

PATRICK F GILL, AUDITOR AND RECORDER
WOODBURY COUNTY IOWA

Document prepared by Abbie Gaffey, Sioux City Community Development Department, P.O. Box 447, Sioux City, Iowa 51102.

DATE: 8-20-2003

CASTLE ON THE HILL, L.L.C.

MORTGAGE

THIS MORTGAGE ("Mortgage") is made between the City of Sioux City, Iowa ("Lender") and Castle on the Hill, L.L.C. ("Borrower"). This mortgage secures the payment of the loan made by Lender to Borrower evidenced by a promissory note in the principal amount of \$450,000 ("Note") which provides for repayments over 66 years (payments amortized over 50 years; deferred payments Years 1-15 with interest accumulating; annual payments on principal and interest to begin in Year 16), with the full debt, if not paid earlier, due and payable on December 31, 2067. This Mortgage secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions, modifications or refinancing thereof and any promissory note issued in substitution therefor; (b) the payment of all other sums, with interest, advanced under paragraph 5 to protect the security of this Mortgage; and (c) the performance of Borrower's covenants and agreements under this Mortgage and the Note. For this purpose, Borrower does hereby mortgage, grant a security interest in and convey to Lender the following described property (the "Land") located in Woodbury County, Iowa:

All Block 69, Sioux City East Addition; and Lots 4, 5, and 6, Block 68, Sioux City East Addition, all in Sioux City, County of Woodbury, Iowa.

TOGETHER WITH:

(a) **Buildings.** All buildings, structures and improvements now standing or hereafter constructed or placed on the Land (the "Buildings"), and all easements, appurtenances, riparian rights, mineral rights, water rights, rights in and to the lands lying in streets, alleys and roads adjoining the land, estates and other rights and interests now or hereafter belonging to or in any way pertaining to the land.

(b) **Personal Property.** All fixtures and other personal property integrally belonging to, or hereafter becoming an integral part of the Land or Buildings, whether attached or detached, including but not limited to, light fixtures, shades, rods, blinds, venetian blinds, awnings, storm windows, screens, linoleum, water softeners, automatic heating and air conditioning equipment and all proceeds, products, increase, issue, accessions, attachments, accessories, parts, additions, repairs, replacements and substitutes of, to and for the foregoing (the "Personal Property").

(c) **Revenues and Income.** All rents, issues, profits, leases, condemnation awards and insurance proceeds now or hereafter arising from the ownership, occupancy or use of the Land, Buildings, and Personal Property, or any part thereof (the "Revenues and Income").

TO HAVE AND TO HOLD the Land, Buildings, Personal Property, and Revenues and Income (collectively called the "Mortgaged Property"), together with all privileges, hereditaments thereunto now or hereafter belonging, or in any appertaining and the products and proceeds thereof, unto Lender, its successor and assigns.

BORROWER COVENANTS that Borrower holds clear title to the Mortgaged Property and title in fee simple in the Land and has the right, power and authority to execute this Mortgage, grant a security interest in and convey the Mortgaged Property and that the Mortgaged Property is free and clear of all encumbrances, except for encumbrances of record. Borrower will warrant and defend the title to the Mortgaged Property and the liens and priority of this Mortgage against all claims and demands whether existing or hereafter arising.

BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

1. Payment of Principal and Interest; Prepayments and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note and will timely perform all other obligations of Borrower under the loan agreement and Note.

2. Taxes. Borrower shall pay each installment of taxes and special assessments of every kind now or hereafter levied against the Mortgaged Property before the same becoming delinquent, without notice or demand, and shall deliver to Lender proof of such payment fifteen (15) days after the day in which such tax or assessment becomes delinquent.

3. Liens. Borrower shall pay in a timely manner all taxes, assessments, charges, fines and impositions attributable to the Mortgaged Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Lender receipts evidencing any such payment.

Borrower shall not create, incur or suffer to exist any lien, encumbrance, security interest or charge on the Mortgaged Property or any part thereof which might or could be held to be equal or prior to the lien of this Mortgage, other than the lien of current real estate taxes and installments of special assessments with respect to which no penalty is yet payable. Borrower shall pay when due the claims of all persons supplying labor or materials in connection with the Mortgaged Property.

Borrower shall promptly discharge any lien which has, or may attain, priority over this Mortgage unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to the Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Mortgage. If Lender determines that any part of the Mortgaged Property is subject to a lien which may attain priority over this Mortgage, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the receipt of such notice.

