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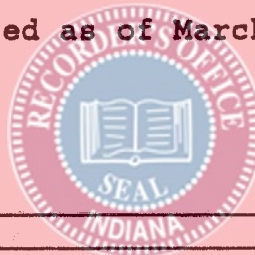
MORTGAGE AND SECURITY AGREEMENT

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This Document is the property of  
THE MILLER PARTNERSHIP, L.P.,  
an Illinois limited partnership  
the Lake County Recorder.

STOP  
to  
THE ROYAL BANK OF SCOTLAND PLC,  
a banking corporation organized and  
existing under the laws of Scotland,  
acting through its New York Branch

Dated as of March 1, 1996



This Instrument Prepared by and  
to be Returned After Recording to:

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110<sup>00</sup>/<sub>ct</sub>

MORTGAGE AND SECURITY AGREEMENT

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## MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT dated as of March 1, 1996, from THE MILLER PARTNERSHIP, L.P., an Illinois limited partnership (the "Mortgagor"), to THE ROYAL BANK OF SCOTLAND PLC, a banking corporation organized and existing under the laws of Scotland, acting through its New York Branch (the "Mortgagee");

### W I T N E S S E T H:

WHEREAS, the City of Gary, Indiana, a municipal corporation duly organized and validly existing under the laws of the State of Indiana (the "Issuer") proposes to issue its tax exempt Adjustable Rate Economic Development Revenue Refunding Bonds, Series 1996 A (The Miller Partnership, L.P. Project) in the aggregate principal amount of \$20,540,000 (the "Series 1996 A Bonds") and its Taxable Adjustable Rate Economic Development Revenue Refunding Bonds, Series 1996 B (The Miller Partnership, L.P. Project) in the aggregate principal amount of \$1,680,000 (the "Series 1996 B Bonds" and collectively with the Series 1996 A Bonds the "Series 1996 Bonds") pursuant to a Trust Indenture dated as of March 1, 1996 (said Trust Indenture, together with any indentures supplemental thereto are referred to collectively herein as the "Indenture"), by and between the Issuer and Fifth Third Bank of Central Indiana, as Trustee; and

WHEREAS, The Series 1996 Bonds are being issued in order to obtain funds to lend to The Miller Partnership, L.P., an Illinois limited partnership ("Miller"), pursuant to a Loan Agreement dated as of March 1, 1996 (said Loan Agreement, as supplemented and amended from time to time, is referred to herein as the "Loan Agreement"), between the Issuer and Miller for the purpose of refunding the Issuer's outstanding Economic Development Revenue Bonds, Series 1991 A (The Miller Partnership L.P. Project) (the "Series 1991 A Bonds"), Taxable Economic Development Revenue Bonds, Series 1991 B (The Miller Partnership L.P. Project) (the "Series 1991 B Bonds", and collectively with the Series 1991 A Bonds, the "Series 1991 Bonds"), Economic Development Revenue Bonds, Series 1993 A (The Miller Partnership L.P. Project) (the "Series 1993 A Bonds"), and Taxable Economic Development Revenue Bonds, Series 1993 B (The Miller Partnership L.P. Project) (the "Series 1993 B Bonds", and collectively with the Series 1993 A Bonds, the "Series 1993 Bonds") (the Series 1991 Bonds and the Series 1993 Bonds are referred to collectively herein as the "Prior Bonds"), the proceeds of which were loaned to Miller for the purpose of purchasing and rehabilitating the Project (as defined in Article I hereof); and

WHEREAS, in order to support the payment when due of the principal of and interest on the Series 1996 Bonds (with interest calculated at an assumed rate of 12% per annum, based on a year of 360 days, for a 56 day period), the Mortgagee is issuing its irrevocable direct pay transferable letter of credit No. LCA 02229600417NY (said Letter of Credit, and any letter of credit or letters of credit hereinafter issued by the Mortgagee in substitution therefor or replacement thereof are hereinafter referred to as the "Letter of

Credit"), in favor of the Trustee, in the initial stated amount of \$22,634,774; and

WHEREAS, the Letter of Credit is being issued for the account of the Mortgagor and CenterPoint Properties Corporation, a Maryland corporation ("CenterPoint"), pursuant to that certain Reimbursement Agreement of even date herewith (the "Reimbursement Agreement"), by and among the Mortgagor and Centerpoint (the Mortgagor and CenterPoint are sometimes hereinafter referred to collectively as the "Obligors") and the Mortgagee; and

WHEREAS, to induce the Mortgagee to enter into the Reimbursement Agreement and issue the Letter of Credit, the Mortgagor is executing and delivering this Mortgage and Security Agreement;

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness and obligations hereby secured, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby grants, bargains, sells, conveys and mortgages to the Mortgagee and its successors and assigns forever, under and subject to the terms and conditions hereinafter set forth, all of the Mortgagor's right, title and interest in and to the real property located in the County of Lake and State of Indiana, described in Exhibit A attached hereto and by this reference incorporated herein, including all improvements now and hereafter located thereon;

TOGETHER WITH all right, title and interest of the Mortgagor, now owned or hereafter acquired, in and to the following:

(a) All rents, issues, profits, royalties and income with respect to the said real estate and improvements and other benefits derived therefrom, subject to the right, power and authority given to the Mortgagor to collect and apply same; and

(b) All leases or subleases covering the said real estate and improvements or any portion thereof now or hereafter existing or entered into, including, but not limited to, the Leases (as defined in Article I hereof), including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature, and any and all guarantees of the lessee's obligations under any of such leases and subleases; and

(c) All privileges, reservations, allowances, hereditaments and appurtenances belonging or pertaining to the said real estate and improvements and all rights and estates in reversion or remainder and all other interests, estates or other claims, both in law and in equity, which the Mortgagor now has or may hereafter acquire in the said real estate and improvements; and

(d) All easements, rights-of-way and rights used in connection with the said real estate and improvements or as a means

of ingress and egress thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same; and

(e) Any land lying within the right-of-way of any street, open or proposed, adjoining the said real estate and improvements, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the said real estate and improvements; and

(f) Any and all buildings and improvements now or hereafter erected on the said real estate, including, but not limited to, all the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements; and

(g) All materials intended for construction, reconstruction, alteration and repairs of the said real estate and improvements, all of which materials shall be deemed to be included within the said real estate and improvements immediately upon the delivery thereof to the said real estate; and

(h) All fixtures attached to or contained in and used in connection with the said real estate and improvements, including, but not limited to, the Project Equipment (as defined in Article I hereof), all machinery, motors, elevators, fittings, radiators, awnings, shades, screens, and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all items of furniture, furnishings, equipment and personal property including, but not limited to, the Project Equipment, used or useful in the operation of the said real estate and improvements; and all renewals, substitutions and replacements for any or all of the foregoing, and all proceeds therefrom, whether or not the same are or shall be attached to the said real estate and improvements in any manner; it being mutually agreed, intended and declared that all the aforesaid property placed by the Mortgagor on and in the said real estate and improvements shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to any of the aforesaid property which does not so form a part and parcel of the real estate or does not constitute a "fixture" (as such term is defined in the Uniform Commercial Code of Indiana), this Mortgage is deemed to be a security agreement under the Uniform Commercial Code of Indiana for the purpose of creating hereby a security interest in such property, which the Mortgagor as debtor hereby grants to the Mortgagee as secured party; and

(i) All the estate, interest, right, title and other claims or demands, including claims or demands with respect to any proceeds of insurance related thereto, in the said real estate and improvements or personal property and any and all awards made for

the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the said real estate and improvements or personal property, including without limitation any awards resulting from a change of grade of streets and awards for severance damages;

the said real estate and improvements and the property and interests described in (a) through (i) above being collectively referred to herein as the "Premises;" and as to any portion of the Premises constituting property subject to the Uniform Commercial Code of Indiana, this Mortgage shall be deemed to be a security agreement under such Code for the purpose of creating hereby a security interest in such portion of the Premises, which the Mortgagor as debtor hereby grants to the Mortgagee as secured party.

