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INDIANASO TITLE INSURANCE COMPANY
INDIANA DIVISION

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

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THE MILLER PARTNERSHIP L.P.
the Lake County Recorder!
Borrower

AND
STOP
CITY OF GARY, INDIANA
Issuer



AND
THE ROYAL BANK OF SCOTLAND PLC,
ACTING THROUGH ITS NEW YORK BRANCH
Mortgagee

STATE OF INDIANA/S.S. NO.
LAKE COUNTY
FILED
MAY 20 10 48 AM '91
ROBERT T. GIBSON, RECORDER

Dated as of April 1, 1991

The rights of the Issuer hereunder have been assigned to LaSalle National Bank, Chicago, Illinois, as Trustee and Mercantile National Bank of Indiana, Hammond, Indiana, as Co-Trustee under a Trust Indenture dated as of the date hereof from the Issuer.

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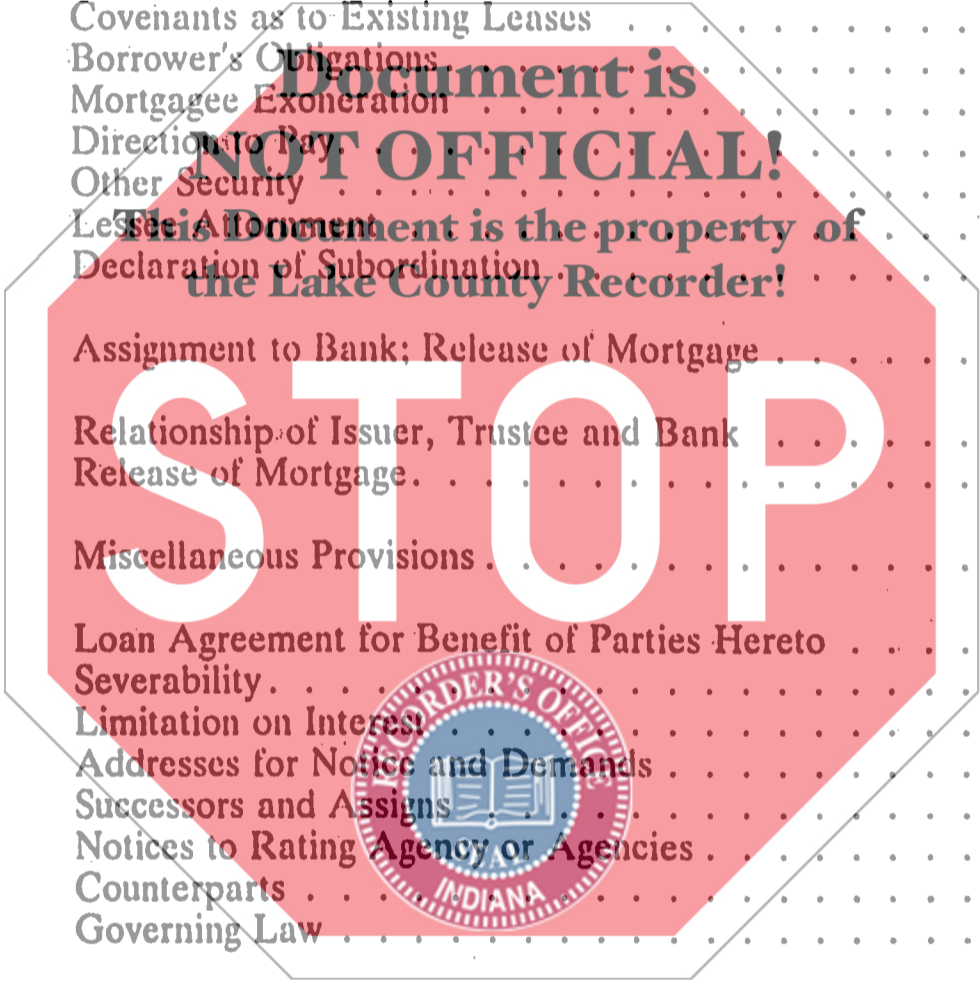
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LOAN AGREEMENT, MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND LEASES AND FINANCING STATEMENT

This is a LOAN AGREEMENT, MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FINANCING STATEMENT, dated as of April 1, 1991 (herein referred to sometimes as "this Loan Agreement" or "this Mortgage"), among The Miller Partnership L.P., an Illinois limited partnership (the "Borrower"), and the City of Gary, Indiana, a municipal corporation duly organized and validly existing under the laws of the State of Indiana (the "Issuer"), and the Royal Bank of Scotland plc, New York Branch, a banking corporation organized under the laws of Scotland (the "Bank").

PRELIMINARY STATEMENT

The Indiana Code, Title 36, Article 7, Chapters 11.9 and 12 (the "Act"), has been enacted by the General Assembly of Indiana.

The Act provides that an issuer may pursuant to the Act issue bonds for the purpose of financing all costs of purchase or construction of facilities, including real and personal property, for diversification of economic development and promotion of job opportunities in or near such issuer.

The Issuer intends to issue its tax exempt Economic Development Revenue Bonds, Series 1991 A (The Miller Partnership L.P. Project) in the aggregate principal amount of \$14,500,000 (the "Series 1991 A Bonds") and its Taxable Economic Development Revenue Bonds, Series 1991 B (The Miller Partnership L.P. Project) in the aggregate principal amount of \$1,000,000 (the "Series 1991 B Bonds") (the Series 1991 A Bonds and the Series 1991 B Bonds collectively, the "Series 1991 Bonds") pursuant to the Trust Indenture, dated as of April 1, 1991 (the "Indenture"), from the Issuer to LaSalle National Bank, as Trustee (the "Trustee"), and Mercantile National Bank of Indiana, as Co-Trustee (the "Co-Trustee"), and intends to lend the proceeds of the Series 1991 A Bonds pursuant to the provisions of this Loan Agreement to the Borrower to finance the cost of certain economic development facilities and a portion of the costs of issuance of the Series 1991 A Bonds and to lend the proceeds of the 1991 Series B Bonds pursuant to the provisions of this Loan Agreement to the Borrower to finance certain development costs, a portion of the costs of issuance of the Series 1991 A Bonds and all of the costs of issuance of the Series 1991 B Bonds.

The Series 1991 Bonds will be secured by the Letter of Credit (as hereinafter defined) issued by the Bank on the date of the issuance and delivery of the Series 1991 Bonds. The Letter of Credit is being issued pursuant to the Reimbursement Agreement (as hereinafter defined) which requires the Borrower, among other things, to pay certain fees in respect of the Letter of Credit and reimburse the Bank for drawings thereunder.

This Loan Agreement provides for the repayment by the Borrower of the Loan of the proceeds of the Series 1991 A Bonds and the Series 1991 B Bonds and further provides (i) for the Borrower's repayment obligations on the Series 1991 A Bonds to be evidenced by the Borrower's Mortgage Note, Series 1991 A, (the "Series 1991 A Note") in substantially the form attached hereto as "Exhibit B," and (ii) for the Borrower's repayment obligations on the Series 1991 B Bonds to be evidenced by the Borrower's Mortgage Note, Series 1991 B (the "Series 1991 B Note") in substantially the form attached hereto as "Exhibit B" (the Series 1991 A Note and the Series 1991 B Note are collectively referred to herein as the "Series 1991 Notes"), and

(iii) for such loans and the Series 1991 Notes and the payment and performance obligations of the Borrower under the Reimbursement Agreement (as hereinafter defined) to be secured by the mortgage and security interest herein provided.

Pursuant to the Indenture, the Issuer will pledge and assign the Series 1991 Notes and assign certain of its rights under this Loan Agreement as security for the Series 1991 Bonds. The Series 1991 Bonds and any Additional Bonds issued under the Indenture will be payable solely out of (i) the payments to be made by the Borrower on the Series 1991 Notes and any other notes issued hereunder, or (ii) Bond proceeds and proceeds of condemnation and insurance, or (iii) proceeds of the Letter of Credit (as hereinafter defined).

GRANTING CLAUSES

In consideration of the premises, the loans of the proceeds of the Series 1991 A Bonds and Series 1991 B Bonds to be made by the Issuer, the acceptance of the Series 1991 A Note and the Series 1991 B Note by the Issuer, the issuance of the Letter of Credit and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest payable on the Series 1991 Notes, any Additional Notes issued hereunder and any notes issued in substitution therefor (herein collectively referred to as the "Notes") and any Parity Obligations, as hereinafter defined, issued hereunder, the payment of all obligations and the performance and observance of all the covenants and agreements of Borrower under the Reimbursement Agreement and the performance of all the covenants of the Borrower contained herein, the Borrower has executed and delivered this Loan Agreement and by these presents does assign, grant, mortgage and warrant and grant a security interest in, to the Issuer the Bank and their respective successors and assigns forever, all of the following described property (herein called the "Mortgaged Property"):

DIVISION I

The right, title and interest of the Borrower in the land described in Exhibit A hereto, together with the entire interest (whether now owned or hereafter acquired) in and to said land, and the entire interest of the Borrower in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed, upon such land, including all building material, building equipment and fixtures permanently affixed to the real estate of every kind and nature whatsoever on said land or in any building, structure or improvement now or hereafter standing on said land, including without limiting the generality of the foregoing engines, pumps, dynamos, generators, furnaces, heating equipment, fans, air conditioning equipment, ventilating equipment, refrigerating equipment, cleaning equipment, power equipment, incinerators, plumbing, machinery, appliances, apparatus, devices, hot water heaters, water softeners, electrical fixtures, gas fixtures, light fixtures, window, doors, storm doors, overhead doors, storm windows, screen doors, screen windows, loading docks and wells, platforms, awnings, television and radio masts and antennae, mail boxes, door openers and controls, sprinklers, alarm systems, flooring, suspended ceilings, grills, and landscaping, built-in equipment, shelves, lofts, outdoor lighting, fences, gates, weather vanes, septic tanks and systems, elevators, if any, and the reversion or reversions, remainder or remainders, in and to said land, and together with all and singular the tenements, hereditaments, easements, rights-of-way, rights, privileges and appurtenances to said land, belonging or in any wise appertaining thereto, including without limitation the entire right, title and interest in, to and under any streets, ways, alleys, gores or strips of land adjoining said land, and all claims or demands whatsoever of the Borrower either in law or in

equity, in possession or expectancy of, in and to said land, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or is hereafter acquired by the Borrower and is permanently affixed or attached to said land, shall be and remain or become and constitute a portion of said land and the security covered by and subject to the lien of this Mortgage, and, subject to the terms and conditions of this Mortgage;

SUBJECT, HOWEVER, to Permitted Encumbrances, as defined in Article I hereof;

DIVISION II

All materials intended for construction, reconstruction, alteration and repair of the Project (whether now owned or hereafter acquired) whether stored on the land described in Exhibit A hereto or located elsewhere;

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All furniture, machinery, equipment, tangible personal property and fixtures of the Borrower purchased with the proceeds of the Series 1991 Bonds, whether now owned or hereafter acquired including, without limitation, the equipment described in Exhibit A hereto, and any substitutions and replacements therefor, and the proceeds from the sale, transfer or other disposition thereof.

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All of Borrower's interest and rights as lessor in and to all leases and subleases, whether written or verbal, now or hereafter affecting the Facilities or any part thereof and all rents, issues, proceeds, and profits accruing and to accrue from the Facilities, whether payable pursuant to any present or future lease or sublease or otherwise growing out of any occupancy or use of the Facilities or any part thereof or otherwise payable (which are pledged primarily and on a parity with the Facilities, and not secondarily), and security deposits, and all avails thereof.

DIVISION V
All proceeds or sums payable in lieu of or as compensation for the loss of or damage to the Facilities, all rights in and to all present and future fire and other hazard insurance policies pertaining to the Facilities, any and all sums at any time on deposit for the benefit of Borrower or held by Mortgagee (whether deposited by or on behalf of Borrower or anyone else) pursuant to any of the provisions of this Mortgage, and all awards paid or to be paid in connection with or in lieu of any condemnation, eminent domain, change of grade or similar proceeding for the taking or for the degradation in the value of all or any part of the Facilities.

DIVISION VI

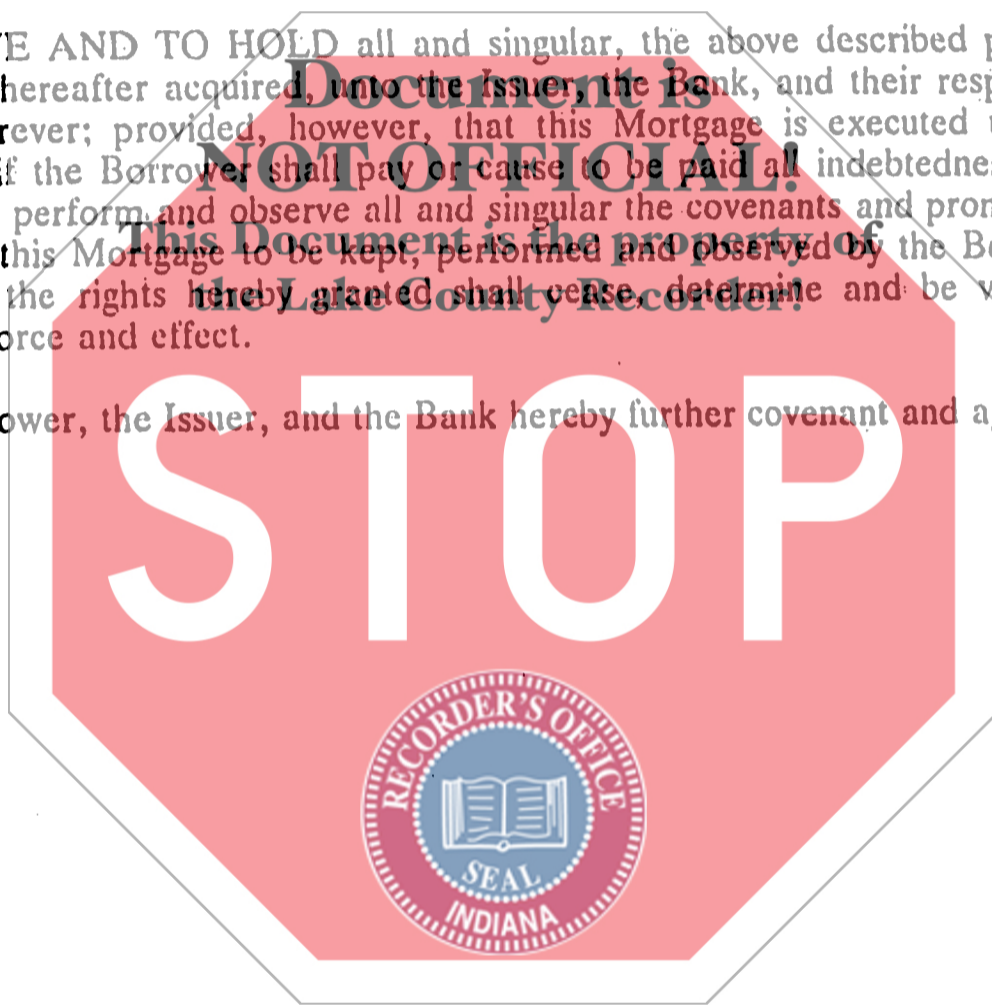
Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Borrower or by anyone in its behalf to the Issuer or the Trustee, including without limitation, funds of the Borrower, other than those on deposit in the Rebate Fund, held by the Trustee as security for the Bonds;

DIVISION VII

All moneys and securities, other than those on deposit in the Rebate Fund, from time to time held by the Issuer, the Bank or the Trustee under the terms of this Mortgage, the Reimbursement Agreement or the Indenture;

TO HAVE AND TO HOLD all and singular, the above described property, whether now owned or hereafter acquired, unto the Issuer, the Bank, and their respective successors and assigns forever; provided, however, that this Mortgage is executed upon the express condition that if the Borrower shall pay or cause to be paid all indebtedness secured hereby and shall keep, perform and observe all and singular the covenants and promises expressed in the Notes and this Mortgage to be kept, performed and observed by the Borrower, then this Mortgage and the rights hereby granted shall cease, determine and be void; otherwise to remain in full force and effect.

The Borrower, the Issuer, and the Bank hereby further covenant and agree as follows:



ARTICLE I

Definitions and Exhibits

Section 1.1. Terms Defined. As used in this Mortgage, the following terms shall have the following meanings unless the context clearly otherwise requires:

"Accountant" means an independent certified public accountant or a firm of independent certified public accountants, selected by the Borrower and reasonably satisfactory to the Trustee and the Issuer, provided that such Accountant may not be related to the Borrower.

"Act" means collectively Indiana Code 36-7-11.9 and 12, and any successor provisions of the Indiana Code or successor codes.

"Act of Bankruptcy" means any of the following events:

(i) The Issuer, the Borrower, the General Partner or any other Person (other than the Bank) obligated, as guarantor or otherwise, to make payments under the Loan Agreement shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Issuer, the Borrower, the General Partner or such other Person or of all or any substantial part of its property, (b) commence a voluntary case under the United States Bankruptcy Code (as now or hereafter in effect), or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(ii) A proceeding or case shall be commenced, without the application or consent of the Issuer, the Borrower, the General Partner or any other Person (other than the Bank) obligated, as guarantor or otherwise, to make payments under the Loan Agreement seeking (a) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Issuer, the Borrower, the General Partner or such other Person, (b) the appointment of a trustee, receiver, custodian, liquidator or the like of the Issuer, the Borrower or such other Person, or of all or any substantial part of its property, or (c) similar relief in respect of the Issuer, the Borrower or such other Person under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts.

"Act of Bankruptcy of the Bank" means the Bank shall become bankrupt or shall admit in writing its inability to pay any of its indebtedness or shall consent to or petition for or apply to any authority for the appointment of a receiver, liquidator or trustee or similar official for itself or for all or any substantial part of its properties or assets or any such trustee, receiver or liquidator or similar official is otherwise appointed or bankruptcy, insolvency, reorganization, arrangement or liquidation proceedings (or similar proceedings) shall be instituted by or against the Bank.

"Additional Bonds" means the additional parity Bonds authorized to be issued by the Issuer pursuant to Section 208 of the Indenture and any Bonds issued in substitution or replacement therefor.

"Additional Notes" means the additional parity Notes, other than the Series 1991 Notes, authorized to be issued by the Borrower pursuant to the provisions of Article VI hereof.

"Available Moneys" means (i) moneys drawn under the Letter of Credit, or (ii) moneys deposited into the Bond Fund pursuant to the Indenture as accrued interest, or (iii) moneys deposited directly by the Borrower with the Trustee, if moneys in the latter case have been on deposit in the Bond Fund for at least a year and a day during and prior to which no Act of Bankruptcy shall have occurred, (iv) moneys derived from the remarketing of Bonds when directly deposited with the Trustee, or (v) any other moneys if, in the opinion of nationally recognized counsel experienced in bankruptcy matters, the application of such moneys will not constitute a voidable preference or transfer under Sections 547(b) or 550 of the Bankruptcy Code or be subject to the automatic stay provisions of Section 362(a) of the Bankruptcy Code in the event of the occurrence of an Act of Bankruptcy, or (vi) the proceeds from investment of moneys when such moneys qualify as Available Moneys under clause (i), (ii), (iii), (iv) or (v) above. At any time that the Bonds are rated, any opinion provided under clause (v) above shall be satisfactory to each rating agency then maintaining a rating on the bonds, as evidenced by a written confirmation to such effect to the Trustee from each such rating agency.

"Bank" means The Royal Bank of Scotland plc, acting through its New York Branch, or any permitted successor thereto or assignee thereof, including any Substitute Bank.

"Bond Counsel" means a nationally recognized firm of municipal bond attorneys experienced in matters relating to municipal law and the exclusion from gross income of interest on state and local government bonds for federal tax purposes and acceptable to the Trustee.

"Bonds" means the Series 1991 Bonds, the Additional Bonds and any other Bonds issued under the Indenture.

"Bond Fund" means the Bond Fund established by Section 402 of the Indenture.

"Bond Year" means each twelve month period following the date of delivery of the Bonds.

"Bondholder" or "Owner of a Bond" or "Owner" or "holder of a Bond" or any similar term means the registered Owner of a Bond.

"Borrower" means The Miller Partnership L.P., an Illinois limited partnership, or any successors thereto permitted under Section 3.5 hereof.

"Borrower's Undertaking" means the acquisition, construction, installation, rehabilitation and equipping of the Project, to the extent permitted by law, in accordance with the respective elements of such undertaking described in Exhibit C hereto.

"Business Day" means any day other than (i) a Saturday, Sunday, (ii) a day on which commercial banks in New York, New York or Chicago, Illinois, or the city or cities in which are located in the principal corporate trust office of the trustee and the office of the Bank at which demands for payment under the Letter of Credit are to be presented, are authorized by law to close, or (iii) a day on which the New York Stock Exchange is closed.

"Code" means the Internal Revenue Code of 1986 as amended and in effect on the date of issuance of the Series 1991 A Bonds.

"Completion Date" means the date of delivery to the Trustee of the certificate required by Section 403(c) of the Indenture, evidencing the completion of the Project.

"Construction Fund" means the Construction Fund established in Section 403 of the Indenture.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the Issuer or the Borrower.

"Determination of Taxability" means a determination that the interest income on any of the Series 1991 A Bonds does not qualify as being excludable from the gross income of the holder thereof for federal income tax purposes ("exempt interest") under Section 103 of the Code, for any reason other than solely because such holder is a substantial user of the Project or a related person within the meaning of Section 147(a) of the Code, which determination shall be deemed to have been made upon the first to occur of the following: (i) the date on which the Borrower receives an opinion of nationally recognized bond counsel which shall have advised the Borrower in writing that interest on the Series 1991 A Bonds is currently includable in gross income for federal income tax purposes; or (ii) the date on which the Borrower shall receive notice from the Trustee in writing that the Trustee has been advised by the holder of any Bond that the Internal Revenue Service has issued a thirty-day letter or other statutory notice which asserts that the interest on such Series 1991 A Bonds is not excludable from gross income of the holder thereof for federal income tax purposes; or (iii) the date on which the Trustee receives notice that the Borrower or the Issuer has taken any action inconsistent with, or has failed to act consistently with, the tax-exempt status of the Series 1991 A Bonds (unless the Trustee receives an opinion of nationally recognized bond counsel reasonably satisfactory to it that, notwithstanding such action or failure to act, the interest on the Series 1991 A Bonds continues to be excludable from the gross income of the holder thereof for federal income tax purposes); provided, however, that notwithstanding the foregoing if the Borrower delivers to the Trustee a letter of credit as described in Section 501(c)(ii) of the Indenture within 30 days of the occurrence of the events described above, a Determination of Taxability shall not be deemed to have occurred until the earlier of (x) the date of a final unappealable judgment or order from a court or administrative body that the interest on the Series 1991 A Bonds is not excludable from the gross income of a Bondholder for federal income tax purposes for any reason other than solely because such holder is a substantial user of the Project or a related person within the meaning of Section 147(a) of the Code, (y) 45 days prior to the expiration date of the letter of credit provided pursuant to Section 501(c)(ii) of the Indenture, as such date may be extended pursuant to a Substitute Letter of Credit or (z) the date the Borrower notifies the Trustee in writing that it is no longer contesting the Determination of Taxability.

"Facilities" means the Project and Project Additions.

"General Partner" means Capital & Regional General Corp., an Illinois corporation, and its successors and assigns.

"Government Obligations" means direct obligations backed by the full faith and credit of, or obligations, the timely payment of the principal of and the interest on which are fully and unconditionally guaranteed by the full faith and credit of, the United States of America; provided, however, that the foregoing shall not include any interest in a mutual fund, unit investment trust or similar arrangement.

"Letter of Credit" means (i) the Irrevocable Direct Pay Letter of Credit of the Bank, No. DOC 02209106186NY, the form of which is attached to the Reimbursement Agreement, issued to the Trustee on the date of the issuance and delivery of the Series 1991 Bonds, in the maximum aggregate amount of \$15,896,670, including any amendments thereto or supplements thereof permitted pursuant thereto and hereto, and any reissuance of or extensions of the originally issued Letter of Credit and (ii) any Substitute Letter of Credit.

"Loan" means collectively the loans by the Issuer to the Borrower of the proceeds of the sale of the Series 1991 A Bonds and of the Series 1991 B Bonds.

"Mortgaged Property" means the property described in the granting clauses hereof plus any additional property which shall have been subjected to the lien hereof pursuant to the provisions of Article VI hereof.

"Mortgagee" means, at any time, the party designated in Section 12.1 hereof (either Bank or Trustee) as then being vested with the right to exercise the rights and privileges therein specified.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award remaining after payment of all expenses (including attorneys' fees and any expenses of the Mortgagee) incurred in the collection of such gross proceeds.

"Note" or "Notes" means the Series 1991 Notes, the Additional Notes and any notes issued in exchange therefor pursuant to Section 3.16 hereof.

"Parity Instruments" means instruments creating Parity Obligations.

"Parity Obligations" means any obligation of the Borrower to be entered into and standing on a parity and equality with the Notes in the lien created by this Loan Agreement in the Mortgaged Property.

"Permitted Encumbrances" means (a) liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with this Mortgage, (b) utility, access or other easements and rights of way, restrictions, restrictive covenants, conditions and exceptions that will not in any material way interfere with or impair the operation, value or marketability of the Facilities; (c) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with this Mortgage; (d) zoning laws; (e) liens arising in connection with workers' compensation, unemployment insurance, taxes, assessments, statutory obligations or liens, social security legislation, undetermined liens and charges incidental to construction or other similar charges arising in the ordinary course of operation and not overdue, or, if overdue, being contested in a permitted contest as described in Section 3.10 hereof and such other liens and charges at the time required by law as a condition precedent to the transaction of the activities of the Borrower or the exercise of any privileges or licenses necessary to the Borrower; (f) mechanics' liens of record arising from the construction of the Project, provided such liens are being contested by the Borrower in good faith and provided further than the Borrower shall have reserved sufficient amounts with the Trustee as required by Section 3.10 hereof to satisfy all such liens; (g) the Series 1991 Notes, this Mortgage, the Reimbursement Agreement and the Indenture; (h) liens securing Parity Obligations or Additional Bonds; (i) residential leases

entered into in the ordinary course of the Borrower's business; (j) the Tax Regulatory Agreement, (k) any other subordinate liens approved by the Bank, (l) and such other matters as are described in Exhibit D hereto.

