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Prepared by, and when recorded return to, Mark A. Thompson, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, IA 50312; (515) 725-4900.

Grantor/Taxpayer: Humboldt Workshop Service Enriched Housing I, L.L.L.P., 21 North Taft; P.O. Box 587, Humboldt, IA 50548

Grantee: Iowa Finance Authority, 2015 Grand, Des Moines, Iowa 50312

Legal Description: See Page A-1

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

by

HUMBOLDT WORKSHOP SERVICE ENRICHED HOUSING I, L.L.L.P.

in favor of

IOWA FINANCE AUTHORITY

Dated as of February 1, 2010

This Mortgage contains an after-acquired property clause. This Mortgage secures credit in the amount of \$290,000. Loans and advances up to this amount, together with interest, are senior in indebtedness to other creditors under subsequently recorded or filed mortgages or liens.

Senior Living Revolving Loan Program Loan No. 09-01

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

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FINANCING STATEMENT (the "Mortgage"), is made as of the 1st day of February, 2010, by HUMBOLDT WORKSHOP SERVICE ENRICHED HOUSING I, L.L.P., as Mortgagor (the "Mortgagor") in favor of the Iowa Finance Authority, as the Mortgagee (the "Authority" or "Mortgagee").

WITNESSETH:

WHEREAS, the Authority is a public instrumentality and agency of the State of Iowa authorized and empowered by the provisions of Chapter 16 of the Code of Iowa, as amended (the "Act") to assist in the development and maintenance of decent, safe, and affordable housing for low- and moderate-income families; and

WHEREAS the Senior Living Revolving Loan Program (the "Program") has been created by the Authority to provide a flexible program of financial assistance to assist in the development of affordable assisted living and service-enriched affordable housing for seniors and persons with disabilities; and

WHEREAS, pursuant to the Act and the Program, the Authority has entered into a Loan Agreement with the Mortgagor, dated as of even date herewith (the "Loan Agreement") pursuant to which the Authority has agreed to loan funds under the Program to the Mortgagor in the amount of \$290,000 (the "Loan"), to provide funds to finance the project described in Exhibit A to the Loan Agreement (the "Project"); and

WHEREAS, the Loan Agreement provides that the Authority will make the Loan to the Mortgagor and the Mortgagor will deliver its Promissory Note (the "Note") to the Authority providing for the payment of the Loan; and

WHEREAS, the Loan Agreement further provides that as a condition to the Loan, to secure performance by the Mortgagor of its obligations under the Loan Agreement and the Note, the Mortgagor will execute and deliver this Mortgage to the Authority; and

WHEREAS, the last stated maturity of the Note is February 1, 2040.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants in this Mortgage contained, and in order to induce the Mortgagee to provide the Loan to the Mortgagor, the Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto the Mortgagee and grant the Mortgagee a security interest in all of the Mortgagor's right, title and interest in and to:

I

The Land (the "*Land*") described on Exhibit "A" attached hereto and made a part hereof, and all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land (the "*Improvements*"), and all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights, and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating, otherwise appertaining to any of the property hereinabove in this clause described, or which hereafter shall in any way belong, relate, or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor, and the reversion and reversions and the remainder and remainders; and

II

All building materials, equipment, fixtures and fittings of every kind or character now owned or hereafter acquired by the Mortgagor in connection with the ownership of the Land and the Improvements, wheresoever the

same may be located; all machinery, equipment, appliances, fixtures, window treatments, floor coverings, certificates of title, appraisal reports, drawings, plans, specifications, diagrams, soil reports, environmental reports, other architectural or engineering work product and other tangible personal property now owned or hereafter acquired which are used in the ownership of the Land and Improvements or any part thereof, and all replacements, additions or accessions thereto and all right, title and interest of the Mortgagor in and to any of the foregoing property which may be subject to any security agreements superior in lien to the lien of this Mortgage; it being understood and agreed that all such property is for the purposes of this Mortgage; deemed conclusively to be subject to the mortgage liens and security interests created by this Mortgage; and

III

All leases, rental agreements, tenancies (including, but not limited to, periodic tenancies), subleases, franchises, concessions, or other agreements relating, directly or indirectly, to the use or occupancy of all or any portion of the Land and/or the Improvements, whether written or verbal, and whether now or hereafter executed or created by or on behalf of the Mortgagor; together with all guaranties, amendments, renewals and extensions of any thereof; together with the right, power and authority of the Mortgagor to alter, amend, modify or change the terms, conditions or provisions of any thereof or to surrender, cancel or terminate the same, or to accept any surrender, cancellation or termination of the same; together with all of the credits, security, deposits, options, rights, powers and privileges of the Mortgagor under any of the foregoing, whether now or hereafter existing (all of the foregoing being herein referred to collectively as the "Leases" and each, a "Lease"); and

IV

All rents, issues, profits, revenues, royalties, earnings, income and benefits thereof (the "Rents"), and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of the Mortgagor of, in and to the same, including, but not limited to, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the property hereinabove in this clause described or any part thereof under the power of eminent domain, or for any damage or injury (whether actual or alleged) to the property hereinabove described or any part thereof in violation of any statute, ordinance, or regulation, including, without limitation, any Environmental Law (hereinafter defined); and

V

All intangible personal property used in connection with the ownership of the Land and Improvements or any part thereof; and all replacements, additions or accessions thereto, including without implied limitation: all licenses, authorizations and permits issued or approved by any governmental authority or other person, including, certificates of occupancy, occupancy permits, building permits, sign permits, environmental permits, elevator permits, machinery permits, business licenses, and ingress and egress permits; all rent, deposits and other sums paid for the use or occupancy of the Land and Improvements; all insurance policies, proceeds, prepaid premiums, uncollected claims and all rights relating thereto; all utility, security and other deposits and reserve accounts made as security for the fulfillment of any obligation of the Mortgagor or any affiliate of the Mortgagor; all condemnation awards; all written or oral service, maintenance, operating, repair and other contract rights and commitments; and all written or oral agreements with contractors, materialmen, laborers, managers and other persons providing for construction, renovation or installation of all portions of the Land and Improvements, together with all payment and/or performance bonds, insurance policies, certificates, guaranties, warranties and other assurances relating thereto; agreements with architects and engineers for architectural and engineering design and supervision services; and agreements with all other contractors, engineers, architects, property managers, brokers, professionals and consultants entered into by the Mortgagor or any predecessor in title to the Mortgagor, and

VI

All proceeds of any and all of the foregoing and, to the extent not otherwise included, all payments under insurance (whether or not the Mortgagee is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of damage to, loss with respect to, or otherwise with respect to, any of the foregoing.