TO HAVE AND TO HOLD the same unto the Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth.

FOR THE PURPOSE OF SECURING the following (but not exceeding \$35,000,000 in the aggregate):

(a) Payment of all amounts now or hereafter becoming due and owing by the Obligors under the Reimbursement Agreement, and any and all modifications, extensions and renewals thereof, including, without limitation, the obligations to pay fees relating to the Letter of Credit, to reimburse the Mortgagee for any drawings under the Letter of Credit and pay the principal of and interest on all loans made pursuant to the Reimbursement Agreement, and the performance of all of the obligations of the Obligors thereunder, including, without limitation, the obligations to make a cash deposit to secure the obligations of the Obligors under the Reimbursement Agreement under certain circumstances as provided in Section 6(s) thereof; and

(b) Performance and observance by the Mortgagor of all of the terms, covenants and provisions of this Mortgage and by the Obligors of the other Reimbursement Documents (as defined in Article I hereof); and

(c) Payment of all sums advanced by the Mortgagee to perform any of the terms, covenants and provisions of this Mortgage or any of the other Reimbursement Documents, or otherwise advanced by the Mortgagee pursuant to the provisions hereof or any of such other Reimbursement Documents to protect the property hereby mortgaged and pledged; and

(d) Performance and observance of all of the terms, covenants and provisions of any other instrument given to evidence or further secure the payment and performance of any indebtedness hereby secured or any obligation secured hereby; and

(e) Payment of any future or further advances which may be made by the Mortgagee at its sole option to and for the benefit of the Mortgagor, its successors, assigns and legal representatives.

PROVIDED, HOWEVER, that if the Obligors shall fully perform all of their covenants and obligations under the Reimbursement Agreement and the other Reimbursement Documents and shall have no further obligation thereunder, and shall pay all sums herein provided for or secured hereby, including, without limitation, all sums payable under the Reimbursement Agreement and the other Reimbursement Documents, and shall well and truly keep and perform all of the covenants herein contained, and if the Letter of Credit shall be surrendered and cancelled and the Mortgagee shall have no further liability or obligation thereunder or with respect thereto, then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

TO PROTECT THE SECURITY OF THIS MORTGAGE AND SECURITY AGREEMENT, THE MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

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ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The terms defined in this Section (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Mortgage shall have the respective meanings specified in this Section.

"CenterPoint" means CenterPoint Properties Corporation, a Maryland corporation.

"Environmental Report" means the "Environmental Assessment of Marina Dunes Apartments, Gary, Indiana" September 17, 1990, prepared by Environmental Resources Management - North Central, Inc.

"Event of Default" when used in reference to this Mortgage means an Event of Default specified in Section 4.1 hereof.

"Hazardous Material" means any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, The Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect; asbestos or any substance or compound containing asbestos; polychlorinated biphenyls or any substance or compound containing any polychlorinated biphenyl; and any other hazardous, toxic or dangerous waste, substance or material.



"Indemnity Agreement" means the Indemnity Agreement dated as of March 1, 1996, from the Obligors to the Mortgagee.

"Indenture" has the meaning assigned to that term in the first recital clause hereof.

"Leases" means the Leases described in the rent roll for the Project delivered to the Mortgagee in connection with the execution and delivery of the Reimbursement Agreement.

"Letter of Credit" means Irrevocable Letter of Credit No. LCA 02229600417NY dated April 1, 1996, in the initial stated amount of \$22,634,74, issued by the Mortgagee, and any substitute letter of credit therefor of the Mortgagee issued from time to time hereafter.

"Mortgage" or "Project Mortgage" means this Mortgage and Security Agreement dated as of March 1, 1996, from the Mortgagor to the Mortgagee.

"Mortgagee" means The Royal Bank of Scotland plc, a banking corporation organized and existing under the laws of Scotland, acting through its New York branch.

"Mortgagor" means The Miller Partnership, L.P., an Illinois limited partnership.

"Obligors" means, collectively, the Mortgagor and CenterPoint.

"Permitted Encumbrances" means (i) this Mortgage; (ii) the Assignment of Rents; (iii) Uniform Commercial Code financing statements reflecting the Mortgagee as secured party; (iv) the Leases, and leases of the Premises entered into after the date of the recording of this Mortgage, provided same have been entered into in accordance with the provisions of Section 3.1 of this Mortgage; (v) liens for ad valorem taxes and special assessments not then delinquent; and (vi) the additional matters set forth in Exhibit C attached hereto.

"Premises" means the real estate described in Exhibit A attached hereto and all improvements now and hereafter located thereon, and all other property, rights and interests described in the foregoing granting clauses of this Mortgage.

"Prime Rate" means the rate of interest announced by the Mortgagee in New York, New York, from time to time as its prime rate.

"Project" means a 14-building, 682 unit multi-family housing project, located at 415 North Lake Street, in the City of Gary, Indiana, which is located on the real estate described in Exhibit A to this Mortgage.

"Project Assignment of Rents" means the Assignment of Rents and Leases dated as of March 1, 1996, from the Mortgagor to the Mortgagee, relating to the Project.

"Project Equipment" means the equipment and property described in Exhibit B attached hereto.

"Reimbursement Agreement" means the Reimbursement Agreement dated as of March 1, 1996, by and among the Obligors and the Mortgagee.

"Reimbursement Documents" means the Reimbursement Agreement, the Supplemental Property Mortgage, the Supplemental Property Assignment of Rents, the Indemnity Agreement, this Mortgage, the Project Assignment of Rents and all other documents and instruments which are "Reimbursement Documents" under the Reimbursement Agreement.

"Related Documents" means all documents and instruments which are "Related Documents" under the Reimbursement Agreement.

"Supplemental Property" means the real property and improvements located in the Village of Elk Grove Village, in the County of Cook and the State of Illinois, which are described in Exhibit A to the Supplemental Property Mortgage.

"Supplemental Property Assignment of Rents" means the Assignment of Rents and Leases dated as of March 1, 1996, from CenterPoint to the Mortgagee relating to the Supplemental Property.

"Supplemental Property Mortgage" means the Mortgage and Security Agreement dated as of March 1, 1996, from CenterPoint to the Mortgagee, relating to the Supplemental Property.