"Project" means the Project Building, Project Site and Project Equipment described in Exhibit A hereto.

"Project Additions" means all additions, improvements, extensions, alterations, expansions or modifications of the Project or any part thereof financed from and with the proceeds of Additional Bonds or Parity Obligations.

"Project Building" means, collectively, the buildings, as described in the Project description in Exhibit A hereto.

"Project Costs" with respect to the Project shall be deemed to include those items included in Section 29 of the Act including, but not limited to:

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- (i) obligations of Issuer or of Borrower incurred for labor and materials (including obligations payable to Borrower) in connection with the acquisition, construction, installation and equipping of the Project;
 - (ii) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project;
 - (iii) all costs and expenses of site preparation, engineering services, including the costs of Issuer or Borrower for test borings, surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project;
 - (iv) all costs and expenses incurred in connection with the issuance of the Bonds for the purpose of providing funds for construction of the Project, including without limitation compensation and expenses of Trustee, underwriting and legal expenses, Bond Counsel fees, Borrower's Counsel fees, Counsel fees for Bond purchasers, costs of printing and engraving, recording and filing fees;
 - (v) administrative and legal costs and expenses incurred in connection with the issuance of the Letter of Credit;
 - (vi) all costs and expenses which Issuer or Borrower shall be required to pay, under the terms of any contract or contracts (including the architectural and engineering, development, and legal services with respect thereto), for the acquisition, installation or equipping of the Project;
 - (vii) any sums required to reimburse Issuer or Borrower for advances made by either of them subsequent to the date of inducement by the Issuer for any of the above items or for any other costs incurred for work done by or on behalf of either of them which are properly chargeable as capital costs to the Project, including, but not limited to, construction period real estate taxes, interest, insurance and other expenses properly chargeable as capital costs;

(viii) interest on the Series 1991 Bonds during construction of the Project, plus one year beyond construction or interest on any other obligations of the Borrower with respect to the Project or the financing thereof; and

(ix) the Letter of Credit fees and rating agency fees allocable to the Series 1991 A bonds and the Series 1991 B Bonds, but only to the extent allocable to the construction period of the Project.

"Project Equipment" means all machinery, equipment, other tangible personal property and fixtures of the Borrower whether now owned or hereafter acquired, as referred to in Divisions I and III of the granting clauses hereof and any substitutes and replacements therefor which are to be installed in the Project Building or elsewhere at the Project Site.

"Project Site" means the real estate tract described in this Loan Agreement which is part of the Project and on which the Project Building and the Project Equipment will be situated or installed, which real estate is owned by Borrower, and any other interests in real property, leasehold interests, easements, licenses and rights in real property hereafter acquired by the Borrower with proceeds of the Bonds or Parity Obligations for use in connection with the Facilities, less any interests in real property, easements, licenses, rights of way or similar rights and privileges as may be released from the lien and security interest of this Mortgage or taken by the exercise of the power of eminent domain.

"Qualified Investments" means to the extent permitted by the laws of the State (i) Government Obligations; (ii) bonds, debentures, participation certificates or notes issued by any of the following: Federal Farm Credit Banks, Federal Financing Bank, Federal National Mortgage Association, Farmers Home Administration or Federal Home Loan Mortgage Corporation; (iii) certificates of deposit, time deposits and other interest-bearing deposit accounts with any banking institution, including the Trustee, or savings and loan association which are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation (or any successor thereto), respectively; (iv) any money market fund, "sweep account," mutual fund or trust as shall invest solely in a portfolio of obligations described in (i) or (ii) above; (v) repurchase agreements with the Trustee or any of its affiliated banks or any other bank having a net worth of at least \$25,000,000 secured by a pledge and physical delivery (except in the case of securities issued in book-entry form, which shall be registered in the name of the Trustee) to the Trustee of obligations described in (i) or (ii) hereof; (vi) state and local government obligations the interest on which would be excluded from the gross income of the owners thereof for federal tax purposes under Section 103 of the Code as described in Section 1.148-8T(e)(3) of the proposed and temporary Treasury Regulations (a) if rated in one of the two highest full rating categories of either Moody's Investors Service, Inc. or Standard & Poors Corporation, or, (b) if fully secured by securities guaranteed as to principal and interest by the United States of America; (vii) stock of a Qualified Regulated Investment Company which invest in obligations described in (vi) above; (viii) commercial paper which has received one of the two highest full investment grade ratings, without regard to pluses or minuses, from two nationally recognized rating agencies; and (ix) investment agreements provided by institutions with a long-term debt rating by Moody's Investors Service, Inc. (or any other nationally recognized rating agency) in one of the two highest rating categories thereof.

"Qualified Regulated Investment Company" means a qualified regulated investment company as defined by the Internal Revenue Service including any regulated investment company (as defined in Section 851(a) of the Code) which (i) for the taxable year, meets the

requirements of Section 852(a) of the Code, (ii) has authorized and outstanding only one class of stock and (iii) to the extent practicable invests all of its assets in tax-exempt bonds, and at least 98% (A) of its gross income is derived from interest on or gains from the sale or other disposition of tax-exempt bonds, or (B) of the weighted average value of its assets is represented by investments in tax-exempt bonds.

"Rebate Fund" means the Rebate Fund established in Section 404 of the Indenture.

"Reimbursement Agreement" means (i) the Reimbursement Agreement, dated as of April 1, 1991, between the Borrower and the Bank and any amendments and supplements thereto and (ii) the letter of credit agreement or reimbursement agreement between the Borrower and any Substitute Bank, and any amendments and supplements thereto.

"Reset Date" means April 1, 2001, for the first Reset Period. Thereafter, the Reset Date shall be specified in the Borrower's notice described under the heading "Establishment of Reset Rate" in Section 211 of the Indenture provided, however, that upon establishing each Reset Date the Borrower shall have provided the Trustee with an opinion of nationally recognized bond counsel to the effect that such new Reset Date will not adversely affect the exclusion of interest on the Series 1991 A Bonds from gross income for federal income tax purposes.

"Series 1991 A Note" means the Series 1991 A Note of the Borrower in the principal amount of \$14,500,000 in substantially the form attached hereto as Exhibit B which will be issued and delivered by the Borrower to the Issuer to evidence the loan of the proceeds of the Series 1991 A Bonds and any Note issued in exchange therefor pursuant to Section 3.16 hereof.

"Series 1991 B Note" means the Series 1991 B Note of the Borrower in the principal amount of \$1,000,000 in substantially the form attached hereto as Exhibit B which will be issued and delivered by the Borrower to the Issuer to evidence the loan of the proceeds of the Series 1991 B Bonds and any Note issued in exchange therefor pursuant to Section 3.16 hereof.

"Servicer" means LaSalle National Bank, in its capacity as Servicer under the Servicing Agreement, or any successor to such functions.

"Servicing Agreement" means the Construction Servicing Agreement dated as of April 1, 1991, among the Servicer, Bank and Borrower.

"State" means the State of Indiana.

"Substitute Bank" means a commercial bank which may include the Bank which has issued a Substitute Letter of Credit.

"Substitute Letter of Credit" means an irrevocable letter of credit delivered to the Trustee in accordance with Section 3.28(b) of this Loan Agreement (i) issued by a Substitute Bank, (ii) replacing any existing Letter of Credit, (iii) dated as of a date prior to the termination date of the Letter of Credit for which the same is being substituted, (iv) the administrative provisions of which shall be reasonably satisfactory to the Trustee, (v) which will not cause the rating on the Bonds to either be withdrawn or reduced from the rating in effect at the time of substitution, but in no event to a rating less than a Standard & Poors

Corporation A rating or a Moody's Investors Service, Inc. A2 rating, with written confirmation of rating(s) to the Trustee from each rating agency then maintaining a rating on the Bonds, except that (A) a Letter of Credit delivered to the Trustee at the beginning of a Reset Period which is to take effect at the beginning of such Reset Period may carry whatever rating the market determines is required to market the Bonds, and (B) a Substitute Letter of Credit issued by the same bank as issued the Letter of Credit being replaced may carry whatever rating is in effect at the time of substitution, and (vi) issued on substantially identical terms and conditions as the then existing Letter of Credit, except the stated amount of the Substitute Letter of Credit shall equal the sum of (A) the aggregate principal amount of bonds at the time Outstanding, plus (B) an amount equal to at least 122 days' interest on all Bonds at the time Outstanding. A Substitute Letter of Credit shall in no event expire before the expiration date of the Letter of Credit it is being substituted for and in the case of a Substitute Letter of Credit issued at the beginning of a Reset Period, no earlier than the April 15th which is at least one year from the Reset Date.

"Tax Regulatory Agreement" means the Tax Regulatory Agreement delivered by the Borrower to the Issuer, the Trustee and the Remarketing Agent on the date of delivery of the Series 1991 A Bonds.

"Tax Representation Certificate" means the Tax Representation Certificate delivered by the Borrower to the Issuer, the Trustee, the Remarketing Agent and Bond Counsel on the date of delivery of the Bonds.

"Written Request" shall mean a request in writing from an authorized representative of the party making the request.

Section 1.2. Rules of Interpretation. For all purposes of this Loan Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

(1) "This Loan Agreement" or "this Mortgage" means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(2) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular and the singular as well as the plural.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as consistently applied.

(5) Any capitalized terms not defined herein but defined in the Indenture shall have the same meaning herein.

(6) The terms defined elsewhere in this Loan Agreement shall have the meanings therein prescribed for them.

Section 1.3. Exhibits. The following Exhibits are attached to and by reference made a part of this Loan Agreement.

Exhibit A. Description of the Project.

Exhibit B. Form of Series 1991 Notes.

Exhibit C. Description of Borrower's Undertaking.

Exhibit D. Schedule of Permitted Encumbrances



ARTICLE II

Representations: Loan of Series 1991 Bond Proceeds

Section 2.1. Representations by Issuer. Issuer represents and warrants that:

(a) Issuer is a municipal corporation duly organized and validly existing under the laws of the State of Indiana. Under the provisions of the Act, Issuer is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder. Issuer has been duly authorized to execute and deliver this Loan Agreement. Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) Issuer agrees to provide funds from the issuance of the Series 1991 Bonds for the financing of the Project, subject to the consideration of the Series 1991 Notes and the Borrower granting a mortgage and security interest in the Mortgaged Property to the Issuer, all for the benefit of the holders of the Bonds, to the end that industry and the economy may be diversified and job opportunities promoted, and to secure the Bonds by pledging its interest in this Loan Agreement and the Series 1991 Notes to the Trustee.

(c) The Issuer represents that the Series 1991 Notes will be assigned to the Trustee pursuant to the Indenture, and that no further assignment is contemplated by the Issuer, since the Issuer recognizes that the Series 1991 Notes have not been registered under the Securities Act of 1933.

Section 2.2. Representations by Borrower. Borrower represents and warrants that:

(a) Borrower is a limited partnership duly organized and validly existing in good standing under the laws of the State of Illinois, and is authorized to do business and is in good standing in the State, is not in violation of any provision of its Partnership Agreement, has not received notice and has no reasonable grounds to believe that it is in violation of any laws in any manner material to its ability to perform its obligations under this Loan Agreement and the Series 1991 Notes, has power to enter into and to perform its obligations under this Loan Agreement and the Series 1991 Notes, and has duly authorized the execution and delivery of this Loan Agreement and the Series 1991 Notes by appropriate action.

(b) The indication of interest by the Issuer on the date of adoption of the inducement resolution on August 2, 1988, as amended by resolution adopted on February 5, 1991, to issue its Series 1991 Bonds and lend the proceeds to Borrower for the purposes set forth therein has encouraged Borrower to acquire and construct the Project, and to Borrower's belief will promote diversification of economic development and create new or preserve existing job opportunities in the area. The Project, or any component thereof which is to be paid for out of the proceeds of the Series 1991 Bonds, has not been acquired, constructed, equipped, furnished or rehabilitated by the Borrower prior to the adoption of the August 2, 1988, inducement resolution. The Borrower has not expended more than eleven million dollars with respect to the Project prior to the August 2, 1988, inducement resolution or more than fifteen million dollars with respect to the Project prior to the February 5, 1991, amendment to the inducement resolution or more than fifteen million five hundred thousand dollars with respect to the Project prior to the April 2, 1991, bond ordinance of the Issuer.

(c) At least 95% of the proceeds from the Series 1991 A Bonds (including any income

earned on the investment of such proceeds) will be used for the acquisition of land and construction of buildings, machinery and equipment for the Project and any other costs qualifying for financing under the Act and the Code. No more than 2% of the aggregate proceeds of the Series 1991 A Bonds will be used for the costs of issuance of the Series 1991 A Bonds, including underwriter's discount. Costs of issuance of the Series 1991 A Bonds paid from proceeds of the Series 1991 A Bonds together with any other expenditures which are not described in the first sentence of this subsection will be not greater than 5% of the proceeds of the Series 1991 A Bonds. No part of the proceeds of the Series 1991 A Bonds are to be used by the Borrower, directly or indirectly, as to pay current operating expenses of the Borrower or to finance inventory.

(d) The Borrower will not use, or cause any of the funds provided by the Issuer hereunder to be used in such manner as to, or take or omit to take any action, in violation of any provision hereof or of the Tax Regulatory Agreement which would impair the exclusion from gross income of interest on the Series 1991 A Bonds for federal income tax purposes.

(e) The Borrower intends to operate or cause the Project to be operated as a multi-family residential rental project until the expiration or earlier termination of this Loan Agreement as provided herein.

(f) Neither the execution and delivery of this Loan Agreement, the consummation of the transactions contemplated hereby including execution and delivery of the Series 1991 Notes nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, will contravene the provisions of the Borrower's Partnership Agreement or in any material respect any law or any governmental rule, regulation or order presently binding on the Borrower or conflicts with or results in any material respect in a breach of the terms, conditions or provisions of any agreement or instrument to which Borrower is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any liens, charges, or encumbrances whatsoever upon any of the property or assets of Borrower under the terms of any instrument or agreement.

(g) The Borrower represents and warrants that as of the date of closing it will be the lawful owner of the Project Site, free and clear of all liens, security interests, charges or encumbrances whatever except Permitted Encumbrances, and that the Borrower has full power and lawful authority to mortgage its interests in the Project Site and grant a security interest in the Equipment to the Issuer and Bank; and that the Borrower has good and marketable title to the real property described in Exhibit A, except Permitted Encumbrances, and will preserve, warrant and defend the same unto the Issuer and Bank against the claims of all persons and parties. This Mortgage constitutes a direct and first mortgage lien on the Borrower's title to the real property described in Exhibit A hereto, subject only to Permitted Encumbrances.

(h) The execution, delivery and performance by the Borrower of this Loan Agreement and the Series 1991 Notes do not require the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state or other governmental authority or agency, not previously obtained or performed.

(i) Assuming the due authorization, execution and delivery thereof by the other parties thereto, this Loan Agreement and the Series 1991 Notes have been duly executed and delivered by the Borrower and constitute the legal, valid and binding agreements of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general. The enforceability of the Borrower's obligations under said documents is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(j) There are no actions, suits or proceedings pending, or to the knowledge of the Borrower, threatened, before any court, administrative agency or arbitrator which, individually or in the aggregate, might result in any material adverse change in the financial condition of the Borrower or might impair the ability of the Borrower to perform its obligations under this Loan Agreement or the Series 1991 Notes.

(k) No event has occurred and is continuing which with the lapse of time or the giving of notice would constitute an Event of Default under this Loan Agreement or the Series 1991 Notes.

(l) The Borrower hereby represents and warrants that the representations of the Borrower set forth in the Tax Certificate are true and correct as of the date of issuance of the Series 1991 Bonds and are incorporated herein by reference.

Section 2.3. Loan of Series 1991 Bond Proceeds by Issuer. Concurrently with the execution and delivery hereof, the Issuer is issuing the Series 1991 A Bonds and the Series 1991 B Bonds and is lending the proceeds from the respective sales thereof to the Borrower by making the deposits and payments specified in Section 301 of the Indenture. Such Loan is being evidenced by the execution and delivery by the Borrower of the Series 1991 Notes substantially in the form attached hereto as Exhibit B.

(End of Article II)



ARTICLE III

Particular Covenants of the Borrower

Section 3.1. Consent to Assignments to Trustee and Co-Trustee. The Borrower acknowledges and consents to the pledges and assignments of the Series 1991 Notes and the assignment of the Issuer's rights hereunder to the Trustee and Co-Trustee pursuant to the Indenture and agrees that the Trustee may enforce the rights, remedies and privileges granted to the Issuer hereunder (subject to the rights of the Bank hereunder) other than the rights of the Issuer to decline to accept Additional Notes as set forth in Sections 6.1 and 6.3 hereof, to receive payments under Sections 3.15 and 3.20 hereof and to execute and deliver supplements and amendments to this Loan Agreement pursuant to Section 9.1 hereof.

Section 3.2. Payment of Principal, Premium and Interest; Payments Pledged. (a) The Borrower will duly and punctually pay, at least one business day prior to any Interest Payment Date for the Bonds or any other date that any payment of interest, premium, if any, or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any Available Moneys available for such payment in the Bond Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or upon redemption or acceleration or otherwise), premium, if any, and interest on the Bonds as provided in the Indenture; provided, however, that the obligation of the Borrower to make any payment hereunder shall be deemed satisfied and discharged to the extent of the corresponding payment made by the Bank to the Trustee under the Letter of Credit and any amounts so paid by the Borrower to the Trustee shall be used to reimburse the Bank under the Reimbursement Agreement to the extent the corresponding payment is made by the Bank to the Trustee for the benefit of the Bondholders. Borrower agrees to pay all amounts due under the Reimbursement Agreement as and when the same are due and payable.

(b) The Borrower covenants and agrees with and for the express benefit of the Issuer, the Bank, the Trustee and the Owners of the Bonds and Parity Obligations that all payments pursuant hereto and to the Notes and Parity Obligations shall be made by the Borrower on or before the date the same become due, and the Borrower shall perform all of its other obligations, covenants and agreements hereunder, without notice or demand (except as provided herein), and without abatement, deduction, reduction, diminution, waiver, abrogation, set-off, counterclaim, recoupment, defense or other modification or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and regardless of any act of God, contingency, event or cause whatsoever, and irrespective (without limitation) of whether the Borrower's Mortgaged Property or any part thereof is defective or nonexistent, or whether the Borrower's revenues are sufficient to make such payments, and notwithstanding any damage to, or loss, theft or destruction of, the Mortgaged Property or any part thereof, expiration of this Mortgage, any failure of consideration or frustration of purpose, the taking by eminent domain or otherwise of title to or of the right of temporary use of, all or any part of the Mortgaged Property, legal curtailment of the Borrower's use thereof, or whether with or without the approval of the Issuer and/or the Bank, any change in the tax or other laws of the United States of America, the State of Indiana, or any political subdivision of either thereof, any change in the Issuer's or the Bank's legal organization or status, or any default of the Issuer or Bank hereunder, and regardless of the invalidity of any portion of this Mortgage; and the Borrower hereby waives

the provisions of any statute or other law now or hereafter in effect impairing or conflicting with any of its obligations, covenants or agreements under this Mortgage or which releases or purports to release the Borrower therefrom. Nothing in this Mortgage shall be construed as a waiver by the Borrower of any rights or claims the Borrower may have against the Issuer or the Bank under this Mortgage or otherwise, but any recovery upon such rights and claims shall be had from the Issuer or the Bank, separately, as the case may be, it being the intent of this Mortgage that the Borrower shall be unconditionally and absolutely obligated without right of set-off or abatement, to perform fully all of its obligations, agreements and covenants under this Mortgage for the benefit of the holders of the Bonds and Parity Obligations.

(c) It is understood and agreed that all payments made by Borrower pursuant to Section 3.2 hereof and the Notes are pledged to Trustee pursuant to the granting clauses of the Indenture. Issuer hereby directs Borrower and Borrower hereby agrees to pay to Trustee at its principal office all said amounts payable by Borrower pursuant to Section 3.2 hereof and the Notes.

(d) The obligations of the Borrower to make the required payments and to perform and observe the other agreements on its part shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Issuer or the Bank, and the Borrower shall pay absolutely during the term of this Loan Agreement the payments to be made on account of the Loan and all other payments required thereunder free of any deductions and without abatement, diminution or set-off; and until such time as the principal of, premium, if any, and interest on the Series 1991 Bonds shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower: (i) will not suspend or discontinue any payments of the Loan or any payments due under the Reimbursement Agreement; (ii) will perform and observe all of its other agreements contained in this Loan Agreement and the Reimbursement Agreement; and (iii) except as provided in Article IV of this Loan Agreement, will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Borrower to complete the Project as set forth in Section 3.22, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax laws of the United States of America or of the State of Indiana or any political subdivision of either thereof, or any failure of the Issuer, or the Bank or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, the Indenture or the Reimbursement Agreement.

(e) It is understood and agreed that Borrower shall be obligated to continue to pay the amounts specified herein, in the Notes and in the Reimbursement Agreement whether or not the Project is damaged, destroyed or taken in condemnation and that there shall be no abatement of any such payments and other charges by reason thereof.

Section 3.3. Priority and Maintenance of Lien; Recording. This Mortgage shall constitute a first mortgage lien on and a security interest in the Project and shall be superior to any other lien, except for the Tax Regulatory Agreement. The Borrower will, at its expense, take all necessary action to maintain and preserve the lien and security interest of this Mortgage so long as any Note or Parity Obligation or obligation under the Reimbursement Agreement is outstanding. The Borrower will, forthwith after the execution and delivery of this Mortgage and thereafter from time to time, cause this Mortgage and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such

places as may be required by law in order to publish notice of and fully to protect the lien and security interest hereof upon, and the title of the Borrower to, the Mortgaged Property; and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Issuer, Bank or Trustee for such publication and protection. The Borrower will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and such instruments of further assurance.

Section 3.4. Further Assurances: After-acquired Property. (a) The Borrower will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, conveyances, mortgages, assignments, transfers and assurances as the Issuer, the Bank or Trustee reasonably may require for the better assuring, conveying, mortgaging, assigning and confirming unto the Issuer, the Bank and the Trustee all and singular the Mortgaged Property as now or hereafter constituted.

(b) All right, title and interest of the Borrower in and to all improvements, betterments, renewals, substitutions and replacements of, the Mortgaged Property or any part thereof, hereafter constructed or acquired by the Borrower immediately upon such construction or acquisition, without any further mortgaging, conveyance or assignment, shall become and be part of the Mortgaged Property and shall be subject to the lien and security interest of this Mortgage and Parity Instruments as fully and completely and with the same effect as though now owned by the Borrower, but at any and all times the Borrower will execute and deliver to the Issuer and Bank any and all such further assurances, mortgages, conveyances or assignments therefor and other instruments with respect thereto as the Issuer or Bank may reasonably require for the purpose of expressly and specifically subjecting the same to the lien and security interest of this Mortgage.

Section 3.5. Continuing Existence and Qualification; Assignment, Sale or Other Disposition of Facilities. The Borrower covenants that so long as any Bonds are outstanding, and at any time prior to the Termination Date (as defined in the Reimbursement Agreement) or the date Borrower ceases to have any obligations under the Reimbursement Agreement, whichever occurs later, it will maintain in good standing its existence under the laws of the State of Illinois and qualification to do business in good standing in the State of Indiana, will not dissolve or otherwise dispose of all or substantially all of its assets, or acquire all or substantially all of the assets of another entity and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless the Borrower shall have received (i) the prior written consent of the Bank and the Trustee; provided that the Borrower may, without violating its agreement contained in this Section, consolidate with or merge into a corporation or other entity, or permit one or more corporations or other entities to consolidate with or merge into it, or sell or otherwise transfer to another corporation or entity all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee entity (such corporation or entity being hereinafter called the "Surviving Corporation") (if other than the Borrower) expressly accepts, agrees and assumes in writing to pay and perform all of the obligations of the Borrower herein and be bound by all of the agreements of the Borrower contained in this Loan Agreement to the same extent as if the Surviving Corporation had originally executed this Loan Agreement, and the Surviving Corporation is an Indiana corporation or is a foreign

corporation or partnership, trust or other person organized under the laws of one of the states of the United States and is qualified to do business in the State of Indiana as a foreign corporation or partnership, trust or other person, and (ii) any consent required by the Bank under the Reimbursement Agreement, with verification in writing by the Bank that such actions hereunder do not constitute an event of default under the Reimbursement Agreement.

No transaction permitted by this Section 3.5 shall occur unless the Trustee and the Bank shall have received an opinion of Bond Counsel to the effect that the transaction will not adversely affect the exclusion from gross income of interest on the Series 1991 A Bonds for federal tax purposes.

Section 3.6. Financial Statements, Etc.

(a) The Borrower agrees to maintain a standard and modern system of accounting that fairly and accurately reflects the financial condition of the Borrower and is reasonably satisfactory to the Bank and the Trustee.

(b) The Borrower shall furnish such financial information as the Trustee or the Bank or the Remarketing Agent may reasonably request concerning the Borrower in order to enable the Trustee, the Bank or the Remarketing Agent to determine whether the covenants, terms and provisions of this Loan Agreement have been complied with by the Borrower and for that purpose all pertinent financial books, documents and vouchers relating to the business affairs and properties of the Borrower shall at all times upon reasonable prior notice during regular business hours be open to the inspection of such persons or their accountants or other agents (who may make copies of all or any part thereof) as shall from time to time be designated and compensated by the Trustee or the Bank.

(c) The Borrower agrees that within 120 days after the end of each fiscal year, it shall provide the Trustee and the Bank with a certificate stating whether the Borrower has complied with all the terms, provisions and conditions of this Loan Agreement and whether the Borrower is in default hereunder, and if the Borrower has not complied or is in default hereunder, specifying all such failures to comply and defaults and the nature thereof.