The Mortgagor does further hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto the Mortgagee forever a security interest in all personal property and fixtures (the "**Personal Property**") described in this Mortgage. This Mortgage is intended to be a self-operative security agreement with respect to the Personal Property, but the Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other documents as the Mortgagee may reasonably request in order to perfect its security interest or to impose the lien hereof more specifically upon any of the Personal Property. On demand, the Mortgagor will promptly pay all costs and expenses of filing financing statements, continuation statements, partial releases and termination statements deemed necessary or appropriate by the Mortgagee to establish and maintain the validity and priority of the security interest of the Mortgagee, or any modification thereof, and all costs and expenses of any searches reasonably required by the Mortgagee. The Mortgagee may exercise any or all of the remedies of a secured party available to it under the Uniform Commercial Code of the State of Iowa (the "**UCC**") with respect to the Personal Property, and it is expressly agreed in accordance with the provisions of the UCC that five (5) days' notice by the Mortgagee to the Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice as to any sale under the UCC. The Mortgagee may at its option dispose of the Personal Property in accordance with the Mortgagee's rights and remedies in respect to the Land and the other Mortgaged Property pursuant to the provisions of this Mortgage, in lieu of proceeding under the UCC.

All of the property described in clauses I through VI above and in the immediately preceding paragraph is referred to herein as the "**Mortgaged Property**."

Some of the items of property described herein are goods that are or are to become fixtures related to the Land, and it is intended that, as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Land is located. Information concerning the security interest created by this instrument may be obtained from the Mortgagee, as Secured Party, or the Mortgagor, as Debtor, at the addresses described in Section 30 hereof.

PROVIDED, HOWEVER, THE MORTGAGED PROPERTY SHALL NOT INCLUDE ANY PROPERTY WHICH SHALL CONSTITUTE HAZARDOUS MATERIAL.

For purposes of this Mortgage, the term "**Hazardous Material**" means any substance, material or waste which is (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," or other similar term or phrase under any Environmental Law, (ii) petroleum or any fraction or by-product thereof, asbestos, any polychlorinated biphenyl, urea formaldehyde foam insulation, radon or any other radioactive or explosive substance, methane, volatile hydrocarbons, or an industrial solvent, (iii) designated as a "hazardous substance" pursuant to § 311 of the Clean Water Act, as amended (33 U.S.C. §§ 1251 *et seq.*) (the "**Clean Water Act**") or listed pursuant to § 307 of the Clean Water Act, (iv) defined as a "hazardous waste" pursuant to § 1004 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901 *et seq.*) ("**RCRA**"), and (v) defined as a "hazardous substance" pursuant to § 1012 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 *et seq.*) as amended by the Superfund Amendments and Reauthorization Act of 1986, and as now or hereafter otherwise amended ("**CERCLA**") located on, in or under the Land or used in connection therewith, other than as the Mortgagor has fully disclosed to the Mortgagee in writing prior to the date hereof, and except in amounts typically used in the construction, rehabilitation, operation, and maintenance of residential rental property in strict accordance with applicable law. The term "**Environmental Law**" means any federal, state or local law, statute, ordinance and regulation, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree, or judgment applicable to the Land relating to the regulation and protection of the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species, and/or vegetation) or, to the extent related to environmental condition, human health, and safety. Environmental Laws include, but are not limited to, the National Environmental Policy Act of 1969, as amended (42 U.S.C. § 4321 *et seq.*); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 *et seq.*); CERCLA; the Hazardous Material Transportation Act, as amended (42 U.S.C. §§ 1801 *et seq.*); the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. §§ 136 *et seq.*); RCRA; the Toxic Substance Control Act, as amended (15 U.S.C. §§ 2601 *et seq.*); the Clean Water Act; the Clean Air Act, as amended (42 U.S.C. §§ 7401 *et seq.*); the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 *et seq.*); the

Occupational Safety and Health Act, as amended (29 U.S.C. §§ 651 *et seq.*); the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300(f) *et seq.*), and any and all regulations promulgated hereunder, and all analogous local counterparts or equivalents, and any transfer of ownership notification or approval statute.

SUBJECT, HOWEVER, to “*Permitted Encumbrances*,” as described in Exhibit “B” attached hereto;

TO HAVE AND TO HOLD, all and singular the Mortgaged Property and all parts thereof unto the Mortgagee, its successors, endorsees and assigns, to its own proper use and benefit forever, subject, however, to the terms and conditions herein:

PROVIDED, HOWEVER, that if the Mortgagor shall promptly pay or cause to be paid to the Mortgagee the principal of, interest on, and all other amounts payable with respect to the Loan Agreement, at the times and in the manner stipulated in the Loan Agreement and in this Mortgage (the Loan Agreement and this Mortgage are herein collectively referred to as the “*Security Documents*”), all without any deduction or credit for taxes and other similar charges paid by the Mortgagor, and shall keep, perform and observe all the covenants and promises in the Security Documents, to be kept, performed or observed by the Mortgagor in connection with the payment of the obligations pursuant to Loan Agreement or, this Mortgage, then all the property, interests and rights hereby granted, conveyed and assigned shall cease, determine, and be void, but shall otherwise remain in full force and effect.

AND THE MORTGAGOR does hereby expressly covenant, warrant, and represent as follows:

Section 1. Representations and Warranties. (a) The Mortgagor represents and warrants that (i) it owns the Land (other than Parcel 2 on Exhibit A hereto, in which it has a leasehold interest) in fee simple and has good right, full power and lawful authority to convey, mortgage and encumber the same and the remaining Mortgaged Property as provided herein; (ii) the Mortgaged Property is, and will remain, free and clear of all liens, security interests, charges and/or encumbrances whatsoever, except for Permitted Encumbrances; (iii) the Mortgagor is the sole owner of all interests, if any, in the Leases; (iv) the Mortgagor has not executed any prior assignment of the Land, the Leases or the Rents; (v) no Rent reserved in the Leases or any of them has been assigned or anticipated, and no Rent for any period subsequent to the date of this Mortgage has been collected more than one month in advance of time when the same became due under the terms of the Leases or any of them; (vi) the Mortgagor has not performed any act or executed any other instrument which might prevent the Mortgagee from enjoying and exercising any of its rights and privileges evidenced hereby; (vii) the Mortgagor has not executed or granted any modifications to any existing Lease except as previously disclosed to the Mortgagee; (viii) all existing Leases are valid and in full force and effect; (ix) there exists no defense counterclaim or set off to the payment of any Rent under any Lease; (x) there are no defaults or events of defaults now existing under any of the Leases, and no event has occurred which with the passage of time or the giving of notice, or both would constitute such a default or event of default, (xi) there are no offsets or defenses to this Mortgage or to the Loan Agreement; (xii) the Mortgaged Property is free from damage caused by fire or other casualty; and (xiii) there are no condemnation or similar proceedings pending, or to the best of the Mortgagor’s knowledge threatened, which affect the Mortgaged Property.

(b) The Mortgagor shall and will make such further assurances to perfect its fee simple title to the Mortgaged Property (other than with respect to Parcel 2 on Exhibit A hereto) as may reasonably be required. The Mortgagor will preserve its right, title and interest in the Mortgaged Property and fully warrants the title to the Mortgaged Property (other than with respect to Parcel 2 on Exhibit A hereto) and every part thereof and will forever defend the same against the claims of all persons whomsoever.

(c) All tangible Personal Property is now, or will be, when purchased or acquired, located at or upon the Land, except in the case of materials stored off-site during construction for which suitable insurance will be obtained.