## ARTICLE II

### COVENANTS AND AGREEMENTS OF MORTGAGOR

Section 2.1. Payment of Indebtedness. The Mortgagor covenants and agrees that it will pay or cause to be paid when due all sums payable pursuant to the Reimbursement Agreement, all other sums which may become due pursuant to the other Reimbursement Documents, and all other indebtedness hereby secured as described in the foregoing granting clauses of this Mortgage, including, but not limited to, all charges, fees and all other sums to be paid by the Obligors or either of them as provided in the Reimbursement Agreement and the other Reimbursement Documents, and that it will duly and punctually perform, observe and comply with and cause the due and punctual performance, observance and compliance with, all of the terms, provisions and conditions herein and in the Reimbursement Agreement and the other Reimbursement Documents provided to be performed and observed by the Obligors or either of them. The Reimbursement Agreement secured hereby, which is hereby incorporated into this Mortgage by reference with the

same effect as if set forth in full herein, provides for the issuance of the Letter of Credit in the stated amount of \$22,634,774. The Obligors are obligated under the Reimbursement Agreement to reimburse the Mortgagee for all amounts drawn under the Letter of Credit on or prior to the date that is five (5) days from the date of such drawing, plus interest on such amounts from the date of drawing until payment has been made as provided below. Reimbursement payments not made on the date of the drawing on the Letter of Credit with respect to which such reimbursement payment is required and payments of other obligations under the Reimbursement Agreement not made when due bear interest at a fluctuating interest rate per annum equal to 2.0% plus the Prime Rate, such rate of interest to change on the effective date of any change in such Prime Rate.

Section 2.2. Maintenance, Repair, Alterations. The Mortgagor covenants and agrees that it will:

- (a) keep the Premises in good condition and repair;
- (b) not remove, demolish or substantially alter (except such alterations as may be required by laws, ordinances or governmental regulations) any of the improvements which are a part of the Premises;
- (c) promptly repair and restore any portion of the Premises which may become damaged or be destroyed so as to be of at least equal value and of substantially the same character as prior to such damage or destruction;
- (d) subject to Section 2.12(b) hereof, pay when due all claims for labor performed and materials furnished to and for the Premises;
- (e) comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Premises or any part thereof or requiring any alterations or improvements;
- (f) not commit or permit any waste or deterioration of the Premises or any portion thereof;
- (g) keep and maintain the Premises and abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair and free of nuisance;
- (h) not commit, suffer or permit any act to be done in or upon the Premises in violation of any law, ordinance or regulation;
- (i) not initiate or acquiesce in any zoning change or reclassification of the Premises; and

(j) subject to Section 2.12(b) hereof, keep the Premises free and clear of all liens and encumbrances of every sort except Permitted Encumbrances.

Section 2.3. Required Insurance. The Mortgagor shall at all times, and at its sole cost and expense provide, maintain and keep in force the following policies of insurance (provided that such policies of insurance may be maintained by CenterPoint on the Mortgagor's behalf):

(a) Insurance against loss and/or damage to the Premises 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 Premises 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 Mortgagor may be insured by CenterPoint to the extent permitted by law 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 the Mortgagor shall comply with such other requirements of said acts as are appropriate.

Section 2.4. Delivery of Policies; Payment of Premiums.

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 States of Illinois and Indiana to assume the risks covered by such policy, (ii) name the Mortgagor and the Obligors 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 the Mortgagee 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. The Obligors 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 Premises (if approved in writing by Mortgagee), immediate notice thereof by mail shall be delivered to all insurers. The Mortgagor 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 the Mortgagor shall sign and cause CenterPoint to 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 Mortgagee, and if such net proceeds are equal to or less than \$150,000, such net proceeds shall be payable directly to the Mortgagor 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 Mortgagor.

Upon the delivery of this Mortgage and thereafter not less than 30 days prior to any applicable expiration dates, policies of the insurance required hereunder shall be delivered by the Mortgagor to the Mortgagee. If requested in writing by the Mortgagee, the Mortgagor shall furnish the Mortgagee with the schedule of premium payment dates and receipted bills or other evidence satisfactory to the Mortgagee 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 Mortgagor will permit (or cause CenterPoint to permit) the Mortgagee to visit the offices of the Mortgagor and CenterPoint and inspect the Mortgagor's and CenterPoint's insurance records including all policies of insurance maintained pursuant to this Section 2.3 and to make copies of all or any part thereof.

Any of the foregoing insurance maintained by the Mortgagor or an affiliate thereof pursuant hereto may be evidenced by one or more blanket insurance policies covering the Premises and other property or assets of the Mortgagor and/or CenterPoint, provided that any such policy shall specify that portion of the total coverage of such policy that is allocated to the Premises and shall in all other respects comply with the requirements of this Section 2.3.

In the event Mortgagee, in its reasonable discretion determines that any insurance provided by the Mortgagor 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 the Mortgagor after notice by Mortgagee to the Mortgagor of the exercise of such right and presentation of an invoice therefor. The Mortgagor shall furnish to Mortgagee, upon its request (but not more often than once every three (3) years), 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 2.5. Taxes and Impositions.

(a) The Mortgagor agrees to pay or cause to be paid, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation any non-governmental levies or assessments such as maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Premises, which are assessed or imposed upon the Premises, or become due and payable, and which create, may create or appear to create a lien upon the Premises, or any part thereof (all of which taxes, assessments and other governmental charges and non-governmental charges of the above-described or like nature are hereinafter referred to as "Impositions"); provided however, that if, by law, any such Imposition is payable, or at the option of the taxpayer may be paid, in installments, the Mortgagor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) The Mortgagor shall furnish to the Mortgagee within 30 days after the date upon which any Imposition is due and payable by the Mortgagor, official receipts of the appropriate taxing authority, or other proof satisfactory to the Mortgagee, evidencing the payment thereof.

(c) The Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings properly instituted and prosecuted in such manner as shall stay the collection of the contested Impositions and prevent the sale or forfeiture of the Premises to collect the same; provided that no such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Mortgagor's covenants to pay any such Imposition at the time and in the manner provided in this Section unless the Mortgagor has given prior written notice to the Mortgagee of the Mortgagor's intent to so contest or object to an Imposition, and unless, at the Mortgagee's sole option, (i) the Mortgagor shall demonstrate to the Mortgagee's satisfaction that legal proceedings instituted by the Mortgagor contesting or objecting to

such impositions shall conclusively operate to prevent the sale or forfeiture of the Premises, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; and/or (ii) the Mortgagor shall furnish a good and sufficient bond or surety as requested by and satisfactory to the Mortgagee, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Premises during the pendency of such contest, adequate fully to pay all such contested Impositions and all interest and penalties upon the adverse determination of such contest.

Section 2.6. Utilities. The Mortgagor shall pay or cause to be paid when due all utility charges which are incurred by the Mortgagor or others for the benefit of or service to the Premises or which may become a charge or lien against the Premises for gas, electricity, water or sewer services furnished to the Premises and all other assessments or charges of a similar nature, whether public or private, affecting the Premises or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 2.7. Actions by Mortgagee to Preserve Premises. Should the Mortgagor fail to make any payment or to do any act as and in the manner provided herein or in any of the other Reimbursement Documents, the Mortgagee in its own discretion, without obligation so to do and without releasing the Mortgagor from any obligation, may, following written notice to Mortgagor, make or do the same in such manner and to such extent as it may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), the Mortgagee shall have and is hereby given the right, but not the obligation, (i) to enter upon and take possession of the Premises; (ii) to make additions, alterations, repairs and improvements to the Premises which it may consider necessary and proper to keep the Premises in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the Premises, the security hereof or the rights or powers of the Mortgagee; (iv) to pay any Impositions (as defined in Section 2.5 hereof) asserted against the Premises and to do so according to any bill, statement or estimate procured from the appropriate office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any Imposition; (v) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of the Mortgagee may affect or appears to affect the Premises or the security of this Mortgage or which may be prior or superior hereto; and (vi) in exercising such powers, to pay necessary expenses, including employment of and payment of compensation to counsel or other necessary or desirable consultants, contractors, agents and other employees. The Mortgagor irrevocably appoints the Mortgagee its true and lawful attorney in fact, at the Mortgagee's election, to do and cause to be done all or any of the foregoing in the event the Mortgagee shall be entitled to take any or all of the action provided for in this Section. The Mortgagor shall immediately, upon demand therefor by the Mortgagee, pay all costs and expenses incurred by the Mortgagee in connection with

the exercise by the Mortgagee of the foregoing rights, including without limitation, costs of evidence of title, court costs, appraisals, surveys and attorneys' fees, all of which shall constitute so much additional indebtedness secured by this Mortgage immediately due and payable, with interest thereon at a rate equal to two percent (2%) per annum above the Prime Rate.

