based paint.

Section 1.8. "Impositions" shall mean all duties, taxes, water and sewer rents, rates and charges, assessments (including, but not limited to, all assessments for public improvement or benefit), charges for public utilities, excises, levies, licenses and permit fees and other charges, ordinary or extraordinary, whether foreseen or unforeseen, of any kind and nature, whatsoever, which prior to or during the term of this Mortgage will have been or may be laid, levied, assessed or imposed upon or become due and payable out of or in respect of, or become a lien on the Mortgaged Property, or any part thereof or appurtenances thereto, or which are levied or assessed against the rent and income received by Mortgagor from the Space Leases (as hereinafter defined) by virtue of any present or future law, order or ordinance of the United States of America or of any state, county or local government or of any department, office of bureau thereof or of any other Governmental Authority.

Section 1.9. "Indebtedness" shall mean and include the Loan Amount together with all interest thereon, as evidenced by the Note and the Loan Agreement,

any other payments due to Mortgagee under this Mortgage, the Note, the Loan Agreement or any other Loan Document, all costs of collection in connection with the Loan, and all other sums, charges, obligations and liabilities of Mortgagor due or to become due at any time to Mortgagee under this Mortgage, the Note, the Loan Agreement or any other Loan Document.

Section 1.10. "Land" shall mean that certain parcel of land more particularly described in Exhibit A annexed hereto and incorporated herein, including all and singular, the easements, rights, privileges, tenements, hereditaments and appurtenances (including air rights) thereunto belonging or in anyway appertaining thereto, and the reversion and the remainder thereof; and all of the estate, right, title, interest, claim or demand of Mortgagor therein and in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of, thereof, either at law or in equity, in possession or expectancy, now or hereafter acquired and in all strips and gores therein or adjoining thereto, the air space and right to use said air space thereinabove and all rights of ingress and egress by motor vehicles to parking facilities thereon or therein.

Section 1.11. "Maximum Amount" shall mean the maximum amount permitted to be charged under applicable usury laws or other applicable laws relating to the payment of interest from time to time in effect.

Section 1.12. "Permitted Encumbrances" shall mean, collectively, those liens, easements, rights of way, covenants, restrictions, encumbrances and other matters affecting title to the Mortgaged Property set forth in Schedule B, Section 2, of the policy of title insurance insuring this Mortgage (or commitment to issue such policy in existence as of the date of this Mortgage) and approved by Mortgagee, items permitted under Section 5.17(d) of the Loan Agreement, liens for non-delinquent real property taxes and such additional items as the Majority Owner (as defined in the Indenture), in its sole discretion, may approve in writing.

Section 1.13. "Person" shall mean any natural person, firm, partnership, association, corporation, trust, or public body.

Section 1.14. "Project" shall mean the meaning provided therefor in the Loan Agreement.

Section 1.15. "Space Lease" shall mean any lease, sublease, license, concession agreement or any other form of agreement, however denominated, granting the right to use and occupy the Mortgaged Property, or any portion thereof, and all renewals, extensions, modifications, amendments and other agreements affecting the same.

Section 1.16. "Space Tenant" shall mean the tenant or other user or occupant of part or all of the Mortgaged Property under any Space Lease.

Section 1.17. "Spill" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, discarding, burying, abandoning, or disposing into the environment.

Section 1.18. "State" shall mean the state in which the Land is located.

Section 1.19. "Threat of Spill" shall mean a substantial likelihood of a Spill which requires action to prevent or mitigate damage to the environment which may result from such Spill.

ARTICLE II PARTICULAR COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees as follows:

Section 2.1. Payment of Indebtedness. Mortgagor shall duly and punctually pay to Mortgagee, as and when due and payable, the Indebtedness.

Section 2.2. Warranty of Title. Mortgagor warrants that (a) it is the lawful owner of fee title to the Land; (b) it has good, marketable, insurable and indefeasible title to the Land and to the remainder of the Mortgaged Property; (c) the Mortgaged Property is free and clear of all deeds of trust, mortgages, liens, charges and encumbrances whatsoever except for the Permitted Encumbrances; (d) except for Permitted Encumbrances, Mortgagor has not heretofore assigned the Rents; (e) it will maintain and preserve the lien of this Mortgage until the Indebtedness has been paid in full and all other obligations owing to Mortgagee by Mortgagor in connection with the Loan have been satisfied; (f) it has good right and lawful authority to mortgage and assign the Mortgaged Property as provided in and by this Mortgage; and (g) except for the Permitted Encumbrances, it will warrant and defend the same against any and all claims and demands whatsoever.

Section 2.3. No Defaults. Mortgagor represents and warrants that no default exists under the provisions of this Mortgage, the Note, or in the performance of any of the terms, covenants, conditions or warranties hereof on the part of Mortgagor to be performed or observed.

Section 2.4. To Pay Impositions. Mortgagor will pay or cause to be paid, as and when due and payable, all Impositions levied upon the Mortgaged Property or any part thereof and, within five (5) days after the payment thereof, will deliver to Mortgagee and the Servicer receipts evidencing the payment of all such Impositions. Notwithstanding the foregoing, if by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance thereof), Mortgagor shall have the right, provided that no Event of Default shall then exist under this Mortgage or any other of the Loan Documents, to exercise such option and to cause to be paid or to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments as they fall due and before any fine, penalty, further interest or cost may be added thereto.

Section 2.5. To Maintain Priority of Lien. Mortgagor will maintain this Mortgage as a valid first mortgage lien on the Mortgaged Property, and Mortgagor will not, directly or indirectly, create or suffer or permit to be created, or to stand against the Mortgaged Property or any portion thereof, or against the Rents therefrom, and will promptly discharge, any lien or charge whatsoever other than the Permitted Encumbrances, whether prior to, upon a parity with, or junior to the lien of this Mortgage; provided, however, that nothing herein contained shall require Mortgagor to pay or cause to be paid any Imposition prior to the time the same shall become due and payable. Mortgagor will keep and maintain the Mortgaged Property, and every part thereof, free from all liens of persons supplying labor and materials in connection with the construction, alteration, repair, improvement or replacement of the Improvements, the Equipment or the Furnishings. If any such liens shall be filed against the Mortgaged Property, or any part thereof, Mortgagor shall immediately release or discharge the same of record, by payment, bonding or otherwise, or otherwise provide security satisfactory to Mortgagee in Mortgagee's sole discretion (acting upon the direction of the Servicer), within ten (10) days after the filing thereof. In the event that Mortgagor fails to make payment of or bond such liens, Mortgagee shall, at the direction of the Servicer, make payment thereof, and any amounts paid as a result thereof, together with interest thereon at the Default Rate from the date of payment by Mortgagee, shall be immediately due and payable by Mortgagor to Mortgagee and until paid shall be added to and become a part of the Indebtedness and shall have the benefit of the lien hereby created as a part thereof prior to any right, title or interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage. Mortgagor shall exhibit to Mortgagee and the Servicer, upon request, all receipts or other satisfactory evidence of the payment of taxes, assessments, charges, claims, liens or any other item which, if unpaid, may cause any such lien to be filed against the Mortgaged Property.