4. Insurance.

a. Risks to be Insured. Borrower, at its sole cost and expense, shall maintain insurance

on the Buildings and other improvements now existing or hereafter erected on the Land and on the Personal Property included in the Mortgaged Property against loss by fire, extended coverage perils and such other hazards as Lender may from time to time require, such insurance to have a "Replacement Cost" endorsement attached thereto, with the amount of the insurance at least equal to the balance of amount owed under the Note. Borrower will at its sole cost and expense, from time to time, and at any time at the request of the Lender, provide Lender with evidence satisfactory to Lender of the replacement cost of the Mortgaged Property, Borrower will maintain such other insurance as Lender may reasonably require.

b. Policy Provisions. All insurance policies and renewals thereof maintained by Borrower pursuant to this Mortgage shall be written by an insurance carrier satisfactory to Lender, contain a mortgagee clause in favor and in form acceptable to Lender, contain an agreement of the insurer that it will not amend, modify or cancel the policy except after thirty (30) days prior written notice to Lender, and be reasonably satisfactory to Lender in all other respects.

c. Delivery of Policy or Certificate. If requested by Lender, Borrower will deliver to Lender original policies satisfactory to Lender evidencing the insurance which is required under this Mortgage, and Borrower shall promptly furnish to Lender all renewal notices and, upon request of Lender, evidence of payment thereof. At least ten (10) days prior to the expiration date of a required policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender.

d. Assignment. If the Mortgaged Property is sold at a foreclosure sale or if Lender shall acquire title to the Mortgaged Property, Lender shall have all of the right, title and interest of the Borrower in and to any insurance policies required hereunder, and the unearned premiums thereon, and in and to the proceeds thereof resulting from any damage to the Mortgaged Property prior to sale or acquisition.

e. Notice of Damage or Destruction: Loss Adjustment. If the Mortgaged Property or any part thereof shall be damaged or destroyed by fire or other casualty, Borrower will, within five (5) calendar days after the occurrence of the damage or destruction, give written notice thereof to the insurance carrier and to Lender and will not adjust any damage or loss which is estimated by Borrower in good faith to exceed \$25,000 unless Lender shall have joined in or concurred with such adjustment; but if there has been no adjustment of any such damage or loss within four (4) months from the date or occurrence thereof and if an Event of Default shall exist at the end of such four (4) month period or at any time thereafter, Lender may alone make proof of loss, adjust and compromise any claim under the policies, and appear in and prosecute any action arising from such policies. In connection therewith, Borrower does hereby irrevocably authorize, empower and appoint Lender as attorney-in-fact for Borrower (which appointment is coupled with an interest) to any and all of the foregoing in the name and on behalf of Borrower.

f. Application of Insurance Proceeds. All sums paid under any insurance policy required by this Mortgage shall be paid to Lender, which shall, apply the same (after first deducting therefrom Lender's expenses incurred in collecting the same including but not limited to reasonable attorney's fees) to the payment of the restoration, repair, replacement or rebuilding of the Mortgaged Property that is damaged or destroyed in such manner as Lender shall determine and secondly to the reduction of amounts due under the Note. Any application of insurance proceeds to principal of the Note shall not extend or postpone the due date of the installments payable under the Note or change the amount of such installments.

g. Expense Reimbursement. Borrower shall promptly reimburse Lender upon demand for all of Lender's expenses incurred in connection with the collection of the insurance proceeds,

including but not limited to reasonable attorneys' fees, and all such expenses shall be additional amounts secured by this Mortgage.

5. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Mortgaged Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Mortgaged Property and Lender's rights in the Mortgaged Property. Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Mortgaged Property to make repairs. Although Lender may take actions under this paragraph, Lender does not have to do so.

Any amounts disbursed or incurred by Lender under this paragraph shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to the other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be immediately due and payable, with interest, upon notice from Lender to Borrower requesting payment.

6. Inspection. Lender or its agents shall have the right at reasonable times to enter upon the Mortgaged Property for the purpose of inspecting the Mortgaged Property. Lender shall have no duty to make such inspection. Nothing contained in this paragraph shall require Lender to incur any expense or do any act hereunder, and Lender shall not be liable to Borrower for any damage or claims arising out of action taken by Lender pursuant to this paragraph.