Without limiting the foregoing, the Borrower will permit the Trustee or the Bank (or such persons as the Trustee or the Bank may designate) to visit and inspect, at the expense of the Trustee or the Bank, any of the properties of the Borrower and to discuss the affairs, finances and accounts of the Borrower with its representatives and independent accountants, all upon reasonable prior notice and at such reasonable times during normal business hours and as often as the Trustee or the Bank may reasonably desire.

Section 3.7. Taxes, Charges and Assessments. The Borrower covenants and agrees, subject to the provisions of Section 3.10 hereof, to pay when the same shall become due or payable and to provide to Trustee and Bank satisfactory evidence of such timely payment:

(a) all taxes and charges on account of the ownership, use, occupancy or operation of the Mortgaged Property, including but not limited to all sales, use, occupancy, real and personal property taxes, all permit and inspection fees, occupation and license fees and all garbage removal, sewer, water, gas, electric light, power or other utility charges assessed or charged on or against such Mortgaged Property or on account of the Borrower's use or occupancy thereof or the activities conducted thereon or therein; and

(b) all taxes, assessments and impositions, general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed or assessed upon all or any part of such Mortgaged Property, or the interest of the Borrower therein.

If under applicable law any such tax, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, the Borrower may exercise such option.

Nothing contained herein shall be deemed to constitute an admission by the Borrower that the Borrower is liable for any tax, charge, fee, rate, imposition or assessment.

Section 3.8. Liens. Subject to the provisions of Section 3.10 hereof and subject to any rights granted to the Borrower under the Reimbursement Agreement, the Borrower will not create or permit to be created or remain and will, at its cost and expense, promptly discharge all liens, security interests, encumbrances and charges on the Mortgaged Property or any part thereof other than Permitted Encumbrances.

Section 3.9. Compliance with Orders, Ordinances, Etc. Subject to the provisions of Section 3.10 hereof, the Borrower will, at its sole cost and expense, comply with all present and future laws, ordinances, orders, decrees, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof of which it has notice, and the failure to comply with which would materially and adversely affect the Mortgaged Property or the use, occupancy or condition thereof.

Section 3.10. Permitted Contests. The Borrower may in good faith and at its cost and expense contest or take other appropriate action to contest in an appropriate manner or by appropriate proceedings the payment of any tax, charge or assessment required to be paid under Section 3.7 hereof, the removal of any lien, security interest, encumbrance or charge required to be removed under Section 3.8 hereof, or the compliance with any law, ordinance, order, decree, rule, regulation or requirement required to be complied with pursuant to Section 3.9 hereof, so long as such contest or action shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, charge, assessment, lien, security interest or encumbrance so contested, and the sale, forfeiture or loss of the Mortgaged Property or any part thereof to satisfy the same; provided, that no such contest or action shall subject the Issuer, the Bank or the Trustee to any liability as a result thereof, and provided further that the exercise of such rights by Borrower shall be conditional upon (i) Borrower giving Trustee and the Bank written notice of its intention to contest the same in a timely manner which, with respect to any contested tax or assessment, shall mean before any such tax, assessment or lien has been increased by any penalties or costs, and with respect to any contested mechanic's lien claim shall mean within ten (10) days after Borrower receives actual notice of the filing thereof, (ii) Borrower making and thereafter maintaining with Bank or such other depository as Mortgagee may designate, a deposit of cash (or United States government securities, in discount form or other security as may, in Mortgagee's sole discretion, be

acceptable to Mortgagee, and in either case having a present value equal to the amount herein specified) in an amount not less than One Hundred Fifty Percent (150%) of the amount which, in Mortgagee's reasonable opinion determined from time to time, shall be sufficient to pay in full such contested tax, assessment or lien and penalties, costs and interest that may become due thereon in the event of a final determination thereof adverse to Borrower or in the event Borrower fails to prosecute such contest as herein required, or in lieu thereof, Borrower providing to Bank and Trustee title insurance over such matters in form and substance reasonably acceptable to the Bank and Trustee, or evidence that Borrower has made a deposit with the applicable taxing authority of an equivalent or greater amount which deposit may not be withdrawn or refunded without the consent of the Bank and Trustee, and (iii) Borrower diligently prosecuting such contest by appropriate legal proceedings. In the event Borrower shall fail to prosecute such contest with reasonable diligence or shall fail to maintain sufficient funds, or other security as aforesaid, on deposit as hereinabove provided, Mortgagee may, at its option, upon notice to Borrower, liquidate the securities deposited with Mortgagee, and apply the proceeds thereof and other moneys deposited with Mortgagee in payment of, or on account of, such taxes, assessments, or liens or any portion thereof then unpaid, including the payment of all penalties and interest thereon.

Section 3.11. Repairs, Maintenance, Alterations and Use of Project. The Borrower will at its own cost and expense place and keep the Mortgaged Property in good repair and order, reasonable wear and tear excepted, and in as reasonably safe condition as the operation thereof will permit and will make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary as well as extraordinary and foreseen as well as unforeseen, and all necessary replacements or renewals.

Borrower shall complete, within a reasonable time, any building or buildings or other improvements now or at any time in the process of being constructed upon the Project Site in accordance with the terms of the Reimbursement Agreement. Following completion of the improvements contemplated by this Agreement and Indenture, and except as otherwise permitted by the Reimbursement Agreement, no Project Building or other improvement on the Project Site shall (except as required by law) be altered, removed, or demolished nor shall any fixtures or appliances on, in or about said buildings or improvements be severed, removed, sold or mortgaged without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels, or articles of personal property covered hereby or by any separate security agreement given in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrances thereon or reservation of title thereto. Except with the prior express, written consent of the Bank and the Trustee, Borrower shall not suffer or permit the Project to be abandoned or to be used for a purpose other than for residential apartment housing purposes. Borrower shall not subject the Project to any use covenants or restrictions and shall not initiate, join in or consent to any change in any existing private restrictive covenant, zoning ordinance, or other public or private restriction limiting or defining the uses which may be made of or the kind of improvements which can be constructed or placed on the Project, and shall promptly notify Trustee and Bank of, and appear in and defend at its sole cost and expense, any such proceedings seeking to effect any of the foregoing. Borrower shall not further subdivide the Project Site and shall not subject the Project to the provisions of the condominium laws of the state in which the Project is situated. No improvement on the Project Site or on land adjoining the Project Site which is owned or controlled by Borrower shall be constructed unless plans and specifications therefor have been first submitted to

Trustee and Bank and approved by them, in the exercise of their reasonable judgment, as entailing no prejudice to the indebtedness secured hereby or the security therefor. Borrower shall not cause or permit the person, firm or other entity responsible for the management of the premises (the "Property Manager") to be changed without Mortgagee's prior written consent, which consent shall not be unreasonably withheld or delayed, provided, however, that it shall not be deemed unreasonable if Mortgagee requires as a condition to giving such consent that the proposed Property Manager fully subordinate to the lien of this Mortgage, or at Mortgagor's election, waive, any lien for past, present or prospective services to which said Property Manager might otherwise be entitled.

With respect to any repairs, acquisition, restoration, replacement or alterations performed upon the Mortgaged Property by the Borrower during the term and in accordance with or as required by any provisions of this Loan Agreement, the Borrower agrees to comply at all times with the provisions of this Loan Agreement.

Section 3.12. Borrower Duties Under Indenture and Reimbursement Agreement. Notwithstanding anything to the contrary stated herein, the Borrower agrees to perform all matters provided by the Indenture and Reimbursement Agreement to be performed by the Borrower and to comply with all provisions of the Indenture and Reimbursement Agreement applicable to the Borrower.

Section 3.13. Insurance. The Borrower shall maintain the following insurance at its sole cost and expense:

- (a) Insurance against loss and/or damage to the Mortgaged Property under a commercially reasonable all risk agreed value replacement cost policy or policies. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by reason of co-insurance provisions or otherwise. During the process of constructing or reconstructing any improvements on the Project Site such coverage shall be pursuant to a builders risk, completed value, non-reporting form of policy.
- (b) Comprehensive general public liability insurance for injuries to persons and/or property, in limits not less than \$3,000,000, and with deductibles not greater than \$100,000.
- (c) Workers' compensation insurance respecting all employees of the Borrower in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Borrower may be self-insured with respect to all or any part of its liability for workers' compensation.
- (d) loss of rents insurance in amounts and for a term normally maintained by companies similarly situated.
- (e) if any pressure vessels or elevators are located on the premises, broad form boiler and machinery insurance on all equipment and objects customarily covered by such insurance, providing for full repair and replacement cost coverage.

(f) Flood insurance in accordance with the provisions of the Flood Disaster Protection Act of 1973, as amended if the area in which the Project is situated is designated as "flood prone" or a "flood risk area," as defined in said act, or if required by the National Flood Insurance Act, as amended, in the total amounts of indebtedness hereby secured, and Borrower shall comply with such other requirements of said acts as are appropriate.

Each policy of insurance shall (i) be issued by one or more recognized, financially sound and responsible insurance companies qualified or authorized under the laws of the State to assume the risks covered by such policy, (ii) name the Trustee, the Bank, the Borrower and the Issuer as assureds, as their respective interests may appear, and (iii) provide that such policy shall not be cancelled without at least 30 days prior written notice to each assured named therein. With respect to the insurance required by subsection (a) above, the policy or policies shall have attached thereto standard noncontributing mortgage clauses in favor of Trustee and Bank and entitling the Mortgagee alone to collect any and all of the proceeds payable under all such insurance, as well as standard waiver of subrogation endorsements. Borrower shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of a change in ownership of the facilities (if approved in writing by Mortgagee), immediate notice thereof by mail shall be delivered to all insurers. Borrower hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Mortgagee (who may, but need not, make proof of loss) and Mortgagee is hereby authorized after an Event of Default to adjust, collect, and compromise in its discretion all claims under all policies, and Borrower shall sign upon demand by Mortgagee, all receipts, vouchers, and releases required by such insurance companies. Whenever the Net Proceeds resulting from a claim exceed \$150,000, such Net Proceeds shall be payable to the Trustee, and if such Net Proceeds are equal to or less than \$150,000, such Net Proceeds shall be payable directly to the Borrower prior to an Event of Default hereunder. As to the insurance required by subsections (b), (c) and (d) above, prior to an Event of Default hereunder the Net Proceeds shall be payable to or for the benefit of the Borrower.

Upon the delivery of this Loan Agreement and thereafter not less than 30 days prior to any applicable expiration dates, policies of the insurance required hereunder shall be delivered by the Borrower to the Trustee with copies to the Bank. If requested in writing by the Trustee or the Bank, the Borrower shall furnish the Trustee and Bank with the schedule of premium payment dates and receipted bills or other evidence satisfactory to the Trustee and Bank of the payment when due of all premiums for all policies of insurance at any time required to be maintained hereunder. Upon reasonable prior written notice the Borrower will permit the Trustee and the Bank to visit the offices of the Borrower and inspect the Borrower's insurance records including all policies of insurance maintained pursuant to this Section and to make copies of all or any part thereof.

Any of the foregoing insurance maintained by the Borrower or an affiliate thereof pursuant hereto may be evidenced by one or more blanket insurance policies covering the Mortgaged Property and other property or assets of the Borrower, provided that any such policy shall specify that portion of the total coverage of such policy that is allocated to the Mortgaged Property and shall in all other respects comply with the requirements of this Section.

In the event Mortgagee, in its reasonable discretion determines that any insurance provided by Borrower does not comply with the insurance requirements set forth herein then

Mortgagee may, at any time and at its own reasonable discretion, procure and substitute for any and all of the insurance so held as aforesaid such other policy or policies of insurance, in such amount and carried in such company as it may reasonably determine, the cost of which shall be repaid to Mortgagee by Borrower after notice by Mortgagee to Borrower of the exercise of such right and presentation of an invoice therefor. Borrower shall furnish to Mortgagee, upon its request (but not more often than once every three (3) years and at completion of Borrower's Undertaking), estimates or appraisals of insurable value, without cost to the Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building or buildings and improvements on the premises.

Section 3.14. Trustee's Right to Perform Borrower's Covenants; Advances. In the event the Borrower shall fail to (i) perform any covenant contained in Section 3.7 hereof, (ii) remove any lien, security interest, encumbrance or charge pursuant to Section 3.8 hereof, (iii) maintain the Mortgaged Property in repair pursuant to Section 3.11 hereof, (iv) procure the insurance required by Section 3.13 hereof, (v) complete construction of the Project as required in Section 3.22 hereof, or (vi) fail to make any other payment or perform any other act required to be performed hereunder, then and in each such case (unless the same is being contested or other appropriate action is being taken with respect thereto pursuant to Section 3.10 hereof) the Trustee or Bank, upon not less than 30 days prior written notice to the Borrower unless in the reasonable opinion of the parties acting hereunder an emergency exists, in which case no notice shall be required, may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default, and any sums so advanced by the party acting hereunder shall be repayable by the Borrower on demand and shall bear interest at the prime rate of such party plus two percent (2%) from the date of the advance until repaid.

Section 3.15. Indemnity. The Borrower will pay, and protect, indemnify and save the Issuer, the Gary Economic Development Commission and the Bank harmless from and against, all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees incurred or payable by the Issuer and expenses of the Issuer, the Bank and the Trustee), causes of actions, suits, claims, demands and judgments of any nature arising from or relating to the Mortgaged Property, the issuance of the Bonds or any other matters occurring after issuance of the Bonds relating to the Bonds, this Loan Agreement, the Letter of Credit, the Reimbursement Agreement, the Indenture or any other documentation relating to the Bonds, (except with respect to (i) any breach of Issuer's representations and warranties included in this Loan Agreement and except for damage resulting from willful or grossly negligent actions by such Commission or the Issuer).

Section 3.16. Issuance of Substitute Notes. Upon the surrender of any Note, the Borrower will execute and deliver to the holder thereof a new Note dated the date of the Note being surrendered but with appropriate notations thereon to reflect payments of principal and interest already paid on such Note; provided, however, that there shall never be outstanding at any one time more than one Note of any one series.

Section 3.17. Payment of Expenses of Issuance of Series 1991 Bonds. The Borrower agrees to be liable for and pay for any recording expenses, Trustee's acceptance fees, escrow and title insurance costs, reasonable legal fees, printing expenses and other reasonable fees and expenses incurred or to be incurred by or on behalf of the Issuer and the Trustee in connection with or as an incident to the issuance and sale of the Series 1991 Bonds. Pursuant to Sections 301 and 403 of the Indenture, the Issuer has authorized the use of certain proceeds

of the Series 1991 A Bonds and the Series 1991 B Bonds to defray the Borrower's obligations under this Section.

Section 3.18. Mortgagee Title Insurance Policy. Concurrently with the issuance and sale of the Series 1991 Bonds the Borrower will deliver to the Trustee and the Bank an ALTA construction loan policy of title insurance in a form acceptable to the Trustee and the Bank in the face amount required by the Trustee and the Bank issued by Chicago Title Insurance Company, insuring that the Trustee and the Bank (as co-mortgagees and insureds thereunder) have a first mortgage lien on the Mortgaged Property, subject only to Permitted Encumbrances. Said policy shall contain certain endorsements as required by the Reimbursement Agreement and as required by the Trustee and the Bank. Any Net Proceeds received from such policy shall at the discretion of the Mortgagee be deposited in the Construction Fund and applied, within three years, for the purchase of additional real property or equipment for the Project to be made subject to the lien of this Loan Agreement or transferred to the Bond Fund to be used to redeem Bonds at the earliest redemption date when such amounts become Available Moneys, as provided in Section 5.1(c)(2) hereof.

Section 3.19. Funding of Indenture Funds; Investments; Arbitrage Certificates. The Issuer shall deposit with the Trustee all proceeds from the sale of the Series 1991 Bonds in the manner specified in Article III of the Indenture, and the Trustee shall deposit such proceeds in the manner specified in such Article.

The Borrower and the Issuer agree that all moneys in any Fund established by the Indenture shall, at the written direction of the Borrower, be invested in Qualified Investments; provided that any moneys that have been on deposit in the Bond Fund for longer than thirteen months (assuming such moneys are used on a first-in first-out basis) shall be invested in tax exempt state or local government obligations described in Section 1.148-8T(e)(3) of the proposed and temporary Treasury Regulations or at a yield that is lower than the yield on the Series 1991 A Bonds.

The Trustee is hereby authorized to trade with itself, any NASD registered broker dealer or any bank broker dealer regulated by the office of the Comptroller of the Currency in the purchase and sale of securities for such investments. The Trustee shall not be liable or responsible for any loss resulting from any such investment properly obtained in accordance with the Borrower's direction and the requirements of the Indenture. All such investments shall be held by or under the control of the Trustee and any income resulting therefrom shall be applied in the manner specified in the Indenture.

The Issuer and the Borrower covenant that they will not knowingly, and will not knowingly cause the Trustee to, make any investment or do any other act or thing during the period that any Series 1991 A Bonds are outstanding under the Indenture which would cause any of the Series 1991 A Bonds to become or be classified as arbitrage bonds within the meaning of Section 148 of the Code, and the regulations thereunder now or hereafter proposed or published in the Federal Register or as promulgated in final form. It is further understood and agreed that the Trustee shall not be required at any time to make any such investment or to do any such act.

The Borrower covenants to comply with the provisions of Section 148 of the Code and the proposed and temporary regulations published in connection therewith (or the final regulations, when adopted and if applicable), during the term of the Series 1991 A Bonds; including, but not limited to, the provisions for rebate of certain earnings to the United States

to the extent the same apply to the Series 1991 A Bonds and, to the extent insufficient funds are available in the Rebate Fund to pay any rebate amount owed to the United States. The Borrower shall deliver such investment instruction to the Trustee as the Borrower shall deem necessary to comply with the provisions of this Section.

Section 3.20. Other Amounts Payable by the Borrower. The Borrower covenants and agrees to pay the following:

- (a) All reasonable fees, charges and expenses, including agent and counsel fees, of the Trustee incurred under the Indenture, as and when the same become due;
- (b) All costs incident to the payment of the principal of, premium, if any, and interest on the Series 1991 Bonds as the same become due and payable, including all costs and expenses in connection with the call, redemption and payment of Series 1991 Bonds;
- (c) An amount sufficient to reimburse the Issuer for all expenses reasonably incurred by the Issuer under this Loan Agreement and in connection with the performance of its obligations under this Loan Agreement or the Indenture;
- (d) All expenses incurred in connection with the enforcement of any rights under this Loan Agreement, the Reimbursement Agreement, Servicing Agreement or the Indenture by the Issuer, the Trustee, the Bank or the Bondholders;
- (e) All other payments of whatever nature which the Borrower has agreed to pay or assume under the provisions of the Loan Agreement, Servicing Agreement and the Reimbursement Agreement; and
- (f) All fees, expenses, premium or other payments required in order to maintain the Letter of Credit in full force and effect.

Notwithstanding anything in this Section 3.20 to the contrary, the Borrower may, without creating an event of default as herein defined, contest in good faith the necessity for any such services, fees, charges or expenses of the Issuer or the Trustee.

Section 3.21. Credits on Notes. Notwithstanding any provision contained in this Loan Agreement or in the Indenture to the contrary, in addition to any credits on the Notes resulting from the payment or prepayment thereof from other sources:

- (a) any moneys deposited by the Trustee in the Bond Fund for payment on the Bonds and which moneys have become Available Moneys shall be credited against the obligation of the Borrower to pay the principal, premium, if any, and interest on the Notes as the same become due; and
- (b) the principal amount of Bonds of any series and maturity acquired with Available Moneys by the Borrower and delivered to the Trustee, or acquired by the Trustee and cancelled, shall be credited against the obligation of the Borrower to pay the principal of the Note evidencing the loan made by the Issuer with the proceeds of the sale of Bonds of such series maturing on the maturity date of the Bonds so acquired and delivered or cancelled.

Section 3.22. Completion of Project. (a) Subject to the provisions of Section 3.25 hereof, and to such covenants and conditions pertaining to the subject matter of this Section as are specified in the Reimbursement Agreement, the Borrower agrees that:

(i) It will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things with continuity and diligence which may be requisite or proper, all for completion of the Project, (for purposes of this Loan Agreement, the phrase "Completion of the Project" shall be synonymous with "Completion of Borrower's Undertaking") on or before May 1, 1994, in substantial accordance with the approved Plans (as defined in the Reimbursement Agreement) thereof, subject to Section 3.22(c) below.

(ii) It will, upon completion of the Project, furnish to the Trustee and Bank (i) final lien waivers from all contractors or suppliers who have furnished material or labor for the Project (which requirement may be waived if no lien construction contracts are in force); and (ii) a final endorsement to the mortgagee title insurance policy required by Section 3.18 hereof, reflecting completion of construction of the Project.

If the moneys in the Construction Fund (including moneys from the proceeds of any Additional Bonds sold to finance completion of the Project) should not be sufficient to pay in full the costs to be paid therefrom, the Borrower agrees, for the benefit of the Issuer and the Bank and in order to fulfill the purposes of the Act, to complete the construction and equipping of the Project and to pay that portion of the costs therefor as may be in excess of the moneys available therefor in the Construction Fund. Neither the Issuer nor the Bank makes any warranty, either express or implied, that the moneys, which will be paid into the Construction Fund and which under the provisions of this Loan Agreement will be available for payment of the costs of the construction and equipping of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower agrees that if after exhaustion of the moneys in the Construction Fund the Borrower should pay pursuant hereto any portion of the said costs of the acquisition, construction installation, rehabilitation and equipping of the Project, it shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, the Bank or the holders of any of the Bonds, nor shall it be entitled to any diminution in or abatement or postponement of the amounts payable hereunder or under the Series 1991 Notes.

(b) Issuer has, in Section 403 of the Indenture, authorized and directed the Trustee to make payments from the Construction Fund to pay the Project Costs, or to reimburse Borrower for any Project Costs paid by it in the manner and subject to the provision of Section 403 thereof.

(c) The Completion Date shall be evidenced to Trustee, Bank and Issuer by the certificates specified in Section 403(c) of the Indenture and any excess proceeds in the Construction Fund at such time shall be deposited in the Bond Fund to redeem Series 1991 A Bonds and shall be deemed to prepay the Notes and Parity Obligations as provided in Section 5.2(a) hereof. Pursuant to this Section 3.22(c), the Borrower may, but only if consented to by the Bank, certify the Project as complete if the Borrower determines that further acquisition, construction, installation, or rehabilitation and equipping of the Project is no longer economically desirable for the Borrower.

(d) Subject to Section 3.22(c) hereof, if the Borrower, prior to the completion of the

Project abandons the Project, or ceases work thereon for more than fifteen (15) consecutive days after written notice from the Mortgagee to the Borrower stating such abandonment or cessation has begun (except for causes beyond its control) and requesting that work on the Project be resumed, or fails to complete the Project in substantial accordance with the Plans, the Mortgagee, with the prior written consent of the co-mortgagee, may declare an event of default under this Loan Agreement and may enter into and take possession of the Project and complete the Project as attorney-in-fact for the Borrower with full power to do any and every act which the Borrower might do in its own behalf.

Section 3.23. Right of Access to the Project. Borrower agrees that the Issuer, the Bank and the Trustee and their or either of their duly authorized agents shall have the right at all reasonable times during business hours, subject to Borrower's safety and security requirements, to enter upon and examine and inspect the Project without interference or prejudice to the Borrower's operation.

Borrower further agrees that the Trustee and the Bank and their respective duly authorized agents shall have such rights of access to the Project as may be reasonably necessary to cause to be completed the construction, installation and rehabilitation provided for in Section 3.22 hereof, and thereafter for the proper maintenance of the Project, in the event of failure by Borrower to perform its obligations under Section 3.22 hereof.

Section 3.24. Granting of Easements. The Issuer and Bank agree that they shall execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any easement, license, right-of-way or other right or privilege permitted under the terms hereof and under the terms and provisions of the Reimbursement Agreement.

Section 3.25. Tax Exempt Status of Bonds. (a) Borrower further covenants that it will not knowingly take, or fail to take, any action which action or failure will cause the interest on the Series 1991 A Bonds to become includable in the gross income of the owners thereof for federal income tax purposes so long as any of the Bonds are Outstanding under the Indenture; provided, that Borrower shall not have violated this covenant if the interest on any of the Series 1991 A Bonds becomes taxable to a person who is a substantial user of the Project or a related person pursuant to the provisions of Section 147(a) of the Code.

(b) In order to specifically identify those obligations included in subsection (a) hereof, the Borrower has executed the Tax Representation Certificate, which Tax Representation Certificate is incorporated herein and included as a part of this Loan Agreement by reference.

Section 3.26. Preparation of Information Reports. In accordance with Section 149(e) of the Code, the Borrower covenants and agrees to provide all necessary information to Bond Counsel to enable it to prepare an Information Return for Tax Exempt Private Activity Bonds (IRS Form 8038) for the Series 1991 A Bonds, which report shall contain:

- (a) the name and address of the Issuer;
- (b) the dates of each series of Bonds, the amount of lendable proceeds of each series of Bonds, and the stated interest rate or amount of original issue discount, term, and principal amount of each series of Bonds, if more than one;
- (c) the name of the governmental unit which approved the issue;
- (d) a description of the Project; and
- (e) any other information required by Section 149(e) of the Code or Form 8038.

The Borrower further covenants and agrees to furnish such report to the Issuer (with a copy to the Trustee) at the time of delivery of the Bonds, but in no event later than 30 days after the end of the calendar quarter during which the related series of Bonds was issued. The Issuer agrees, pursuant to Section 149(e) of the Code, to file such report by certified mail with the Secretary of the Treasury or his designee at the time of delivery of the Bonds, but in no event later than the 10th day of the second calendar month after the close of the calendar quarter during which the related series of Bonds was issued.