Section 2.6. To Pay Recording Fees, Taxes and Other Charges. Mortgagor will pay all filing, registration or recording fees, and all costs and expenses of Mortgagee, the Servicer and the Majority Owner, including without limitation, attorneys' fees and disbursements, title insurance premiums, search fees and survey costs, incident to or in connection with the preparation, execution, delivery or acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to any collateral relating to the Loan and any instrument of further assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage, any mortgage supplemental hereto, any security instrument with respect to any collateral relating to the Loan, the other Loan Documents or any instrument of further assurance.

Section 2.7. Maintenance of Mortgaged Property; Covenants Against Waste; Inspection by Mortgagee. Mortgagor will not commit or permit waste on the Mortgaged Property and will keep and maintain at its own expense the Improvements, the Equipment and the Furnishings in such condition and state of repair that each of the same shall meet or surpass the customary standards in the general area set by buildings of similar type, age and function for attractiveness of appearance, cleanliness and general soundness of condition. Mortgagor shall do all such further maintenance and repair work as may be required under the Space Leases. Mortgagor will neither do nor permit to be done anything to the Mortgaged Property that may impair the value thereof or which may violate any covenant, condition or restriction affecting the

same, or any part thereof, or permit any change therein or in the condition or use thereof which could increase the danger of fire or other hazard arising out of the construction or operation thereof. The Improvements shall not be removed, demolished or altered (except for tenant improvements), without the prior written consent of Mortgagee and the Servicer. The Equipment and Furnishings shall not be removed without the prior written consent of the Servicer, except where appropriate replacements free of superior title, liens or claims are immediately made having a value at least equal to the value of the items removed. Mortgagee, the Servicer and the Majority Owner, and their respective authorized employees and agents, may enter and inspect the Mortgaged Property at any time during usual business hours, and Mortgagor shall, within ten (10) days after demand by Mortgagee, the Servicer or the Majority Owner (or immediately upon demand in case of emergency), make such repairs, replacements, renewals or additions, or perform such items of maintenance, to the Mortgaged Property as the Servicer or the Majority Owner may, in their sole discretion, require in order to cause the Mortgaged Property to comply with the above standards.

Section 2.8. After-Acquired Property. All right, title and interest of Mortgagor in and to all improvements, betterments, renewals, substitutes and placements of, and all additions, accessions and appurtenances to, the Mortgaged Property hereafter acquired, constructed, assembled or placed by Mortgagor on the Land, and all conversions of the security constituted thereby, immediately upon such acquisition, construction, assembly, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance or assignment or other act of Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described in the Granting Clauses hereof, but at any time and at all times Mortgagor, on demand, will execute, acknowledge and deliver to Mortgagee and the Servicer any and all such further assurances, mortgages, conveyances or assignments thereof as Mortgagee or the Servicer may require in its sole discretion for the purpose of expressly and specifically subjecting the same to the lien of this Mortgage.

Section 2.9. Further Assurances. Mortgagor shall, at its sole cost and without expense to Mortgagee, on demand, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee or the Servicer shall from time to time require in its sole discretion for better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby mortgaged or assigned or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey, mortgage or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage.

Section 2.10. Recorded Instruments. Mortgagor will promptly perform and observe, or cause to be performed and observed, all of the terms, covenants and conditions of all instruments of record affecting the Mortgaged Property. Mortgagor shall do or cause to be done all things required to preserve intact and unimpaired and to renew any and all rights-of-way, easements, grants, appurtenances, privileges, licenses, franchises and other interest and rights in favor of or constituting any portion of the Mortgaged Property. Mortgagor will not, without the prior written consent of the Servicer, initiate, join in or consent to any private restrictive

covenant or other public or private restriction as to the use of the Mortgaged Property. Mortgagor shall, however, and shall cause all Space Tenants to, comply with all lawful restrictive covenants and zoning ordinances and other public or private restrictions affecting the Mortgaged Property.

Section 2.11. Environmental Provisions. Mortgagor hereby represents, warrants and covenants that:

2.11.1. Except as disclosed in the following documents: (i) Environmental Site Assessment for Mississippi Hotel South Wing, prepared by Maxim Technologies ("Maxim"), dated February 3, 2006; (ii) Environmental Hazards Survey: Asbestos, Mercury and PCB Containing Materials, prepared by Terracon ("Terracon"), dated May 26, 2004; (iii) Job Closeout Report, prepared by Asbestos Handlers Incorporated ("AHI"), dated December 30, 2005; (iv) Letter regarding Lead Abatement Requirements, prepared by AHI, dated December 30, 2005; (v) Indoor Air Quality Mold Sampling Report, prepared by ASPEC Environmental Testing, Inc., dated May 2006 ("Mold Survey Report"); (vi) Limited Phase II Soil and Groundwater Testing Report, prepared by Maxim, dated April 11, 2006; (vii) Iowa Department of Natural Resources letter, dated May 8, 2006; and (viii) lead paint sampling for Maxim Technologies by ASPEC Environmental Testing, Inc.: (a) no condition, activity or conduct exists on or in connection with the Mortgaged Property which constitutes a violation of any Environmental Law; (b) there has been no Spill or Threat of Spill of any Hazardous Substances on, upon, into or from the Mortgaged Property nor, to the best of Mortgagor's knowledge, a Spill which, through soil or groundwater migration, could reasonably be expected to come to be located on the Mortgaged Property; (c) there are no existing or closed underground or aboveground storage tanks on the Mortgaged Property; (d) there are no existing or closed sanitary landfills, solid waste disposal sites, or hazardous waste treatment, storage or disposal facilities on or affecting the Land; (e) no notice has been issued to Mortgagor by any agency, authority, or unit of government that Mortgagor has been identified as a potentially responsible party under any Environmental Law; (f) no portion of the Mortgaged Property constitutes an Environmentally Sensitive Area; (g) there exists no investigation, action, proceeding, or claim by any agency, authority, or unit of government or by any third party which could result in any liability, penalty, sanction, or judgment under any Environmental Law with respect to any condition, use or operation of the Mortgaged Property; (h) there has been no claim by any party that any use, operation, or condition of the Mortgaged Property has caused any nuisance or any other liability or adverse condition on any other property; and (i) Mortgagor need not obtain any permit or approval for any part of the Project and need not notify any federal, state or local governmental authority having jurisdiction of the Project regarding any part of the Project pursuant to any Environmental Law.