Section 2.8. Damage and Destruction.

(a) The Mortgagor shall give the Mortgagee prompt notice of any damage to or destruction of any portion or all of the Premises where the estimated damages equal or exceed \$150,000, and the provisions contained in the following paragraphs of this Section shall apply in the event of any such damage or destruction.

(b) In the case of loss covered by policies of insurance, the Mortgagee is hereby authorized at its option either (i) in the case of estimated damages equal to or greater than \$150,000, or following the occurrence of an Event of Default hereunder, to settle and adjust any claim under such policies without the consent of the Mortgagor, or (ii) to allow the Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; and in any case the Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the reasonable expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional indebtedness secured by this Mortgage, and shall be reimbursed to the Mortgagee upon demand and shall bear interest at a rate equal to two percent (2%) per annum above the Prime Rate until paid.

(c) Within 30 days of the date of any such damage to or destruction of the Premises, the Mortgagor shall notify the Mortgagee as to whether it is practicable and desirable to rebuild, repair and restore the Premises. Such notice shall be accompanied by such supporting certificates and opinions of architects and engineers retained by the Mortgagor as the Mortgagee shall reasonably request.

(d) In the event (i) the Mortgagor notifies the Mortgagee that it is not practicable and desirable to rebuild, repair and restore the Premises, or (ii) the Mortgagor elects (with the consent of the Mortgagee) to redeem the Bonds pursuant to Section 4.01(a) of the Indenture, or (iii) a Determination of Taxability (as defined in the Indenture) has occurred, or (iv) the Mortgagor elects (with the consent of the Mortgagee) to redeem the Bonds pursuant to Section 4.01(c) of the Indenture, or (v) an Event of Default, or event which with the passage of time or the giving of notice or both will be an Event of Default, has occurred and is continuing, the net proceeds of insurance shall be paid to the Mortgagee and held by the Mortgagee as cash collateral to be applied, at the option of the Mortgagee, against any amounts then or thereafter becoming due and payable by the Obligors under the Reimbursement Agreement or any of the other Reimbursement Documents; provided that at such time after the Termination Date (as defined in the



Letter of Credit Agreement) as all of the Obligors' obligations under the Reimbursement Agreement and the other Reimbursement Documents have been fully performed (including, without limitation, the Obligors' obligations under Section 2.01 of the Reimbursement Agreement), the Mortgagor shall be entitled to receive the unapplied balance of any insurance proceeds then held by the Mortgagee and to receive any insurance proceeds which thereafter become payable.

(e) Except as otherwise provided below, if none of the events described in clauses (i), (ii), (iii), (iv) or (v) of subsection (d) of this Section has occurred, the net proceeds of insurance shall be applied to the repair and restoration of the Premises, and the Mortgagor hereby covenants promptly to repair and restore the same. In such event such proceeds shall be made available by the Mortgagee, from time to time, to pay or reimburse the costs of such repair and restoration, upon the Mortgagee's being furnished with satisfactory evidence of the established cost of such repair and restoration and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as the Mortgagee may require and approve, and if the estimated cost of the work exceeds 10% of the initial stated amount of the Letter of Credit, with all plans and specifications for such repair or restoration as the Mortgagee may 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 proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens. The agreement of the Mortgagee to permit disbursement of proceeds of insurance to pay or reimburse the cost of repair and restoration of the Premises shall be subject to the following additional conditions: (i) that there does not then exist any Event of Default under this Mortgage or any of the other Related Documents, or any event or condition which with the passage of time or the giving of notice, or both, would constitute such an Event of Default; (ii) that the Mortgagee shall first be given satisfactory proof that such improvements have been fully repaired and restored, or that by the expenditure of such money will be fully repaired and restored, free and clear of all liens, except the lien of this Mortgage; (iii) that in the event such proceeds shall be insufficient to repair and restore the Premises, the Mortgagor shall deposit promptly with the Mortgagee the amount of such deficiency; (iv) that in the event the Mortgagor shall fail within a reasonable time to repair and restore the Premises, then the Mortgagee, at its option, may repair and restore the Premises for or on behalf of the Mortgagor, and for such purpose may do all necessary acts, including using said funds deposited by the Mortgagor as aforesaid; and (v) that waiver of the right of subrogation shall be obtained from any insurer under such policies of insurance who, at that time, claims that no liability exists as to the Mortgagor or the then owner or any insured party under such policies. If any of the foregoing conditions are not or cannot be satisfied, the alternate disposition of such proceeds of insurance provided for in Section 2.8(d) hereof shall become applicable. In the event any net proceeds remain after the completion of such repair and

restoration, said remaining net proceeds shall be paid to the Mortgagee and applied against any amounts then due and owing by the Obligors under the Reimbursement Agreement or the other Reimbursement Documents, or if no such amounts are due and owing, paid to or at the direction of the Mortgagor, provided that the Mortgagor furnishes to the Mortgagee and the Trustee an opinion of Bond Counsel (as defined in the Indenture) to the effect that such payment will not adversely affect the exclusion from gross income of interest on the Bonds for Federal income tax purposes, or if no such opinion is furnished, the remaining net proceeds shall be deposited in the Bond Fund established under the Indenture.

Section 2.9. Eminent Domain.

(a) Should the Premises or any part thereof or interest therein be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or should the Mortgagor receive any notice or other information regarding any such proceeding, the Mortgagor shall give prompt written notice thereof to the Mortgagee, and the provisions contained in the following paragraphs of this Section shall apply.

(b) If no Event of Default, or any event which with the passage of time or the giving of notice or both would be an Event of Default, has occurred and is continuing, the Mortgagor shall have the right to direct the condemnation or other proceedings relating to such taking but the Mortgagor shall not have the right to make any compromise or settlement in connection therewith without the prior consent of the Mortgagee. If an Event of Default, or an event which with the passage of time or the giving of notice or both will be an Event of Default, has occurred and is continuing, whether before or during the pendency of any such proceedings, the Mortgagee shall be entitled at its option to commence, appear in and prosecute in its own name any such proceedings. The reasonable expenses incurred by the Mortgagee in connection with any such proceedings shall be so much additional indebtedness secured by this Mortgage, shall be reimbursed to the Mortgagee upon demand and until paid by the Mortgagor shall bear interest at a rate equal to two percent (2%) per annum above the Prime Rate until paid.