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Section 3.27. Security Agreement. (a) With respect to those items referenced in Divisions I, II, III IV, V, VI and VII of the Granting Clauses hereof (herein sometimes referred to as the "Collateral"), this Loan Agreement is hereby made and declared to be a security agreement encumbering each and every item of such property comprising a part of the Collateral, in compliance with the provisions of the Uniform Commercial Code as enacted in the State. The Borrower hereby authorizes the Trustee as the assignee of the Issuer and the Bank, to execute and file, without necessity for the execution thereof by the Borrower, any financing statements, continuation statements, or other instruments or documents that the Trustee and the Bank may deem necessary or desirable to perfect and maintain the lien of this security agreement upon the Collateral and all parts thereof. The Borrower, Bank and Issuer agree that the filing of any such financing statement(s) in the records normally having to do with personal property shall not in any way affect the agreement of the parties hereto that everything used in connection with the production of income from the Mortgaged Property or adapted for use therein or which is described or reflected in this Loan Agreement is, and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as part of the real estate conveyed hereby regardless of whether any such item is physically attached to the improvements or that serial numbers are used for the better identification of certain items capable of being thus identified in an exhibit hereto, or as any such item is referred to or reflected in any such financing statement(s) so filed at any time.

(b) The mention in any such financing statement(s) of the rights in and to (i) the proceeds of any insurance policy, (ii) any award in eminent domain proceedings for a taking or for loss of value, or (iii) Borrower's interest as landlord in any present or future lease or sublease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to a tenant lease of space or otherwise, shall not in any way alter any of the rights of the Issuer and Bank as determined by this Loan Agreement or affect the priority of the Issuer's and the Bank's security interest granted hereby or by any other recorded document, it being understood and agreed that such mention in such financing statement(s) is solely for the protection of the Issuer and the Bank in the event any court shall at any time hold with respect to the foregoing clauses (i) to (iii) of this Section 3.27(b) that notice of the

Issuer's priority of interest, to be effective against a particular class of persons, must be filed in the Uniform Commercial Code records.

(c) The security interest granted herein shall attach as soon as the Borrower obtains any interest in any of the Collateral and before the Collateral becomes fixtures or before the Collateral is installed or affixed to any other collateral for the benefit of Issuer and Bank, to secure the payment and performance obligations of the Borrower and secured by this Loan Agreement, and all other sums and charges which may become due hereunder or under the Reimbursement Agreement. The security interest granted to the Issuer shall cover cash and non-cash proceeds of the Collateral, but nothing contained herein shall be construed as authorizing, either expressly or by implication, the sale or other disposition of the Collateral by the Borrower except on the terms and conditions set forth in this Loan Agreement.

(d) In the event of a default hereunder, the Mortgagee, pursuant to said Uniform Commercial Code shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies in respect of the real property, in which event the default provisions of the Uniform Commercial Code shall not apply. The parties agree that, in the event an election is made to proceed with respect to the Collateral separately from the real property, the requirement of the Uniform Commercial Code as to reasonable notice of any proposed sale or disposition of the Collateral shall be met if such notice is mailed to the Borrower at the address for notice set forth herein at least ten (10) days prior to the time of such sale or disposition.

(e) All replacements, renewals and additions to the Collateral shall become and be immediately subject to the security interest of this Loan Agreement and shall be covered thereby. Borrower warrants and represents that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto will be, free and clear of liens, encumbrances or security interests of others, except for Permitted Encumbrances.

(f) Borrower warrants that (i) its name, identity, and principal place of business are as referred to in Article XI hereof; (ii) it has been using or operating under said name and identity without change for a continuous period of more than four (4) months prior to the date hereof; and (iii) the location of all tangible Collateral is or will be upon the real estate described in Exhibit A hereto. Borrower covenants and agree that it will furnish the Issuer, Bank and Trustee with notice of any change in the matters addressed by clauses (i) or (iii) of this Section 3.27(f) within thirty (30) days of the effective date of any such change, and Borrower will promptly execute any financing statement(s) or other instrument(s) deemed necessary by the Issuer, Bank or Trustee to prevent any filed financing statement from becoming misleading or losing its perfected status.

(g) Some of the items comprising the Collateral are goods that are or are to become, fixtures related to the real estate described on Exhibit A attached hereto and it is intended that, as to those goods, this Loan Agreement 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 real estate is located. The information in this Section 3.27(g) is provided in order that this Loan Agreement shall comply with the requirements of the Uniform Commercial Code as enacted in the State, for mortgage instruments to be filed as financing statements. The Borrower is the "Debtor" and its name is as set forth in the definition thereof contained herein. The "Secured Party" is the Issuer with the Trustee being its assignee, and the Bank and their respective names are as set forth in the definitions thereof contained herein. The mailing address of the Borrower, location of the chief executive offices of the Borrower and

mailing address of the Trustee, Bank and Issuer from which information concerning the security interest granted herein may be obtained is set forth in Article XI hereof. A statement indicating the types or describing the items comprising the Collateral is set forth hereinabove.

Section 3.28. Letter of Credit; Substitute Letter of Credit. (a) The Borrower shall not permit any amendment, modification or termination of the Letter of Credit, except for an extension of the Letter of Credit or as otherwise provided in Section 3.28(b), without the written consent of the holders of all outstanding Bonds and Parity Obligations secured by the Letter of Credit, except for an amendment that extends the Bank's obligations under the Letter of Credit to include payment of any Additional Bonds or Parity Obligations proposed to be issued under Article VI hereof. For purposes of this Section 3.28(a) a Bondholder shall be deemed to have consented to any amendment or modification of the Letter of Credit if said Bondholder has not responded either affirmatively or negatively by 90 days after the Trustee has given such notice to the address shown on the registration books of the Trustee by registered-mail, return receipt requested.

(b) The Borrower may provide for the delivery to the Trustee of a Substitute Letter of Credit with the written consent of the holders of all outstanding Bonds and Parity Obligations secured by the Letter of Credit; provided, however, that the consent of holders of the Bonds shall not be required in the case of (i) a Substitute Letter of Credit delivered at the commencement of a Reset Period, (ii) a Substitute Letter of Credit delivered as a result of an Act of Bankruptcy of the Bank which issued the Letter of Credit which is being replaced, (iii) a Substitute Letter of Credit issued by the same Bank as the Bank which issued the Letter of Credit which is being replaced or (iv) a Substitute Letter of Credit delivered at any time, provided that in each case the rating requirements of Section 3.28(c) are satisfied (as evidenced by written confirmation to such effect from the appropriate rating agencies). Any Substitute Letter of Credit issued more than forty-five (45) days prior to a scheduled expiration or termination of the Letter of Credit it is being issued to replace shall be delivered to the Trustee not less than five (5) days before and shall become effective on the date of the substitution of the Letter of Credit it is being issued to replace. Otherwise, any Substitute Letter of Credit shall be delivered to the Trustee and shall become effective as provided in Section 5.2(c) hereof.

(c) The Borrower shall provide written confirmation from the rating agency or agencies which have rated the Bonds that the substitution of the Substitute Letter of Credit will not result in a withdrawal or reduction of the rating on the Bonds in effect at the time of substitution, but in no event to a rating less than a Standard & Poors Corporation A rating or a Moody's Investors Service, Inc. A2 rating, except that a Letter of Credit delivered to the Trustee at the beginning of a Reset Period and taking effect at the beginning of such period may carry whatever rating the market determines is required to make the Bonds marketable on the Reset Date and a Substitute Letter of Credit issued by the same bank that issued the Letter of Credit being replaced may carry whatever rating is in effect at the time of substitution.

(d) The Borrower shall also provide an opinion of counsel acting on behalf of the bank issuing the Substitute Letter of Credit that the Substitute Letter of Credit is enforceable, such opinion to be in form and substance acceptable to the Trustee and any rating agency or rating agencies then rating the Bonds.

(e) Upon receipt of and effectiveness a Substitute Letter of Credit meeting the requirements of this Section 3.28, the Trustee shall surrender to the Bank the existing Letter of Credit. The Trustee, upon receipt of the Substitute Letter of Credit shall promptly mail to each Owner of a Bond in the series to which such Substitute Letter of Credit shall apply a notice of the substitution by first class mail at the Owner's address as set forth in the registration books kept for such purposes.

Section 3.29. Tax Regulatory Agreement. The Tax Regulatory Agreement is incorporated herein by reference and is made a part hereof as if fully set forth. The Borrower agrees to comply with the covenants and agreements in the Tax Regulatory Agreement.

(End of Article III)



ARTICLE IV

Damage, Condemnation, and Loss of Title

Section 4.1. Damage, Condemnation and Loss of Title. The Borrower agrees to notify the Trustee and the Bank immediately (a) in the case of damage estimated to exceed \$150,000 in amount to the Mortgaged Property resulting from fire or other casualty, or (b) upon obtaining knowledge of the institution of any proceedings for the condemnation or taking of the Mortgaged Property or any portion thereof for public or quasi-public use. In the event any such damage or condemnation is estimated to not exceed \$150,000, the Borrower will forthwith repair, reconstruct, restore or replace such Mortgaged Property to substantially the same condition as it existed prior to the event causing such damage or condemnation or to a condition of at least equal utility and value (taking into account the part thereof taken) and will apply the Net Proceeds of any insurance or condemnation award relating to such damage or condemnation received by the Borrower to the payment or reimbursement of the costs of such repair, reconstruction, restoration or replacement. So long as the Borrower is not in default hereunder, the Net Proceeds of any insurance or condemnation award relating to such damage or condemnation where the estimated damage does not exceed \$150,000 shall be paid over to the Borrower upon its Written Request therefor.

In the event any such damage or condemnation shall be estimated to exceed \$150,000 in amount, the Borrower shall, subject to approval of Bank, not to be unreasonably withheld, within 30 days after the receipt of the Net Proceeds of any insurance or condemnation award relating to such damage or condemnation elect one of the following three options by written notice of such election to the Trustee:

(a) Option A - Repair, Restoration or Replacement. The Borrower may repair, reconstruct, replace or restore such Mortgaged Property to substantially the same condition as it existed prior to the event causing such damage, destruction or condemnation or to a condition of at least equal value. Mortgagee shall cause the Net Proceeds of any insurance or condemnation award relating to such damage, destruction or condemnation to be made available, from time to time, upon compliance by the Borrower with all conditions to disbursement of Construction Fund moneys set forth in the Indenture, Servicing Agreement and Reimbursement Agreement, and if the estimated cost of the work exceeds ten percent (10%) of the original principal amount of the indebtedness secured hereby, then Borrower shall furnish Mortgagee with all plans and specifications for such rebuilding or restoration as Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of said Net Proceeds shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens.

In such event, the Borrower shall complete the repair, reconstruction, restoration or replacement of such Mortgaged Property, whether or not the Net Proceeds of insurance or condemnation award received by the Borrower for such purposes are sufficient to pay for the same.

(b) Option B - Prepayment of Notes and Parity Obligations. At such time as the Net Proceeds and other amounts provided by the Borrower, if necessary, become Available Moneys, the Borrower may elect to have the Net Proceeds payable as a result of such damage or condemnation, and, if necessary, other amounts provided by the Borrower applied to the prepayment of the principal amount due under Notes and Parity Obligations in whole, but not in part, but only in the event such damage or condemnation is so substantial as to permit optional redemption under Section 5.01(c)(1) of the Indenture. Whenever the Borrower elects to prepay Notes and Parity Obligations under this option, the Borrower shall, in its notice of election to the Trustee, direct the Trustee to deposit such Net Proceeds in the Bond Fund and to deem such Net Proceeds, when and as received and upon becoming Available Moneys, to be the prepayment of Notes and Parity Obligations.

(c) Option C - Additional Property. Upon delivery of an approving opinion of Bond Counsel, the Borrower may elect to have the Net Proceeds deposited into the Construction Fund and applied within three years to the purchase of additional real property or equipment of the type described in Section 142(a)(7) of the Code and such property shall become subject to the lien of the Loan Agreement.

Section 4.2. Other Provisions with Respect to Net Proceeds. The Net Proceeds of any title insurance, casualty insurance or condemnation award in excess of \$150,000 received by the Mortgagee shall be deposited in the Construction Fund and shall be invested or reinvested in Qualified Investments subject to the Borrower's right to use the same for restoration purposes pursuant to Section 4.1(a) hereof. If the Net Proceeds deposited in the Construction Fund pursuant to Sections 3.18, 4.1(a) or 4.1(c) hereof exceed the amount necessary for such repair, restoration, replacement or purchase of additional property, upon written certification thereof from the Borrower and approved by the Bank, such excess amounts may be drawn from the Construction Fund for the Borrower's own use and shall be released from the lien hereof.

Section 4.3. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, relocation, modification or improvement referred to in Section 4.1 hereof, Borrower will nonetheless complete the work and will pay any cost in excess of the amount of the Net Proceeds held by the Trustee.

(End of Article IV)

ARTICLE V

Prepayment of Series 1991 Notes

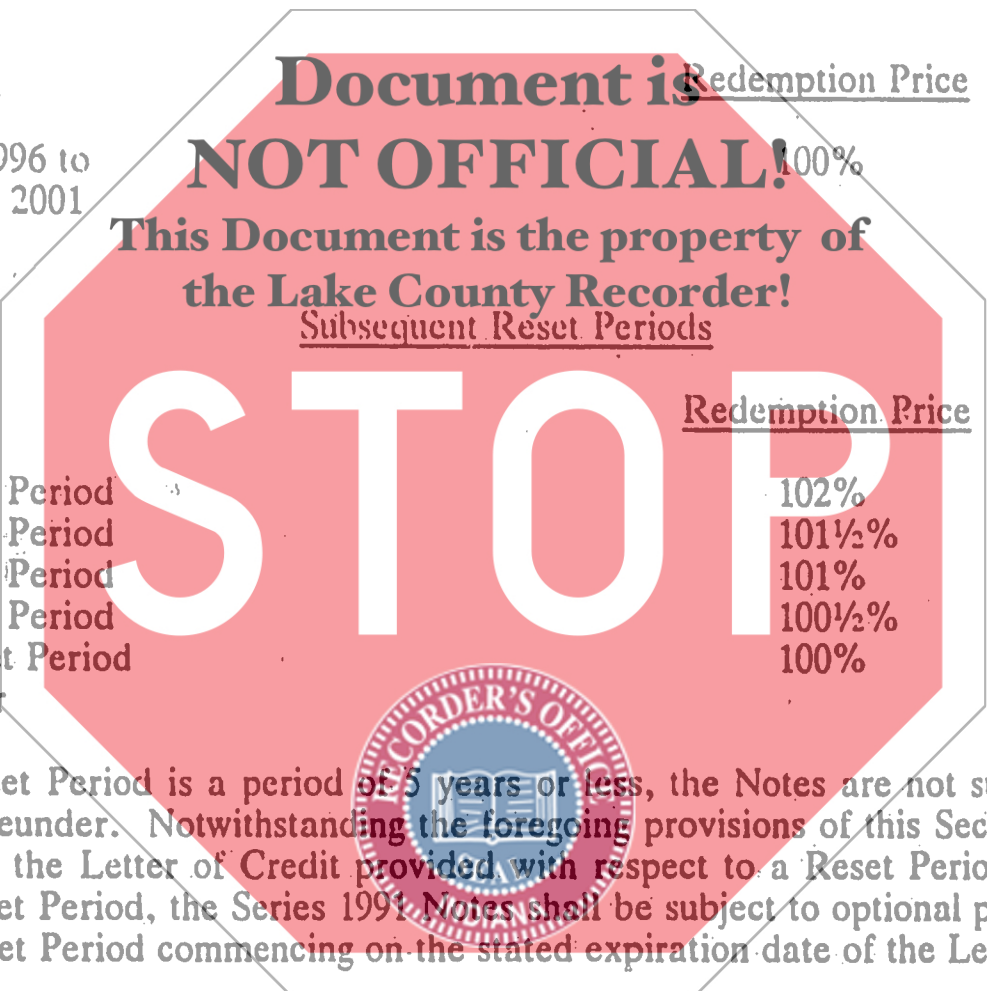
Section 5.1. Optional Prepayment. (a) Except as described in subsections (b) and (c) hereof, the Series 1991 Notes are not subject to optional prepayment by the Borrower.

(b) The Series 1991 A Note and 1991 Series B Note may be prepaid at the option of the Issuer as directed by the Borrower during the initial Reset Period and subsequent Reset Periods as set forth below:

Initial Reset Period

<u>Dates</u>	<u>Redemption Price</u>
April 1, 1996 to March 31, 2001	100%

<u>Dates</u>	<u>Redemption Price</u>
Year 6 of Reset Period	102%
Year 7 of Reset Period	101½%
Year 8 of Reset Period	101%
Year 9 of Reset Period	100½%
Year 10 of Reset Period and thereafter	100%



If the Reset Period is a period of 5 years or less, the Notes are not subject to optional prepayment hereunder. Notwithstanding the foregoing provisions of this Section 5.1(b), if the original term of the Letter of Credit provided with respect to a Reset Period is less than the term of the Reset Period, the Series 1991 Notes shall be subject to optional prepayment at par during such Reset Period commencing on the stated expiration date of the Letter of Credit.

In order to exercise such option to prepay the Series 1991 Notes in whole or in part, the Borrower must deposit moneys for such purpose with the Trustee in an amount sufficient to prepay the portion of the Series 1991 Notes to be prepaid on the corollary redemption date for the related Series 1991 Bonds. Furthermore, amounts deposited with the Trustee for purposes of paying the premium, if any, on the Series 1991 Bonds must be Available Moneys before notice of redemption is given to the owners of the Series 1991 Bonds to be redeemed. Any amount so paid which is less than the full unpaid principal amount of the Series 1991 Bonds shall be credited against the installment or installments of principal due on the Series 1991 Notes corresponding to the maturity of the Series 1991 Bonds being redeemed.

(c) If any of the following conditions or events shall have occurred, the Borrower will have the option to prepay the Notes and Parity Obligations in whole at a price of 100% of the principal amount thereof without premium, plus interest accrued to the redemption date:

(1) If title to or the use for a limited period of substantially all of the Mortgaged Property be condemned by any authority having the power of eminent domain and the Mortgaged Property is abandoned:

(2) if title to substantially all of the Mortgaged Property is found to be deficient or nonexistent to the extent that the efficient utilization of the Mortgaged Property by the Borrower is impaired so as to render the Project unsatisfactory for the continued operation thereof in the reasonable judgment of the Borrower, as certified by the Borrower in writing to the Trustee and the Bank and the Mortgaged Property is abandoned:

(3) if substantially all of the Mortgaged Property is damaged or destroyed by fire or other casualty so that in the reasonable judgment of the Borrower, as certified in writing to the Trustee and the Bank, it is economically infeasible to rebuild, repair and restore the Project within a period of 12 months after the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction and the Mortgaged Property is abandoned; or

(4) if as a result of changes in the Constitution of the State of Indiana, or of legislative or administrative action by the State of Indiana or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, this Loan Agreement shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the Issuer or the Borrower.

In order to exercise such option to prepay the Notes and the Parity Obligations in whole, the Borrower must first deposit with the Trustee sufficient moneys to, and then direct the Trustee to draw on the Letter of Credit an amount sufficient to, pay the principal of and accrued interest on all outstanding Notes and Parity Obligations to the prepayment date.

Section 5.2. Mandatory Prepayment. (a) Deemed Prepayment. Redemption of Bonds with proceeds derived under Section 3.22 shall be deemed prepayment of the Notes without premium in the same amount as the amount of Bonds redeemed.

(b) Determination of Taxability. In the event a Determination of Taxability with respect to any Series 1991 A Bonds shall have occurred, then the Series 1991 Notes shall be prepaid on a redemption date established pursuant to Section 501(c)(ii) of the Indenture at 100% of the principal amount of the Series 1991 Bonds to be redeemed plus accrued interest thereon to the redemption date (which redemption date shall be the earliest date by which the appropriate notice can be given, and shall be within 45 days of a final Determination of Taxability as described in Section 501(c)(ii) of the Indenture).

(c) Expiration of Letter of Credit. If by March 1, 1996 and on each March 1 thereafter the Borrower fails to deliver to the Trustee an extension of the Letter of Credit or a Substitute Letter of Credit that provides sufficient coverage for at least the twelve-month and fifteen day period beginning on the next succeeding April 1 (and ending on an April 15th) then the Series 1991 Notes shall be prepaid in an amount equal to all Series 1991 Bonds then Outstanding and all Series 1991 Bonds shall be called for redemption as soon as practicable but not later than five (5) days prior to the expiration date of such Letter of Credit. The Trustee shall draw on the Letter of Credit at least two Business Days prior to its expiration in order to redeem the

Series 1991 Bonds then Outstanding at one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption but without premium.

(d) Series 1991 Bonds Not Remarketed. The Series 1991 Notes are subject to mandatory prepayment on any Reset Date, in whole or in part, at 100% of the principal amount thereof, plus accrued interest to the prepayment date, in the amount and to the extent such Series 1991 Bonds have not been remarketed by the Remarketing Agent by 10:30 a.m., New York time, on the Business Day prior to the Reset Date.

(e) Act of Bankruptcy of Bank. The Series 1991 Notes are also subject to mandatory prepayment in whole at a price of 100% of the principal amount thereof plus accrued interest to the prepayment date as soon as practicable but no later than the 90th day after the occurrence of an Act of Bankruptcy of the Bank, if within 45 days of the occurrence of an Act of Bankruptcy of the Bank a Substitute Letter of Credit in respect of the Letter of Credit or Substitute Letter of Credit at the time in effect is not issued to the Trustee as provided in Section 3.28 hereof.

Section 5.3. Notice of Prepayment. The Borrower shall give the Trustee and Bank not less than forty-five (45) days prior written notice of any prepayment of the Notes pursuant to Sections 5.1 and 5.2 hereof which notice shall designate the date of prepayment and the amount thereof and direct the redemption of the Bonds in the amounts corresponding to the Notes to be prepaid.

Section 5.4. Payment on Letter of Credit or Reimbursement Agreement Not a Prepayment. Borrower and Issuer agree that any payment by the Bank upon the honoring of the Letter of Credit because of the occurrence of an Event of Default hereunder shall not be considered a prepayment of the Notes.

Section 5.5. Series 1991 Notes Not Extinguished. Redemption of Series 1991 Bonds pursuant to Sections 501(c)(iii), (iv) and (v) which constitutes prepayment of the Series 1991 Notes hereunder pursuant to Sections 5.2(c), (d) and (e) hereunder, shall not result in the extinguishment of the Borrower's obligations under the Series 1991 Notes so long as the Series 1991 Bonds are registered in the name of the Borrower and not extinguished and cancelled under the Indenture.

(End of Article V)

ARTICLE VI

Additional Notes and Parity Obligations

Section 6.1. Issuance of Additional Notes and Parity Obligations. So long as no event of default (as defined in Section 7.1 hereof) has occurred and is continuing and so long as the Bank has consented in writing prior thereto, the Borrower from time to time may issue and sell to the Issuer (but only to the Issuer) one or more Notes pursuant to this Loan Agreement in addition to the Series 1991 Notes (herein referred to as "Additional Notes") or, in the alternative, the Borrower from time to time may issue and sell one or more Parity Obligations.

Any Additional Note shall (i) be issued only in connection with the issuance of Additional Bonds, (ii) be lettered to correspond with the series of Additional Bonds the proceeds of which are being used to make the loan to the Borrower evidenced by such Additional Note, (iii) be substantially in the form of the Series 1991 Notes attached hereto as Exhibit B (with appropriate variations or insertions), (iv) be pledged and assigned by the Issuer to the Trustee as security for a corresponding series of Additional Bonds concurrently issued and sold under the Indenture, (v) be issued in the same principal amount as such corresponding series of Additional Bonds, (vi) be issued with the same final maturity date as such corresponding series of Additional Bonds, (vii) be issued with the same rate or rates of interest payable at the same time or times as such corresponding series of Additional Bonds, and (viii) require payments of installments of principal in the same amounts and at the same time as any redemptions or payments of principal of such corresponding series of Additional Bonds.

Additional Notes shall be authorized by a supplement to this Loan Agreement. Parity Obligations shall be authorized by such Parity Instruments as may be entered into by the Borrower and the purchaser or purchasers thereof or a trustee acting for the benefit of such purchaser or purchasers. Upon the issuance and sale of any Additional Notes or Parity Obligations the same shall, together with any other Note or Parity Obligation then outstanding, be equally and ratably secured by the lien of this Mortgage on the Mortgaged Property and any other property mortgaged or assigned as collateral for the Notes and Parity Obligations pursuant to a Parity Instrument.

It is the intent hereof that the rights and remedies of the holders of the Notes and Parity Obligations be equal and pari passu and nothing contained herein or in any supplement to this Mortgage or in any Parity Instrument shall be deemed to give the holders of any Notes or Parity Obligations any rights or remedies superior or inferior to the rights and remedies of the holder or holders of any other Notes or Parity Obligations; provided, however, that in the event of any disagreement between the Trustee and the holder or holders of any Parity Obligations or any trustee acting for their benefit concerning the remedies to be pursued in the event of a default, the Trustee under the Indenture shall have the right to direct the remedies to be pursued. Any Parity Instrument shall expressly provide for events of default and remedies therefor identical to those provided for in this Mortgage.

Section 6.2. Conditions to Issuance of Additional Notes and Parity Obligations. Prior to the issuance and sale of any Additional Note or Parity Obligation, and as a condition precedent thereto, the following documents and showings shall be executed and delivered to the Trustee:

(a) If an Additional Note is being issued, a supplement to this Loan Agreement, executed by the Borrower, the Issuer and the Bank, specifying the principal amount, rate of interest, maturity, terms of optional prepayment, if any, and form of such Additional Note and a supplement to the Indenture, executed by the Issuer and the Trustee, creating the Additional Bonds being issued and sold to finance the purchase of such Additional Note, specifying the terms thereof, pledging and assigning such Additional Note as security therefor and providing for the disposition of the proceeds of the sale thereof.

(b) If Parity Obligations are being issued, the Parity Instruments executed by the Borrower and the purchaser or purchasers of such Parity Obligations or a trustee acting for the benefit of such purchaser or purchasers.

(c) A certificate of the Borrower, executed by the authorized representative thereof, stating that no event of default (as defined in Section 7.1 hereof with respect to Additional Notes and as defined in Parity Instruments with respect to Parity Obligations) has occurred and is continuing and that no event has occurred and is continuing which, with the lapse of time or giving of notice, or both, would constitute such an event of default.