2.11.2. Mortgagor shall: (a) comply with and cause all activities at the Mortgaged Property to comply with all Environmental Laws; (b) not store or dispose of (except in compliance with all Environmental Laws pertaining thereto), nor Spill or allow the Spill of any Hazardous Substances on the Property; (c) neither directly nor indirectly transport or arrange for the transport of any Hazardous Substances (except in compliance with all Environmental Laws pertaining thereto); (d) neither install nor permit to be installed any temporary or permanent tanks for storage of any liquid or gas above or below ground except after obtaining written

permission from the Servicer to do so and in compliance with Environmental Laws; (e) comply with all terms and conditions of all permits, authorization, approvals, waivers, judgments or decrees or notices from governmental authorities issued or sent pursuant to Environmental Law; and (f) dispose of all light fixtures removed from the Improvements during the construction and/or renovation in accordance with applicable Environmental Laws relating to PCB-containing wastes.

2.11.3. Mortgagor, promptly upon the written request of Mortgagee or the Servicer from time to time, shall provide Mortgagee and the Servicer, at Mortgagor's sole cost and expense, with an environmental site assessment or environmental audit report, or an update of such an assessment or report, all in scope, form and content satisfactory to the Servicer upon Servicer's determination of a commercially reasonable need therefore; and

2.11.4. In the event of any Spill or Threat of Spill affecting the Mortgaged Property, whether or not the same originates or emanates from the Mortgaged Property or any contiguous real estate, or if Mortgagor otherwise shall fail to comply with any of the requirements of Environmental Law, Mortgagee or the Servicer may at its election, but without the obligation so to do, give such notices, cause such work to be performed at the Mortgaged Property and take any and all other actions as Mortgagee or the Servicer shall deem necessary or advisable in order to remedy said Spill or the conditions constituting a Threat of Spill or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the Default Rate from the date of payment by Mortgagee or the Servicer, shall be immediately due and payable by Mortgagor to Mortgagee and until paid shall be added to and become a part of the Indebtedness and shall have the benefit of the lien hereby created as a part thereof prior to any right, title or interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage.

2.11.5. Mortgagor covenants and agrees to conduct representative radon sampling in the Improvements on the Land following construction and/or rehabilitation of the Project but prior to occupancy, to determine whether indoor radon levels are below the United States Environmental Protection Agency's recommended threshold of 4.0pCi/L. In the event that said radon sampling results reveal indoor radon levels in excess of 4.0pCi/L, Mortgagor covenants and agrees to implement radon mitigation techniques to reduce or prevent the build-up or migration of radon in the Improvements on the Land. In the event that radon mitigation is required to be implemented, Mortgagor further covenants and agrees to conduct radon sampling in the Improvements on the Land following such implementation but prior to occupancy to confirm that the radon mitigation techniques have succeeded in reducing or preventing the build-up of radon in the Improvements on the Land to below the United States Environmental Protection Agency's recommended threshold of 4.0pCi/L. In the event that such radon sampling results reveal that levels of radon in the Improvements on the Land are still in excess of the above-referenced United States Environmental Protection Agency threshold, Mortgagor covenants and agrees to undertake any additional measures necessary to reduce radon levels in the Improvements at the Land and bring the Mortgaged Property into compliance with applicable Environmental Laws.

2.11.6. In the event that Mortgagor is covered by a commercial general liability insurance policy which contains an exclusion, or otherwise does not provide coverage, for loss or damage caused by mold, dangerous fungi, bacterial or microbial matter contamination or pathogenic organisms that reproduce through the release of spores or the splitting of cells (collectively, "Mold") or a property insurance policy which contains an exclusion, or otherwise does not provide coverage, for loss or damage caused by Mold, in connection with another covered peril (e.g., Mold in connection with water damage caused by a storm or fire), Mortgagor shall obtain a policy that provides such coverage or demonstrate to the satisfaction of Mortgagee and the Servicer that such insurance without the aforementioned exclusions is not available at ordinary and customary insurance rates. Mortgagor further covenants and agrees to implement a pro-active moisture management and Mold control program (the "Moisture Management Program") for the Improvements at the Mortgaged Property to prevent the occurrence of Mold at, on or under the Mortgaged Property. The Moisture Management Program shall include, at a minimum: (a) periodic inspections of the Improvements at the Mortgaged Property for Mold, (b) prompt removal and cleanup of any Mold in a manner consistent with applicable Environmental Laws and best industry practices and utilizing an experienced remediation contractor acceptable to and approved by Mortgagee and Servicer, and (c) in the event that the Mold identified at the Improvements at the Mortgaged Property cannot be promptly removed or cleaned from any impacted building materials (e.g., porous materials such as carpeting, certain types of ceiling materials, wallboard, sheetrock or drywall, etc.), fixtures and/or equipment, prompt removal of all impacted building materials, fixtures and/or equipment from the Mortgaged Property, all in accordance with the procedures set forth in the United States Environmental Protection Agency's ("EPA") guide entitled "Mold Remediation in Schools and Commercial Buildings", EPA No. 402-K-01-001, dated March 2001, applicable Environmental Laws and in a manner consistent with best industry practices and utilizing an experienced remediation contractor acceptable to and approved by Mortgagee and Servicer. Mortgagor further covenants and agrees that, in connection with any Mold remediation or cleanup undertaken by or on behalf of Mortgagor hereunder, the source(s), any contributing factors, and any areas conducive to Mold growth (e.g., leaking pipes, water damage, water infiltration or penetration, faulty or inadequate construction or building materials, building humidity, sub-performing HV/AC systems, etc.) of any Mold at the Improvements at the Mortgaged Property shall be promptly identified and remediated, cleared, repaired and restored, as appropriate, to prevent the occurrence or re-occurrence of any Mold. Mortgagor further covenants and agrees, following construction and/or rehabilitation of the Mortgaged Property but prior to occupancy, to conduct an air and Mold sampling program in the basement of the Improvements consistent with the recommendations provided in the Mold Survey Report and acceptable to and approved by the Mortgagee and Servicer. Mortgagor covenants and agrees that any Mold or conditions conducive to Mold identified during such sampling program shall be removed or remediated pursuant to the Moisture Management Program and that the source(s) and any contributing factors, and items conducive to Mold growth and any Mold or water infiltration issues in the basement shall be promptly identified and remediated, cleared, repaired and restored, as appropriate, to prevent the occurrence or re-occurrence of any Mold.