(c) Within 30 days of the date of the entry of a final order granting such taking pursuant to any condemnation or other proceedings, the Mortgagor shall notify the Mortgagee as to whether it is practicable and desirable to rebuild, repair and restore the Premises. Such notice shall be accompanied by such supporting certificates and opinions of architects and engineers retained by the Mortgagor as the Mortgagee shall reasonably request.

(d) In the event (i) the Mortgagor or the Beneficiary notifies the Mortgagee that it is not practicable and desirable to rebuild, repair and restore the Premises, or (ii) the Mortgagor elects (with the consent of the Mortgagee) to redeem the Bonds pursuant to Section 4.01(a) of the Indenture, or (iii) a Determination of Taxability (as

defined in the Indenture) has occurred, or (iv) the Mortgagor elects (with the consent of the Mortgagee) to redeem the Bonds pursuant to Section 4.01(c) of the Indenture, or (v) an Event of Default, or event which with the passage of time or the giving of notice or both will be an Event of Default, has occurred and is continuing, all proceeds of condemnation, compensation awards and damages shall be paid to the Mortgagee and held by the Mortgagee as cash collateral to be applied, at the option of the Mortgagee, against any amounts then or thereafter becoming due and payable by the Obligors under the Reimbursement Agreement or any of the other Reimbursement Documents; provided that at such time after the Termination Date (as defined in the Letter of Credit Agreement) as all of the Obligors' obligations under the Reimbursement Agreement and the other Reimbursement Documents have been fully performed (including, without limitation, the Obligors' obligations under Section 2.01 of the Reimbursement Agreement), the Mortgagor shall be entitled to receive the unapplied balance of any such proceeds of condemnation, compensation awards and damages then held by the Mortgagee and to receive any proceeds of condemnation, compensation awards and damages which thereafter become available.

(e) Except as otherwise provided below, if none of the events described in clauses (i), (ii), (iii), (iv) or (v) of subsection (d) of this Section has occurred, all proceeds of condemnation, compensation awards and damages shall be paid to the Mortgagee and held and applied by the Mortgagee to the repair and restoration of the Premises and the Mortgagor hereby covenants promptly to repair and restore the same. In such event such proceeds of condemnation, compensation awards and damages shall be made available, from time to time, to pay or reimburse the cost of such repair and restoration on the terms and subject to the conditions provided for in Section 2.8(e) hereof with respect to insurance proceeds. In the event any proceeds of condemnation, compensation awards and damages remain after the completion of such repair and restoration, said remaining amounts shall be paid to the Mortgagee and, at the sole discretion of the Mortgagee, (i) held as cash collateral hereunder in an interest bearing account (and interest earnings shall be distributed to or at the direction of the Company so long as no Event of Default or event which with the passage of time or the giving of notice or both will be an Event of Default, has occurred and is continuing, hereunder,); (ii) applied against any amounts then or thereafter becoming due and payable by the Obligors under the Reimbursement Agreement or any of the other Reimbursement Documents, (iii) applied against any other indebtedness then or thereafter owed by the Obligors to the Mortgagee, whether or not such indebtedness is due, and/or (iv) paid to or at the direction of the Mortgagor, provided that prior to any payment of funds to or at the direction of the Mortgagor under this clause (v), the Mortgagor furnishes to the Mortgagee and the Trustee an opinion of Bond Counsel (as defined in the Indenture) to the effect that such payment will not adversely affect the exclusion from gross income of interest on the Bonds for Federal income tax purposes, or if no such opinion is furnished, such amounts shall be deposited in the Bond Fund established under the Indenture. Notwithstanding the provisions of the immediately preceding sentence, so long as no Event of

Default or event which with the passage of time or the giving of notice or both will be an Event of Default, has occurred and is continuing, hereunder, the Bank shall permit the use of such remaining amounts to be used to call Bonds for redemption.

Section 2.10. Inspection of Premises. The Mortgagee, or its agents, representatives or workmen, are authorized to enter at any reasonable time following reasonable prior notice upon or in any part of the Premises for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage or any of the other Reimbursement Documents.

Section 2.11. Inspection of Books and Records; Financial Statements.

(a) The Mortgagor shall keep and maintain full and correct records showing in detail the income and expenses of the Premises and shall make such books and records and all supporting vouchers and data available for examination by the Mortgagee and its agents at any time and from time to time on request at the offices of the Mortgagee, or at such other location as may be mutually agreed upon.

(b) The Mortgagor shall furnish to the Mortgagee the financial statements and other reports and information required to be furnished pursuant to the Reimbursement Agreement, and within the time periods required thereby.

Section 2.12. Title, Liens and Conveyances.

(a) The Mortgagor represents that it holds good and marketable title to the Premises, subject only to Permitted Encumbrances.

(b) Except for Permitted Encumbrances, the Mortgagor shall not create, suffer or permit to be created or filed against the Premises, or any part thereof or interest therein, any mortgage lien or other lien, charge or encumbrance, either superior or inferior to the lien of this Mortgage. The Mortgagor shall have the right to contest in good faith the validity of any such lien, charge or encumbrance, provided the Mortgagor shall first deposit with the Mortgagee a bond, title insurance or other security satisfactory to the Mortgagee in such amounts or form as the Mortgagee shall require; provided further that the Mortgagor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If the Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of the Mortgagee, the Mortgagee may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law and any amounts expended by the Mortgagee in so doing shall be so much additional indebtedness secured by this Mortgage. Except for

Permitted Encumbrances and liens, charges and encumbrances being contested as provided above, in the event that the Mortgagor shall suffer or permit any superior or junior lien, charge or encumbrance to be attached to the Premises, the Mortgagee, at its option, shall have the unqualified right to declare an Event of Default hereunder.

(c) In the event title to the Premises is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein upon the creation of any lien against the Premises shall also be construed as a similar prohibition or limitation against the creation of any lien or security interest upon the beneficial interest under such trust.

(d) In the event that the Mortgagor shall sell, transfer, convey or assign the title to all or any portion of the Premises, whether by operation of law, voluntarily, or otherwise, or the Mortgagor shall contract to do any of the foregoing, the Mortgagee, at its option, shall have the unqualified right to declare an Event of Default hereunder.

(e) Any waiver by the Mortgagee of the provisions of this Section shall not be deemed to be a waiver of the right of the Mortgagee to insist upon strict compliance with the provisions of this Section in the future.

Section 2.13. Taxes Affecting Mortgage.

(a) If at any time any federal, State or municipal law shall require any documentary stamps or other tax hereon, or shall require payment of any tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of the Mortgagee upon 60 days' notice to the Mortgagor; provided, however, said election shall be unavailing and this Mortgage shall be and remain in effect, if the Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or on behalf of the Mortgagee and the Mortgagor does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

(b) In the event of the enactment after the date of this Mortgage of any law of the State in which the Premises are located deducting from the value of the Premises for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder hereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if, in the opinion of counsel for the Mortgagee, (i) it might be unlawful to require Mortgagor

to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable within 60 days from the giving of such notice. Notwithstanding the foregoing, it is understood and agreed that the Mortgagor is not obligated to pay any portion of Mortgagee's federal or State income tax.

Section 2.14. Environmental Matters.

(a) The Mortgagor hereby represents and warrants to the Mortgagee that neither the Mortgagor nor any of its affiliates or subsidiaries, nor, to the best of the Mortgagor's knowledge and except as disclosed in the Environmental Report, any other person or entity, has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Premises or any part thereof, and that no portion of the Premises has ever been used by the Mortgagor or any of its affiliates or subsidiaries, or, to the best of the Mortgagor's knowledge, by any other person or entity, as a treatment, storage or disposal site (whether permanent or temporary) for any Hazardous Material, and that there are no underground storage tanks located on the Premises.