(d) All information supplied and statements made by the Mortgagor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with, or subsequent to the execution of this Mortgage was and shall be, as of the date thereof, true, correct, valid and genuine.

(e) The Mortgagor represents that it is managed by its general partner, West Fork Services, Inc., and that the delivery of this Mortgage and the execution of the Note is in the ordinary course of business of the Mortgagor.

Section 2. Covenants. The Mortgagor covenants and agrees with the Mortgagee that:

(a) The Mortgagor will pay, or cause to be paid, to the Mortgagee the sum or sums evidenced by, and in accordance with the terms of the Loan Agreement.

(b) The Mortgagor will execute all documents, perform all acts, do all things, and pay all sums on the Mortgagor's part to be executed, performed, done and paid pursuant to the terms and provisions of the Security Documents.

(c) The Mortgagor will defend the Mortgaged Property against all claims, demands, actions or proceedings made or instituted by all persons at any time claiming the same or any interest therein adverse to the Mortgagee.

(d) The Mortgagor will not take any actions, nor allow any actions to be taken, which would prevent this Mortgage from remaining a valid and enforceable first lien on the Mortgaged Property, subject only to Permitted Encumbrances.

(e) The Mortgagor will keep the Mortgaged Property in good condition and free from liens and other security interests, except for Permitted Encumbrances, and will not create or suffer to exist any lien or security interest in the Mortgaged Property, except for Permitted Encumbrances. The Mortgagor will pay all costs necessary to obtain, preserve, defend and enforce the security interest created hereby and preserve, defend and enforce the lien and security interest herein created, including, but not as a limitation upon any of the foregoing, the payment of taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, rent, storage costs and expenses of sales.

(f) The Mortgagor will, at all times, maintain true and accurate accounts, books, and records covering the Personal Property, will furnish the Mortgagee with, in addition to any reports and/or financial statements required under the terms of the Loan Agreement, any financial statements or reports and any information with respect to the Mortgaged Property; will allow the Mortgagee to inspect the Mortgaged Property; and will allow the Mortgagee to inspect all records relating to the Mortgaged Property, all in accordance with the Loan Agreement and this Mortgage.

(g) The Mortgagor will not move any portion of the Mortgaged Property from the Land without giving the Mortgagee at least thirty (30) days' prior written notice, other than as permitted by the Regulatory Agreement dated the date hereof between the Mortgagor and the Mortgagee (the "Regulatory Agreement").

(h) The Mortgagor will execute any agreements or documents furnished by the Mortgagee which are necessary, in the reasonable judgment of the Mortgagee, to obtain, maintain, and perfect the Mortgagee's security interest in the Mortgaged Property.

(i) The Mortgaged Property will not be used in violation of any statute, ordinance, rule, or regulation of any federal, state, or local authority having jurisdiction over the Mortgaged Property.

(j) The Mortgagor will observe and perform all the obligations imposed upon it as landlord under the Leases, if any, and will not do or permit to be done anything to impair the security thereof; will exercise any option or election contained in or relating to any of the Leases which the Mortgagee shall require; at the Mortgagee's request will assign and transfer to the Mortgagee by specific assignment of leases any and all subsequent Leases upon all or any part of the Mortgaged Property (it being understood and agreed that no such specific assignment shall be required for such subsequent Leases to be covered by and included within this Mortgage as provided herein); and will execute and deliver at the request of the Mortgagee all such further assurances and assignments in the premises covered by the Leases as the Mortgagee shall from time to time require.

(k) The Mortgagor shall protect, indemnify, and save harmless the Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by the Mortgagee by reason of this Mortgage, and any claim or demand whatsoever which may be asserted against the Mortgagee by reason of any alleged obligation, or undertaking to be performed or discharged by the Mortgagee under this Mortgage except for its own willful misconduct, gross negligence, or bad faith, it being expressly understood and agreed that this Mortgage shall impose no obligations whatsoever on the Mortgagee that are not expressly set forth herein. In the event the Mortgagee incurs any liability, loss, or damage by reason of this Mortgage, or in the defense of any claims or demands arising out of or in connection with this Mortgage, other than those arising from its own willful misconduct, gross negligence or bad faith, the amount of such liability, loss or damage shall be added to the Loan Agreement, shall bear interest at the highest interest rate specified therefor in the Loan Agreement from the date incurred until paid, and shall be payable on demand.

(l) The Mortgagor agrees that (i) other than in the ordinary course of business, it will not execute or grant any modifications to any Lease except as previously disclosed to the Mortgagee; (ii) the Leases will be valid and in full force and effect pursuant to their terms; and (iii) there will be no defense, counterclaim or set-off to the payment of any Rent under any Lease.

Section 3. Zoning and Environmental Laws. (a) The Mortgagor warrants and represents that all applicable zoning laws, ordinances, and regulations affecting the Mortgaged Property permit the use and occupancy of the Improvements and further covenants and warrants to comply with all such laws, ordinances, and regulations, including, but not limited to, all Environmental Laws, ordinances, regulations, and court rulings affecting the Mortgaged Property or the use thereof.

(b) Without limiting the generality of the foregoing, the Mortgagor warrants and represents to the Mortgagee after thorough investigation that: (i) the Mortgaged Property is now and at all times hereafter will continue to be in full compliance with all Environmental Laws; (ii) as of the date hereof, there are no Hazardous Materials located on, in, or under the Mortgaged Property or used in connection therewith, other than as the Mortgagor has fully disclosed to the Mortgagee in writing prior to the date hereof and except for amounts typically used in the construction, rehabilitation, operation, and maintenance of residential rental property in strict accordance with applicable law; and (iii) the Mortgagor has obtained and will maintain all licenses, permits, and approvals required with respect to all Environmental Laws, and is in full compliance with all of the terms, conditions, and requirements of such licenses, permits, and approvals heretofore obtained.

(c) The Mortgagor further covenants that it will promptly notify the Mortgagee of any change in the status of any of the warranties or representations contained in the subsection (b) hereof or in the nature or extent of any Hazardous Materials maintained on, in, or under the Mortgaged Property or used in connection therewith, and will transmit to the Mortgagee copies of any citations, orders, notices, or other material governmental or other communications received with respect to any Hazardous Materials or other environmentally regulated substances affecting the Mortgaged Property.

(d) The Mortgagor shall indemnify and hold the Mortgagee harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments, and expenses (including reasonable attorneys', consultants', or experts' fees and expenses) of every kind and nature suffered by or asserted against the Mortgagee as a direct or indirect result of any warranty or representation made by the Mortgagor in this Section being false or untrue or any requirement under any Environmental Law which requires the elimination or removal of any Hazardous Materials or other environmentally regulated substances by the Mortgagee, the Mortgagor, or any transferee of the Mortgagee or the Mortgagor.

(e) The Mortgagor's obligations hereunder shall not be limited to any extent by the term of any of the Loan Agreement or Regulatory Agreement and, as to any act or occurrence prior to payment in full and satisfaction of the Loan Agreement or Regulatory Agreement which gives rise to liability hereunder, shall continue, survive, and remain in full force and effect notwithstanding payment in full and satisfaction of the Loan Agreement and this Mortgage.