(d) An endorsement to the mortgagee title policy referred to in Section 3.18 hereof increasing, if necessary, the amount of insurance thereof to an amount equal to the aggregate unpaid principal amount of any Notes and Parity Obligations to be Outstanding immediately after the issuance of such Additional Note or Parity Obligation and, if the supplement to this Mortgage referred to in clause (a) hereof, or the Parity Instrument referred to in clause (b) hereof, is subjecting additional real estate to the lien hereof, or to the lien of the Parity Instruments, including such real estate within the coverage of such policy.

(e) An opinion of Bond Counsel stating that such Additional Notes or Parity Obligations have been issued in accordance with the terms and conditions of this Loan Agreement, and that such issuance will have no adverse effect on the exclusion from the gross income of the Owners thereof for federal income tax purposes of the interest on any Series 1991 A Bonds or other tax exempt Bonds issued under the Indenture.

(f) A Letter of Credit expanding the Letter of Credit to cover Additional Bonds or Parity Obligations in the same manner as the Letter of Credit provides for the payment of the Series 1991 Bonds, accompanied by an enforceability opinion of counsel for the Bank of the type described in Section 3.28(d) hereof.

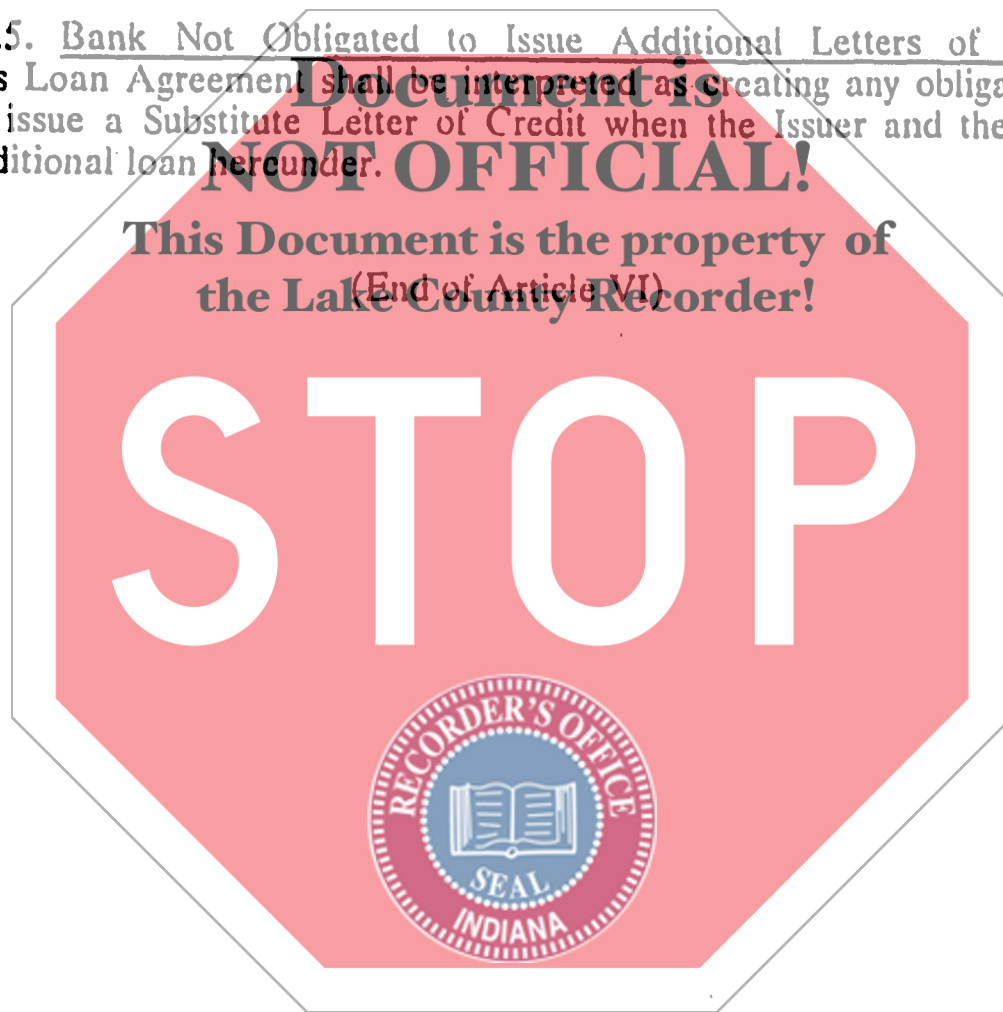
(g) Such other certificates and opinions of Counsel as the Trustee and Bank may reasonably request.

(h) Written confirmation from each rating agency which has current rating outstanding on the Bonds that the issuance of the Additional Notes or Parity Obligations would not result in a withdrawal or reduction in the rating then in effect on the Bonds.

Section 6.3. Issuer Not Obligated to Accept Additional Notes. Nothing contained in this Mortgage shall be interpreted as creating any obligation on the part of the Issuer to make any additional loan to the Borrower nor to accept any Additional Note evidencing any such loan, it being the intent hereof to reserve to the Issuer full and complete discretion to decline any such loan; provided, however, that if the Borrower meets and complies with all the conditions and requirements set out in this Article VI, the Issuer shall cooperate fully with the Borrower to procure the financing and shall use its best efforts to make such financing available through Additional Notes issued in accordance with the terms hereof.

Section 6.4. Limitation on Notes and Parity Obligations. No Notes may be issued hereunder except for the Series 1991 Notes, the Additional Notes and Notes issued in exchange therefor pursuant to Section 3.16 hereof, and no Parity Obligations may be issued by the Borrower except on the terms and conditions set forth herein.

Section 6.5. Bank Not Obligated to Issue Additional Letters of Credit. Nothing contained in this Loan Agreement shall be interpreted as creating any obligation on the part of the Bank to issue a Substitute Letter of Credit when the Issuer and the Borrower have agreed to an additional loan hereunder.



ARTICLE VII

Events of Default and Remedies Therefor

Section 7.1. Events of Default. (a) The occurrence and continuance of any of the following events shall constitute an "event of default" hereunder:

(i) failure of the Borrower to pay any installment of interest, principal, or any premiums, on any Note with Available Moneys when the same shall become due and payable, whether at maturity or upon any date fixed for prepayment or by acceleration or otherwise; or

(ii) an event of default declared in accordance with Section 3.22(d) hereof; or

(iii) failure of the Borrower to observe and perform any other covenant, condition or provision of this Agreement for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, given to the Borrower and the Bank by the Trustee, unless the Bank shall have waived such failure, provided that the Bank can not waive a redemption of the Bonds pursuant to Section 501(c)(iii) of the Indenture due to the expiration of the Letter of Credit; or

(iv) an Act of Bankruptcy shall occur and in the case of an involuntary petition filed under paragraph (ii) of the definition thereof, shall continue for a period of sixty (60) days, but only if, in the sole opinion of the Trustee with the consent of the Bank, the Borrower is not actively contesting such involuntary bankruptcy;

(v) any event of default under the Indenture.

(vi) any event of default under the Reimbursement Agreement of which the Bank notifies the Trustee.

(b) During the occurrence and continuance of any event of default hereunder, the Trustee, as assignee of the Issuer pursuant to the Indenture, shall, subject to the provisions of Section 7.6 hereof, have the following rights and remedies, in addition to any other remedies herein or by law provided:

(I). Acceleration: Pursue Remedies Under the Letter of Credit. Upon acceleration of the Bonds under Section 702 of the Indenture, the Trustee shall, by notice to the Issuer, the Bank and the Borrower, declare the principal, premium, if any, and interest on the Note immediately due and payable. Upon declaration of acceleration the Trustee shall immediately draw upon the Letter of Credit as provided in Sections 203 and 702 of the Indenture.

(II). Trustee May Enter and Take Possession, Operate and Apply Income. If after the actions of the Trustee under subparagraph I above the principal of, interest on, and premium, if any, due on all outstanding Series 1991 Bonds have not been paid, the Trustee, personally or by its agents or attorneys, may to the extent permitted by law enter into and upon all or any part of the Mortgaged Property and each and every part thereof, and may exclude the Borrower, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property for any lawful purpose, and upon every such entry, the Trustee, at the expense

of the Borrower either by purchase, repairs or construction, may from time to time maintain and restore the Mortgaged Property whereof it shall become possessed as aforesaid, and may insure and reinsure the same as may seem to it to be judicious; and likewise, from time to time at the expense of the Borrower, the Trustee may make all necessary or proper repairs, renewals, and replacements, and alterations, additions, betterments and improvements thereto and thereon as to it may seem judicious; and the Trustee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the same and every part thereof; and after deducting the expenses of operations, maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as all advances by the Trustee and reasonable compensation for the services of the Trustee and for all counsel and agents and clerks and other employees by its property engaged and employed, the Trustee shall apply the moneys arising as aforesaid as provided in Section 7.7 hereof.

(III). Right to Bring Suit, Etc. If after the actions of the Trustee under subparagraph I above, the principal of, interest on, and premium, if any, due on all outstanding Series 1991 Bonds have not been paid to the Payment Date, the Trustee, with or without entry, personally or by attorney, may proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Notes or this Loan Agreement or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce any of its rights or duties hereunder; provided, however that all reasonable out-of-pocket costs incurred by the Trustee and the Issuer under this Article shall be paid to the Issuer and the Trustee by the Borrower on demand.

Section 7.2. Foreclosure and Sale of Mortgaged Property. If after the actions of Trustee under subparagraphs I and II of Section 7.1(b) hereof, the principal of, interest on, and premium, if any, due on all outstanding Series 1991 Bonds have not been paid, the Trustee may, with or without entry, personally or by attorney, sell, to the extent permitted by law and subject to applicable legal requirements, to the highest bidder all or any part of the Mortgaged Property and all right, title, interest, claim and demand therein, and the right of redemption thereof, in one lot as an entirety, or in separate lots, as the Trustee may elect, and in one sale or in any number of separate sales held at one time or any number of times, which such sale shall be made at public auction at such place in the county in which the Mortgaged Property to be sold is situated and at such time and upon such terms as may be fixed by the Trustee and briefly specified in the notice of such sale or sales. Any sale by the Trustee may nevertheless, at its option, be made at such other place or places, and in such other manner, as may now or hereafter be authorized by law. In the event of any sale of the Mortgaged Property, the principal of the Notes, if not previously due, immediately thereupon shall become due and payable, anything in the Notes, this Mortgage to the contrary notwithstanding. The parties expressly agree that notice sent to the Borrower fifteen days before any such sale shall be reasonable notice.

Section 7.3. Sale a Bar. Any sale or sales pursuant to Section 7.2 hereof shall operate to divest all estate, right, title, interest, claim or demand whatsoever, whether at law or in equity, of the Borrower, in and to the premises, property, privileges and rights so sold, and shall be a perpetual bar both at law and in equity against the Borrower, 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 Borrower, its successors or assigns.

Section 7.4. Receipt Sufficient Discharge for Purchaser. The receipt of the Trustee or of the court officer conducting any such sale for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property, or any part thereof, sold as aforesaid; and no such purchaser or his representatives, grantees or assigns, after paying such purchase money and receiving such a receipt, shall be bound to see to the application of such purchase money upon or for the purpose of this Loan Agreement, or shall be answerable in any manner whatsoever for any loss, misapplication or non-application of any such purchase money or any part thereof, nor shall any such purchaser be bound to inquire as to the necessity or expediency of any such sale.

Section 7.5. Sale to Accelerate Notes and Parity Obligations. In the event of any sale pursuant to Section 7.2 hereof, the principal of the Notes and Parity Obligations, if not previously due, immediately thereupon shall become due and payable, anything in the Notes, this Loan Agreement, or Parity Instruments to the contrary notwithstanding.

Section 7.6. Remedies under Letter of Credit to be Pursued First. Upon the occurrence of an event of default hereunder, it is expressly understood that the Trustee shall first pursue its remedies under subparagraph (b)(1) of Section 7.1 hereof before the Trustee attempts to pursue the remedies otherwise afforded the Trustee under this Loan Agreement or otherwise.

Section 7.7. Application of Proceeds of Sale. The purchase money proceeds or avails of any such sale, together with any other sums which then may be held by the Trustee under this Loan Agreement as part of the Mortgaged Property or the proceeds thereof, whether under the provisions of this Article or otherwise, shall be paid to the Trustee, who shall apply such funds as follows:

FIRST: To the payment of the costs and expenses of such sale, including reasonable compensation to the Issuer, the Trustee, its or their agents, attorneys and counsel, and the expenses of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by the Issuer, the Trustee as permitted by this Loan Agreement, together with interest on all advances made by the Trustee, and to the payment of all taxes, assessments or liens prior to the lien of this Loan Agreement, except any taxes, assessments, liens, or other charges, subject to which the property shall have been sold; provided that no proceeds of the Letter of Credit shall be applied to these costs and expenses.

SECOND: To the payment of the whole amount then due, owing and unpaid upon the Notes and Parity Obligations for principal, interest and premium, if any; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes and Parity Obligations, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any, without preference or priority as between principal, interest or premium; such application to be made upon presentation of the Notes and Parity Obligations and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid.

THIRD: To the payment of any other sums required to be paid by the Borrower pursuant to any provisions of this Loan Agreement or of the Notes and Parity Obligations.

FOURTH: To the payment of the balance, if any, to the Bank to the extent amounts are owing thereto under the Reimbursement Agreement and then to the Borrower or its successors or assigns, or to whomsoever may be lawfully entitled to receive the same upon its written request, or as any court of competent jurisdiction may direct.

Section 7.8. Payment of Defaulted Amounts on Demand of Trustee. In case the Borrower shall:

(i) fail to pay any installment of interest on the Notes and Parity Obligations when and as the same shall become due and payable, as therein and herein expressed; or

(ii) fail to pay the principal of the Notes and Parity Obligations, when and as the same shall become due and payable, whether at maturity or upon designation for prepayment or by declaration, or upon a sale as in Section 7.5 hereof provided, or otherwise;

then, upon written demand of the Trustee or the Bank, the Borrower will pay to the Trustee or to the Bank to the extent that the Trustee has drawn on the Letter of Credit, the whole amount which then shall have become due and payable on the Notes and Parity Obligations for interest or principal or both, as the case may be, and in addition thereto such further amount as shall be sufficient to cover the cost and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee. The exercise by the Trustee under this Section 7.8 shall not prevent acceleration of the Notes under Section 7.1.

Section 7.9. Trustee May Enforce Demand. If after the actions of the Trustee under subparagraph I of Section 7.1(b) the principal of, interest on, and premium, if any, due on all or all outstanding Series 1991 Bonds have not been paid, in case the Borrower shall have failed to pay such principal, interest and premium, if any, upon demand, the Trustee, in its own name, may institute such actions or proceedings at law or in equity for the collection of the amounts so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Borrower and collect the moneys adjudged or decreed to be payable out of the property of the Borrower wherever situated, in the manner provided by law.

The Trustee shall, if permitted by law, be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the lien of this Mortgage; and the right of the Trustee, to recover such judgment shall not be affected by any entry or sale hereunder or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Mortgage or the foreclosure of the lien hereof; and in case of a sale of the Mortgaged Property and of the application of the proceeds of sale as in Section 7.7 provided, to the payment of the debt hereby secured, the Trustee shall be entitled to enforce payment and to receive all amounts then remaining due and unpaid upon the Notes and Parity Obligations then outstanding, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest.

No recovery of any judgment by the Trustee, and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property, shall affect the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any lien, rights, powers or remedies of the Trustee hereunder, but such lien, rights, powers or remedies of the Trustee shall continue unimpaired as before.

Any moneys thus collected by the Trustee under this Section shall be applied by the Trustee as provided in Section 7.7 hereof.

Section 7.10. Trustee Entitled to Appointment of Receiver. If after the actions of the Trustee under subparagraph I above the principal of, interest on, and premium, if any, due on all outstanding Series 1991 Bonds have not been paid, the Borrower further covenants that upon the happening of any event of default and thereafter during the continuance of such event of default unless the same shall have been waived as hereinbefore provided, the Trustee shall be entitled as a matter of right if it shall so elect, (i) forthwith and without declaring the principal of the Notes and Parity Obligations to be due and payable, or (ii) after declaring the same to be due and payable, or (iii) upon the filing of an action to foreclose this Mortgage or to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Trustee to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof, with such powers as the court making such appointment shall confer, which may comprise any or all of the powers which the Trustee is authorized to exercise by the provisions of Section 7.1(b)(II). The Borrower, if requested so to do by the Trustee will consent to the appointment of any such receiver as aforesaid.

Section 7.11. Remedies Cumulative. If after the actions of the Trustee under subparagraph I of Section 7.1(b) hereof the principal of, interest on, and premium, if any, due on all outstanding Series 1991 Bonds have not been paid, except as provided in Section 7.6 hereof, no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 7.12. Delay or Omission Not a Waiver. No delay or omission of the Trustee to exercise any right or power accruing upon any event of default shall impair any such right or power, or shall be construed to be a waiver of any such event of default or an acquiescence therein; and every power and remedy given by this Loan Agreement to the Trustee may be exercised from time to time and as often as may be deemed expedient by the Trustee.

Section 7.13. Waiver of Extension, Appraisement or Stay Laws. To the extent permitted by law, the Borrower will not during the continuance of any event of default hereunder insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Loan Agreement; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisement of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provisions herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the property so sold or any part thereof; and the Borrower hereby expressly waives

all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Trustee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 7.14. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Mortgage invalid or unenforceable under the provisions of any applicable law.

Section 7.15. Remedies Under Uniform Commercial Code. In addition to any other remedies provided for hereby or by law the Trustee shall have the rights of a secured party and the Borrower shall have the rights of a debtor under the Uniform Commercial Code of Indiana, codified at Indiana Code 26-1 (or any successor code or statute) with respect to the equipment and any other personal property included in the Mortgaged Property upon the occurrence and continuance of an event of default hereunder, as defined in Section 7.1 hereof.

Section 7.16. Rights of the Trustee. In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Borrower under the United States Bankruptcy Code or any other applicable law, or in case a receiver, trustee, or custodian shall have been appointed for the property of the Borrower, or in the case of any other similar judicial proceedings relative to the Borrower, or to the creditors or property of the Borrower, the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to the Loan Agreement and; in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Owners of the Series 1991 Bonds allowed in such judicial proceedings relative to the Borrower, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including reasonable Counsel fees incurred by it to the date of such distribution.

Section 7.17. Waiver of Events of Default. The Trustee, upon receipt of the written consent of the Bank, may waive and shall waive, if directed by the Bank, any event of default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Notes and Parity Obligations, and shall do so upon the written request of the holders of a majority in principal amount of the Bonds and Parity Obligations; provided, however, that the Trustee may not waive any Event of Default pursuant to subsections (a), (d) or (e) of Section 701 of the Indenture without the consent of 100% of the holders of the Bonds; provided further, however, that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Notes and Parity Obligations at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any Notes and Parity Obligations unless prior to such waiver or rescission, arrears of interest, or all arrears of payments of principal and premium, if any, when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or

determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 7.18. Application of Proceeds of Letter of Credit. Any moneys or funds received by the Trustee upon the honoring of the Letter of Credit shall be applied as provided in the Indenture.

(End of Article VII)



ARTICLE VIII

Immunity

Section 8.1. Immunity. No covenant or agreement contained in the Bonds, the Loan Agreement or the Indenture shall be deemed to be a covenant or agreement of any member of the Issuer or of any officer or employee of the Issuer or its legislative and fiscal bodies in his or her individual capacity, and neither the members of the Issuer, nor any officer or employee of the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

(End of Article VIII)



ARTICLE IX

Supplements and Amendments to this Loan Agreement

Section 9.1. Supplements and Amendments to this Loan Agreement. Subject to the provisions of Article X of the Indenture, the Borrower and the Issuer may, with the consent of the Trustee and Bank, from time to time enter into such supplements and amendments to this Loan Agreement as to them may seem necessary or desirable to effectuate the purposes or intent hereof. The Issuer, at the direction of the Borrower, shall make supplements and amendments to this Loan Agreement provided that such supplements and amendments are consented to by the Trustee and the Bank, which consent shall not unreasonably be withheld.

(End of Article IX)



ARTICLE X

Defeasance

Section 10.1. Defeasance. If the Borrower shall pay and discharge or provide out of Available Moneys or investments purchased with Available Moneys as provided in Sections 1101(c) and 1102 of the Indenture, in a manner satisfactory to the Trustee, for the payment and discharge of the whole amount of the principal of, premium, if any, and interest on the Notes at the time outstanding, and shall pay or cause to be paid all other sums payable hereunder, or shall make arrangements satisfactory to the Trustee for such payment and discharge, and if provision shall have been made for the satisfaction and discharge of the Indenture as provided therein, and, if all amounts owing to the Bank under the Reimbursement Agreement and otherwise under the Letter of Credit have been paid in full, then and in that case, all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Borrower, and the estate, right, title and interest of the Trustee and Issuer therein shall thereupon cease, terminate and become void; and this Loan Agreement, and the covenants of the Borrower contained herein, shall be discharged and the Trustee in such case at Borrower's cost and expense, shall execute and deliver to the Borrower a proper instrument or proper instruments acknowledging the satisfaction, release and termination of this Loan Agreement, and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Borrower, all property, including money, then held by the Trustee together with the Notes marked paid or cancelled.

Upon the payment of the whole amount of the principal of and interest on the Notes by a draw on the Letter of Credit which is not reimbursed by the Borrower to the Bank, this Mortgage shall remain a first and paramount lien in favor of the Bank as security for borrower's obligations under the Reimbursement Agreement.

(End of Article X)



ARTICLE XI

Assignment of Rents and Leases

Section 11.1. Assignment. Borrower does hereby assign, warrant, convey, transfer, grant and set over unto Mortgagee (i) all the rents, issues, security deposits, income, revenues, condemnation awards, monies and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or any agreement for the use, sale, or occupancy of the premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Mortgagee under the powers granted herein, it being the intention hereby to establish an absolute transfer and assignment of all the said leases and agreements (hereinafter collectively referred to as "Leases") and security deposits, and all the avails thereof, to Mortgagee and (ii) without limiting the generality of the foregoing, all and whatever right, title and interest Borrower has in and to each of the Leases.

Section 11.2. Power to Act. Borrower does hereby appoint irrevocably Mortgagee its true and lawful attorneys in its name and stead (with or without taking possession of the Facilities), to rent, lease, or let all or any portion of said Facilities to any party or parties at such price and upon such terms, in its discretion as it may determine and to collect all of said avails, rents, issues, deposits, income, revenues and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under each and all of the Leases, written or verbal, or other tenancy existing or which may hereafter exist on the Facilities, with the same rights and powers and subject to the same immunities, exoneration of liability, and rights of recourse and indemnity as the Mortgagee would have upon taking possession of the Facilities pursuant to the provision hereinafter set forth. The foregoing rights shall be exercised only after a default by Borrower that is not cured within any applicable cure period.

Section 11.3. Covenants as to Existing Leases. With respect to the existing Leases, Borrower covenants that Borrower is the sole owner of the entire lessor's interest in said Leases; that said Leases are to the best knowledge of Borrower, valid and enforceable, and have not been altered, modified or amended in any manner whatsoever; that to the best knowledge of Borrower, the lessees respectively named therein are not in default under any of the terms, covenants or condition thereof; that no rent reserved in said Leases has been assigned; and that no rent for any period subsequent to the date of this assignment has been collected more than thirty (30) days in advance of the time when the same became due under the term of said Leases.

Section 11.4. Borrower's Obligations. Borrower, without any cost and expense to Mortgagee, shall (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all Leases of all or any part of the Facilities, on the part of the landlord thereunder to be kept and performed (ii) enforce or secure the performance of all of the covenants, conditions and agreements of such Leases on the part of the lessees to be kept and performed to the extent which is in accordance with prudent management practices for properties comparable to the Project, (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such Leases or the obligation, duties or liabilities of landlord or of the lessees thereunder, (iv) transfer and assign to Mortgagee, for collateral purposes, upon request of Mortgagee, any Lease or Leases of all or any part of the Facilities heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand any and all instruments required to

effectuate said collateral assignment, (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all lessees, terms of all Leases, including the spaces occupied and the rentals payable thereunder, (vi) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the lessee under any Lease of all or any part of the Facilities a certificate with respect to the status thereof, and (vii) administer all Leases in a manner consistent with sound commercial practice and not without Mortgagee's prior written consent, (a) execute an assignment, pledge of any rents of the Facilities or any of the Leases of all or any part of the Facilities, except as security for the indebtedness secured hereby, (b) accept any prepayment of any installment of any rents more than ninety (90) days before the due date of such installment, (c) agree to any amendment to or change in the terms of any Leases which substantially reduces the rent payable thereunder, or increases any risk or liability of the lessor thereunder, except that Borrower may permit or consent to any assignment or subletting of all or a portion of the Facilities as permitted by a lease approved by Mortgagee (provided the lessee thereunder is not released from liability thereunder), (d) make any lease of all or any part of the Facilities, except for actual occupancy by the lessee thereunder, (e) incur any indebtedness, for borrowed money or otherwise, to the tenant or guarantor of any lease which may under any circumstances be availed of as an offset against the rent or other payments due thereunder, other than for adjustments and rent due to estimated operating expenses, and (f) request, consent to, agree to, or accept a subordination of any said leases to any mortgage or other encumbrance now or hereafter affecting the Facilities, and any of the acts described in this clause (vii), if done without consent of the Mortgagee, which consent shall not be unreasonably withheld or delayed shall be null and void. All leases of the Facilities are and shall be subject to the reasonable approval of Mortgagee as to form, content and tenants. Any default (not cured within any applicable grace or cure period) under any separate Assignment of Lessor's interest in Leases or under any Assignment of Rents given as additional security for the indebtedness secured hereby shall constitute a default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of the Mortgagee, become immediately due and payable without notice to the Borrower.