2.11.7. Mortgagor covenants and agrees that: (i) all previously unsampled, suspect or presumed asbestos-containing materials ("Suspect ACM") at the Property shall either be sampled or shall be presumed to be asbestos-containing and managed accordingly, and (ii) all

asbestos-containing materials ("ACM") in damaged or poor condition and all ACM at the Property which may be disturbed by any demolition or rehabilitation of the Property or Property uses, including but not limited to all Suspect ACM, shall either be removed by a licensed asbestos abatement contractor and properly managed and disposed of off-site or be sealed and fully encapsulated (if the ACM is capable of being encapsulated without further damage to the ACM) by a licensed asbestos abatement contractor, all in compliance with all applicable Environmental Laws and industry standards, including but not limited to all applicable ACM notice and disclosure requirements (collectively, the "ACM Abatement Activities"). Mortgagor covenants and agrees that asbestos air monitoring samples shall be collected periodically during and following the completion of any ACM Abatement Activities which are conducted inside of the Improvements at the Property and prior to occupancy to document that airborne ACM levels at the Property are below the applicable re-occupancy clearance level (either 0.01 fibers per cubic centimeter of air if the Phase Contrast Microscopy monitoring and analysis method is used or 70 asbestos structures per millimeter square if the Transmission Electron Microscopy monitoring and analysis method is used). All ACM at the Property, including all Suspect ACM, shall be managed at all times, including during demolition or rehabilitation activities at the Property, in accordance with the Asbestos Operations & Maintenance Program which Mortgagor shall prepare for the Property, which Program shall be subject to Servicer's reasonable approval and be in compliance with all applicable Environmental Laws and good environmental and health and safety practice.

2.11.8. Mortgagor covenants and agrees that: (i) all previously unsampled, suspect lead-based paint ("LBP") at the Property shall either be sampled or shall be presumed to be lead-containing and handled and disposed of accordingly, and (ii) all LBP at the Property that is peeling, flaking or damaged or that may be impacted by any rehabilitation activities at the Property shall be removed or encapsulated with a sealant by a contractor licensed to handle LBP in compliance with all applicable Environmental Laws, including all applicable LBP notice and disclosure requirements. All renovation work involving lead-based paint covered surfaces must be conducted in accordance with all applicable federal, state and local requirements including but not limited to those enforced by OSHA and the United States Environmental Protection Agency. Mortgagor further covenants and agrees that all LBP-containing debris and construction materials shall be handled and disposed of off-site in compliance with all applicable Environmental Laws. Mortgagor also covenants and agrees that any encapsulated LBP remaining at the Property following the completion of the rehabilitation of the Property shall be managed in accordance with a written LBP Operations & Maintenance Program and in compliance with all applicable Environmental Laws and good environmental and health and safety practice.

ARTICLE III CASUALTY AND CONDEMNATION

Section 3.1. Net Proceeds.

3.1.1. If any of the Improvements, Equipment or Furnishings shall be damaged or destroyed, in whole or part, by fire or other casualty, Mortgagor shall give prompt notice thereof to Mortgagee, the Servicer and the Majority Owner. The Servicer is hereby authorized

and empowered by Mortgagor to settle, adjust or compromise in a commercially reasonable manner any and all claims for loss, damage or destruction under any policy of insurance, any such settlement, adjustment or compromise being subject to the approval of the Majority Owner.

3.1.2. Any Proceeds received as payment for any loss under any insurance policies required to be maintained by Mortgagor in accordance with this Section shall be paid over to Mortgagee for deposit into the appropriate account of the Construction Fund under the Indenture. For the purposes of this Mortgage, “**Net Proceeds**” shall mean any Proceeds actually received as payment for any loss less all costs and expenses, including, without limitation, all architects’, attorneys’, engineers’ and other consultants’ and professionals’ fees and disbursements incurred by Mortgagee in connection with the casualty in question. Subject to Section 3.3 hereof, Mortgagor, at the direction of the Majority Owner, shall cause such Net Proceeds to be (a) applied to the redemption of the Bonds, (b) released to Mortgagor, or (c) applied to the costs to repair, rebuild or replace the damaged Improvements, Equipment or Furnishings upon such terms and conditions as the Majority Owner in its sole discretion shall determine.

3.1.3. In the event of the happening of any casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtainable), resulting in damage to or destruction of the Mortgaged Property or any part thereof, if Mortgagee shall have been directed by the Majority Owner to apply any Net Proceeds in connection with such casualty towards the restoration of the Mortgaged Property, Mortgagor shall promptly, whether or not the Net Proceeds, if any, shall be sufficient for the purpose, commence and diligently continue to restore, repair and rebuild the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such damage or destruction.

Section 3.2. Net Awards.

3.2.1. Mortgagor shall promptly notify Mortgagee, the Servicer and the Majority Owner if Mortgagor shall become aware of the threat or institution of any proceeding or negotiations for the taking of the Mortgaged Property, or any part thereof, whether for permanent or temporary use and occupancy in condemnation or by the exercise of the power of eminent domain or by Agreement of interested parties in lieu of such condemnation (all the foregoing herein called a “**taking**”); shall keep Mortgagee, the Servicer and the Majority Owner currently advised, in detail, as to the status of such proceedings or negotiations and will promptly give to Mortgagee, the Servicer and the Majority Owner copies of all notices, pleadings, judgments, determinations and other papers received or delivered by Mortgagor therein. Mortgagee shall have the right to appear and participate therein and may be represented by counsel of its choice. Mortgagor will not, without the Majority Owner’s prior written consent, enter into any agreement for the taking of the Mortgaged Property, or any part thereof, with anyone authorized to acquire the same by eminent domain or in condemnation.

3.2.2. In the event of any such taking, the awards payable in connection therewith are hereby assigned to Mortgagee and shall be paid to Mortgagee for deposit into the appropriate account of the Construction Fund. For the purposes of this Mortgage, “**Net**

Awards” shall mean any awards actually received by Mortgagee less all costs and expenses, including, without limitation, all architects’, attorneys’, engineers’ and other consultants’ and professionals’ fees and disbursements incurred by Mortgagee in connection with the taking in question. Subject to Section 3.3 hereof, Mortgagee, at the direction of the Majority Owner, shall cause such Net Awards to be (a) applied to the redemption of the Bonds, (b) released to Mortgagor or (c) applied to the costs to repair, rebuild or replace the Improvements, Equipment or Furnishings that were subject to the taking, upon such terms and conditions as the Majority Owner shall determine in its sole discretion.

3.2.3. In the event of the happening of any permanent taking, if Mortgagee shall have been directed by the Majority Owner to apply any Net Awards received by it in connection with such taking towards the restoration of the Mortgaged Property, Mortgagor shall promptly, whether or not the Net Awards, if any, shall be sufficient for the purpose, commence and diligently continue to restore, repair and rebuild the portion of the Mortgaged Property not subject to the taking as nearly as possible to its value, condition and character immediately prior to such taking.