(f) The Mortgagor hereby agrees that the Mortgagee shall have the right, at any time during the term of this Mortgage, to conduct, at the Mortgagee's expense, an environmental investigation of the Mortgaged Property, either itself or by or through designated agents and may exercise such rights from time to time, and in the furtherance of such rights, the Mortgagor hereby grants the Mortgagee a non-exclusive limited easement over and across the Land and its subsurface for access to the Mortgaged Property during reasonable business hours and upon reasonable notice and for the purpose of conducting an environmental investigation of the Mortgaged Property. The Mortgagee shall have the obligation to restore the Mortgaged Property to its original condition prior to the investigation, but shall have no obligation to cure any environmental problem or defect. The satisfaction hereof or the release of a portion of the Mortgaged Property from the lien hereof shall evidence a termination of the easement granted herein in full, or as to the Mortgaged Property released, as the case may be. This easement is irrevocable so long as this Mortgage is outstanding.

Section 4. Taxes and Liens. (a) Except for property taxes paid by the Mortgagee as provided in Section 1.09 of the Loan Agreement, the Mortgagor shall pay or bond promptly, when and as due, and shall promptly exhibit to the Mortgagee receipts for the payment of all taxes, assessments, user fees, rates, due, charges, fees, levies, fines, impositions, liabilities, obligations, and encumbrances of every kind whatsoever now or hereafter imposed, levied, or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage, or upon or against the interest of the Mortgagee in the Mortgaged Property, as well as all income taxes, assessments, and other governmental charges levied and imposed by the United States of America, the State or any county, municipality, or other taxing authority upon or against the Mortgagor or with respect to the Mortgaged Property or any part thereof, and any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property prior to or equal to the lien of this Mortgage before they become delinquent and before any interest attaches or any penalty is incurred. Notwithstanding anything contained in this Section 4, no such tax, liability, charge, imposition, assessment or claim referred to in this Section 4 need be paid so long as the validity thereof is being contested in good faith by appropriate proceedings and in a manner not to jeopardize any of the Mortgaged Property or subject the Mortgagee to any liability and adequate reserves are maintained by the Mortgagor with the Mortgagee in escrow to assure full payment thereof.

(b) The Mortgagor shall not permit or suffer for a period of more than thirty (30) days any mechanics', laborers', materialmen's, statutory, or other lien upon any portion of the Mortgaged Property, unless such lien is affirmatively insured over by a title company or bonded off.

Section 5. Insurance; Risk of Loss. (a) The Mortgagor shall at its sole expense obtain for, deliver to and maintain for the benefit of the Mortgagee, during the life of this Mortgage, insurance policies which conform to the requirements of the Loan Agreement. Delivery of the insurance policies and renewals thereof shall constitute an assignment to the Mortgagee, as further security, of all unearned premiums. In the event of loss, the Mortgagor shall give immediate written notice to the Mortgagee, and the Mortgagee may make proof of loss if not made promptly by the Mortgagor. Net insurance proceeds shall be applied to renovate and/or rebuild the Project to the extent net insurance proceeds, together with any funds from the Mortgagor, may restore the building. To the extent that either (i) net insurance or condemnation proceeds, together with any funds from the Mortgagor, are not able to restore the Project, or (ii) an Event of Default has occurred, net insurance proceeds shall, unless otherwise agreed to by the Mortgagee in its sole discretion, be applied to pay principal and interest of the Loan Agreement. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment of all or part of the Loan, all right, title, and interest of the Mortgagee in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

(b) All risk of loss of, damage to, or destruction of the Mortgaged Property shall at all times be on the Mortgagor. The Mortgagee's acceptance of policies in lesser amounts or risks shall not be a waiver of the Mortgagor's foregoing obligations.

Section 6. Condemnation. In the event that all or any part of the Mortgaged Property shall be taken through condemnation or acquisition by any governmental authority under power of the eminent domain, either temporarily or permanently, the net condemnation proceeds shall be applied in the same manner as proceeds of insurance pursuant to Section 5 hereof.

Section 7. Care of the Mortgaged Property. (a) The Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair; shall not remove, demolish, materially alter, or materially change the use of any of the Improvements without the prior written consent of the Mortgagee; shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof; and shall not take any action which increases the risk of fire or other hazard to the Mortgaged Property or to any part thereof.

(b) Except as otherwise provided in this Mortgage, the Regulatory Agreement or in any of the Security Documents, no part of the Mortgaged Property shall be removed, demolished, altered, sold or otherwise disposed of without the prior written consent of the Mortgagee.

(c) The Mortgagee may enter upon and inspect the Mortgaged Property at any reasonable time during the term of this Mortgage.

(d) The Mortgagor shall promptly comply with all present and future laws, ordinances, rules, and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

Section 8. Transfer of the Mortgaged Property.

The Mortgagor shall not sell, convey, transfer, dispose of or encumber any of the Mortgaged Property or permit the conveyance, transfer or encumbrance of such Mortgaged Property, other than leases normally executed in connection with operation of the Mortgaged Property, other transfers in the ordinary course of operations and disposition of worn, damaged, or obsolete property, and other than for Permitted Encumbrances. Any such prohibited transfer, if approved by the Mortgagee shall be only to a corporation or other entity satisfactory to and approved by the Mortgagee, who shall by legal and valid instrument in writing, to be recorded or filed in the same recording office in which conveyances of the property covered by the Mortgage are required to be filed or recorded, duly assume all obligations under this Mortgage, the Regulatory Agreement, and under the Note and other Basic Documents. If any person should obtain any interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest, or any other right, except for a Permitted Encumbrance, whether superior, equal, or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by the Mortgagor. Other than in the ordinary course of business, the Mortgagor shall not, without the prior written consent of the Mortgagee, further assign the Rents, nor enter into any agreement or do any act to amend, modify, extend, terminate or cancel, accept the surrender, subordinate, accelerate the payment of Rent, or change the terms of any Lease now or hereafter covering the Mortgaged Property or any part thereof.

Section 9. Further Assurances. At any time and from time to time, upon the Mortgagee's request, the Mortgagor shall make, execute, and deliver or cause to be made, executed, and delivered to the Mortgagee and, where appropriate, shall cause to be recorded or filed and from time to time thereafter to be re-recorded or refiled at such time and in such offices and places as shall be deemed desirable by the Mortgagee any and all such further mortgages, instruments of further assurance, certificates, and other documents as the Mortgagee may consider necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve the obligations of the Mortgagor under the Loan Agreement and this Mortgage (as the Mortgagee deems necessary), and the liens of this Mortgage as a first and prior lien and security interest upon all of the Mortgaged Property, whether now owned or hereafter acquired by the Mortgagor. Upon any failure by the Mortgagor to do so, the Mortgagee may make, execute, record, file, re-record, or refile any and all such mortgages, instruments, financing statements, certificates, and documents for and in the name of the Mortgagor, and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and attorney-in-fact of the Mortgagor to do so.