Section 11.5. Mortgagee Exoneration. Mortgagee shall not be liable for any loss sustained by Borrower resulting from Mortgagee's failure to let the Facilities after default or from any other act or omission of Mortgagee in managing the Facilities after default unless such loss is caused by the willful misconduct and bad faith of Mortgagee. Nor shall Mortgagee be obligated to perform or discharge, nor do Mortgagee hereby undertake to perform or discharge, any obligation, duty, covenants or liability of Borrower under said Leases or under or by reason of this assignment, and Borrower shall and does hereby agree to indemnify Mortgagee for, and to hold Mortgagee harmless from any and all liability, loss or damage which may or might be incurred under any of the Leases or under or by reason of this assignment and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligation or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in the Leases should Mortgagee incur any such liability under the Leases, or under or by reason of this assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and be immediately due and payable excluding any of the foregoing arising out of the willful misconduct of Mortgagee. This assignment shall not operate to place responsibility for the control, care, management or

repair of the Facilities upon Mortgagee, nor for the carrying out of any of the terms and condition of any of the Leases nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Facilities by the tenants or any other parties or for any dangerous or defective condition of the Facilities, or for any negligence in the management, upkeep, repair, or control of said Facilities resulting in loss or injury or death to any tenant, licensee, employee, or stranger. Nothing herein contained shall be construed as constituting the Mortgagee a "mortgagee in possession" in the absence of the taking of actual possession of the Facilities by Mortgagee pursuant to the provision hereinafter contained. Mortgagee shall act reasonably in the exercise of any right of approval or consents and of any remedies provided hereunder to Mortgagee.

Section 11.6. Direction to Pay. Borrower hereby authorizes and directs the lessee named in each of the Leases and any other or future lessee or occupant of the Facilities, upon receipt from Mortgagee of written notice set forth in Section 13.4 hereof) to the effect that Mortgagee is the then holder of this Mortgage and that a default exists hereunder (which has not been cured under any applicable grace or cure period), to pay over to Mortgagee all rents, security deposits, and other sums, if any, arising or accruing under said lease and to continue to do so until otherwise notified by Mortgagee.

Section 11.7. Other Security. Mortgagee may take or release other security for the payment of said principal sum interest and indebtedness, may release any party primarily or secondarily liable therefore; and may apply any other security held by them to the satisfaction of such principal sum interest or indebtedness without prejudice to any of its rights hereunder.

Section 11.8. Lessee Attornment. In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each lease of all or any part of the Facilities made after the date of recording this Mortgage shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of Borrower, as a result of such enforcement and shall recognize such successor in interest as landlord under such lease without change in the terms or other provision thereof, provided however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the prior consent of Mortgagee or said successor in interest, except as otherwise specified in Section 4.1 hereof. Each lessee, upon request by Mortgagee or any such successor in interest, shall execute and deliver an instrument or instruments effectuating such attornment, and Borrower shall cause each such lease of all or any part of the Facilities to contain a covenant on the lessee's part evidencing its agreement to such attornment.

Section 11.9. Declaration of Subordination. At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all Leases of all or any part of the Facilities upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder in and for the county wherein the Facilities are situated, of a unilateral declaration to that effect.

(End of Article XI)

ARTICLE XII

Assignment to Bank; Release of Mortgage

Section 12.1. Relationship of Issuer, Trustee and Bank. Issuer, for itself, and on behalf of the Trustee, agrees that so long as the Letter of Credit is in effect and the Bank is making all required payments with respect to the Bonds in accordance with the terms of the Letter of Credit, and except as otherwise specified in the next sentence, the rights herein accorded to the Mortgagee or the Trustee to grant consents, to grant waivers, to give notices of default or notices of intended action to cure defaults, and otherwise to exercise any remedies or rights hereunder (including, but not limited to, the remedies specified in Section 7.1(b)(II), 7.1(b)(III) and 7.2) shall be vested solely in the Bank, it being agreed that any condition precedent to Trustee's exercise of such remedies (other than an event of default) shall be inapplicable to the Bank. Nothing in this Section 12.1 shall affect, or preclude or condition the exercise by Trustee of, the rights and remedies of Trustee under Section 7.1(b)(I). Notwithstanding anything contained herein to the contrary, this Loan Agreement shall not terminate, and the terms and provisions of this Loan Agreement shall remain in full force and effect until such time as (i) all Bonds and Parity Obligations have been paid in full, (ii) Borrower shall have performed all of its obligations hereunder under the Reimbursement Agreement and the Indenture, and (iii) the Trustee and Bank have been fully paid all amounts due and payable or to become due and payable, to either the Trustee or the Bank.

Section 12.2. Release of Mortgage. Notwithstanding any other provision of this Loan Agreement or the Indenture, no lien or security interest hereunder or thereunder shall be released by the Issuer or the Trustee without the express written consent of the Bank and any attempted release shall be without force or effect.

(End of Article XII)



ARTICLE XIII

Miscellaneous Provisions

Section 13.1. Loan Agreement for Benefit of Parties Hereto. Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto, their successors and assigns, and the holder of the Notes, any right, remedy or claim under or by reason of this Loan Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, the Trustee and the holders of the Notes and Parity Obligations.

Section 13.2. Severability. In case any one or more of the provisions contained in this Loan Agreement or in the Notes shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 13.3. Limitation on Interest. No provisions of this Loan Agreement or of the Notes shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is herein or in the Notes provided for, or shall be adjudicated to be so provided for herein or in the Notes, neither the Borrower nor its successors or assigns shall be obligated to pay such interest in excess of the amount permitted by law, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any provisions of this Loan Agreement and the Notes inconsistent with this provision.

Section 13.4. Addresses for Notice and Demands. All notices, demands, certificates or other communications hereunder shall be sufficiently given and shall be deemed given three (3) days after mailed by registered or certified mail, postage prepaid, with proper address as indicated below. The Issuer, the Borrower, the Bank and the Trustee may, by written notice given by each to the others, designate any address or addresses to which notices, demands, certificates or other communications to them shall be sent when required as contemplated by this Mortgage. Until otherwise provided by the respective parties, all notices, demands, certificates and communications to each of them shall be addressed as follows and each such notice shall be sent to each of the parties identified below):

To the Issuer:

City of Gary, Indiana
City Building
Gary, Indiana 40402
Attn: Clerk

To the Borrower:

The Miller Partnership L.P.
c/o Capital & Regional General Corp.
333 N. Michigan Ave., 30th Floor
Chicago, Illinois 60601
Attn: Mark L. Hoffman

To the Trustee:

LaSalle National Bank
Attn: Corporate Trust Department
200 W. Monroe
Chicago, Illinois 60606

To the Co-Trustee:

Mercantile National Bank of Indiana
Attn: Corp. Trust Department
5243 Hohman Avenue
Hammond, Indiana 46230

To the Bank:

THE ROYAL BANK OF SCOTLAND plc,
acting through its New York Branch
North American Regional Office
63 Wall Street
New York, New York 10005
Attn: Grant F. Stoddart

To the Remarketing Agent:

Kemper Securities Group, Inc.
333 W. Wacker Drive
Chicago, Illinois 60606

To the Rating Agency:

Moody's Investors Service, Inc.
Public Finance Department
Structured Finance Group
99 Church Street
New York, New York 10007

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Section 13.5. Successors and Assigns. Whenever in this Loan Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Borrower, or by or on behalf of the Issuer, shall bind and inure to the benefit of the respective successors and assigns, whether so expressed or not.

Section 13.6. Notices to Rating Agency or Agencies. The Borrower shall give, or cause the Trustee to give notice to any rating agency or agencies having a rating in effect for the Series 1991 Bonds of any replacement of the Trustee or Co-Trustee, changes in paying agent, and any material changes in documents, and changes to extensions or expiration of the Letter of Credit securing payment of the principal and interest payments on the Bonds. The Borrower shall also give notice or require the Trustee to give notice to all rating agencies rating the Bonds of all Reset Dates and Reset Periods, notice of any redemption or defeasance, and notice of any Event of Default under Section 701(d) or (e) of the Indenture.

Section 13.7. Counterparts. This Loan Agreement is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Loan Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

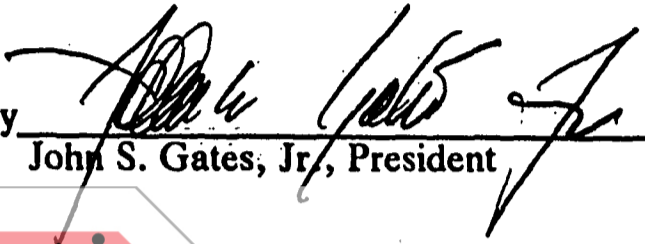
Section 13.8. Governing Law. It is the intention of the parties hereto that this Loan Agreement and the rights and obligations of the parties hereunder and the Notes and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with, the laws of the State.

(End of Article XIII)



IN WITNESS WHEREOF, the Issuer has caused this Loan Agreement to be executed in its name by its authorized officers and has caused its corporate seal to be hereunto affixed, and the Bank and the Borrower have caused this Loan Agreement to be executed in their respective names by their respective authorized officers, all as of the date first above written.

THE MILLER PARTNERSHIP L.P.
By CAPITAL & REGIONAL GENERAL
CORP., its General Partner

By 
John S. Gates, Jr., President



THE ROYAL BANK OF SCOTLAND PLC,
ACTING THROUGH ITS NEW YORK
BRANCH

By: Walter Cunningham
(Signature)
WALTER CUNNINGHAM
SENIOR REPRESENTATIVE
(Printed Name and Title)



CITY OF GARY, INDIANA

By Thomas V. Barnes
Thomas V. Barnes, Mayor

(SEAL)
Attest:
By Katie Hall
Katie Hall, Clerk

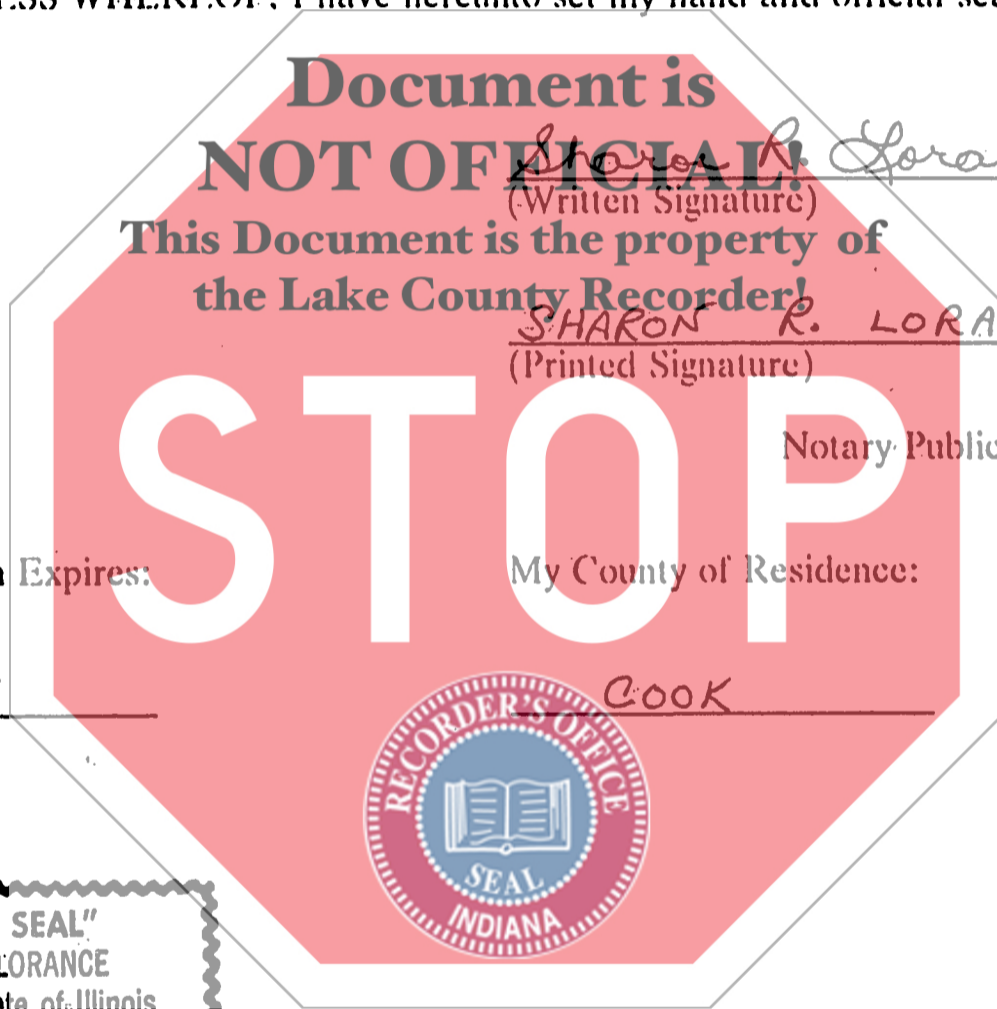


This instrument prepared by Bruce A. Polizotto, Attorney-at-law, Ice Miller Donadio & Ryan, One American Square, Box 82001, Indianapolis, Indiana 46282.

STATE OF Illinois)
) SS:
COUNTY OF Cook)

On this 17th day of May, 1991, before me, a notary public in and for said county and state, personally appeared Walter Cumming, to me personally known and known to me to be the same person who executed the with and foregoing instrument, who, being by me duly sworn, did depose, acknowledge and say: That he is the Authorized Representative of The Royal Bank of Scotland plc, Acting Through its New York Branch described in and which executed the foregoing instrument; and that said instrument was signed on behalf of the said organization.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 17th day of May, 1991.



Sharon R. Lorance
(Written Signature)

**This Document is the property of
the Lake County Recorder!**
SHARON R. LORANCE
(Printed Signature)

Notary Public

My Commission Expires:
9/05/93

My County of Residence:
COOK

(Seal)

"OFFICIAL SEAL"
SHARON R. LORANCE
Notary Public, State of Illinois
My Commission Expires Sept. 5, 1993

EXHIBIT A TO LOAN AGREEMENT

PROJECT DESCRIPTION

I. Project Site:

- (a) The land legally described in Exhibit A-1, attached hereto and made a part hereof.
- (b) Any covenants, conditions, restrictions and easements of record benefiting the Project as set forth on the title commitment delivered in connection with the Loan Agreement
- (c) All rights of Borrower under any rental lease agreements existing now or in the future with respect to any apartment units comprising part of the Project Buildings

II. Project Buildings:

14 low to midrise apartment buildings containing 682 units and one former one-story commercial building located on the Project Site and as more particularly described in the survey delivered pursuant to the terms of the Reimbursement Agreement.

III. Project Equipment:

The items of fixtures, furnishings and equipment specified in the Plans (as defined in the Reimbursement Agreement) including, but not limited to:

- Kitchens (including refrigerators, stoves, sinks, cabinets and dishwashers)
- Bathrooms (including sinks, toilets, bathtubs and vanities)
- Carpeting
- Security Inter-com systems
- Windows
- Air conditioners
- Forced air heating units
- Washers and dryers
- Tennis court
- Playground equipment
- Picnic equipment
- Lighting and electrical fixtures
- Outside lighting
- Other items as contained in the plans and specifications submitted pursuant to the Reimbursement Agreement

Parcel A1: Part of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West described as follows: Beginning at a monument at the intersection of the center line of Cypress Avenue and the center line of Section 31, Township 37 North, Range 7 West; thence North along said center line of said Section 31, a distance of 30 feet; thence East along the North line of Cypress Avenue, a distance of 160.02 feet to the point of beginning; thence North parallel with the center line of Lake Street, a distance of 282.00 feet; thence East, parallel to the center line of Cypress Avenue, a distance of 160.76 feet; thence South, parallel with the center line of Lake Street, a distance of 137.00 feet; thence East, parallel with the center line of Cypress Avenue, a distance of 176.33 feet; thence South, parallel with the center line of Lake Street, a distance of 145.00 feet; thence West along the North line of Cypress Avenue, a distance of 337.08 feet to the point of beginning, all in the City of Gary, in Lake County, Indiana.

**Document is
NOT OFFICIAL!**

Parcel A2: Part of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the Second Principal Meridian, described as follows: Beginning at a monument at the intersection of the center line of Cypress Avenue and the West line of said Southeast Quarter of Section 31; thence North along said West line of said Southeast Quarter, a distance of 30 feet to the North right-of-way line of Cypress Avenue and the point of beginning; thence East along the North line of Cypress Avenue a distance of 160.02 feet; thence North, parallel with the center line of Lake Street a distance of 308.15 feet; thence West, parallel to the center line of Cypress Avenue a distance of 152.24 feet to the West line of said Southeast Quarter of Section 31; thence South along said West line a distance of 308 feet, to the point of beginning, all in the City of Gary, in Lake County, Indiana.

Parcel A3: Part of Government Lot 5 in the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the Second Principal Meridian in the City of Gary, Calumet Township, Lake County, Indiana, lying Westerly of the center line of Lake Street and North of the North line of Johnson-Kennedy Estates Fourth Subdivision, more particularly described as beginning at the point of intersection of a line that is parallel to and 408.65 feet West of the center line of Lake Street with a line that is parallel to and 30 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision (the Center line of Hemlock Street); thence Northerly on said line parallel with Lake Street a distance of 150.24 feet; thence Westerly on a line that is parallel with, and 180.24 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision, a distance of 226.70 feet, to the West line of Government Lot 5; thence Southerly on said West line, a distance of 150.17 feet to a line that is 30 feet North of and parallel with the North line of Johnson-Kennedy Estates Fourth Subdivision; thence Easterly on said line a distance of 230.5 feet to the place of beginning.

Parcel B1: Part of Government Lot 5 in the East Half of Section 31, Township 37 North, Range 7 West of the Second Principal Meridian, in the City of Gary, Calumet Township, Lake County, Indiana, lying Westerly of the center line of Lake Street and North of the North line of Johnson-Kennedy Estates 4th Subdivision as the same appears in Plat Book 22, page 2, in the Recorder's Office of Lake County, Indiana, more particularly described as beginning at a point in the West line of Government Lot 5, 180.18 feet North of the North line of Johnson-Kennedy Estates 4th Subdivision (the center line of Hemlock Avenue) measured along the West line of said Government Lot 5; thence Northerly on the West line of Government Lot 5, a distance of 329.63 feet to the Grand Calumet River Lagoon; thence along the waters edge of said Lagoon to a line that is parallel to and 333.02 feet West of the center line of Lake Street measured parallel with Hemlock Avenue, the chord distance of the line along said Lagoon being 297.58 feet and the chord bearing being North 79 degrees 07 minutes 51 seconds East; thence Southerly on said line 335.96 feet to the North line of Forest Court, (see Deed Record Book 1209, page 180, Document 414683, recorded July 5, 1962); thence along the dedicated right-of-way of Forest Court, (see Deed Record Book 1296, page 32, Document No. 625929, recorded July 23, 1965) 189.77 feet beginning Northwesteryly along the arc of a curve that is concave to the Southeast, said curve having a radius of 40 feet, a chord length of 55.66 feet and a chord bearing of South 44 degrees 06 minutes 04 seconds West to a point which is 373.02 feet Westerly from the centerline of Lake Street; thence Southerly on the West right-of-way line of Forest Court, as the same was dedicated July 23, 1965 a distance of 10.03 feet, said line being parallel with the center line of Lake Street; thence Westerly on a line which is parallel with the North line of Johnson-Kennedy Estates 4th Subdivision, a distance of 262.35 feet, to the point of beginning.

Parcel C1: A part of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary in Lake County, Indiana, and described as: Commencing at the intersection of the West line of Lake Street and the South line of Hemlock Avenue as shown in the Plat of Johnson-Kennedy Estates 4th Subdivision as shown in Plat Book 22, page 2, in the Recorder's Office in Lake County, Indiana; thence West along the South line of said Hemlock Avenue, a distance of 133.55 feet to the point of beginning of this description; thence continuing West, along the South line of said Hemlock Avenue, a distance of 241.00 feet; thence Southerly on a line parallel with the West line of Lake Street, a distance of 190.13 feet; thence Easterly on a line parallel with the South line of Hemlock Avenue, a distance of 241.00 feet; thence Northerly on a line parallel with the West line of Lake Street, a distance of 190.13 feet to the place of beginning.

Parcel C2: A part of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the Second Principal Meridian, in the City of Gary in Lake County, Indiana, and described as: Commencing at the intersection of the West line of Lake Street and the South line of Hemlock Avenue as shown in the Plat of Johnson-Kennedy Estates 4th Subdivision in Plat Book 22, page 2, in Lake County, Indiana, thence continuing West along the South line of said Hemlock Avenue a distance of 374.55 feet to the place of beginning of this description; thence Southerly on a line parallel with the West line of Lake Street, a distance of 216.53 feet; thence Westerly on a line parallel with the South line of Hemlock Avenue, a distance of 238.59 feet to the west line of said Southeast Quarter of section 31; thence Northerly on the West line of said Southeast Quarter a distance of 216.42 feet to the South line of Hemlock Avenue; thence Easterly on the South line of Hemlock Avenue, a distance of 233.16 feet to the place of beginning.

Parcel D1 & D2: Part of Government Lot 5 in the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Calumet Township, Lake County, Indiana, lying Westerly of the center line of Lake Street and North of the North line of Johnson-Kennedy Estates Fourth Subdivision, more particularly described as beginning at the point of intersection of a line that is parallel to and 33 feet West of the center line of Lake Street with a line that is parallel to and 30 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision (the center line of Hemlock Avenue); thence Northerly on the West line of Lake Street a distance of 150.24 feet to the South line of Forest Court; thence Westerly on a line that is parallel with the center line of Hemlock Avenue and along the south line of Forest Court a distance of 375.65 feet; thence Southerly on a line that is parallel with the center line of Lake Street a distance of 150.24 feet to the North line of Hemlock Avenue; thence Westerly on said North line, 375.65 feet to the point of beginning.

Parcel E1: Part of the West Half of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, in Lake County, Indiana, described as follows: Beginning at a monument at intersection of the center line of vacated Gibson Street (the center line of Section 31, Township 37 North, Range 7 West) and the center line of Cypress Avenue, thence North along the center line of Section 31, Township 37 North, Range 7 West, a distance of 338 feet, thence East, parallel with the center line of Cypress Avenue, a distance of 152.24 feet; thence South, parallel with the center line of Lake Street, a distance of 26.15 feet; thence East, parallel with the center line of Cypress Avenue a distance of 160.76 feet to the point of beginning; thence continuing East, parallel with the center line of Cypress Avenue, a distance of 176.33 feet; thence South, parallel with the center line of Lake Street a distance of 137.00 feet; thence West, parallel with the center line of Cypress Avenue a distance of 176.33 feet; thence North, parallel with the center line of Lake Street a distance of 137.00 feet to the point of beginning, in the City of Gary, in Lake County, Indiana.

Parcel F1: Lots 17 to 24, inclusive, and the vacated South 20 feet of Hickory Avenue, now Forest Avenue, lying North of and adjacent to said Lot 17, and the vacated North 20 feet of Hemlock Avenue lying South of and adjacent to said Lot 24, and the West Half of the vacated 20 foot alley which adjoins said Lots 17 to 24, inclusive, on the East, all in Block "A" in the Johnson-Kennedy Estates Second Subdivision, in the City of Gary, as shown in Plat Book 17, on page 15, in the Recorder's Office in Lake County, Indiana.

Parcel F2: A part of the West Half of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the Second Principal Meridian and more particularly described as follows: Beginning at the intersection of the North line of Cypress Avenue with the West line of Lake Street, thence 133.55 feet West, along the North line of Cypress Avenue; thence 298.12 feet North, parallel with the West line of Lake Street; thence 133.55 feet East, parallel with the North line of Cypress Avenue, to the West line of Lake Street; thence 298.12 feet South, along said West line of Lake Street, to the point of beginning, all in the City of Gary in Lake County, Indiana, also known as Lots 21 to 29, both inclusive, Block 4, Johnson-Kennedy Estates Fourth Subdivision, in the City of Gary, as shown in Plat Book 22, page 2, in Lake County, Indiana.

Parcel F3: Part of Government Lot 5 in the East Half of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Lake County, Indiana, lying Westerly of the center line of Lake Street and North of the North line of Johnson-Kennedy Estates Fourth Subdivision, more particularly described as beginning at a point that is 33 feet West of the center line of Lake Street and 230.24 feet North of the center line of Hemlock Avenue, which center line is the North line of said Johnson-Kennedy Estates Fourth Subdivision as shown in Plat book 22, page 2; thence Westerly parallel with the center line of Hemlock Avenue and along the North line of Forest Court, 150.00 feet to a line that is 180.02 feet West of and parallel with the center line of Lake Street; thence Northerly on said parallel line, 369.03 feet to the Grand Calumet River Lagoon; thence Northeasterly along the water's edge to the West line of Lake Street, the chord distance of said line being 151.99 feet and the chord bearing being North 78 degrees 43 minutes 43 seconds East; thence Southerly on said West line, a distance of 398.78 feet to the place of beginning and subject to all easements of Record.

Parcel F4: A part of Government Lot 5 in the Northeast Half of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Lake County, Indiana, lying Westerly of the center line of Lake Street and North of the North line of Johnson-Kennedy Estates Fourth Subdivision, as shown in Plat book 22, page 2, more particularly described as beginning at a point that is 183.02 feet West of the center line of Lake Street and 230.24 feet North of the center line of Hemlock Avenue which said center line is the said North line of Johnson-Kennedy Estates Fourth Subdivision; thence Westerly parallel with the center line of Hemlock Avenue and on the North line of Forest Court, 150 feet to a line that is 333.02 feet West of and parallel with the center line of Lake Street; thence Northerly parallel with the center line of Lake Street, 335.96 feet to the Grand Calumet River Lagoon; thence Northeasterly along the water's edge of said Lagoon to a line that is parallel with and 183.02 feet West of the center line of Lake Street, the chord distance of the line along said Lagoon being 132.57 feet and the chord bearing being North 77 degrees 29 minutes 56 seconds East; thence Southerly, parallel with and 183.02 feet West of the center line of Lake Street, a distance of 369.03 feet to the place of beginning and subject to all easements of record.