(b) Without limitation on any other provision hereof, the Mortgagor hereby agrees to indemnify and hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "Environmental Laws"): the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material) paid, incurred, suffered by or asserted against the Mortgagee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, the Mortgagor: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Material from (A) the Premises or any part thereof, or (B) (to the extent a lien is created on the Premises or the Project) any other real property in which the Mortgagor or any of its affiliates or subsidiaries holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the Mortgagor or any of its affiliates or subsidiaries), or (ii) any liens against the Premises permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of the Mortgagor or any of its affiliates or subsidiaries under any Environmental Laws, or (iii) any actual or asserted liability or

obligations of the Mortgagee or any of its affiliates or subsidiaries under any Environmental Laws relating to the Premises.

(c) If any of the provisions of any property transfer disclosure law or laws of the State of Indiana (the "Disclosure Laws") are now or hereafter become applicable to the Premises, the Mortgagor shall comply with such provisions. Without limitation on the generality of the foregoing, (i) if the delivery of a disclosure document is now or hereafter required by the Disclosure Laws, the Mortgagor shall cause the delivery of such disclosure document to be made to all parties entitled to receive same within the time period required by the Disclosure Laws; and (ii) to the extent required by the Disclosure Laws, the Mortgagor shall cause any such disclosure document to be recorded with the Recorder of Deeds of the County in which the Premises are located and filed with all required authorities, all within the time periods required by the Disclosure Laws. The Mortgagor shall promptly deliver to the Mortgagee evidence of such recording and filing of such disclosure document.

(d) The representations, warranties, covenants, indemnities and obligations provided for in this Section 2.14 shall be continuing and shall survive the payment, performance, satisfaction, discharge, cancellation, termination, release and foreclosure of this Mortgage; provided, however, that such representations, warranties, covenants, indemnities and obligations shall not apply with respect to Hazardous Materials which are first placed on the Premises on or after the date on which the Mortgagee or any other party obtains title to and possession of the Premises pursuant to an exercise by the Mortgagee of its remedies under this Mortgage or any of the other Reimbursement Documents or as a result of a conveyance of title to the Premises by the Mortgagor to the Mortgagee or such other party in lieu of such exercise of remedies.

Section 2.15. Estoppel Letters. The Mortgagor shall furnish from time to time, within 15 days after the Mortgagee's request, a written statement, duly acknowledged, of the amount due upon this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

ARTICLE III

LEASES; DECLARATION OF SUBORDINATION TO LEASES

Section 3.1. Leases. The Mortgagor agrees (i) that except for leases entered into in the ordinary course of business, which provide for payment of rent (and expenses) not less than that currently required under existing leases of the same premises, and which contain subordination and attornment language acceptable to the Mortgagee, it will not enter into any lease of the Premises or any portion thereof or consent to or suffer or permit any sublease of the Premises or any portion thereof, in each case without the prior written consent of the Mortgagee; (ii) that it will at all times duly perform and observe all

of the terms, provisions, conditions and agreements on its part to be performed and observed under any and all leases of the Premises or any portion thereof, including, but not limited to, the Leases, and shall not suffer or permit any default or Event of Default on the part of the lessor to exist thereunder; (iii) that except for transactions in the ordinary course of business which result in leases which provide for payment of rent (and expenses) not less than that required under existing leases of the same premises, and which contain subordination and attornment provisions acceptable to the Mortgagee, it will not agree or consent to, or suffer or permit, any assignment, termination, modification or amendment of any lease of the Premises, or any portion thereof, including, but not limited to, the Leases, without the prior written consent of the Mortgagee; and (iv) except for security deposits not to exceed one month's rent for any one lessee, that it will not collect any rent for more than one month in advance of the date same is due. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Premises, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Mortgagee may or might incur under any leases of the Premises; and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness secured by this Mortgage, and the Mortgagor shall reimburse the Mortgagee therefor on demand. The Mortgagor shall deliver to the Mortgagee a copy of each lease and any amendment, modification, extension or sublease of or under any lease from time to time affecting the Premises or any portion thereof within 30 days after execution thereof.

Section 3.2. Declaration of Subordination to Leases. At the option of the 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 and subleases of all or any part of the Premises upon the execution by the Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds of the county wherein the Premises are situated, of a unilateral declaration to that effect.

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 Premises made after the date of recording this Mortgage shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of Mortgagor, as a result of such enforcement and shall recognize such successor in interest as landlord 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. Each lessee, upon request by Mortgagee or any such successor in interest, shall execute



and deliver an instrument or instruments effectuating such attornment, and the Mortgagor shall cause each such lease of all or any part of the Premises to contain a covenant on the lessee's part evidencing its agreement to such attornment.

#### ARTICLE IV

##### EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Any of the following events shall be deemed an "Event of Default" hereunder:

(a) Default shall be made in the payment when due of any amount payable to the Mortgagee under the Reimbursement Agreement or in the payment when due of any other amount required to be paid by the Mortgagor hereunder or by the Mortgagor or CenterPoint under any of the other Reimbursement Documents, or in the payment when due of any other indebtedness secured by this Mortgage, and in each case such default shall continue beyond any applicable grace or cure period, and in the case of payments required under this Mortgage (as opposed to under the other Reimbursement Documents) such default shall continue for a period of five days after notice thereof to the Mortgagor; or

(b) Either of the Obligors shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, State or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of either of them or of all or any part of the Premises or any of their other properties, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its or his inability to pay its or his debts generally as they become due; or

(c) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against either of the Obligors seeking any reorganization, dissolution or similar relief under any present or future federal, State or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of either of the Obligors or of all or any part of the Premises or any of their other properties, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed and such appointment shall

remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive); or

(d) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Premises, or any judgment involving monetary damages shall be entered against the Mortgagor which shall become a lien on the Premises or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 60 days after its entry or levy; or

(e) If any representation or warranty of the Mortgagor contained in this Mortgage, or of either of the Obligors contained in any of the other Related Documents or any certificate or other document delivered in connection therewith, shall prove untrue or incorrect in any material respect; or

(f) If there has occurred any other breach of or default under any term, covenant, agreement, condition or provision contained in this Mortgage and any such breach or default shall continue without cure for a period of 30 days following written notice thereof to the Mortgagor; provided that if such breach or default is of such a nature that it cannot reasonably be corrected within such 30-day period, and provided such breach or default is susceptible of cure, it shall not constitute an Event of Default hereunder if corrective action is instituted by the Mortgagor within such 30-day period and diligently pursued, and such breach or default is corrected within 60 days of such notice; or

(g) If there has occurred any other breach of or default under any term, covenant, agreement, condition, provision, representation or warranty contained in any of the other Related Documents which has not been cured within any applicable grace period; or

(h) If any Event of Default has occurred or been declared under any other mortgage on the Premises.

Section 4.2. Acceleration upon Default; Additional Remedies.