Section 10. After Acquired Property. The lien and security interest created by this Mortgage shall automatically attach, without further act, to all after acquired real and personal property located in or on, or attached to, or used or intended to be used in connection with the operation of, the Mortgaged Property or any part thereof.

Section 11. Expenses. The Mortgagor shall pay or reimburse the Mortgagee for all costs, charges, and expenses, including reasonable attorneys' fees and disbursements, and costs incurred or paid by the Mortgagee in any action which is threatened, pending, or completed or proceeding or in dispute in which the Mortgagee is or might be made a party or appears as a party plaintiff or party defendant and which affects or might affect the Loan Agreement or the Mortgaged Property, or any part of either thereof, or the interests of the Mortgagor or the Mortgagee therein, including but not limited to the foreclosure of this Mortgage, condemnation involving all or a part of the Mortgaged Property, or any action to protect the security hereof. All costs, charges, and expenses so incurred or paid by the Mortgagee shall become due and payable immediately, whether or not there be notice, demand, attempt to collect, or suit pending. The amounts so incurred or paid by the Mortgagee, together with interest thereon at the rate stated in the Loan Agreement from the date incurred until paid by the Mortgagor, shall be added to the indebtedness secured by this Mortgage.

Section 12. Mortgagee's Performance of Defaults. If the Mortgagor defaults in the payment of any tax, user fee, assessment, encumbrance, or other imposition, or in its obligation to furnish insurance hereunder, or in the performance or observance of any other covenant, condition, or term in any of the Security Documents, the Mortgagee may, at its option, perform or observe the same, and all payments made (whether such payments are regular or accelerated payments) and costs and expenses incurred or paid by the Mortgagee in connection therewith shall become due and payable immediately by the Mortgagor. The amounts so incurred or paid by the Mortgagee, together with interest thereon at the rate stated in the Loan Agreement from the date incurred until paid by the Mortgagor, shall be added to the indebtedness secured by the lien of this Mortgage. Nothing contained herein shall be construed as requiring the Mortgagee to advance or expend monies for any purposes mentioned in this Section, or for any other purpose, and any such payment by the Mortgagee shall not constitute a waiver of any right arising from a breach of any of the covenants set forth herein. The Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition, or term, without thereby becoming liable to the Mortgagor or any person in possession holding under the Mortgagor.

Section 13. Estoppel Affidavits. The Mortgagor, within ten (10) days after receipt of a written request from the Mortgagee, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Loan Agreement, and whether or not any offsets or defenses exist against such principal and interest or other sums.

Section 14. Events of Default. The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) failure by the Mortgagor to duly keep, perform, or observe any other covenant, agreement, or condition hereof, not cured within thirty (30) days after written notice thereof by the Mortgagee to the Mortgagor; or

(b) the occurrence of an Event of Default under any of the Security Documents.

If the Mortgagee shall give notice of an event or occurrence hereunder that would, with the passage of time after such notice, result in an Event of Default hereunder, in addition to giving such notice to the Mortgagor, the Mortgagee shall provide such notice to the limited partner of the Mortgagor (the "Limited Partner"), and the Mortgagee shall provide the Limited Partner with the same opportunity (but not the obligation), to take any action necessary or desirable to prevent the occurrence of such Event of Default as provided hereunder.

Section 15. Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, the Mortgagee may declare the outstanding principal amount of the Loan, the interest accrued thereon, and all other amounts payable with respect thereto to be due and payable immediately, and upon such declaration, such amounts shall immediately become and be due and payable without demand or notice.

Section 16. Mortgagee's Power of Enforcement. If an Event of Default shall have occurred and be continuing, the Mortgagee may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy: (a) to enforce payment of the Loan Agreement or the performance of any term of the Loan Agreement or this Mortgage or

any other right; (b) to foreclose this Mortgage as described in this Section 16 hereof and to sell, as an entirety or in separate lots or parcels, the Land, under the judgment or decree of a court or courts of competent jurisdiction; and (c) to pursue any other remedy available to it. The Mortgagee may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as the Mortgagee may determine. Remedies available to the Mortgagee include, but shall not be limited to the following:

(a) The Mortgagee may, at its option, after notice in writing to the Mortgagor, immediately cause this Mortgage to be foreclosed in the manner prescribed by law and, upon the commencement of foreclosure proceedings, shall be entitled to have a receiver appointed at once or at any time thereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the Mortgaged Property (the provisions for the appointment of a receiver and assignment of rents hereby granted to the Mortgagee being an express condition upon which the loans and payments hereby secured are made) for the benefit of the Mortgagee, with power to rent the same and to collect the rents, issues and profits of the Mortgaged Property, due and to become due, during the pendency of such foreclosure suit and in the case of a sale and deficiency, during the full statutory period of redemption whether there be redemption or not, as well as during any future times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits and shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. Any amount so collected by such receiver, whether prior to or following foreclosure, shall be applied under direction of the court upon the costs and expenses of foreclosure and receivership, expense of insurance on the Improvements and expense of repairs, taxes, assessment and operations, and the balance shall be paid to the Mortgagee to be applied on the indebtedness secured by this Mortgage in accordance with the Security Documents.

(b) The Mortgagee may, at its option, after 10 days notice in writing to the Mortgagor, at any time either by its agents, attorneys, employees or by a receiver to be appointed by a court and without regard to the adequacy of any security for the indebtedness hereby secured, either with or without process of law, forcibly or otherwise, enter upon and take possession of the Mortgaged Property or any part thereof, expel and remove any persons, goods or chattels occupying or upon the same, do and perform any act that the Mortgagee may deem necessary or proper to conserve the value thereof, and to collect and receive all rents, issues and profits therefrom, including those past due and unpaid, as well as those accruing thereunder, to manage and control the same, and to lease the same or any part thereof. The Mortgagor further agrees that the Mortgagee may also take possession of, and use any and all personal property contained in the Mortgaged Property and used by the Mortgagor in the operation, rental or leasing of the Mortgaged Property or any part thereof. The expense (including receiver's fees, if any, and compensation to any agent appointed by the Mortgagee, and counsel fees and costs and disbursements) incurred in taking possession and effecting such collection, shall be deemed a portion of the expense of this Mortgage secured hereby. Neither the collection of such rents, issues and profits nor the application or release thereof as aforesaid shall cure or waive any default. After deducting all reasonable attorneys' fees and expenses incurred in connection herewith, the remaining net income shall be paid to the Mortgagee to be applied upon the indebtedness secured hereby in accordance with the Security Documents.

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

(i) All payments due with respect to the Loan Agreement, plus all interest accrued thereon and which will accrue thereon to the date of payment, plus interest on the foregoing amounts of principal and interest (to the extent permitted by law) from their respective due dates until paid;

(ii) All items advanced or paid by the Mortgagee pursuant to this Mortgage, with interest thereon at the rate of 10% per annum (the "Default Rate") from the date of advancement until paid; and

(iii) All reasonable court costs, attorneys' fees, appraisers' fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantee policies, and similar data with respect to title which the Mortgagee may deem

necessary in connection with any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness secured or in connection with preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose, whether or not actually commenced, and all such expenses shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the Default Rate per annum from the date when paid or incurred by the Mortgagee until paid.