Parcel F5: Part of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the Second Principal Meridian, more particularly described as follows: Beginning at a monument at the intersection of the center line of vacated Gibson Street, (the center line of said Section 31) and the center line of Cypress Avenue; thence North along the center line of said Section 31, a distance of 721.81 feet; thence East, parallel with the center line of Hemlock Avenue, a distance of 185.05 feet to the point of beginning; thence East, parallel with the center line of Hemlock Avenue, a distance of 53.54 feet; thence North, parallel with the center line of Lake Street a distance of 26.4 feet; thence East, parallel with the center line of Hemlock Avenue a distance of 241 feet; thence South parallel with the center line of Lake Street a distance of 190.23 feet to the North right-of-way line of Kennedy Terrace; thence West, along the North right-of-way line of Kennedy Terrace a distance of 243.04 feet; thence Northwesterly along the right-of-way line of the Kennedy Terrace cul de sac a distance of 66.15 feet, said distance being along the arc of a curve that is concave to the Southwest and whose radius is 52.5 feet, whose chord length is 61.86 feet and whose chord bearing is North 64 degrees 31 minutes 21 seconds West; thence North, parallel with the center line of said Section 31 a distance of 137.15 feet, to the point of beginning, all in the City of Gary, in Lake County, Indiana.

Parcel F6: All of Lots 18 to 26, inclusive, Block "C", of Johnson-Kennedy Estates Second Subdivision, in the City of Gary, as shown in Plat Book 17, page 15, in the Recorder's Office in Lake County, Indiana.

Parcel F7: Part of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., and described as follows: Beginning at a monument at the intersection of the center line of said Section 31, (the center line of vacated Gibson Street) and the center line of Cypress Avenue; thence North along the center line of said Section 31, a distance of 338 feet to the place of beginning; thence continuing North along the center line of said Section 31, a distance of 383.81 feet; thence East, parallel with the center line of Hemlock Avenue, a distance of 185.05 feet; thence South, parallel with the center line of said Section 31, a distance of 137.15 feet, to a point on Kennedy Terrace cul de sac right of way; thence 146.14 feet Southerly, along said right of way line, and along the arc of a curve that is concave to the East, said curve having a radius of 52.5 feet, a chord length of 103.32 feet and a chord bearing parallel with the centerline of Section 31, Township 37 North, Range 7 West; thence South, parallel with the center line of said Section 31, a distance of 169.47 feet; thence West, parallel with the center line of Cypress Avenue, a distance of 32.15 feet; thence North and parallel with the center line of Lake Street, a distance of 26.15 feet; thence West, parallel with the center line of Cypress Avenue, a distance of 152.24 feet to the point of beginning, all in the City of Gary, Lake County, Indiana.

Parcel F8: Part of the West Half of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., Gary, Lake County, Indiana, described as follows: Beginning at a monument at intersection of the center line of vacated Gibson Street (center line of said Section 31) and the center line of Cypress Avenue, thence North along the center line of Section 31, Township 37 North, Range 7 West, a distance of 338 feet; thence East, parallel with the center line of Cypress Avenue, a distance of 152.24 feet; thence South, parallel with the center line of Lake Street, a distance of 26.15 feet; thence East, parallel with the center line of Cypress Avenue, a distance of 32.15 feet to the point of beginning; thence North, parallel with the center line of said Section 31, a distance of 169.47 feet, to a point on the Kennedy Terrace right-of-way; thence 65.47 feet Northeasterly, along said right of way line and along the arc of a curve that is concave to the Northwest, said curve having a radius of 52.5 feet, a chord length of 61.31 feet and a chord bearing of North 64 degrees 10 minutes 20 seconds East, thence East, along the South right of way line of Kennedy Terrace distance of 244.63 feet; thence South, parallel with the center line of Lake Street, a distance of 126.10 feet; thence West, parallel with the center line of Cypress Avenue, a distance of 304.94 feet to the point of beginning, all in the City of Gary, in Lake County, Indiana.

Parcel 2: Lots 12, 13 and 14, Block 3, Johnson-Kennedy Estates Fourth Subdivision, in the City of Gary, as shown in Plat Book 22, page 2, in Lake County, Indiana.

Parcel 3: Lots 15 and 16, Block 3, Johnson-Kennedy Estates 4th Subdivision, in the City of Gary, as shown in Plat Book 22, page 2, in Lake County, Indiana.

Parcel 4: That part of vacated Kennedy Terrace lying West of the East lines of Parcel F5 extended South and Parcel F8 extended North as evidenced in Document recorded January 22, 1991, as Document No. 91003421, being a part of the West Half of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in Lake County, Indiana.

Parcel 5: That part of vacated Hemlock Avenue lying West of the West line of Lake Street, as evidenced in Document recorded January 22, 1991, as Document No. 91003421, being a part of the West Half of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in Lake County, Indiana.

Parcel 6: Part of Government Lot 5 in the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the Second Principal Meridian, in the City of Gary, Lake County, Indiana, lying Westerly of the centerline of Lake Street and North of the North line of Johnson-Kennedy Estates Fourth Subdivision, more particularly described as follows: Beginning at the point of intersection of a line that is parallel to and 33 feet West of the centerline of Lake Street with a line that is parallel to and 180 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision, measured on a line parallel to Lake Street; thence Northerly on said 33-foot parallel line, 50 feet to a line that is parallel to and 230 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision measured along a line parallel to the centerline of Lake Street; thence Westerly on said 230-foot parallel line 452.41 feet to a line that is 485.41 feet West of the centerline of Lake Street measured on a line parallel to the North line of Johnson-Kennedy Estates Fourth Subdivision; thence Southerly on said 485.41 foot parallel line a distance of 10 feet to a curved line of 40-foot radius; thence Westerly, Southerly and Northerly on the arc of the curve struck by the 40-foot radius whose centerpoint is the intersection point of the aforesaid 485.41 foot parallel line with a line that is parallel to and 180 feet Northerly of the North line of Johnson-Kennedy Estates Fourth Subdivision, measured along a line parallel to and 485.41 feet West of the centerline of Lake Street, an arc distance of 187.25 feet to aforesaid line that is 180 feet North of and parallel to the North line of Johnson-Kennedy Estates Fourth Subdivision, measured along a line parallel to the centerline of Lake Street; thence Easterly on said 180-foot parallel line a distance of 412.41 feet to the point of beginning, excepting therefrom the following: that part lying West of a line described as beginning at a point on the South line of heretofore Forest Court 373 feet West of the centerline of Lake Street; thence Northerly on a line which is parallel to and 373 feet West of the centerline of Lake Street, 10 feet; thence Northwesterly on the arc of the curve struck by the 40-foot radius whose centerpoint is the intersection of the aforesaid 373-foot parallel line with the North right of way line of heretofore Forest Court, 64.05 feet to the North right of way line of heretofore Forest Court.

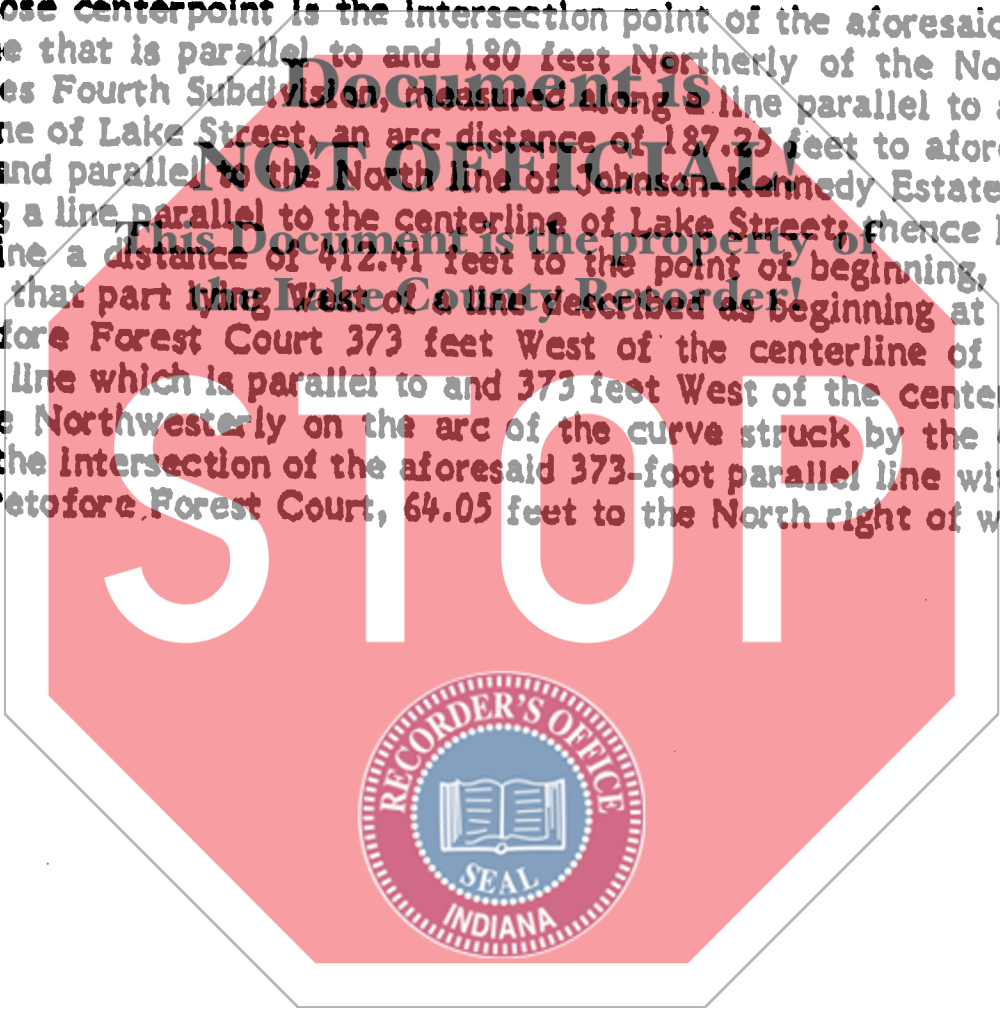


EXHIBIT B

(Form of Series 1991 Notes)*

THE MILLER PARTNERSHIP L.P.
MORTGAGE NOTE, SERIES 1991 [[A]][B]

FOR VALUE RECEIVED, the undersigned, The Miller Partnership L.P. ("Borrower"), a limited partnership organized and existing in good standing under the laws of the State of Illinois, hereby promises to pay to the order of the City of Gary, Indiana ("Issuer"), on or before 11:00 a.m. (Eastern Standard Time), during the term of the Loan Agreement, Mortgage, Security Agreement, Assignment of Rents and Leases and Financing Statement (the "Loan Agreement"), dated as of April 1, 1991, between Issuer, Borrower and Bank, by 1 p.m. Eastern Standard time one Business Day (as defined in the Loan Agreement) prior to the interest payment dates for the Series 1991 [[A]][B] Bonds, which are each January 1, April 1, July 1 and October 1 commencing on July 1, 1991 ("Interest Payment Dates") in immediately available funds, a sum which, together with any Available Moneys (as defined in the Loan Agreement) available therefor in the Series 1991 [[A]][B] Account of the Bond Fund under the Indenture, will equal the principal and interest due on the Series 1991 [[A]][B] Bonds on that Interest Payment Date; provided, however, that the obligation of the Borrower to make any payment hereunder shall be deemed satisfied and discharged to the extent of the corresponding payment made by Bank to the Trustee under the Letter of Credit (as defined in the Loan Agreement) and any amounts so paid by the Borrower shall be used to reimburse the Bank under the Reimbursement Agreement.

Payments hereunder are to be endorsed to LaSalle National Bank, Chicago, Illinois, serving as trustee (the "Trustee") under the Trust Indenture (the "Indenture"), dated as of April 1, 1991, between the Issuer and the Trustee and the Co-Trustee, and are to be made directly to the Trustee for the account of the Issuer pursuant to such endorsement. Such endorsement is to be made as security for the payment of the "City of Gary, Indiana [Taxable] Economic Development Revenue Bonds, Series 1991 [[A]][B] (The Miller Partnership L.P. Project)" (the "Series 1991 [[A]][B] Bonds") issued pursuant to the Indenture. All of the terms, conditions and provisions of the Indenture are, by this reference thereto, incorporated herein as a part of this Series 1991 [[A]][B] Note.

This Series 1991 [[A]][B] Note is issued pursuant to and secured by the Loan Agreement, and is entitled to the benefits, and is subject to the conditions thereof. The obligations of Borrower to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by Issuer under the Loan Agreement or under any other agreement between Borrower and Issuer or out of any indebtedness or liability at any time owing to the Borrower by the Issuer or for any other reason.

* Language in single brackets will be deleted from the Series 1991 A Note, while language in double brackets will be deleted from the Series 1991 B Note.

This Series 1991 [[A]][[B] Note is issued on a parity with any other Note or Parity Obligation issued under the Loan Agreement. As provided in the Loan Agreement, Additional Notes or Parity Obligations may be issued and delivered by the Borrower to the Issuer or the purchaser or purchasers of the Parity Obligations to refund outstanding Notes or Parity Obligations, or to finance the cost of construction or acquiring improvements for the Borrower as defined in the Loan Agreement and such Notes or Parity Obligations, if issued, together with this Series 1991 [[A]][[B] Note, shall be equally and ratably secured by the lien of the Loan Agreement. Reference is hereby made to the Loan Agreement for a description of the property thereby mortgaged, the nature and extent of the security for such Notes and Parity Obligations and the rights of the holder thereof, the Borrower and the Issuer in respect thereof, and the provisions for amending the Loan Agreement, to all of which the holder hereof, by its acceptance hereof, assents.

The principal of this Series 1991 [[A]][[B] Note is subject to prepayment prior to maturity in the manner stated in the Loan Agreement.

In certain events and in the manner set forth in the Loan Agreement, the entire principal amount of this Series 1991 [[A]][[B] Note and the interest accrued thereon may be declared to be due and payable. In certain events and in the manner set forth in the Loan Agreement, the Borrower shall be obligated to pay additional amounts.

The Borrower hereby unconditionally waives diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable to the Issuer under or in connection with this Series 1991 [[A]][[B] Note. All amounts payable hereunder are payable without relief from valuation and appraisal laws.

In any case where the date of payment hereunder shall not be in New York, New York, a Business Day, then such payment shall be made on the next preceding Business Day with the same force and effect as if made on the date of payment hereunder.

All terms used in this Series 1991 [[A]][[B] Note which are defined in the Loan Agreement shall have the meanings assigned to them in the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Series 1991 [[A]][[B] Note to be duly executed and attested by its duly authorized officers.

Dated as of April 1, 1991

Issue Date: _____, 1991

THE MILLER PARTNERSHIP L.P.
By CAPITAL & REGIONAL GENERAL
CORP., its General Partner

By _____
John S. Gates, Jr., President

ENDORSEMENT

Pay, without recourse, to _____, as Trustee under the Trust Indenture dated as of April 1, 1991, from the undersigned.

CITY OF GARY, INDIANA

By _____
Thomas V. Barnes, Mayor

(SEAL)

Attest:

By _____
Katie Hall, Clerk



EXHIBIT C TO LOAN AGREEMENT

BORROWER'S UNDERTAKING

The elements of Borrower's Undertaking consist of the following: the acquisition, construction, installation and rehabilitation of the Project in two phases, the first phase (covering, in general, various improvements to the Project Site, the exterior renovation of the Project Buildings, including security fencing, facade redesign, window installation, landscaping, roads, parking lots, roofs, lighting, playgrounds, tennis court, swimming pools, and construction of a management office/community center, and interior renovation and equipping with applicable Project Equipment of each of the dwelling units in Project Buildings A, B, C, D, E, F and G, as shown on the Plans (defined in the Reimbursement Agreement)), to be performed and completed substantially in accordance with the Plans, the second phase (covering, in general, the interior renovation and equipping with applicable Project Equipment of each of the dwelling units in Project Buildings H, I, J, K, L, M and N, as shown on the Plans) to be performed and completed substantially in accordance with the Plans and such supplements to the Plans as are approved by the Bank in accordance with the terms of the Reimbursement Agreement.

STOP



EXHIBIT D

1. Taxes for 1991 payable in 1992.

Note: Taxes for 1990 payable in 1991 are non-taxable because taxes are assessed and taxed under the name of the City of Gary. (Key No. 40-110-14) (Tax Unit No. 25) (Taxes and Key No. affect Parcels 6 and 7 of the land)

Note For Information:

The assessed valuation of the land for 1990 is: Land - \$90,640.00; Improvements - \$1,269,540.00. Exemption filed for 1990 is: \$1,000.00, Mortgage.

2. Easement for underground Electrical Lines dated February 21, 1968 and recorded February 27, 1968 in Miscellaneous Record 965, page 277 as Document No. 740873, made by Lake County Trust Company, as Trustee under the provisions of a Trust Agreement dated May 1, 1967 and known as Trust No. 1311, to Northern Indiana Public Service Company, granting to said company, its successors and assigns, an easement, right and authority, from time to time, to install, construct, maintain, operate, repair, replace, renew and remove: (a) underground ducts and conduits, (b) underground wires, cables, conductors, manholes and other necessary appurtenances, in such underground ducts and conduits, (c) pads for transformers, with transformers located thereon, where reasonably necessary in the sole judgment and discretion of grantee herein, together with all the rights and privileges necessary or convenient for the full enjoyment or use thereof, for the purposes herein described, including the right of ingress and egress to and from the strip of easement land, over adjoining lands of grantor, and the right to trim or at grantee's option, to cut down and remove from the premises hereinafter described and from the adjoining lands of grantor any trees or undergrowth, which may in the sole judgment of grantee, endanger the safety of, or interfere with the use or enjoyment of, any of grantee's facilities arising from the growth of trees or underground root system including the right to clear and keep cleared such obstructions from the surface and subsurface as may be necessary, and to operate by means thereof one or more line or lines for the transmission, distribution and delivery of electrical energy to the public in general, to be used for light, heat, power, telephone and other purposes, in, upon, along and over a strip of land or right of way situated in Section 31, Township 37 North, Range 7 West of the 2nd Principal Meridian, in Lake County, Indiana, described as follows:

Part of the Southwest quarter of the Northwest quarter of the Southeast quarter of Section 31, Township 37 North, Range 7 West, described as follows:

Beginning at a monument at the intersection of the center line of Cypress Avenue and Lake Street; thence North along the center line of Lake Street a distance of 30 feet; thence West along the North line of Cypress Avenue, a distance of 166.55 feet; thence North and parallel with the center line of Lake Street, a distance of 77.33 feet to the true point of beginning; thence West and parallel with the center line of Cypress Avenue, a distance of 146 feet; thence North and parallel with the center line of Lake Street, a distance of 15 feet; thence East and parallel with the center line of Cypress Avenue, a distance of 146 feet; thence South a distance of 15 feet to the place of beginning, all in the City of Gary, Lake County, Indiana.

Any underground facilities of the grantee shall be at least 24 inches below the surface of the soil, as the surface now exists.

For Further Particulars See Record.
(Affects Parcel A1)

3. Easement dated August 29, 1968 and recorded November 13, 1968, in Miscellaneous Record 1020, page 178, as Document No. 773684, as shown on copy attached hereto.

For Further Particulars See Record.

- Easement dated August 29, 1968 and recorded November 13, 1968 in Miscellaneous Record 1020, page 173, as Document No. 773685, as shown on copy attached hereto.

For Further Particulars See Record.
(Affects Parcels A2 and F7)

- Easement dated March 28, 1969 and recorded April 8, 1969 as Document No. 11792, as shown on copy attached hereto.

(Affects Parcel A2)

- Easement dated December 6, 1968 and recorded March 19, 1969, as Document No. 9632, as shown on copy attached hereto.

For Further Particulars See Record.
(Affects Parcels A1 and A2)

- Easement dated November 15, 1965 and recorded December 21, 1965 in Miscellaneous Record 942, page 136, as Document No. 647162, as shown on copy attached hereto.

For Further Particulars See Record.
(Affects Parcels A3 and B1)

- Easement dated November 15, 1965 and recorded December 21, 1965, in Miscellaneous Record 942, page 132, as Document No. 647160, as shown on copy attached hereto.

For Further Particulars See Record.
(Affects Parcels A3 and B1)

- Easement dated July 1, 1970 and recorded August 11, 1970 as Document No. 68269, as shown on copy attached hereto.

(Affects approximately the East 15 feet of the West 33 feet of Parcel A2)

- A 20 foot easement for utilities, as shown on the plat of Johnson-Kennedy Estates 4th Subdivision, recorded in Plat Book 22, page 2, (Parcels A1 and A2 of premises in question being a part of the vacated part of said subdivision).

Note: A partial release of said easements by Northern Indiana Public Service Company releasing and quit claiming all its interest in said easements except the Easterly 10 feet of Lots 4 and 5, Block 4 of said Subdivision and except other real estate not now in question, was recorded January 3, 1966 in Miscellaneous Record 942 page 261, as Document 648497, and a corrected partial release was recorded February 14, 1966 in Miscellaneous Record 943, page 205, as Document 654182, a partial release of said easements by Illinois Bell Telephone Company, releasing all of its interest in said

easements was recorded October 25, 1967 in Miscellaneous Record 962, page 270, as Document 727019. These partial releases describe parts of lots in said Subdivision.

(Affects Parcel A1)

11. Easement dated November 15, 1965 and recorded December 21, 1965 in Miscellaneous Record 942, page 134, as Document No. 647161, as shown on copy attached hereto.

(Affects Parcels B1 and D2)

12. Easement dated July 8, 1965 and recorded July 17, 1965 in Miscellaneous Record 924, page 201, as Document No. 625018, made by Saul Cohen and Associates, Inc., to Northern Indiana Public Service Company, an Indiana corporation, granting to said company, its heirs, successors and assigns an easement as to the following described real estate:

Beginning at a point on the South line of Hemlock Avenue, said point being 133.55 feet Westerly of the West line of Lake Street; thence Southerly along a line parallel with the West line of Lake Street a distance of 190.13 feet; thence Westerly along a line parallel with the South line of Hemlock Avenue a distance of 10 feet; thence Northerly along a line parallel with the West line of Lake Street a distance of 190.13 feet to the South line of Hemlock Avenue; thence Easterly along the South line of Hemlock Avenue a distance of 10 feet to the point of beginning.

Note: A partial release recorded October 9, 1965 in Miscellaneous Record 926, page 383, as Document No. 637210, as to the Southerly 10 feet of Parcel C1 premises in question.

Note: A partial release recorded January 3, 1966 in Miscellaneous Record 942, page 261, as Document No. 648497.

For Further Particulars See Record.
(Affects Parcel C1 of the land).

13. Easement dated July 13, 1965 and recorded September 3, 1965 in Miscellaneous Record 925, page 455, as Document No. 632367, made by Saul Cohen and Associates, Inc., granting and warranting to Gary-Hobart Water Corporation, an Indiana corporation, its successors and assigns, as to the following described real estate:

The West 20 feet of premises in question of Parcel C1 of premises in question.

The Grantor reserves the use of the above-described real estate not inconsistent with this grant.

Access to the above-described real estate over the adjoining real estate of the Grantor and those claiming by, through or under it, where necessary, is hereby granted to the grantee herein provided, however, that where ever said water lines, mains, etc., as hereinbefore described, are accessible from an adjoining public street or highway, the access shall be from such street or highway.

For Further Particulars See Record.
(Affects Parcel C1 of premises in question)

14. Easements as shown on the plat of Johnson-Kennedy Estates 4th Subdivision, (now vacated).

(Affects Parcels C1 and F5 of the land)

Note: A partial release made by Illinois Bell Telephone Company was recorded October 25, 1967 in Miscellaneous Record 962, page 270, as Document No. 727019.

15. Easement dated January 14, 1963 and recorded January 15, 1963 in Miscellaneous Record 854, page 244, as Document No. 457506, made by Lake County Trust Company, as Trustee under Trust No. 806, granting and conveying to Illinois Bell Telephone Company its lessees, successors and assigns, the right to construct, operate, maintain and remove telephone lines consisting of markers, test-terminals, conduits, manholes, wires, cables, and associated equipment, together with the right of access to the same, including the right to clear and keep cleared such trees, roots, bushes and other obstructions from the surface and subsurface as may be required, upon, over, under, along, and across the following described property which the undersigned own or have an interest in:

The East 5 feet of part of Government Lot 5 in the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Calumet Township, Lake County, Indiana, lying Westerly of the centerline of Lake Street and North of the North line of Johnson-Kennedy Estates Fourth Subdivision, more particularly described as beginning at point of intersection of a line that is parallel to and 33 feet West of the centerline of Lake Street with a line that is parallel to and 30 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision; thence Northerly on said 33 foot parallel line a distance of 150 feet; thence Westerly on a line that is parallel to and 180 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision measured along a line parallel to Lake Street, a distance of 170 feet; thence Southerly on a line that is parallel to and 203 feet Westerly of the centerline of Lake Street measured along a line parallel to the North line of Johnson-Kennedy Estates Fourth Subdivision a distance of 150 feet to a line that is 30 feet North of and parallel to the North line of Johnson-Kennedy Estates Fourth Subdivision; thence Easterly on said 30 foot parallel line a distance of 170 feet to the point of beginning.

For Further Particulars See Record.
(Affects Parcel D1 of premises in question)

16. Easement dated August 16, 1965 and recorded September 3, 1965, in Miscellaneous Record 925, page 452, as Document No. 632366, made by and between Lake County Trust Company, Trustee of Trust #806 and Gary-Hobart Water Corporation, an Indiana corporation, its successors and assigns, granting an easement in, under, along and across the West 20 feet of Parcel D2 of premises in question and other real estate.

For Further Particulars See Record.
(Affects Parcels B1 and D2)

17. A 10 foot easement for public utilities affecting the East 10 feet of Parcel E1 as shown on the vacated plat of subdivision for Johnson-Kennedy Estates 4th Subdivision, in Plat Book 22, page 2, in the Office of the Recorder of Lake County, Indiana.
18. Easement dated June 29, 1971 and recorded July 1, 1971 as Document No. 105933, made by Lake County Trust Company, as Trustee under Trust Agreement dated May 12, 1970 and known as Trust No. 1600, to Illinois Bell Telephone Company, its lessees, successors and assigns, the right to construct, operate, maintain and remove communications systems consisting of test-terminals, wires, cables and associated equipment for transmission of sounds and signals, by electricity, together with the right of access to the same, including the right to clear and keep cleared such trees, roots, bushes and other obstructions from the surface and subsurface as may be required, upon, under, along and across the following described real estate: The West 20 feet of the East 30 feet of Parcel E1.

