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FILED
DOUGLAS COUNTY KANSAS

-SPACE ABOVE RESERVED FOR RECORDER'S USE-

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**KANSAS
CONSTRUCTION LOAN
MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT**

This mortgage is also intended to be a security interest in fixtures, and should be filed both in the real estate records and in the UCC fixture records.

Loan No. 1314014356

THIS MORTGAGE (the "Instrument") is made this 29TH day of February, 1996, between DOORES ADDITION, INC., a Kansas corporation, (the "Borrower"), whose address is 741 East 661 Diagonal Road, Lawrence, Kansas 66047 and COMMERCIAL FEDERAL BANK, A FEDERAL SAVINGS BANK (the "Lender"), whose address is Attention: Loan Servicing, 4501 Dodge Street, Third Floor, Omaha, Nebraska 68132.

WITNESSETH:

To secure payment and performance by Borrower as described below, Borrower hereby grants, bargains, sells, mortgages, conveys, transfers and assigns to Lender, to have and to hold unto Lender, its successors and assigns forever, that real property in Douglas County, Kansas, described as on Exhibit "A" attached hereto, TOGETHER with all interest which Borrower now has or may hereafter acquire in or to said property and in and to: (a) all easements and rights of way appurtenant thereto, and all heretofore or hereafter vacated alleys and streets abutting said property; and (b) all buildings, structures, tenements, improvements, fixtures, and appurtenances now or hereafter placed thereon, including, but not limited to, all fixtures, apparatus, machinery, equipment, building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with said property, it being intended and agreed that such items, including replacements and additions thereto, be conclusively deemed to be affixed to and be part of the real property that is conveyed hereby; and (c) all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Borrower and shares of stock pertaining to such water or water rights, ownership of which affects said property; SUBJECT, HOWEVER, to the terms and conditions herein set forth. Borrower agrees to execute and deliver, from time to time, such further instruments as may be requested by Lender to evidence or confirm the lien of this Instrument on any such properties. The properties conveyed hereunder are hereinafter referred to as the "Property." It is understood that this Instrument secures a loan to be used in whole or in part for the construction of improvements and this Instrument expressly covers all improvements now or hereafter to be located on or within the Property and this Instrument shall remain a first lien mortgage against the subject Property and any improvements located within or thereon, to secure payment of the Note for the term thereof.

FOR THE PURPOSE OF SECURING:

- (1) Payment of the sum of Four Hundred Thirty Thousand Three Hundred Dollars (\$430,300.00), or so much thereof as is advanced, with interest thereon, according to the terms of a Promissory Note of even date herewith and having a due date of March 1, 1997, which may be extended to March 1, 1998 upon compliance with the extension terms of the Promissory Note, made by Borrower payable to Lender or to order, and all modifications, extensions or renewals thereof, together with any future advances made by Lender (the "Note").
- (2) Payment of such additional sums with interest thereon (a) as may be hereafter advanced by Lender pursuant to this Instrument (herein "Future Advances"); and (b) as may be incurred, paid out, or advanced by Lender, or may otherwise be due to Lender under any provision of this Instrument.
- (3) Performance of each agreement of Borrower contained herein or incorporated herein by reference or contained in any other agreements or covenants executed by Borrower relating to the loan secured hereby (together with the Note and this Instrument are referred to as the "Loan Documents").
- (4) Performance by Borrower of each and every monetary obligation to be performed by Borrower under any recorded covenants, conditions and restrictions pertaining to the Property.
- (5) At Lender's option, payment with interest thereon, of any other present or future indebtedness or obligation of Borrower (or of any successor in interest of Borrower to such Property) owing to Lender, whether created directly or acquired by absolute or contingent assignment, whether due or not, whether otherwise secured or not, or whether existing at the time of the execution of this Instrument or arising thereafter, the exercise of such option to be evidenced by a notice in writing to Borrower or any successor in interest to Borrower.

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