Upon or at any time after the occurrence of any Event of Default, the Mortgagee may declare all obligations secured by this Mortgage to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind, and without regard to whether any drawings on the Letter of Credit are outstanding and unreimbursed under the Reimbursement Agreement. Thereafter the Mortgagee may:

(a) Either in person or by agent, with or without bringing any action or proceeding, if applicable law permits, enter upon and take possession of the Premises, or any part thereof, in its own name, and do any acts which it deems necessary or desirable

to preserve the value, marketability or rentability of the Premises, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Premises, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same to the payment of taxes, insurance premiums and other charges against the Premises or in reduction of the indebtedness secured by this Mortgage, or the Mortgagee may hold such rents, issues and profits as cash collateral to be applied, at the option of the Mortgagee, against any amounts then or thereafter becoming due or payable by the Mortgagor under the Reimbursement Agreement or any of the other Reimbursement Documents; and the entering upon and taking possession of the Premises, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Premises or the collection, receipt and application of rents, issues or profits, the Mortgagee shall be entitled to exercise every right provided for in any of the other Reimbursement Documents or by law upon occurrence of any Event of Default; or

(b) Commence an action to foreclose this Mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; or

(c) Sell the Premises, or any part thereof, or cause the same to be sold, and convey the same to the purchaser thereof, pursuant to the statute in such case made and provided, and out of the proceeds of such sale retain all of the indebtedness secured by this Mortgage including, without limitation, principal, accrued interest, costs and charges of such sale, the attorneys' fees provided by such statute (or in the event of a suit to foreclose by court action, a reasonable attorney's fee), rendering the surplus moneys, if any, to the Mortgagor; provided, that in the event of public sale, such property may, at the option of the Mortgagee, be sold in one parcel or in several parcels as the Mortgagee, in its sole discretion, may elect; or

(d) Exercise any or all of the remedies available to a secured party under the Uniform Commercial Code of Indiana and any notice of sale, disposition or other intended action by the Mortgagee, sent to the Mortgagor at the address specified in Section 5.13 hereof, at least five days prior to such action, shall constitute reasonable notice to the Mortgagor.

Section 4.3. Foreclosure; Expense of Litigation. When the indebtedness secured by this Mortgage, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part

thereof. In any suit to foreclose the lien hereof or enforce any remedy of the Mortgagee under this Mortgage, there shall be allowed included as additional indebtedness in the decree for sale or other judgment or decree, all expenditures and expenses which may be paid incurred by or on behalf of the Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by the Mortgagee in any litigation or proceeding affecting this Mortgage, any of the other Reimbursement Documents or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be so much additional indebtedness secured by this Mortgage, immediately due and payable, with interest thereon at the Prime Rate. In the event of any foreclosure sale of the Premises, the same may be sold in one or more parcels. The Mortgagee may be the purchaser at any foreclosure sale of the Premises or any part thereof.

Section 4.4. Application of Proceeds of Foreclosure Sale.

The proceeds of any foreclosure sale of the Premises or of the exercise of any other remedy hereunder shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings or such other remedy, including all such items as are mentioned in Section 4.3 hereof; second, on account of all other items which under the terms hereof constitute indebtedness secured by this Mortgage additional to that evidenced by the Reimbursement Agreement, with interest thereon as therein provided; third, on account of all amounts, including, without limitation, principal and interest then due and owing under the Reimbursement Agreement, or at the Mortgagee's option, to establish a cash collateral account to be held by the Mortgagee to secure any amounts then due or thereafter becoming due or payable by the Mortgagor under the Reimbursement Agreement or any of the other Reimbursement Documents; and fourth, any overplus to the Mortgagor, its successors or assigns, as their rights may appear.

Section 4.5. Appointment of Receiver. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises or any portion thereof. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the Premises and the Mortgagee or

thereof. In any suit to foreclose the lien hereof or enforce any other remedy of the Mortgagee under this Mortgage, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by the Mortgagee in any litigation or proceeding affecting this Mortgage, any of the other Reimbursement Documents or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be so much additional indebtedness secured by this Mortgage, immediately due and payable, with interest thereon at the Prime Rate. In the event of any foreclosure sale of the Premises, the same may be sold in one or more parcels. The Mortgagee may be the purchaser at any foreclosure sale of the Premises or any part thereof.

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Section 4.5. Appointment of Receiver. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises or any portion thereof. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the Premises and the Mortgagee or

any holder of the Reimbursement Agreement may be appointed as such receiver. Such receiver shall have power (i) to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (ii) to extend or modify any then existing leases and to make new leases, which extension, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured by this Mortgage and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon the Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (iii) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of the indebtedness secured by this Mortgage, or found due or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale.

Section 4.6. Insurance After Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in repairing and restoring the Premises, shall be used to pay the amount due in accordance with any judgment of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

Section 4.7. Remedies Not Exclusive; No Waiver of Remedies.

(a) The Mortgagee shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Mortgage or under any of the other Reimbursement Documents or other agreement or any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect the Mortgagee's right to realize upon or enforce any other security now or hereafter held by the Mortgagee, it being agreed that the Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by the Mortgagee in such order and manner as it may in its absolute

discretion determine. No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each 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. Every power or remedy given by any of the Reimbursement Documents to the Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as it may be deemed expedient by the Mortgagee and the Mortgagee may pursue inconsistent remedies. Failure by the Mortgagee to exercise any right which it may exercise hereunder, or the acceptance by the Mortgagee of partial payments, shall not be deemed a waiver by the Mortgagee of any default or of its right to exercise any such rights thereafter.

(b) In the event the Mortgagee at any time holds additional security for any of the indebtedness secured by this Mortgage, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently with exercising remedies under this Mortgage or after a sale is made hereunder.

Section 4.8. No Mortgagee in Possession. Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee in possession.

Section 4.9. Waiver of Certain Rights. The Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but rather waives the benefit of such laws. The Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. The Mortgagor hereby waives any and all rights of redemption under any applicable law, including, without limitation, redemption from sale or from or under any order, judgment or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagor and all persons beneficially interested therein and each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of the laws of the State in which the Premises are located. THE MORTGAGOR HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING RELATING TO THIS MORTGAGE.

Section 4.10. Mortgagee's Use of Deposits. With respect to any deposits made with or held by the Mortgagee or any depository pursuant to any of the provisions of this Mortgage, in the event of a default in any of the provisions contained in this Mortgage or any of the other Reimbursement Documents, the Mortgagee may, at its option, without being required to do so, apply any moneys or securities which constitute such deposits on any of the obligations under this Mortgage

or the other Reimbursement Documents, in such order and manner as the Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to the Mortgagor. Such deposits are hereby pledged as additional security for the prompt payment of any and all amounts payable to the Mortgagee under the Reimbursement Agreement and the other Reimbursement Documents and any other indebtedness hereunder and shall be held to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of the Mortgagor.

## ARTICLE V

### MISCELLANEOUS

Section 5.1. Recitals. The recitals hereto are hereby made a part of this Mortgage.

Section 5.2. Time of Essence. Time is of the essence of this Mortgage and of each and every provision hereof.

Section 5.3. Usury. The Mortgagor hereby represents and covenants that the proceeds of any drawing on the Letter of Credit will be used to pay principal of or interest on the Bonds. The proceeds of the Bonds were loaned to the Mortgagor and used for the purposes specified in subparagraph 1(c) contained in Section 205/4 of Chapter 815 of the Illinois Compiled Statutes (1994), and the indebtedness secured hereby constitutes a "business loan" within the meaning of that Section.