Section 3.3. Application of Net Proceeds and Net Awards.

Notwithstanding any provision hereof to the contrary, in the event the Improvements, Equipment or Furnishings are damaged or destroyed by fire or other casualty or in the event of a temporary or partial taking in condemnation of a portion of the Land or Improvements, then the Majority Owner shall direct Mortgagee to make the Net Awards or Net Proceeds, as the case may be, payable in connection therewith available, at intervals and in amounts approved by the Servicer in its sole discretion in accordance with the provisions of the Indenture, to pay for or to reimburse Mortgagor for costs and expenses actually incurred by Mortgagor in the repair and restoration of the Mortgaged Property or to be released to Mortgagor, provided each of the following conditions is fully satisfied:

1. the Net Awards or Net Proceeds, as the case may be, are paid to Mortgagee and deposited into the appropriate account of the Construction Fund;
2. if restoration is contemplated, any plans, specifications, construction contracts, architect’s agreements and all other material agreements relating to the restoration shall be approved by the Majority Owner in writing;
3. if restoration is contemplated, the Net Awards or Net Proceeds, as the case may be, are in the judgment of the Majority Owner sufficient to complete the restoration, or, in the event of an insufficiency, Mortgagor pays to the Trustee, for deposit into the appropriate account of the Construction Fund, cash in an amount equal to the insufficiency;
4. no Event of Default under the Bonds, the Indenture or the Loan Documents shall have occurred and be continuing;
5. if restoration is contemplated, the Majority Owner determines, in its sole discretion, that the Improvements, Equipment and Furnishings are capable of being

fully restored by the earlier of (i) the date which is 12 months from the occurrence of the loss or damage and (ii) the Maturity Date;

6. if restoration is contemplated, a release of lien with respect to all restoration work theretofore performed is delivered to the Servicer from all contractors and materialmen;

7. the Servicer shall receive an official search or a certificate of title from a title insurance company acceptable to it showing that there has not been filed any vendor's, mechanic's, laborer's or materialman's statutory or other lien affecting the Mortgaged Property which has not been satisfied and discharged of record, except such as will be discharged upon payment of the amount then requested to be disbursed;

8. upon completion of restoration or upon release of Net Proceeds or Net Awards to Mortgagor, the Project will be in compliance with the Regulatory Agreement; and

9. Mortgagor shall deliver to Mortgagee, the Servicer and the Majority Owner an opinion of Bond Counsel (as defined in the Indenture) to the effect that restoration of the Project with the Net Awards or Net Proceeds or the release of Net Awards or Net Proceeds to Mortgagor, as the case may be, will not adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

Upon completion of the restoration, as certified by Mortgagee's inspecting engineer, any excess Net Awards or Net Proceeds, as the case may be, and accrued interest (if any) in the Construction Fund shall be, at the option of the Majority Owner, either (a) disbursed to Mortgagor or (b) applied to the redemption of Bonds; provided, however, any excess Net Awards or Net Proceeds shall be applied to the redemption of Bonds unless Mortgagor shall deliver to Mortgagee, the Servicer and the Majority Owner an opinion of Bond Counsel (as defined in the Indenture) to the effect that the alternative proposed application of such Net Proceeds or Net Awards will not adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

ARTICLE IV ASSIGNMENT OF SPACE LEASES AND RENTS

Section 4.1. Assignment of Space Leases and Rents. Mortgagor hereby absolutely, presently and irrevocably transfers, assigns and sets over unto Mortgagee all Space Leases, if any, now or hereafter entered into by Mortgagor with respect to all or any part of the Mortgaged Property, and all renewals, extensions, subleases or assignments thereof, and all other occupancy agreements (written or oral), by concession, license or otherwise, together with all of the Rents arising therefrom and from the Mortgaged Property generally.

Section 4.2. Mortgagor's Covenants Regarding Space Leases

4.2.1. Without the prior written consent and approval of the Majority Owner in each instance, Mortgagor will not, except for Permitted Encumbrances, (a) assign, pledge, hypothecate or otherwise encumber any of the Space Leases or the Rents; or (b) enter into any Space Lease affecting the Mortgaged Property or any part thereof, unless such Space Lease is in the form approved by the Majority Owner.

4.2.2. Mortgagor will enforce the terms, covenants and conditions to be performed by all Space Tenants and other parties to any Space Lease or other agreement pertaining to the Mortgaged Property and will not collect rent from any Space Tenant for a period of more than one month in advance. Any such action in violation of this subsection shall be voidable at the option of the Majority Owner.

4.2.3. In the event of enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, each Space Tenant shall, at the option of the Majority Owner, attorn to any Person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as landlord (or sublandlord, as the case may be) under such Space Lease without change in the terms or other provisions thereof.

Section 4.3. License to Mortgagor. Mortgagee hereby grants to Mortgagor, not as a limitation or condition hereof, but as a personal covenant available only to Mortgagor and not to any lessee or other Person, a revocable license to collect all of the Rents (but not more than one month in advance) and to retain, use and enjoy the same. Unless and until such license is revoked, Mortgagor agrees to collect and receive said Rents in trust for the benefit of Mortgagee and to use said Rents in payment of the Loan Amount, the Impositions and carrying charges becoming due against the Premises and other amounts due and owing under the Loan Documents. Upon the occurrence of an Event of Default under the Loan Agreement or an event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, such license may be revoked by Mortgagee, upon the written direction of the Majority Owner, by giving not less than five (5) days' written notice of such revocation to the Mortgagor, served personally upon or sent by registered or certified mail.

Section 4.4. Revocation of License; Actions Upon Default. If Mortgagee shall have revoked the license granted in Section 4.3 hereof, in addition to its rights and remedies set forth herein, Mortgagee, upon the direction of the Majority Owner may, as attorney-in-fact of the Mortgagor, and to the extent permitted by the laws of the State, make, enforce, or modify any of the Space Leases; obtain Space Tenants for and evict Space Tenants from the Mortgaged Property; demand, fix and modify the rent, gross receipts and other charges and profits from the Mortgaged Property; institute all legal proceedings (including summary proceedings) for collection of all Rents and other charges; obtain possession of the Mortgaged Property or any part thereof, or enforce any other rights theretofore exercisable by Mortgagor; do any and all other acts which Mortgagee, in its sole and absolute discretion upon the direction of the Majority Owner, deems proper to protect the security hereof; and, with or without taking possession of the Mortgaged Property, in Mortgagor's own name, sue for or otherwise collect and receive all Rents and other charges, including those past due and unpaid, and apply the same, less the costs and expenses of operation and collection (including attorneys' fees and disbursements) in the following order:

- (a) to payment of all fees of the receiver, if any, approved by the court;
- (b) to the repayment when due of all tenant security deposits (with interest thereon, if required pursuant to applicable law);
- (c) to payment of all delinquent or current real estate taxes and special assessments payable with respect to the Mortgaged Property;
- (d) to payment of all premiums then due for the insurance required by the provisions of this Mortgage;
- (e) to payment of expenses incurred for normal maintenance of the Mortgaged Property; and
- (f) to Mortgagee in payment of the Indebtedness, whether then matured or not, until the same shall have been paid in full in such order of application as Mortgagee may elect, or, in the event that a foreclosure of the Mortgage shall have occurred, as a credit to the amount required to redeem from such foreclosure, and if there be no such redemption, then to Mortgagee absolutely;

provided, however, that any balance remaining after the Indebtedness shall have been paid in full shall be turned over to Mortgagor or such other person as may lawfully be entitled thereto. Neither the entry upon and taking possession of the Mortgaged Property, nor the collection and application of the Rents or other charges thereof as aforesaid, nor any other action taken by Mortgagee in connection therewith, shall cure or waive any default hereunder or waive or modify any notice thereof or notice of acceleration of the Indebtedness theretofore given by Mortgagee.

4.4.1. A notice in writing by Mortgagee, upon the direction of the Majority Owner, to the Space Tenants under the Space Leases advising them that Mortgagor's license to collect Rents has been revoked in accordance with the terms hereof and requesting that all future payments of rent, additional rent or other charges under the Space Leases be made to Mortgagee (or the Servicer as its agent) shall be construed as conclusive authority to such Space Tenants that such payments are to be made to Mortgagee (or the Servicer as its agent), and Mortgagor hereby consents to such payments being made to Mortgagee (or the Servicer as its agent). Such Space Tenants shall have no liability to Mortgagor or otherwise in making such payments to Mortgagee (or the Servicer as its agent); and Mortgagor hereby irrevocably constitutes and appoints Mortgagee the attorney-in-fact and agent of Mortgagor, which appointment shall be coupled with an interest, for the purpose of endorsing the consent of Mortgagor on any such notice.

ARTICLE V SECURITY AGREEMENT UNDER UNIFORM COMMERCIAL CODE

Section 5.1. Security Agreement. It is the intent of the parties hereto that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code of the State (the "UCC") with respect to so much of the Mortgaged Property

as is considered or as shall be determined to be of the type in which a security interest can be created under Article 9 of the UCC, together with all replacements thereof, substitutions therefor or additions thereto (the “**Collateral**”), and that a security interest shall attach thereto for the benefit of Mortgagee to secure the Indebtedness and all other sums and charges which may become due hereunder or under the Loan Documents. Mortgagor hereby authorizes Mortgagee to file financing and continuation statements with respect to the Collateral without the signature of Mortgagor, if same is lawful; otherwise Mortgagor agrees to execute such financing and continuation statements as Mortgagee may request. If there shall exist an Event of Default under this Mortgage, Mortgagee, pursuant to the appropriate provisions of the UCC, shall have the option of proceeding as to both real and personal property in accordance with its rights to both real and personal property, in which event the default provisions of the UCC shall not apply. The parties agree that, in the event Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, unless a greater period shall then be mandated by the UCC, five (5) days’ notice of the sale of the Collateral shall be reasonable notice. The expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall be assessed against Mortgagor and shall include, but shall not be limited to, attorneys’ fees, disbursements and other legal expenses incurred by Mortgagee. Mortgagor agrees that it will not remove or permit to be removed from the Mortgaged Property any of the Collateral without the prior written consent of Mortgagee, unless appropriate replacements free of superior title, liens or claims are immediately made having a value at least equal to the value of the items removed. All replacements, renewals and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and the provisions of this Article. Except for Permitted Encumbrances, Mortgagor warrants and represents that all Collateral now is, and that replacements thereof, substitutions therefor or additions thereto, unless Mortgagee otherwise consents in writing, shall be free and clear of liens, encumbrances or security interest of others created after the date hereof.

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 Collateral 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:

Mississippi Housing Partners, LP
10642 West 115th Street
Overland Park, Kansas 66210
Attention: Manager

B. Jurisdiction of Organization and Organizational I.D. # of Debtor:

Jurisdiction of Organization: Iowa
Organizational I.D. #: 302267

C. Name and Address of Secured Party:

Wells Fargo Bank, National Association
MAC N8200-034
666 Walnut Street
P. O. Box 837
Des Moines, Iowa 50304
Attention: Corporate Trust Department

D. This document covers goods which are or are to become fixtures.

**ARTICLE VI
EVENTS OF DEFAULT AND REMEDIES**

Section 6.1. Events of Default Defined. The entire amount of the Indebtedness shall become due, at the option of Mortgagee, upon the direction of the Majority Owner, subject to any prepayment premium or penalty provided for in the Loan Agreement, upon the happening of any of the following events (each, individually, an “**Event of Default**” and collectively, “**Events of Default**”):

6.1.1. if Mortgagor shall fail or neglect to comply with or otherwise perform, keep or observe any other term, provision, condition, covenant, warranty or representation contained in this Mortgage that is required to be complied with or otherwise performed, kept or observed by Mortgagor beyond any notice, grace or cure period expressly provided in this Mortgage; or

6.1.2. if an “Event of Default” as defined in any of the Loan Documents shall have occurred.

Section 6.2. Remedies. Upon the occurrence of any Event of Default hereunder, Mortgagee, upon the direction of the Majority Owner, may without notice, presentment, demand or protest, all of which are hereby expressly waived by Mortgagor to the extent permitted by applicable law, take such action as Mortgagee deems advisable, in its sole discretion upon the direction of the Majority Owner, to protect and enforce its rights in and to the Mortgaged Property, including, but without limiting the generality of the foregoing, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such manner as Mortgagee, upon the direction of the Majority Owner, may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee hereunder, under the other Loan Documents, or at law or in equity:

6.2.1. declare the entire amount of the Indebtedness, together with all accrued and unpaid interest thereon, to be immediately due and payable, and upon such declaration such amounts shall become and be immediately due and payable, anything in the Note, this Mortgage or the Loan Documents to the contrary notwithstanding;