The proceeds of any foreclosure and any Rents, issues, and profits collected hereunder, shall be distributed and applied to the items described in (ii) and (iii) of this Section, in the order of their listing, then to (i) to be applied in the manner provided in the Security Documents, and any surplus of the proceeds of such sale shall be paid to the Mortgagor.

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

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

If the aforementioned waiver is not effective, then it is agreed that if this Mortgage covers less than ten (10) acres of land, and in the event of the foreclosure of this Mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one (1) year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Mortgagee, in such action, files an election to waive any deficiency judgment against Mortgagor which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Code of Iowa, 2010, as amended (the "Code of Iowa"). If the redemption period is so reduced, for the first three (3) months after the sale, such right of redemption shall be exclusive to the Mortgagor, and the time periods in Sections 628.5, 628.15 and 628.16 of the Code of Iowa shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) the real estate is less than ten (10) acres in size; (2) the court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and (3) Mortgagee in such action files an election to waive any deficiency judgment against Mortgagor or its successor in interest in such action. If the redemption period is so reduced, Mortgagor or its successors in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Code of Iowa shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Mortgagor shall be presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Code of Iowa.

This Section shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Code of Iowa. This Section also shall not be construed to limit Mortgagee's right to elect foreclosure without redemption or to elect foreclosure by nonjudicial procedure as set forth in Chapters 654 and 655A of the Code of Iowa. Mortgagor agrees that, in the event of a foreclosure of the Mortgage, under any provision of Iowa law, Mortgagee shall be entitled to sole possession and use of the Mortgaged Property during any redemption period.

Any sale or sales under this Section shall operate, after any applicable redemption period, to divest all estate, right, title, interest, claim or demand whatsoever, whether at law or in equity, of the Mortgagor in and to the Mortgaged Property so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor, its successors and assigns and against any and all persons claiming or who may claim the same, or any part thereof, from, through or under the Mortgagor, its successors or assigns.

Section 17. **Leases.** All of the Rents and any and all Leases, subleases and the rights of management of the Mortgaged Property are hereby assigned to the Mortgagee as further security for the payment of the indebtedness and performance of the Loan, covenants, promises and agreements secured hereby. Such assignment, grant and conveyance is intended by the parties hereto to be a present conveyance of and security interest in and chattel mortgage upon such collateral, subject to the right of the Mortgagor to receive the same prior to any Event of Default hereunder, and is not a mere pledge of such collateral to be given effect as a lien upon default, foreclosure and the appointment of a receiver. The Mortgagor agrees that it will duly perform and observe all of the terms and provisions of the landlord's part to be performed and observed under any and all Leases of the Mortgaged Property and that it will refrain from any action or inaction which would result in the termination by the tenants thereunder of any such Leases or subleases or in the diminution of the value thereof or of the Rents thereunder. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of landlord under any Lease of the Mortgaged Property, and the Mortgagor shall and does hereby agree to indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Mortgagee may or might incur under any Lease of the Mortgaged Property, and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness hereby secured, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest at the Default Rate per annum, from the date of demand to the date of payment.

Section 18. **Purchase by the Mortgagee.** Upon any such foreclosure sale, the Mortgagee may bid for and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain and possess, and dispose of the Mortgaged Property in its own absolute right without further accountability.

Section 19. **Application of Foreclosure Proceeds Toward Purchase Price.** Upon any foreclosure sale of the Mortgaged Property, the Mortgagee may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash and for the costs and expenses of the sale, compensation, and other charges, in paying the purchase price, apply, in such manner as the Mortgagee shall, in its sole and absolute discretion, determine, any portion of or all sums due to the Mortgagee under the Loan Agreement and this Mortgage in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

Section 20. **Suits to Protect the Mortgaged Property.** The Mortgagee shall have the power and authority to institute and maintain any suits and proceedings as the Mortgagee may deem advisable: (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule, or order might impair the security hereunder or be prejudicial to the Mortgagee's interest.

Section 21. **Proofs of Claim.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Mortgagor, any person, partnership, corporation, limited liability company, or other entity guaranteeing or endorsing any of the obligations; his, her, or its creditors, or his, her or its property, the Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amount due and payable by the Mortgagor under the Loan Agreement or this Mortgage at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by the Mortgagor after such date.

Section 22. **Mortgagor to Pay on Any Default in Payment; Application of Monies.** (a) Subject to the provisions of Section 5.11 of the Loan Agreement, if an Event of Default shall have occurred and be continuing, then, upon the Mortgagee's demand, the Mortgagor shall pay to the Mortgagee the whole amount due and payable under the Loan Agreement; and if the Mortgagor shall fail to pay the same forthwith upon such demand, the Mortgagee shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs and expenses, including the reasonable compensation, expenses and disbursements of the Mortgagee's agents and attorneys incurred in connection with such suit and any appeal in connection therewith. The Mortgagee shall be entitled to sue and recover judgment as aforesaid either before, after, or during the pendency of any proceedings for the enforcement of this Mortgage, and the right of the Mortgagee to recover such judgment shall not

be affected by any taking, possession, or foreclosure sale hereunder, or by the exercise of any other right, power, or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of the obligations pursuant to the Loan Agreement, the Mortgagee shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid to recover judgment for any portion thereof remaining unpaid, with interest.

(c) The Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any such judgment by the Mortgagee and no attachment or levy of any execution upon any of the Mortgaged Property or any other property shall in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers, or remedies of the Mortgagee hereunder, but such lien, rights, powers, and remedies shall continue unimpaired as before.

(d) Any monies collected or received by the Mortgagee under this Section shall be applied as provided in Section 16 hereof.

Section 23. Course of Dealing Not a Waiver. No course of dealing between the Mortgagor and the Mortgagee, nor any failure to exercise, nor any delay in exercising, any right, power, remedy, or privilege of the Mortgagee hereunder shall operate as a waiver thereof or constitute acquiescence therein; nor shall any single or partial exercise of any right, power, or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. Every right, power, and remedy given to the Mortgagee may be exercised from time to time and as often as may be deemed expedient by the Mortgagee.

Section 24. No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing or impair any rights, powers, or remedies consequent thereon. If the Mortgagee: (a) grants forbearance or an extension of time for the payment of any of the obligations pursuant to the Loan Agreement; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted in the Loan Agreement or this Mortgage; (d) releases any part of the Mortgaged Property from the lien of this Mortgage; (e) consents to the filing of any map, plat, or replat of the Land; (f) consents to the granting of any easement on or over the Mortgaged Property; or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change, or affect the original liability under the Loan Agreement or this Mortgage, or otherwise of the Mortgagor, any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, cosigner, endorser, surety, or guarantor. No such act or omission shall preclude the Mortgagee from exercising any right, power, or privilege herein granted or intended to be granted in case of any Event of Default then existing or any subsequent Event of Default nor, except as otherwise expressly provided in an instrument or instruments executed by the Mortgagee, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, the Mortgagee, without notice to any person, firm, partnership, corporation, limited liability company or other entity, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the obligations resulting from the Loan Agreement, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the Mortgagor and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

Section 25. Discontinuance of Proceedings; Position of Parties Restored. If the Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry, or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Mortgagee, then, and in every such case, the Mortgagor and the Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers, and remedies of the Mortgagee shall continue as if no such proceeding had occurred or had been taken.