For Further Particulars See Record.

19. A 20 foot easement, affecting the West 10 feet of Parcel F2 of the land, as shown on plat of subdivision.
20. A 10 foot easement for public utilities affecting the East 10 feet of Lots 18 to 26, both inclusive, Parcel F6, as shown on plat of subdivision for Johnson-Kennedy Estates 2nd Subdivision, Plat Book 17, page 15, in Lake County, Indiana.
21. A 10 foot easement for public utilities affecting the East 10 feet of Parcel F8 of the land, as shown on the vacated plat of subdivision for Johnson-Kennedy Estates 4th Subdivision, in Plat Book 22, page 2, in Lake County, Indiana.
22. Restrictions in Warranty Deed dated September 13, 1928 and recorded September 14, 1928 in Deed Record 428, page 160, made by Frances Kennedy Johnson and Thomas J. Johnson, her husband, to Florence R. Beaudry, providing:

The purchaser expressly covenants and agrees for himself, his heirs, administrators and assigns, that the above described premises shall be used for residential or business purposes, and that the buildings used for said residence or business shall not cost less than \$3,500.00 to each lot.

Restrictions do not provide for forfeiture or reversion.
(Affects Lots 20 and 21 of Parcel F1 of premises in question)

23. Restrictions in Warranty Deed dated June 21, 1929 and recorded June 22, 1929, in Deed Record 444, page 166, made by Frances Kennedy Johnson and Thomas J. Johnson, husband and wife, to Billie K. Johnson (affecting Lot 25); and in Warranty Deed dated June 21, 1929 and recorded June 22, 1929 in Deed Record 444, page 167, made by Frances Kennedy Johnson and Thomas J. Johnson, husband and wife, to Frances K. Hayes (affecting Lot 24); and in Warranty Deed dated June 21, 1929 and recorded June 22, 1929, in Deed Record 444, page 168, made by Frances Kennedy Johnson and Thomas J. Johnson, husband and wife, to Thomas J. Johnson, Jr. (affecting Lot 26), all providing:

The purchaser agrees for himself, his heirs, administrators and assigns that above described premises shall be used for residential and business only and that the building shall not cost less than \$3,500.00.

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Restrictions do not provide for forfeiture or reversion.
(Affects Parcel F6 of the land).

24. Easement dated July 16, 1962 and recorded July 19, 1962, in Miscellaneous Record 836, page 581, as Document No. 418046, made by Lake County Trust Company, as Trustee under Trust No. 806 and Trust No. 904, to Northern Indiana Public Service Company, granting to said company, and their respective successors and assigns, the right to install, lay, erect, construct, renew, operate, repair, replace, and maintain gas mains, conduits, cables, poles, and wires, either overhead or underground with all necessary braces, guy, anchors, and other appliances in, upon, along and over the following described real estate, to-wit:

The West 10 feet of the East 193 feet of the North 175 feet of the South 405 feet of: All that part of Government Lot 5 in the East Half of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Lake County, Indiana, lying Westerly of the center line of Lake Street and Northerly on the North line of Johnson-Kennedy Estates Fourth Subdivision; and The West 49 feet of the East 208 feet of the North 40 feet of the South 445 feet except that part occupied presently by a four story apartment building of: All that part of Government Lot 5 in the East Half of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Lake County, Indiana, lying Westerly of the center line of Lake Street and Northerly of the North line of Johnson-Kennedy Estates Fourth Subdivision, for the purpose of serving the public in general with gas and electric, including the right to use the streets where necessary, and to overhang lots with aerial service wires to serve adjacent lots, together with the right to enter upon the said easements for public utilities at all times for any and all of the purposes aforesaid, and to trim and keep trimmed any trees, shrubs, or saplings that interfere with any such utility equipment. No permanent buildings shall be placed on said easement, but same may be used for gardens, shrubs, landscaping, and other purposes that do not interfere with the use of said easement for such public utility purposes.

For Further Particulars See Record.
(Affects Parcels B1, D2, F3 and F4 of the land).

25. Easement dated January 15, 1963 and recorded January 15, 1963 in Miscellaneous Record 854, page 246, as Document No. 457508, made by Lake County Trust Company, as Trustee under the provisions of a Trust Agreement known as Trust No. 804, granting and conveying to Illinois Bell Telephone Company, their lessees, successors and assigns, the right, to construct, operate, maintain and remove telephone and electric lines consisting of markers, test-terminals, conduits, manholes, wires, cables and associated equipment, together with the right of access to the same, including the right to clear and keep cleared such trees, roots, bushes and other obstructions from the surface and subsurface as may be required, upon, over, under, along and across the following described property which the undersigned own or have an interest in:

The East 5 feet of the North 155 feet of the South 165 feet of: That part of Government Lot 5 in the East Half of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Calumet Township, Lake County, Indiana, lying Westerly of the center line of Lake Street and North of the North line of Johnson-Kennedy Estates Fourth Subdivision, more particularly described as beginning at a point that is 33 feet West of the centerline of Lake Street and 220.00 feet North of the centerline of Hemlock Avenue which is the North line of Johnson-Kennedy Estates Fourth Subdivision, measured along a line that is parallel to the centerline of Lake Street; thence Westerly on said 220-foot parallel line, 150.00 feet to a line that is 183 feet West of and parallel to the centerline of Lake Street measured on a line parallel to the centerline of Hemlock Avenue; thence Northerly on said 183 foot parallel line, 378.26 feet to the water's edge of the Grand Calumet River Lagoon; thence Northeasterly on the water's edge 48.06 feet to a point of change of direction in the water's edge; thence Southeasterly on a line that makes an interior angle of 162 degrees 36 minutes 00 seconds measured Southwest through South to East with aforesaid 48.06 foot line a distance of 64.90 feet; thence Northeasterly on a line that makes an interior angle of 255 degrees 08 minutes 50 seconds measured Northwest through South to Northeast with aforesaid 64.90 foot line a distance of 49.90 feet; thence Northeasterly on a line that makes an interior angle of 139 degrees 35 minutes 40 seconds measured Southwest through South to Northeast with aforesaid 49.90 foot line a distance of 14.46 feet to a line that is parallel to and 33 feet West of the centerline of Lake Street; thence Southerly on said 33 foot parallel line a distance of 412.29 feet to the place of beginning.

(Affects Parcels F3 ~~and 6~~ of the land).

26. Easement dated March 6, 1963 and recorded March 7, 1963, in Miscellaneous Record 857, page 281, as Document No. 468037, made by Lake County Trust Company, as Trustee under Trust No. 928, to Northern Indiana Public Service Company, granting an easement for public utilities to Northern Indiana Public Service Company, and their respective successors and assigns, to install, lay, erect, construct, renew, operate, repair, replace and maintain gas mains, conduits, cables, poles, and wires, either overhead or underground with all necessary braces, guy, anchors, and other appliances in, upon, and over the following described real estate, to-wit:

The West 32 feet of the East 240 feet of the North 20 feet of the South 425 feet of that part of Government Lot 5 in the East Half of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Calumet Township, Lake County, Indiana, lying Westerly of the centerline of Lake Street and Northerly of the North line of Johnson-Kennedy Estates Fourth Subdivision, for the purpose of serving the public in general with gas and electric, including the right to use the streets where necessary, and to overhang lots with aerial service wires to serve adjacent lots, together with the right to enter upon the said easements for public utilities at all times for any and all of the purposes aforesaid, and to trim and keep trimmed any trees, shrubs, or saplings that interfere with any such utility equipment. No permanent building shall be placed on said easement, but same may be used for gardens, shrubs, landscaping, and other purposes that do not interfere with the use of said easement for such public utility purposes. (Affects Parcel F4 of the land).

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27. Easement dated July 16, 1962 and recorded July 19, 1962 in Miscellaneous Record 836, page 579, as Document No. 418045, made by Lake County Trust Company, as Trustee under Trust No. 806, granting an easement for public utilities to the City of Gary, Lake County, Indiana, Illinois Bell Telephone Company, Gary-Hobart Water Corporation and Northern Indiana Public Service Company, severally, and their respective successors and assigns, to install, lay, erect, construct, renew, operate, repair, replace, and maintain sewers, water mains, gas mains, conduits, cables, poles, and wires, either overhead or underground with all necessary braces, guy, anchors, and other appliances in, upon, along and over the following described real estate, to wit:

The West 20 feet of the East 243 feet lying Northerly of a line parallel to and 230 feet North of the North line of Johnson-Kennedy Estates Fourth Subdivision, measured along a line parallel to the centerline of Lake Street; and lying Southerly of the water's edge of the Grand Calumet River Lagoon of: All that part of Government Lot 5 in the East Half of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Calumet Township, Lake County, Indiana, lying Westerly of the center line of Lake Street and Northerly of the North line of Johnson-Kennedy Estates Fourth Subdivision, for the purpose of serving the public in general with sewer, water, gas, electric and telephone services, including the right to use the streets where necessary, and to overhang lots with aerial service wires to serve adjacent lots, together with the right to enter upon the said easements for public utilities at all times for any and all of the purposes aforesaid, and to trim and keep trimmed any trees, shrubs, or saplings that interfere with any such utility equipment. No permanent building shall be placed on said easement, but same may be used for gardens, shrubs, landscaping, and other purposes that do not interfere with the use of said easement for such public utility purposes.

(Affects Parcels B1, F4 ~~and 5~~ of the land).

and 6

28.. Easement dated June 2, 1971 and recorded June 22, 1971 as Document No. 104675, made by Lake County Trust Company as Trustee under Trust No. 949, to Northern Indiana Public Service Company, an Indiana corporation, granting to said company its successors and assigns, an easement, right and authority, from time to time, to install, construct, maintain, operate, repair, replace, renew and remove: (a) underground ducts and conduits, (b) underground wires, cables, conductors, manholes and other necessary appurtenances, in such underground ducts and conduits, (c) pads for transformers, with transformers located thereon, where reasonably necessary in the sole judgment and discretion of Grantee herein together with all the rights and privileges necessary or convenient for the full enjoyment or use thereof, for the purposes herein described, including the right of ingress and egress to and from the strip of easement land, over adjoining lands of Grantor, and the right to trim, or at Grantee's option, to cut down and remove from the premises hereinafter described and from the adjoining lands of Grantor any trees or undergrowth, which may, in the sole judgment of Grantee, endanger the safety of, or interfere with the use or enjoyment of, any of Grantee's facilities arising from the growth of trees or underground root system including the right to clear and keep cleared such obstructions from the surface and subsurface as may be necessary for the installation and maintenance of such facilities, and to operate by means thereof one or more line or lines for the transmission, distribution and delivery of electrical energy to the public in general, to be used for light, heat, power, telephone and other purposes, and to lay, install, maintain, operate, repair, replace, and renew gas mains and a line or lines of pipe, and additional gas mains and lines of pipe from time to time for the transportation and distribution of gas to the public in general, with all necessary and convenient equipment, facilities, service pipes, lines and connections therefor and to operate by means thereof a system for such transportation and distribution of gas to be used for light, heat, power, and other purposes in, upon, along and over a strip of land or right of way situated in Section 31, Township 37 North, Range 7 West of the Second Principal Meridian, in the County of Lake, State of Indiana, described as follows:

A parcel of land lying in the Southeast One-Quarter of Section 31, Township 37 North, Range 7 West, being more particularly described as beginning at the intersection of the centerline of Lake Street and the centerline of Kennedy Terrace, thence North 90 degrees West a distance of 166.55 feet, thence North 0 degrees East a distance of 107.5 feet, more or less, to the point of beginning;

From the point of beginning a strip of land 15 feet wide, lying 7.5 feet on each side of the centerline and said centerline produced, said centerline described as follows:

Extending in a Westerly direction along a line parallel to and 10.5 feet distant from a 3-story apartment building No. 1 (also known as Carriage House) approximately 303 feet, more or less, to a point of intersection with a line 182.3 feet, more or less, East of the centerline of Gibson Street, thence 127.8 feet, more or less, West and parallel to the North property line, thence Southerly and parallel to and 10.5 feet distance from a 3-story apartment building No. 2 (also known as Candlewyck House) 303 feet, more or less, to a point of intersection of two other centerlines, hereinafter described as point "A", and said lines described as follows:

Thence from said point "A" Southwesterly approximately 53 feet, more or less, to a point on the South property line of grantor, said point being 22 feet East of the centerline of Gibson Street; and Also, beginning at said point "A", thence East a distance of 129.5 feet to a point which is 184 feet, more or less, East of the centerline of Gibson Street, which point is also on a line 10.5 feet Southerly of the Southerly line of a 3-story building No. 3 (also known as Canterbury House) and said line produced Westerly; thence Easterly parallel to 10.5 feet distance from said 3-story apartment building No. 3 (also known as Canterbury House) a distance of 305 feet, more or less, to a point on the East property line of grantor which point is 107.5 feet, more or less, South of the centerline of Kennedy Terrace.

Any underground facilities of the Grantee shall be at least 24 inches below the surface of the soil, as the surface now exists.

The Grantor reserves the use of the above described land not inconsistent with this grant, but no buildings or structures shall be placed on the right of way by Grantor.

The Grantee shall and will indemnify and save the Grantor harmless from and against any and all damage, injuries, losses, claims, demands or costs proximately caused by the fault, culpability, or negligence of the Grantee in the construction, erection, maintenance, operation, repair or renewal of said line or lines, underground ducts or conduits, pads for transformers and transformers thereon, gas mains and pipes and the structures and appurtenances connected therewith.

For Further Particulars See Record.
(Affects Parcel F5, F7 and F8)

29. Easement dated June 30, 1970 and recorded August 11, 1970 as Document No. 68266, made by Lake County Trust Company, as Trustee under a Trust Agreement dated November 2, 1962 and known as Trust Agreement No. 949, to Illinois Bell Telephone Company, its lessees successors and assigns, granting the right to construct, operate, maintain and remove communications systems consisting of test-terminals, wires, cables and associated equipment for transmission of sounds and signals by electricity, together with the right of access to the same, including the right to clear and keep cleared such trees, roots, bushes and other obstructions from the surface and subsurface as may be required upon, under, along and across the following described property which the undersigned own or have an interest in: a strip of land 20 feet wide and 620.81 feet in length as shown on the plat attached to said easement. Said strip of land is located in the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., in the City of Gary, Indiana.

(Affects Parcel F7 of the land).

30. Easement dated May 27, 1971 and recorded June 7, 1971 as Document No. 102524, made by Lake County Trust Company Trust No. 949, dated November 2, 1962. Party of the First Part, and Lake County Trust Company Trust No. 1121, dated October 20, 1964, Lake County Trust Company Trust No. 1421, dated July 15, 1968, Lake County Trust Company Trust No. 1422, dated July 15, 1968, Lake County Trust Company Trust No. 1213, dated February 8, 1966, Lake County Trust Company Trust No. 1522, dated June 25, 1969, Lake County Trust Company Trust No. 1520, dated June 25, 1969, Lake County Trust Company Trust No. 1521, dated June 25, 1969, Lake County Trust Company No. 1583, dated April 1, 1970, and Lake County Trust Company Trust No. 1600, dated May 12, 1970, Parties of the Second Part, and the Saul Cohen Management Corporation, Party of the Third Part, has an interest in the management of each of the above said Trusts, all parties herein being desirous of creating an easement in the following described real estate, agree as follows, to-wit:

That the Party of the First Part, for himself, his heirs, or assigns, does hereby covenant and agree with the Parties of the Second Part, to create, locate and establish a right of way for the purpose of ingress and egress to and from the real estate owned by the parties hereto, by non-vehicular traffic, excepting vehicular traffic owned by the parties hereto, needed for the servicing of their interests as they may appear, upon the following described real estate, to-wit:

A 20 foot wide by 196.10 feet long easement in the West Half (W $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 31, Township 37 North, Range 7 West of the 2nd P.M., Gary, Lake County, Indiana, whose center line extends Southward and parallel with the center line of Lake Street from a point on the South right-of-way line of Kennedy Terrace and 186.56 feet West of the center line of Lake Street, a distance of 196.10 feet.

Each of the parties hereto agree that the above said premises shall not be built upon and shall be kept open and unobstructed for the benefit of and may be used in common by all of the parties herein, and that the easement hereby created shall run with and become appurtenant to the respective premises above described.

The Parties of the First and Second Parts do furthermore agree that the easement hereby established shall also inure to the benefit of the Party of the Third Part, or his nominee, successors, or assigns. That the Party of the Third Part does hereby consent to the establishment of the above described easement for the purpose therein set forth and upon the terms and conditions therein set forth.

That the Parties of the First, Second and Third Part agree that the term of existence of this Easement shall be for a period of 50 years from this date, and that, upon the expiration of 50 years from this date, said easement shall terminate and this agreement shall be null and void.

It is expressly understood and agreed that the Party of the First Part shall have free ingress and egress in, from, and over said easement for the purpose of maintaining and repairing the property described in said easement.

For Further Particulars See Record
(Affects Parcel F8 of the land).

31. Easement dated June 29, 1971 and recorded July 1, 1971, as Document No. 105932, made by Lake County Trust Company, as Trustee under Trust No. 949, dated November 2, 1962, to Illinois Bell Telephone Company, granting the right and authority to said company, its lessees, successors and assigns, the right to construct, operate, maintain and remove communications systems consisting of test-terminals, wires, cables and associated equipment for transmission of sounds and signals, by electricity, together with the right of access to the same, including the right to clear and keep cleared such trees, roots, bushes and other obstructions from the surface and subsurface as may be required, upon, under, along and across the following described property which the undersigned own or have an interest in: The West 20 feet of the East 30 feet of the following: Part of the West Half of the Northwest Quarter of the Southeast Quarter of Section 31, Township 37 North, Range 7 West of the 2nd P.M., Gary, Lake County, Indiana, described as follows:

Document is the property of the Lake County Recorder!

Beginning at a monument at intersection of the center line of vacated Gibson Street and the center line of Cypress Avenue, thence North along the center line of Section 31, Township 37 North, Range 7 West, a distance of 338 feet; thence East and parallel with the center line of Cypress Avenue a distance of 154 feet; thence South and parallel with the center line of said Section 31 a distance of 26 feet; thence East and parallel with the center line of Cypress Avenue a distance of 32.39 feet; to the point of beginning; thence North and parallel with the center line of said Section 31 a distance of 169.20 feet, more or less, to a point on Kennedy Terrace right of way; thence East and Northeast with a circular pattern with a radius of 52.50 feet along the right of way of Kennedy Terrace a distance of 66.22 feet, more or less; thence East along the South right of way line of Kennedy Terrace a distance of 244.63 feet; thence South and parallel with the center line of Lake Street a distance of 196.10 feet; thence West and parallel with the center line of Cypress Avenue a distance of 304.94 feet to the point of beginning, in Gary, Lake County, Indiana.

For Further Particulars See Record.
(Affects Parcel F8 of the land).

32. Encroachment of parking lot and driveway over the West line of Parcel B1 as shown on plat of survey made by Zarko Sekerez dated October 21, 1986, and plat of survey dated September 18, 1990 made by Plumb, Tuckett and Associates.
33. Rights of the Public and the State of Indiana in and to that part of Parcels B1, F3 and F4 of the land, if any, covered by the Waters of the Grand Calumet River.

NOTE FOR INFORMATION:
34. This policy will not insure any land located between ^{ANY} the fence depicted in a survey dated September 18, 1990 made by Plumb, Tuckett and Associates, and the property lines of the area described in Schedule A. ^{NOT LOCATED ON THE LAND DESCRIBED}

35. Improvements located on the land as shown on Plat of Survey dated September 18, 1990 made by Plumb Tuckett and Associates as follows:

- A. A concrete storm drain located on Parcel A1.
- B. Storm water catch basin located on Parcel E1.
- C. Overhead Telephone and Electric lines. (Affects Parcels F1 and F2)
- D. Underground Telephone line. (Affects Parcel F1)
- E. A catch basin and manhole located on Parcel F5.
- F. Transformer and gas meter located on Parcels F7 and F8.
- G. Manhole and catch basin located on Parcel F8.
- H. Power Poles located along the North line. (Affects Parcel F8)

36. Encroachments as indicated on plat of Survey dated September 18, 1990 made by Plumb Tuckett and Associates, as follows, to-wit:

Encroachment of brick incinerator area over and upon the easement shown at item 11 herein. (Affects Parcel A1)

Encroachment of concrete stoop over and upon the easement shown at items 7 and 11 herein. (Affects Parcel A1)

Encroachment of a 3 story brick apartment building over and upon the easement shown at item 10 herein. (Affects Parcel A2)

Encroachment of a concrete walk over and upon the easement shown at item 10 herein. (Affects Parcel A2)

Encroachment of an asphalt parking lot over and upon the easement shown at items 8 and 9 herein. (Affects Parcel A3)

Encroachment of 2 story apartment building over and upon the easement shown at item 25 herein. (Affects Parcel B1)

Encroachment of asphalt parking lot over and upon the easements shown at items 8 and 25 herein. (Affects Parcel B1)

Encroachment of asphalt parking lot over and upon the easement shown at item 28. (Affects Parcel B1)

Encroachment of concrete block incinerator over and upon the easement shown at item 15 herein. (Affects Parcel C1)

Encroachment of 2 story brick apartment building (Drexel Hill East) over and upon the easement shown at item 15 herein. (Affects parcel C1)

Encroachment of the 2 story brick apartment building (Drexel Hill East) over and upon the vacated 60 foot right of way. (Affects Parcel C1)

Encroachment of 4 foot concrete walk and asphalt parking lot over and upon the easement shown at item 15 herein. (Affects Parcel C1)

Encroachment of the asphalt parking lot over and upon the easement shown at item 14 herein. (Affects Parcel C1)

Encroachment of an asphalt parking lot and concrete incinerator over and upon the vacated street right of way. (Affects Parcels C1 and C2)

Encroachment of 2 story brick apartment building, a 4 foot concrete walk and asphalt parking lot over and upon the easement shown at item 15 herein. (Affects Parcel C2)

Encroachment of railroad ties (court area) over and upon the easement shown at item 19 herein. (Affects Parcel E1)

Encroachment of 3 story brick apartment building and 5 foot concrete walk over and upon the easements shown at item 15. (Affects Parcel F1)

Encroachment of asphalt parking and curb over and upon the easement shown at item 20 herein. (Affects Parcel F2)

Encroachment of asphalt parking lot over and upon the easement shown at items 25 and 26 herein. (Affects Parcel F3)

Encroachment of a 4 foot concrete walk and asphalt parking lot over and upon the easement shown at item 28 herein. (Affects Parcel F4)

Encroachment of an electric transformers over and upon the easement at item 27 herein. (Affects Parcel F4)

Encroachment of electric transformer over and upon the easement at item 25 herein. (Affects Parcel F4)

Encroachment of asphalt parking lot over and upon the easement shown at items 15 and 29 herein. (Affects Parcel F5)

Encroachment of a 2 story brick apartment building over and upon the 60 foot vacated street right of way. (Affects Parcel F5)

Encroachment of asphalt parking lot over and upon the easement shown at item 22 herein. (Affects Parcel F6)

Encroachment of asphalt parking lot over and upon the easements shown at items 4, 5, 15 and 29. (Affects Parcel F7)

Encroachment of an asphalt parking lot over and upon the easements shown at items 15, 29 and 32. (Affects Parcel F8)

Encroachment of the 2 story brick apartment building (Canterbury House) over and upon the 60 foot vacated street right of way. (Affects Parcel F8)

37. Easements for public utilities and for drainage, over the West 10 feet of the land as shown and granted on the plat of subdivision.

(Affects Parcels 2 and 3 of the land)

38. Note For Information:

Environmental Disclosure Document for transfer of real property was recorded August 23, 1990, as Document No. 119439.

(Affects Parcel 2 of the land)

39. Note For Information:

Environmental Disclosure Document for transfer of real property was recorded August 23, 1990, as Document No. 119440.

(Affects Parcel 2 of the land)

40. Rights of parties in possession by unrecorded apartment leases permitted under the Loan Agreement.

41. Easements, if any, for public utilities over and under that part of the land lying within vacated Kennedy Terrace.

(Affects Parcel 4 of the land)

42. Easements, if any, for public utilities over and under that part of the land lying within vacated Hemlock Avenue.

(Affects Parcel 5 of the land)

43. Terms and provisions of an Amendment to Inducement Resolution No. 2195 relating to the financing of a 682 Unit Multi-Family Housing Project located at 415 Lake Street in Gary Economic Development Facilities dated December 11, 1990 and recorded January 22, 1991 as Document No. 91003422, and instrument dated January 22, 1991 and recorded March 18, 1991, as Document No. 91012189.

FOR FURTHER PARTICULARS SEE RECORD.

44. Terms and provisions of a Resolution Declaring an Economic Revitalization Area dated January 9, 1991 and recorded April 4, 1991, as Document No. 91015696 and confirmed by Instrument "A Resolution Confirming Resolution No. 90-79, being a Resolution of the Common Council Declaring an Economic Revitalization Area" dated February 19, 1991 and recorded April 4, 1991, as Document No. 91015697.

FOR FURTHER PARTICULARS SEE RECORD.

(Affects Parcel F-6 of the land)

45. The Company should be furnished a survey of Parcel 6 of the land supplied by a certified public surveyor and reserve the right to add such further exceptions to this report as may appear after our examination of the survey submitted, including the right to amend the legal description(s) thereof accordingly.

46. Right, title and interest of the City of Gary for street purposes by reason of a Trustee's Deed dated July 3, 1962 and Recorded July 5, 1962 as Document No. 414683 made by Lake County Trust Company, as Trustee under Trust No. 806 and Trust No. 904 to the City of Gary and Trustee's Deed dated May 24, 1965 and recorded July 23, 1965 as document No. 625929 made by Lake County Trust Company, as Trustee under Trust no. 806 to the City of Gary. (Affects Parcel 6 of the Land)