6.2.2. after such proceedings as may be required by any applicable law or ordinance, either in person, or by its agents or attorneys, or by a court-appointed receiver, enter

into and upon all or any part of the Mortgaged Property and each and every part thereof and exclude Mortgagor, its agents and servants wholly therefrom; and having and holding the same, use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or the receiver; and upon every such entry, Mortgagee, at the expense of the Mortgaged Property, from time to time, either by purchase repairs or construction, may maintain and restore the Mortgaged Property and, likewise may make all necessary or proper repairs, renewals and replacements and such alterations, betterments, additions and improvement thereto and thereon as to it may deem advisable; and in every such case Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Mortgagor as Mortgagor's attorney-in-fact, or otherwise as it shall deem best; and Mortgagee shall be entitled to collect and receive all Rents and after deducting the expenses of conducting the business thereof and all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for Impositions, insurance and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of Mortgagee and the Servicer and for all attorneys, counsel, agents, clerks, servants and other employees or professionals engaged or employed by it, Mortgagee shall apply the moneys arising as aforesaid, first to the payment of the Indebtedness, whether or not then matured; next, to the payment of any other sums required to be paid by Mortgagor under this Mortgage; and the balance, if any, shall be turned over to Mortgagor or such other Person as may be lawfully entitled thereto; or

6.2.3. with or without entry, personally or by its agents or attorneys insofar as applicable:

(a) foreclose this Mortgage in accordance with the laws of the State and the provisions hereof, for the entire Indebtedness or for any portion of the Indebtedness or any other sums secured hereby which are then due and payable, subject to the continuing lien of this Mortgage for the balance of the Indebtedness not then due, and for such purposes Mortgagor grants to Mortgagee a continuing power of sale of the Mortgaged Property; or

(b) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note, this Mortgage or any other Loan Document or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee, upon the direction of the Majority Owner, shall elect.

Section 6.3. Foreclosure; No Marshaling of Assets; One Tract; Appointment of Receiver.

6.3.1. In the case of a foreclosure sale, all of the Mortgaged Property may be sold in one parcel, notwithstanding that the proceeds of such sale exceed or may exceed the Indebtedness. Moreover, Mortgagee shall not be required to proceed hereunder before proceeding against any other security, shall not be required to proceed against other security

before proceeding hereunder, and shall not be precluded from proceeding against any or all of any security in any order or at the same time. In the event that this Mortgage is foreclosed, Mortgagor hereby waives and releases any right to have the Mortgaged Property or any part thereof marshaled, and Mortgagor and Mortgagee have jointly agreed that the Mortgaged Property is one project and one tract for all purposes legal, economic and all other. Mortgagor for itself, its successors and assigns irrevocably waives any right it may have in the event of foreclosure to request that the Mortgaged Property be sold as separate tracts pursuant to any applicable law or statute.

6.3.2. Mortgagee, in any action to foreclose this Mortgage or otherwise upon the occurrence of an Event of Default, shall be entitled (and, to the extent permitted under the laws of the State, without notice, without regard to the adequacy of any security for the Indebtedness and without regard to the solvency of any Person, partnership or entity liable for the payment thereof) to the appointment of a receiver of the Mortgaged Property and the Rents.

6.3.3. Mortgagor agrees, to the full extent that it may lawfully do so, that in any foreclosure or other action brought by Mortgagee hereunder, it will not at any time insist upon or plead or in any way take advantage of any appraisal, valuation, stay, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent, hinder or delay the enforcement of the provisions of this Mortgage or any right or remedies Mortgagee may have hereunder or by law.

6.3.4. If Mortgagor shall default hereunder and Mortgagee shall elect to accelerate the Indebtedness, Mortgagor, within five (5) days after demand, will pay over to Mortgagee, or any receiver appointed in connection with the foreclosure of this Mortgage, any and all amounts then held as security deposits under all Space Leases.

6.3.5. Upon the acceleration of the Indebtedness or upon an Event of Default hereunder, and in addition to all other rights of Mortgagee provided herein or by law, Mortgagor shall, on demand of Mortgagee, upon the direction of the Majority Owner, surrender possession of the Mortgaged Property to Mortgagee; and Mortgagor hereby consents that Mortgagee may exercise any or all of the rights specified herein. Mortgagor hereby irrevocably appoints Mortgagee attorney-in-fact, which appointment shall be coupled with an interest, of Mortgagor for such purposes. In the event that Mortgagor is an occupant of the Mortgaged Property, it agrees to vacate and surrender the possession of that portion of the Mortgaged Property which it occupies to Mortgagee immediately upon the acceleration of the Indebtedness or any Event of Default hereunder; and if Mortgagor remains in possession, such possession shall be as tenant of Mortgagee, and Mortgagor shall pay monthly, in advance, to Mortgagee or to any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of any portion of the Mortgaged Property occupied by Mortgagor, and upon the failure of Mortgagor to make any such payment, Mortgagor may be evicted by summary proceedings or otherwise. In case of the appointment of a receiver of the Rents, the covenants of this subsection may be enforced by such receiver.

6.3.6. MORTGAGOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY.

Section 6.4. Remedies Cumulative; No Waiver; Etc.

6.4.1. No remedy herein conferred upon or reserved to Mortgagee, the Servicer or the Majority Owner 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. No delay or omission of Mortgagee, the Servicer or the Majority Owner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or any acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee, the Servicer or the Majority Owner may be exercised from time to time as often as may be deemed expedient by Mortgagee, the Servicer or the Majority Owner. Nothing in this Mortgage or in any other Loan Document shall affect the obligation of Mortgagor to perform its obligations under the Loan Documents, including its payment obligations, in the manner and at the time and place therein respectively expressed.

6.4.2. A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, of the Note or of any other Loan Document or Issuer Document shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but all of the terms, covenants, conditions and other provisions of this Mortgage, of the Note and of the other Loan Documents and Issuer Documents shall survive and continue to remain in full force and effect; and no waiver shall be effective unless in writing, dated and signed by Mortgagee and the Majority Owner.

6.4.3. Mortgagor hereby waives and renounces all homestead and similar exemption rights with respect to the Mortgaged Property provided for by the Constitution and the laws of the United States and the State as against the collection of the Note, or any part thereof, or the Loan Documents; and Mortgagor agrees that where, by the terms of this Mortgage or the Note and the other Loan Documents secured hereby, a day is named or a time fixed for the payment of any sum of money or the performance of any agreement, the day and time stated enters into the consideration and is of the essence of the whole agreement between Mortgagor and Mortgagee.