Section 26. Remedies Cumulative. No right, power, or remedy conferred upon or reserved to the Mortgagee by the Loan Agreement or this Mortgage is exclusive of any other right, power, or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right,

power, and remedy given hereunder or under the Loan Agreement or the Regulatory Agreement, or now or hereafter existing at law, in equity, or by statute.

Section 27. **Partial Foreclosure.** The Mortgagor hereby waives any right to require the Mortgagee to foreclose or exercise any of its other remedies against all of the Mortgaged Property as a whole or to require the Mortgagee to foreclose or exercise such remedies against any one portion of the Mortgaged Property prior to the foreclosure or exercise of said remedies against other portions of the Mortgaged Property.

Section 28. **Future Advances.** The Mortgagee, at its option, may make future advances to the Mortgagor, provided, however, that nothing contained herein shall constitute an obligation to do so. Such future advances, with interest at the rate stated in the Loan Agreement, shall be secured by this Mortgage when evidenced by an instrument indicating that such advances are secured by this Mortgage or when advanced under the terms of this Mortgage. The Mortgagee may make such future advances (a) at the request of the Mortgagor, whether or not there is any obligation to make future advances, or (b) to pay, with or without the consent or request of the Mortgagor, any amounts which may be due under this Mortgage or under any other mortgage or lien affecting the Mortgaged Property.

Section 29. **Parties Included.** Whenever one of the parties hereto is named or referred to herein, the successors, endorsees, and assigns of each party shall be included, and all covenants and agreements contained in this Mortgage, by or on behalf of the Mortgagor or Mortgagee, shall bind and insure to the benefit of their respective successors, endorsees, and assigns, whether so expressed or not.

Section 30. **Addresses for Notices, etc.** Any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to the Mortgagor or to the Mortgagee, shall be deemed given or furnished when mailed by nationally recognized overnight carrier or certified mail, postage prepaid, return receipt requested, or given when dispatched by facsimile transmission, or by personal delivery addressed as follows:

If to the Mortgagor, addressed to it at:

Humboldt Workshop Service Enriched Housing I, L.L.L.P.
Mr. Patrick Tate
CEO, West Fork Services, Inc.
21 North Taft; P.O. Box 587
Humboldt, IA 50548
Facsimile: (515) 332-1915

with a copy to:

Enterprise Housing Alliance Fund II LP
c/o Enterprise Community Investment, Inc.
10227 Wincopin Circle
Columbia, MD 21044
Attn.: General Counsel

or if to the Mortgagee, addressed to it at:

Iowa Finance Authority
2015 Grand
Des Moines, Iowa 50312
Attention: Executive Director

Any party named in this Section may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 31. Security Interest; Financing Statement. Mortgagor executes this instrument as a Debtor under the UCC, it being intended that this Mortgage shall constitute and be a security agreement and financing statement under the laws of the State of Iowa.

This Mortgage constitutes a financing statement filed as a fixture filing under the UCC, as amended or recodified from time to time, covering any of the Mortgaged Property which now is or later may become fixtures attached to the Land or the improvements thereon. Pursuant to the provisions of Section 554.9515, subparagraph 7 of the Code of Iowa, such fixture filing remains in effect until this Mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the Land. The following addresses are the mailing addresses of Mortgagor, as debtor under the UCC, and Mortgagee, as secured party under the UCC, respectively:

Mortgagor/Record Owner: Humboldt Workshop Service Enriched Housing I, L.L.L.P.
Mr. Patrick Tate
CEO, West Fork Services, Inc.
21 North Taft; P.O. Box 587
Humboldt, IA 50548
Facsimile: (515) 332-1915

Type: Iowa Limited Liability Limited Partnership

Organization ID: 353481

Mortgagee: Iowa Finance Authority
2015 Grand Avenue
Des Moines, Iowa 50312

Description of the types (or items) of property covered by this Fixture Filing: See granting clauses on pages 1-3 hereof.

Description of real estate to which the collateral is attached or upon which it is or will be located: See Exhibit A hereto.

Upon the occurrence of an Event of Default hereunder in addition to the other rights and remedies available to it, the Mortgagee may exercise all other rights and remedies with respect to such Mortgaged Property that are available to a secured party under the UCC. In the event notice of intended disposition of such Mortgaged Property is required by law in any particular instance, the Mortgagor agrees that notice given in the manner and place provided in Section 30 hereunder and sent ten (10) days prior to a disposition of Mortgaged Property is commercially reasonable notification within the meaning of the UCC. Information concerning the security interests may be obtained from the parties at the addresses set forth above.

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

Section 32. Headings. The headings of the articles, sections, paragraphs, and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

Section 33. Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms, or provisions contained in the Loan Agreement, the Regulatory Agreement or this Mortgage shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants, agreements, terms, or provisions contained herein and therein shall be in no way affected, prejudiced, or disturbed thereby.

Section 34. **Changes, etc.** Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by the Mortgagor and the Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

Section 35. **Governing Law.** This Mortgage is made by the Mortgagor and accepted by the Mortgagee in the State of Iowa, with reference to the laws of the State of Iowa, and shall be construed, interpreted, enforced, and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law).

Section 36. **Jurisdiction.** The Mortgagor submits to the jurisdiction of any court of competent jurisdiction within Humboldt County, the State of Iowa. Any action concerning the Loan Agreement, the Regulatory Agreement or this Mortgage, whether initiated by the Mortgagee or Mortgagor, shall be tried only in a court of competent jurisdiction within Humboldt County, the State of Iowa, and the Mortgagor waives all objections to venue. All matters arising hereunder or thereunder shall be determined in accordance with the law and practice of such state court. The Mortgagor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to the Mortgagor at the Mortgagor's address set forth in Section 30 above or any new address of which the Mortgagee has been notified by the Mortgagor in writing.

Section 37. **Entire Agreement.** This Mortgage and the documents expressly referred to herein embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or otherwise, relating to the subject matter.

Section 38. **Counterparts.** This Mortgage may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute but one and the same instrument.

Section 39. **Amendments, Change and Modifications.** This Mortgage may not be amended, changed, modified, altered or released without the prior written consent of the Mortgagee.