7. Condemnation. Borrower shall give Lender prompt notice of any action, actual or threatened, in condemnation or eminent domain and hereby assign, transfer and set over to Lender a percentage of the entire proceeds of any award or claim for damages for all or any part of the Mortgaged Property taken or damaged under the power of eminent domain or condemnation in an amount sufficient to satisfy the outstanding mortgage amount due. Lender is hereby authorized to intervene in any such action in the names of Borrower, to compromise and settle any such action or claim, and to collect and receive from the condemning authorities and give proper receipts and accounting for such proceeds. Any expenses incurred by Lender in intervening in such action or compromising and settling such action or claim, or collecting such proceeds shall be reimbursed to Lender first out of the proceeds. The remaining proceeds or any part thereof shall be applied to the restoration or repair of the Mortgaged Property.

8. Events of Default. Each of the following occurrences shall constitute an event of default ("Event of Default"):

a. A default by Borrower in the due observance or performance of or breach of its agreement contained in paragraph 1 hereof or a default in the due observance or performance of or breach any other covenant, condition or agreement on its part to be observed or performed pursuant to the terms of this Mortgage.

b. Assignment by the Borrower for the benefit of its creditors, or the filing of a petition by or against Borrower under the United States Bankruptcy Code or the seeking by the Borrower or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties or of the Mortgaged Property or the failure by Borrower, within thirty (30) days after the appointment of a trustee, receiver or liquidator of any material part of its properties or of the Mortgaged Property, to have such appointment vacated.

c. When a judgment, writ or warrant of attachment or execution, or similar process is entered and becomes a lien on or is issued or levied against the Mortgaged Property or any part thereof and which is not released, vacated or fully bonded within thirty (30) days after its entry, issue or levy.

d. A declaration of default, however defined, under any other mortgage, assignment or other security document constituting a lien on the Mortgaged Property or any part thereof.

9. Acceleration; Foreclosure. Upon the occurrence of any Event of Default and at any time thereafter while such Event of Default exists, Lender may, at its option, exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

a. Lender may declare immediately due and payable all Notes secured by this Mortgage, and the same shall thereupon be immediately due and payable, without further notice or demand.

b. Borrower shall have and may exercise with respect to the Personal Property, all the rights and remedies accorded upon default of a secured party under the Iowa Uniform Commercial Code. If notice to Borrower of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to Borrower at least ten (10) days prior to the date of intended disposition.

c. Lender may (and is hereby authorized and empowered to) foreclose this Mortgage in accordance with the law of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall at the request of Lender appoint a receiver to take possession of the Mortgaged Property and of the Revenues and Income accruing therefrom, and to rent or cultivate the same as the trustee may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Borrower only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the Note.

10. Redemption. 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 year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Lender, in such action files an election to waive any deficiency provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Borrower, and the time periods in Sections 628.5, 628.15, and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all three of the following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of foreclosure; and (3) Lender files an election to waive any deficiency judgment against Borrower or their successor in interest in such action. If the redemption period is so reduced, Borrower or their 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 for creditors as provided in Sections 628.5, 628.15, and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Borrower shall be a presumption that the property is not abandoned. Any such redemption period shall be consistent with the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any redemption provisions contained in Chapter 628 of the Iowa Code.

11. Additional Instruments. At any time and from time to time until payment in full of the Note, Borrower, at Lender's request, will promptly execute and deliver to Lender such additional instruments as may be reasonably required to further evidence of the lien of this Mortgage and to further protect the security interest of Lender in connection with the Mortgaged Property. Such instruments may include, but are not limited to, additional security agreements, financing statements, and continuation statements.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. Any delay or forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

13. Fixture Filing. From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to Personal Property and for this purpose the name and address of debtor is the name and address of Borrower as set forth in paragraph 17 herein and the name and address of the secured party is the name and address of the Lender as set forth in paragraph 17 herein.

14. Care of Property. Borrower shall take good care of the Mortgaged Property; shall keep the Buildings and the Personal Property now or later placed upon the Mortgaged Property in good and reasonable repair and shall not injure, destroy or remove either the Buildings or Personal Property during the term of this Mortgage. Borrower shall not make any material alteration in the Mortgaged Property without the prior written consent of Lender.

15. Successors and Assigns Bounds; Joint and Several Liability; Co-signers. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Mortgage but does not execute the Note: (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Mortgaged Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lender and any other borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without the Borrower's consent.

16. Severability. In the event any portion of this Mortgage shall, for any reason, be held to be invalid, illegal, or unenforceable in whole or in part, the remaining provisions shall not be affected thereby and shall continue to be valid and enforceable and if, for any reason, a court finds that any provision of this Mortgage is invalid, illegal, or unenforceable as written, but that by limiting such provision it would become valid, legal and enforceable then such provision shall be deemed to be written, construed and enforced as so limited.