Section 6.5. No Merger. It is the intention of the parties hereto that if Mortgagee shall at any time hereafter acquire title to all or any portion of the Mortgaged Property, then and until the Indebtedness has been paid in full, the interest of Mortgagee hereunder and the lien of this Mortgage shall not merge or become merged in or with the estate and interest of Mortgagee as the holder and owner of title to all or any portion of the Mortgaged Property and that, until such payment, the estate of Mortgagee in the Mortgaged Property and the lien of this Mortgage and the interest of Mortgagee hereunder shall continue in full force and effect to the same extent as if Mortgagee had not acquired title to all or any portion of the Mortgaged Property. If, however, Mortgagee shall consent in writing to such merger or such merger shall nevertheless occur without its consent, then this Mortgage shall attach to and cover and be a lien upon the fee title or any other estate, title or interest in the premises demised under the leasehold estate acquired by the fee owner and the same shall be considered as granted, released, assigned, transferred, pledged, and set over to Mortgagee and the lien hereof spread to

cover such estate with the same force and effect as though specifically herein granted, released, assigned, transferred, pledged, set over and spread.

ARTICLE VII PROVISIONS OF GENERAL APPLICATION

Section 7.1. Modifications. No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing, dated and signed by the party against whom such change, amendment, modification, cancellation or discharge is sought to be enforced and only with the consent of the Majority Owner.

Section 7.2. Notices. All notices, demands, requests, consents, approvals or other communications (hereinafter collectively called “**Notices**”) shall be sufficiently given and shall be deemed given in accordance with the provisions of Section 8.7 of the Loan Agreement.

Section 7.3. Mortgagee’s Rights to Perform Mortgagor’s Covenants. If Mortgagor shall fail to pay or cause payment to be made to Mortgagee in accordance with the terms of this Mortgage, or to perform or observe any other term, covenant, condition or obligation required to be performed or observed by Mortgagor under this Mortgage, the Note or any other Loan Document or Issuer Document, without limiting any other provision of this Mortgage, and without waiving or releasing Mortgagor from any obligation or default hereunder, without notice to Mortgagor, Mortgagee or the Servicer (or any receiver of the Mortgaged Property) shall have the right, but not the obligation, to make any such payment, or to perform any other act or take any appropriate action, including, without limitation, entry on the Mortgaged Property and performance of work thereat, as it, in its sole discretion, may deem necessary to cause such other term, covenant, condition or obligation to be performed or observed on behalf of Mortgagor or to protect the security of this Mortgage. All monies expended by Mortgagee or the Servicer in exercising its rights under this Section (including, but not limited to, legal expenses and disbursements), together with interest thereon at the Default Rate from the date of each such expenditure, shall be paid by Mortgagor to Mortgagee forthwith upon demand by Mortgagee, secured by this Mortgage and added to and deemed part of the Indebtedness with the benefit of the lien hereby created as a part thereof prior to any right, title or interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage.

Section 7.4. Additional Sums Payable by Mortgagor. All sums which, by the terms of this Mortgage or the Note or the other Loan Documents secured hereby, or by the instruments executed and delivered by Mortgagor to Mortgagee as additional security for this Mortgage, the Note and the other Loan Documents, are payable by Mortgagor to Mortgagee shall, together with the interest thereon provided for herein or in the Note or the other Loan Documents, be secured by this Mortgage and added to and deemed part of the Indebtedness and shall have the benefit of the lien hereby created as a part thereof prior to any right, title or interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage, whether or not the provision which obligates Mortgagor to make any such payment to Mortgagee specifically so states.

Section 7.5. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of this Mortgage or the construction of any provision hereof.

Section 7.6. Successors and Assigns. The covenants and agreements contained in this Mortgage shall run with the land and bind Mortgagor, the heirs, executors, administrators, principals, legal representatives, successors and assigns of Mortgagor and each person constituting Mortgagor and all subsequent owners, encumbrances and Space Tenants of the Mortgaged Property, or any part thereof, and shall inure to the benefit of Mortgagee, its successors and assigns and all subsequent beneficial owners of this Mortgage.

Section 7.7. Gender and Number. Wherever the context of this Mortgage so requires, the neuter gender includes the masculine or feminine gender and the singular number includes the plural.

Section 7.8. Severability. In case any one or more of the provisions contained in this instrument shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been included.

Section 7.9. Subrogation. Should the proceeds of the Loan be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Mortgagee shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of the same.

Section 7.10. Incorporation of the Loan Documents. This Mortgage and the Note secured hereby have been executed and delivered to secure monies advanced or to be advanced to Mortgagor to be used in accordance with the Loan Documents, the provisions of which, as the same may be amended, modified or supplemented from time to time, are incorporated herein by reference with the same force and effect as if herein fully set forth.

Section 7.11. Controlling Law. This Mortgage shall be governed by, and construed and enforced in accordance with, the laws of the State, without giving effect to conflict of laws principles, except as required by mandatory provisions of law and except to the extent that the UCC provides that the validity or perfection of the security interests hereunder, or remedies hereunder in respect of any particular collateral, are governed by the laws of a jurisdiction other than the laws of the State.

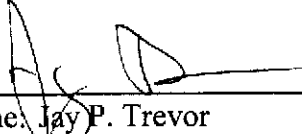
Section 7.13 Servicer. Mortgagor acknowledges that Mortgagee has and may in the future appoint a servicer as Mortgagee's agent for purposes of servicing the Loan. Mortgagor consents to such appointment and agrees to perform its obligations hereunder for the benefit of the Servicer to the extent set forth herein or in the Servicing Agreement.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the day and year first above written.

MISSISSIPPI HOUSING PARTNERS, LP, an
Iowa limited partnership

By: MISSISSIPPI HOUSING
DEVELOPMENT, LLC, an Iowa limited
liability company, its general partner

By: J & T DEVELOPMENT, LLC, a
Kansas limited liability company, its
member

By: 
Name: Jay P. Trevor
Title: Manager

STATE OF IOWA)
COUNTY OF Polk)

On this 21st day of June, 2006, before me, Karen L. Biegler, personally appeared Jay P. Trevor, known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as the manager of J & T Development, LLC, the member of Mississippi Housing Development, LLC, the general partner of Mississippi Housing Partners, LP and that, by his signature on the instrument, the entity on behalf of which he acted executed the instrument.

WITNESS my hand and official seal.

Karen L. Biegler
Notary

My Commission expires: 4-11-2009



EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

The Land described in the foregoing instrument is located in Scott County, Iowa and is legally described as follows:

Mississippi Hotel Unit in Mississippi Lofts, a Condominium, in the City of Davenport, Scott County, Iowa, as shown and as legally described in Declaration of Submission of Property to Horizontal Property Regime of Mississippi Lofts, recorded as Document No. 2006-00003341 in the Office of the Recorder of Scott County, Iowa, on January 31, 2006, including an undivided interest in and to the general common elements and facilities of the Condominium Regime. Such Horizontal Property Regime affecting the real estate described as Lots 1, 2 and 3 in Block 57, in LeClaire's Second Addition to the Town (now City) of Davenport, Scott County, Iowa.

which has the address of 106 E 3rd St, Davenport IA 52801.