Section 40. **Waiver of Extension and Redemption Laws, Waiver of Marshalling.** THE MORTGAGOR AGREES TO THE FULLEST EXTENT PERMITTED BY LAW THAT UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, NEITHER THE MORTGAGOR NOR ANYONE CLAIMING THROUGH OR UNDER IT SHALL OR WILL SET UP, CLAIM, OR SEEK TO TAKE ADVANTAGE OF ANY EXTENSION OR REDEMPTION LAWS NOW OR HEREAFTER IN FORCE, IN ORDER TO PREVENT OR HINDER THE ENFORCEMENT OR FORECLOSURE OF THIS MORTGAGE, THE ABSOLUTE SALE OF THE MORTGAGED PROPERTY, OR THE FINAL AND ABSOLUTE PUTTING INTO POSSESSION THEREOF, IMMEDIATELY AFTER SUCH SALE, OF THE PURCHASER OR PURCHASERS THEREAT, AND THE MORTGAGOR, FOR ITSELF AND ALL WHO MAY AT ANY TIME CLAIM THROUGH OR UNDER IT, HEREBY WAIVES, TO THE FULLEST EXTENT THAT IT MAY LAWFULLY SO DO, THE BENEFIT OF ALL SUCH LAWS, AND ANY AND ALL RIGHT TO HAVE THE ASSETS COMPRISING THE MORTGAGED PROPERTY MARSHALLED UPON ANY FORECLOSURE OF THE LIEN HEREOF AND AGREES THAT THE MORTGAGEE OR ANY COURT HAVING JURISDICTION TO FORECLOSE SUCH LIEN MAY SELL THE MORTGAGED PROPERTY IN PART OR AS AN ENTIRETY.

Section 41. **Waiver of Stay.** IN THE EVENT OF A VOLUNTARY OR INVOLUNTARY LIQUIDATION OR REORGANIZATION CASE BY OR AGAINST THE MORTGAGOR UNDER BANKRUPTCY, RECEIVERSHIP OR OTHER INSOLVENCY LAW, THE MORTGAGOR HEREBY AGREES THAT THE MORTGAGEE SHALL BE FREE TO PURSUE FORECLOSURE AND OTHER REMEDIES WITHOUT RESPECT TO THE MORTGAGED PROPERTY, WITHOUT OPPOSITION OR INTERFERENCE BY THE MORTGAGOR, THAT THE MORTGAGEE SHALL BE ENTITLED TO SEEK AND OBTAIN RELIEF FROM THE AUTOMATIC STAY UNDER SECTION 362 OF THE BANKRUPTCY CODE WITHOUT OBJECTION BY THE MORTGAGOR, AND THAT ANY RIGHTS TO STAY, ENJOIN OR OTHERWISE DELAY OR IMPEDE THE MORTGAGEE'S REMEDIES AGAINST THE MORTGAGED PROPERTY,

INCLUDING FORECLOSURE, WHICH MIGHT BE AVAILABLE TO THE MORTGAGOR, INCLUDING ANY RIGHTS UNDER SECTIONS 105 AND 362 OF THE BANKRUPTCY CODE, ARE HEREBY RELEASED AND WAIVED.

Section 42. **Nonrecourse.** Notwithstanding any provision herein to the contrary in this agreement, the Borrower and its principals, including their grantees, partners, members, shareholders, successors and assigns, do NOT assume and shall not have any personal liability for any duties, obligations, liabilities or payments due under this Agreement, the Mortgage, or the Note, or for matters not under their control, provided that said persons shall remain liable under this Agreement only with respect to the matters hereinafter stated, namely:

(a) Funds or property of the Project coming into their hands which by the provisions of the Loan Agreement, they are not entitled to retain; and

(b) For their own acts and deeds, or acts and deeds of others, which they have authorized in violation of the provisions hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Mortgagor has caused these presents to be executed as of the day and year first hereinabove written.

**HUMBOLDT WORKSHOP SERVICE
ENRICHED HOUSING I, L.L.P.**

By: West Fork Services,
Inc., Its General Partner

By: Patrick T. Tate
Name: Patrick Tate
Title: Chief Executive Officer

STATE OF IOWA)
) ss.
COUNTY OF HUMBOLDT)

This instrument was acknowledged before me on this 23 day of February, 2010, by Patrick Tate, as the Chief Executive Officer of West Fork Services, Inc., the General Partner of the Mortgagor.



Joan M. Kellner
Notary Public in and for the State of Iowa

(Stamp/Seal)

EXHIBIT "A"

LEGAL DESCRIPTION

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

Parcel 1 – 107-109 6th Street, Dakota City, Iowa

Lots One (1) and Two (2), Block Thirty-Three (33), in the City of Dakota City, Humboldt County, Iowa.

Parcel 2 – 403 3rd Ave. South, Humboldt, Iowa

Lot Two (2) in Block Five (5), in the original Town (now City) of Humboldt, Humboldt County, Iowa.

Parcel 3 – 725 11th Ave. North, Humboldt, Iowa

A parcel of land located in the Southwest Quarter of Section 36, Township 92 North, Range 29 West of the 5th P.M., City of Humboldt, Humboldt County, Iowa, more particularly described as follows: commencing at the Northwest corner of the said Southwest Quarter; thence North 90°00'00" East 1313.26 feet along the North line of the said Southwest Quarter; thence South 00°19'25" East 1570.82 feet; thence North 89°01'00" East 198.90 feet; thence South 01°12'50" East 113.28 feet; thence North 87°39'00" East 349.95 feet to the point of beginning; thence continuing North 87°39'00" East 216.20 feet; thence South 00°36'00" East 250.14 feet to a point on the North right of way line of 11th Avenue North in the City of Humboldt; thence South 87°39'00" West 213.52 feet along the said North line; thence North 01°12'50" West 250.07 feet to the point of beginning containing 1.23 acres.

EXHIBIT "B"

PERMITTED ENCUMBRANCES

- (1) Liens for ad valorem taxes, special assessments, and other governmental charges or installments thereof not then delinquent or being contested in accordance with this Mortgage;
- (2) This Mortgage and any financing statements showing the Mortgagor as the debtor and the Mortgagee as the secured party;
- (3) Utility, access and other easements and rights of way, mineral rights, restrictions and exceptions that will not interfere with or impair the operations being conducted on the Mortgaged Property or elsewhere on the Land;
- (4) Zoning and building laws, ordinances or regulations and similar restrictions which do not impair the property affected thereby for the purpose for which it was acquired or is held by the Mortgagor;
- (5) Liens arising in connection with worker's compensation, unemployment insurance, taxes, assessments, statutory obligations, or liens, or social security legislation, which are not then delinquent or being contested in accordance with this Mortgage;
- (6) Rights of residential tenants under residential leases.
- (7) Regulatory Agreement dated as of February 1, 2010 between the Mortgagor and the Mortgagee.
- (8) Any lien, encumbrance or other document related to the issuance of low-income housing tax credits with respect to the Mortgaged Property.
- (9) Mortgage to the Iowa Department of Economic Development, recorded in the Humboldt County Recorder's Office as Instrument Number 062649.
- (10) Agreement for Covenants and Restrictions in favor of the Iowa Department of Economic Development, recorded in the Humboldt County Recorder's Office as Instrument Number 062650.
- (11) Memorandum of Lease dated July 24, 2007, recorded in the Humboldt County Recorder's Office as Instrument Number 071493.