17. Notices. All notices required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the United States mail, postage prepaid, sent certified or registered, addressed as follows:

- a. If to Lender, to: City of Sioux City
 Community Development Department
 City Hall,
 405 Sixth Street
 P.O. Box 447
 Sioux City, Iowa 51102

- b. If to Borrower, to: Castle on the Hill, L.L.C.
 1025 Leavenworth Street
 Omaha, Nebraska 68102

18. Governing Law. This Mortgage shall be governed and construed in accordance with the laws of the State of Iowa.

19. Acknowledgment of Receipt of Copies of Mortgage and Note. Borrower hereby acknowledges the receipt of a copy of this Mortgage together with a copy of each promissory note secured hereby.

20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower.

21. Waivers. Each of the undersigned relinquishes all rights of dower, waives all right of homestead and distributive share in and to the Mortgaged Property and waives any right to exemption as to the Mortgaged Property.

22. Additional Provisions. None.

Castle on the Hill, L.L.C.

BY: Tammy Barrett
Tammy Barrett, President
Castle on the Hill, L.L.C.

STATE OF NEBRASKA

)

COUNTY OF DOUGLAS

) SS:

)

On this 20th day of August, 2003, before me, the undersigned a Notary Public in and for said County and State, personally appeared Tammy Barrett, to me personally known, who being by me duly sworn, did say that she is the President of Castle on the Hill, L.L.C. an Iowa limited liability corporation, executing the within and foregoing instrument, that said instrument was signed on behalf of said limited liability corporation as the President of Castle on the Hill, L.L.C., an Iowa limited partnership, and that the said Tammy Barrett acknowledged the execution of said instrument to be the voluntary act and deed of said limited partnership by it and by her voluntarily executed.

(SEAL)



Julie A. Stavneak Douglas NE
NOTARY PUBLIC in and for said COUNTY and STATE

My Commission Expires

Sept. 8, 2007

MORTGAGE AMORTIZATION

(for annual payments)

NAME: Castle on the Hill, L.L.C.

MORTGAGE AMOUNT: \$450,000.00

INTEREST RATE - ANNUAL : 4.36%

NUMBER OF YEARS: 50

NUMBER OF PAYMENTS: 50

ANNUAL PAYMENTS: \$18,721.05

TOTAL FIRST PAYMENT DUE: \$18,721.05

PAYMENT #	PRINCIPAL	INTEREST	BALANCE	TOTAL ANNUAL PAYMENT	PAYMENT DUE DATE
BEG BALANCE			\$450,000.00		
1	\$0.00	\$19,260.00	\$469,620.00	\$0.00	31-Dec-03
2	\$0.00	\$20,475.43	\$490,095.43	\$0.00	31-Dec-04
3	\$0.00	\$21,368.16	\$511,463.59	\$0.00	31-Dec-05
4	\$0.00	\$22,299.81	\$533,763.40	\$0.00	31-Dec-06
5	\$0.00	\$23,270.21	\$557,033.61	\$0.00	31-Dec-07
6	\$0.00	\$24,286.66	\$581,320.27	\$0.00	31-Dec-08
7	\$0.00	\$25,345.56	\$606,665.83	\$0.00	31-Dec-09
8	\$0.00	\$26,450.63	\$633,116.46	\$0.00	31-Dec-10
9	\$0.00	\$27,603.87	\$660,720.33	\$0.00	31-Dec-11
10	\$0.00	\$28,807.41	\$689,527.74	\$0.00	31-Dec-12
11	\$0.00	\$30,063.41	\$719,591.15	\$0.00	31-Dec-13
12	\$0.00	\$31,374.17	\$750,965.32	\$0.00	31-Dec-14
13	\$0.00	\$32,742.09	\$783,707.41	\$0.00	31-Dec-15
14	\$0.00	\$34,169.64	\$818,877.05	\$0.00	31-Dec-16
15	\$0.00	\$35,659.44	\$854,536.49	\$0.00	31-Dec-17
16	\$15,616.24	\$3,104.81	\$838,919.76	\$18,721.05	31-Dec-18
17	\$15,672.98	\$3,048.07	\$823,246.78	\$18,721.05	31-Dec-19
18	\$15,729.93	\$2,991.12	\$807,516.85	\$18,721.05	31-Dec-20
19	\$15,787.08	\$2,993.97	\$791,729.77	\$18,781.05	31-Dec-21
20	\$15,844.44	\$2,876.61	\$775,885.33	\$18,721.05	31-Dec-22
21	\$15,902.01	\$2,819.04	\$759,983.32	\$18,721.05	31-Dec-23
22	\$15,959.78	\$2,761.27	\$744,023.54	\$18,721.05	31-Dec-24
23	16,017.77	\$2,703.28	\$728,005.77	\$18,721.05	31-Dec-25
24	\$16,075.97	\$2,645.08	\$711,929.80	\$18,721.05	31-Dec-26
25	\$16,134.38	\$2,586.67	\$695,795.42	\$18,721.05	31-Dec-27
26	\$16,193.00	\$2,528.05	\$679,602.42	\$18,721.05	31-Dec-28
27	\$16,251.83	\$2,469.22	\$663,350.59	\$18,721.05	31-Dec-29
28	\$16,310.88	\$2,410.17	\$647,039.71	\$18,721.05	31-Dec-30
29	\$16,370.14	\$2,350.91	\$630,669.57	\$18,721.05	31-Dec-31
30	\$16,429.62	\$2,291.43	\$614,239.95	\$18,721.05	31-Dec-32
31	\$16,489.32	\$2,231.73	\$597,750.63	\$18,721.05	31-Dec-33
32	\$16,549.23	\$2,171.82	\$581,201.40	\$18,721.05	31-Dec-34
33	\$16,609.36	\$2,111.69	\$564,592.04	\$18,721.05	31-Dec-35
34	\$16,669.70	\$2,051.35	\$547,922.34	\$18,721.05	31-Dec-36
35	\$16,730.27	\$1,990.78	\$531,192.07	\$18,721.05	31-Dec-37

36	\$16,791.06	\$1,929.99	\$514,401.01	\$18,721.05	31-Dec-38
37	\$16,852.06	\$1,868.99	\$497,548.95	\$18,721.05	31-Dec-39
38	\$16,913.29	\$1,807.76	\$480,635.66	\$18,721.05	31-Dec-40
39	\$16,974.75	\$1,746.30	\$463,660.91	\$18,721.05	31-Dec-41
40	\$17,036.42	\$1,684.63	\$446,624.49	\$18,721.05	31-Dec-42
41	\$17,098.32	\$1,622.73	\$429,526.17	\$18,721.05	31-Dec-43
42	\$17,160.44	\$1,560.61	\$412,365.73	\$18,721.05	31-Dec-44
43	\$17,222.79	\$1,498.26	\$395,142.94	\$18,721.05	31-Dec-45
44	\$17,285.37	\$1,435.68	\$377,857.57	\$18,721.05	31-Dec-46
45	\$17,348.17	\$1,372.88	\$360,509.40	\$18,721.05	31-Dec-47
46	\$17,411.20	\$1,309.85	\$343,098.20	\$18,721.05	31-Dec-48
47	\$17,474.46	\$1,246.59	\$325,623.74	\$18,721.05	31-Dec-49
48	\$17,537.96	\$1,183.09	\$308,085.78	\$18,721.05	31-Dec-50
49	\$17,601.68	\$1,119.37	\$290,484.10	\$18,721.05	31-Dec-51
50	\$17,665.63	\$1,055.42	\$272,818.47	\$18,721.05	31-Dec-52
51	\$17,729.81	\$991.24	\$255,088.66	\$18,721.05	31-Dec-53
52	\$17,794.23	\$926.82	\$237,294.43	\$18,721.05	31-Dec-54
53	\$17,858.89	\$862.16	\$219,435.54	\$18,721.05	31-Dec-55
54	\$17,923.77	\$797.28	\$201,511.77	\$18,721.05	31-Dec-56
55	\$17,988.90	\$732.15	\$183,522.87	\$18,721.05	31-Dec-57
56	\$18,054.26	\$666.79	\$165,468.61	\$18,721.05	31-Dec-58
57	\$18,119.85	\$601.20	\$147,348.76	\$18,721.05	31-Dec-59
58	\$18,185.69	\$535.36	\$129,163.07	\$18,721.05	31-Dec-60
59	\$18,251.76	\$469.29	\$110,911.31	\$18,721.05	31-Dec-61
60	\$18,318.08	\$402.97	\$92,593.23	\$18,721.05	31-Dec-62
61	\$18,384.63	\$336.42	\$74,208.60	\$18,721.05	31-Dec-63
62	\$18,451.43	\$269.62	\$55,757.17	\$18,721.05	31-Dec-64
63	\$18,518.47	\$202.58	\$37,238.70	\$18,721.05	31-Dec-65
64	\$18,585.75	\$135.30	\$18,652.95	\$18,721.05	31-Dec-66
65	\$18,652.95	\$67.77	\$0.00	\$18,720.22	31-Dec-67

CITY OF SIOUX CITY
HOME PROGRAM

PROMISSORY NOTE

Date: 8-20-2003

Castle on the Hill, L.L.C.
1025 Leavenworth Street
Omaha, Nebraska, 68102

\$450,000

FOR VALUE RECEIVED, the undersigned (hereafter called the "Maker") promises to pay to the order of the City of Sioux City (hereafter called the "Payee"), at its office at 405 Sixth Street, Sioux City, Iowa, 51102, or upon notice to the Maker, at such other place as may be designated from time to time by the holder, the principal sum of \$450,000 (four hundred fifty thousand dollars) at four point three six percent (4.36%) interest per annum to be paid according to the attached amortization schedule and repayment terms, as follows: Beginning in the sixteenth year of the loan term, Maker shall be obligated to make annual loan payments to the Payee to the extent of funds available from surplus cash from the operation of the completed project funded by the loan evidenced by this Note. "Surplus cash" means all annual operating revenues each year, less all expenses of operations, including required funding of operating and replacement reserves; and maintaining a 1.20 debt coverage ratio after servicing of all other loans to the project. If the annual surplus cash is insufficient to pay the full amount of the annual loan payment, Maker shall pay the Payee as much of that amount as it has available. The unpaid portion of the annual loan payment shall accrue. If the annual surplus cash is greater than the full amount of the annual loan payment, Maker shall pay to the Payee all of that surplus cash.

1. Payments. After the payment is applied to the annual loan payment, it shall be applied to pay any sum that has accrued because Maker had insufficient surplus cash in prior years to pay the full annual loan payment and then to pay any accrued interest on the entire loan and then to pay the principal amount of the loan outstanding.

2. Funding Agreement; Acceleration Upon Default. This Note is issued by Maker to evidence an obligation to repay a loan according to the terms of the Funding Agreement between the Payee and Maker and, at the election of the holder without notice to the Maker, shall become immediately due and payable in the event any payment is not made when due or upon the occurrence of any event of default under the terms of the Funding Agreement.

3. Reduced Amount. In the event the Maker fails to requisition and spend the full face amount of the Note as set out above, then the amount of each installment payment shall be reduced accordingly in equal amounts.

4. Security. Payment of this Note is secured by a MORTGAGE issued under this Funding Agreement and holder is entitled to the benefits of the security therein described.

5. Waiver. No delay or omission on the part of the holder in exercising any right under this Note shall operate as a waiver of that right or of any other right under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occasion.

6. Waiver of Protest. Each maker, surety, endorser and guarantor of this Note, expressly waives presentment, protest, demand, notice of dishonor or default, and notice of any kind with respect to this Note.

7. Costs of Collection. The Maker will pay on demand all costs of collection, maintenance of collateral, legal expenses, and attorneys' fees incurred or paid by the holder in collecting and/or enforcing this Note on default.

8. Meaning of Terms. As used in this Note, "holder" shall mean the Payee or other endorsee of this Note, who is in possession of it, or the bearer hereof, if this Note is at the time payable to the bearer. The word "Maker" shall mean each of the undersigned. If this Note is signed by more than one person, it shall be the joint and several liabilities of such persons.

9. Miscellaneous. The captions of paragraphs in this Note are for convenience of reference only, and shall not define or limit the provisions hereof and shall not have any legal or other significance whatsoever.

10. Nonrecourse. Without releasing, impairing, forgiving or waiving in any manner or amount the obligations or promises of the Maker contained or referred to herein or in the Mortgage of even date given as security herefore, or the obligations or promises of the Maker or any other party contained or referred to in any other documents given or which may from time to time be given as security for the Note, and without releasing, impairing, forgiving or waiving the right to foreclose said Mortgage for the full amount of all indebtedness evidenced hereby and by said Mortgage, which right of foreclosure as to the property described or referred to therein by any lawful means is specifically reserved hereby, Payee, by acceptance hereof, agrees for itself and its successors and assigns, that if there be default hereunder or under said Mortgage or any other document given as security for this Note then neither it nor they will seek repayment of the indebtedness evidenced by the Promissory Note from any property or resources of the Maker other than from the property described or referred to in said Mortgage and/or in said Security Agreement and from any other property or rights of the Maker or of others which may now or later be assigned or pledged as additional security

for the repayment of the indebtedness evidenced by this Promissory Note, and no director, officer, stockholder, partner or member of the Maker shall have any liability hereunder for repayment of the indebtedness evidenced hereby; specifically reserving any and all legal remedies now or hereafter available against the Maker for satisfaction of any of the obligations of the Maker or others, other than the Maker's obligation to pay the indebtedness evidenced hereby.

11. Prohibition. This loan is prohibited from sale, assignment, transfer or conveyance by the Mortgagee to the Fannie Mae or the Federal Home Loan Mortgage Corporation, or the inclusion of such loan (or any interest therein) by the Mortgagee in pool of loans to be sold, assigned, transferred or conveyed to Fannie Mae or the Federal Home Loan Mortgage Corporation.

Castle on the Hill, L.L.C.

BY: Tammy Barrett
Tammy Barrett, President

STATE OF NEBRASKA
COUNTY OF DOUGLAS

)
) SS:
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On this 20th day of August, 2003, before me, the undersigned a Notary Public in and for said County and State, personally appeared Tammy Barrett, to me personally known, who being by me duly sworn, did say that she is the President of Castle on the Hill, L.L.C., an Iowa limited liability corporation, executing the within and foregoing instrument, that said instrument was signed on behalf of said limited liability corporation as the President of Castle on the Hill, L.L.C., an Iowa limited liability corporation, and that the said Tammy Barrett acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability corporation by it and by her voluntarily executed.

(SEAL)



Julie A Stavneak Douglas NE
NOTARY PUBLIC in and for said COUNTY and STATE

Sept. 8, 2007
My Commission Expires

MORTGAGE AMORTIZATION

(for annual payments)

NAME: Castle on the Hill, L.L.C.

MORTGAGE AMOUNT: \$450,000.00

INTEREST RATE - ANNUAL : 4.36%

NUMBER OF YEARS: 50

NUMBER OF PAYMENTS: 50

ANNUAL PAYMENTS: \$18,721.05

TOTAL FIRST PAYMENT DUE: \$18,721.05

PAYMENT #	PRINCIPAL	INTEREST	BALANCE	TOTAL ANNUAL PAYMENT	PAYMENT DUE DATE
BEG BALANCE			\$450,000.00		
1	\$0.00	\$19,260.00	\$469,620.00	\$0.00	31-Dec-03
2	\$0.00	\$20,475.43	\$490,095.43	\$0.00	31-Dec-04
3	\$0.00	\$21,368.16	\$511,463.59	\$0.00	31-Dec-05
4	\$0.00	\$22,299.81	\$533,763.40	\$0.00	31-Dec-06
5	\$0.00	\$23,270.21	\$557,033.61	\$0.00	31-Dec-07
6	\$0.00	\$24,286.66	\$581,320.27	\$0.00	31-Dec-08
7	\$0.00	\$25,345.56	\$606,665.83	\$0.00	31-Dec-09
8	\$0.00	\$26,450.63	\$633,116.46	\$0.00	31-Dec-10
9	\$0.00	\$27,603.87	\$660,720.33	\$0.00	31-Dec-11
10	\$0.00	\$28,807.41	\$689,527.74	\$0.00	31-Dec-12
11	\$0.00	\$30,063.41	\$719,591.15	\$0.00	31-Dec-13
12	\$0.00	\$31,374.17	\$750,965.32	\$0.00	31-Dec-14
13	\$0.00	\$32,742.09	\$783,707.41	\$0.00	31-Dec-15
14	\$0.00	\$34,169.64	\$818,877.05	\$0.00	31-Dec-16
15	\$0.00	\$35,659.44	\$854,536.49	\$0.00	31-Dec-17
16	\$15,616.24	\$3,104.81	\$838,919.76	\$18,721.05	31-Dec-18
17	\$15,672.98	\$3,048.07	\$823,246.78	\$18,721.05	31-Dec-19
18	\$15,729.93	\$2,991.12	\$807,516.85	\$18,721.05	31-Dec-20
19	\$15,787.08	\$2,993.97	\$791,729.77	\$18,781.05	31-Dec-21
20	\$15,844.44	\$2,876.61	\$775,885.33	\$18,721.05	31-Dec-22
21	\$15,902.01	\$2,819.04	\$759,983.32	\$18,721.05	31-Dec-23
22	\$15,959.78	\$2,761.27	\$744,023.54	\$18,721.05	31-Dec-24
23	\$16,017.77	\$2,703.28	\$728,005.77	\$18,721.05	31-Dec-25
24	\$16,075.97	\$2,645.08	\$711,929.80	\$18,721.05	31-Dec-26
25	\$16,134.38	\$2,586.67	\$695,795.42	\$18,721.05	31-Dec-27
26	\$16,193.00	\$2,528.05	\$679,602.42	\$18,721.05	31-Dec-28
27	\$16,251.83	\$2,469.22	\$663,350.59	\$18,721.05	31-Dec-29
28	\$16,310.88	\$2,410.17	\$647,039.71	\$18,721.05	31-Dec-30
29	\$16,370.14	\$2,350.91	\$630,669.57	\$18,721.05	31-Dec-31
30	\$16,429.62	\$2,291.43	\$614,239.95	\$18,721.05	31-Dec-32
31	\$16,489.32	\$2,231.73	\$597,750.63	\$18,721.05	31-Dec-33
32	\$16,549.23	\$2,171.82	\$581,201.40	\$18,721.05	31-Dec-34
33	\$16,609.36	\$2,111.69	\$564,592.04	\$18,721.05	31-Dec-35
34	\$16,669.70	\$2,051.35	\$547,922.34	\$18,721.05	31-Dec-36
35	\$16,730.27	\$1,990.78	\$531,192.07	\$18,721.05	31-Dec-37

36	\$16,791.06	\$1,929.99	\$514,401.01	\$18,721.05	31-Dec-38
37	\$16,852.06	\$1,868.99	\$497,548.95	\$18,721.05	31-Dec-39
38	\$16,913.29	\$1,807.76	\$480,635.66	\$18,721.05	31-Dec-40
39	\$16,974.75	\$1,746.30	\$463,660.91	\$18,721.05	31-Dec-41
40	\$17,036.42	\$1,684.63	\$446,624.49	\$18,721.05	31-Dec-42
41	\$17,098.32	\$1,622.73	\$429,526.17	\$18,721.05	31-Dec-43
42	\$17,160.44	\$1,560.61	\$412,365.73	\$18,721.05	31-Dec-44
43	\$17,222.79	\$1,498.26	\$395,142.94	\$18,721.05	31-Dec-45
44	\$17,285.37	\$1,435.68	\$377,857.57	\$18,721.05	31-Dec-46
45	\$17,348.17	\$1,372.88	\$360,509.40	\$18,721.05	31-Dec-47
46	\$17,411.20	\$1,309.85	\$343,098.20	\$18,721.05	31-Dec-48
47	\$17,474.46	\$1,246.59	\$325,623.74	\$18,721.05	31-Dec-49
48	\$17,537.96	\$1,183.09	\$308,085.78	\$18,721.05	31-Dec-50
49	\$17,601.68	\$1,119.37	\$290,484.10	\$18,721.05	31-Dec-51
50	\$17,665.63	\$1,055.42	\$272,818.47	\$18,721.05	31-Dec-52
51	\$17,729.81	\$991.24	\$255,088.66	\$18,721.05	31-Dec-53
52	\$17,794.23	\$926.82	\$237,294.43	\$18,721.05	31-Dec-54
53	\$17,858.89	\$862.16	\$219,435.54	\$18,721.05	31-Dec-55
54	\$17,923.77	\$797.28	\$201,511.77	\$18,721.05	31-Dec-56
55	\$17,988.90	\$732.15	\$183,522.87	\$18,721.05	31-Dec-57
56	\$18,054.26	\$666.79	\$165,468.61	\$18,721.05	31-Dec-58
57	\$18,119.85	\$601.20	\$147,348.76	\$18,721.05	31-Dec-59
58	\$18,185.69	\$535.36	\$129,163.07	\$18,721.05	31-Dec-60
59	\$18,251.76	\$469.29	\$110,911.31	\$18,721.05	31-Dec-61
60	\$18,318.08	\$402.97	\$92,593.23	\$18,721.05	31-Dec-62
61	\$18,384.63	\$336.42	\$74,208.60	\$18,721.05	31-Dec-63
62	\$18,451.43	\$269.62	\$55,757.17	\$18,721.05	31-Dec-64
63	\$18,518.47	\$202.58	\$37,238.70	\$18,721.05	31-Dec-65
64	\$18,585.75	\$135.30	\$18,652.95	\$18,721.05	31-Dec-66
65	\$18,652.95	\$67.77	\$0.00	\$18,720.22	31-Dec-67