Section 5.4. Lien for Service Charges and Expenses. At all times, regardless of whether any sums have been drawn under the Letter of Credit, this Mortgage secures (in addition to any sums drawn under the Letter of Credit from time to time) the payment of any and all origination fees, letter of credit fees, draw fees, service charges, liquidated damages, expense and advances due to or incurred by the Mortgagee in connection with the reimbursement obligations and loans to be secured hereby, all in accordance with the Reimbursement Agreement and the other Reimbursement Documents.

Section 5.5. Subrogation. To the extent that proceeds of the indebtedness secured by this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Premises, the Mortgagee shall be subrogated to any and all rights and liens owned by any owner or holder of such outstanding liens, charges and prior encumbrances, and shall have the benefit of the priority thereof, irrespective of whether said liens, charges or encumbrances are released.

Section 5.6. Recording. The Mortgagor shall cause this Mortgage and all other documents securing the indebtedness secured by this Mortgage at all times to be properly filed and/or recorded at the Mortgagor's own expense and in such manner and in such places as may be



required by law in order to fully preserve and protect the rights of the Mortgagee.

Section 5.7. Further Assurances. The Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or advisable, in the judgment of the Mortgagee, for the better assuring, conveying, mortgaging, assigning and confirming unto the Mortgagee all property mortgaged hereby or property intended so to be, whether now owned by the Mortgagor or hereafter acquired.

Section 5.8. No Defenses. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law under the Reimbursement Agreement.

Section 5.9. Invalidity of Certain Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the indebtedness secured by this Mortgage, or if such lien is invalid or unenforceable as to any part of the Premises, the unsecured or partially secured portion of the indebtedness secured by this Mortgage shall be completely paid prior to the payment of the remaining and secured or partially secured portion thereof, and all payments made on the indebtedness secured by this Mortgage, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion thereof which is not secured or fully secured by the lien of this Mortgage.

Section 5.10. Illegality of Terms. Nothing herein or in the Reimbursement Documents contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (i) to require the Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (ii) to require the Mortgagor to make any payment or do any act contrary to law; and if any provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such provision only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and the Mortgagee shall be given a reasonable time to correct any such error.

Section 5.11. Mortgagee's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of the Premises, the Mortgagee is hereby authorized and empowered to deal with such vendee or transferee with reference to the Premises, or the debt secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with the Mortgagor, without in any way releasing or discharging the Mortgagor from the covenants and/or undertakings hereunder, specifically including Section 2.12(d) hereof, and without

the Mortgagee waiving its rights to declare an Event of Default as set forth in Section 2.12(d).

Section 5.12. Releases. The Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, may release any part of the Premises, or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Mortgage, the other Reimbursement Documents, or any guaranty or other document given as additional security for the indebtedness secured hereby and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party obligated on said indebtedness to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person or entity personally obligated for the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to the indebtedness secured by this Mortgage.

Section 5.13. Giving of Notice. All communications provided for herein shall be in writing and shall be deemed to be given or made when delivered, if delivered personally or by commercial courier, or five days after deposit in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

If to the Mortgagor: The Miller Partnership, L.P.  
CenterPoint Properties Corporation  
401 North Michigan Avenue  
30th Floor  
Chicago, Illinois 60611

Attention: John S. Gates and  
Paul Fisher

If to the Mortgagee: The Royal Bank of Scotland plc  
Wall Street Plaza  
88 Pine Street  
26th Floor  
New York, New York 10005-1801

Attention: Derek I. Bonnar

or to such party at such other address as such party may designate by notice duly given in accordance with this Section to the other party.

Section 5.14. Binding Effect. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of the

Premises or any other person having an interest therein), and shall inure to the benefit of the Mortgagee and its successors and assigns. Wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Reimbursement Agreement, whether so expressed or not; and each such holder of the Reimbursement Agreement shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated the Mortgagee.

Section 5.15. Covenants to Run with the Land. All the covenants hereof shall run with the land.

Section 5.16. Entire Agreement. This Mortgage sets forth all of the covenants, promises, agreements, conditions and understandings of the parties relating to the subject matter of this Mortgage, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth.

Section 5.17. Governing Law; Severability; Modification. This Mortgage shall be governed by the internal laws and not the conflicts of laws provisions of the State of Illinois, except that the laws of the State of Indiana shall govern as to the creation, perfection and enforcement of liens and security interests granted hereunder as they relate to property located in the State of Indiana. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions hereof which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This Mortgage and each provision hereof may be modified, amended, changed, altered, waived, terminated or discharged only by a written instrument signed by the party sought to be bound by such modification, amendment, change, alteration, waiver, termination or discharge.

Section 5.18. Meanings. Wherever in this Mortgage the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

Section 5.19. Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 5.20. Approval or Consent of Mortgagee. Wherever in this Mortgage provision is made for the approval or consent of the Mortgagee, or that any matter is to be to the Mortgagee's satisfaction, or that any matter is to be as estimated or determined by the Mortgagee, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction, estimate, determination or the like shall be

made, given or determined by the Mortgagee pursuant to a reasonable application of judgment in accordance with institutional lending practice and commercial custom in connection with major real estate loans.

IN WITNESS WHEREOF, the Mortgagor has caused this instrument to be executed as of the date first above written.

THE MILLER PARTNERSHIP, L.P., an Illinois limited partnership

By CenterPoint Properties Corporation, a Maryland corporation, its general partner

Document is  
By *Paul D. Johnson*  
Its: Executive Vice President

NOT OFFICIAL

This Document is the property of  
the Lake County Recorder!

STOP



STATE OF ILLINOIS     )  
                                  )         SS  
COUNTY OF C O O K    )

The foregoing instrument was acknowledged before me this  
1st day of ~~March~~, 1996, by Paul S. Fisher, Jr.  
<sup>April</sup> of CenterPoint Properties Corporation, a  
Maryland corporation, and the general partner of The Miller Partnership,  
L.P. an Illinois limited partnership, on behalf of said corporation and  
limited partnership.



**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PREMISES**



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.

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 NORTHWESTERLY 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 AND 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 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, 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.

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 152.57 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.

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 OF 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.

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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 A DISTANCE OF 244.63 FEET; THENCE SOUTH, PARALLEL WITH THE CENTER LINE OF LAKE STREET, A DISTANCE OF 196.10 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, 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

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 THE 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

DESCRIPTION OF PROJECT EQUIPMENT

The items of fixtures, furnishings and equipment specified in the plans and specifications for the Project delivered to the Mortgagee 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 to the Mortgagee



EXHIBIT C

ADDITIONAL PERMITTED ENCUMBRANCES

1. Restrictions in Warranty Deed dated September 13, 1928 and recorded September 14, 1928 in Deed Record 428, Page 160, as Document No. 335779.
2. Restrictions in Warranty Deed dated June 21, 1929 and recorded June 22, 1929, in Deed Record 444, Page 166, as Document No. 379401.
3. Easement dated July 16, 1962 and recorded July 19, 1962 in Miscellaneous Record 836, Page 579, as Document No. 418045.
4. Easement dated July 16, 1962 and recorded July 19, 1962, in Miscellaneous Record 836, Page 581, as Document No. 418046.
5. Easement dated January 15, 1963 and recorded January 15, 1963, in Miscellaneous Record 854, Page 246, as Document No. 457508.
6. Easement dated January 14, 1963 and recorded January 15, 1963, in Miscellaneous Record 854, Page 244, as Document No. 457506.
7. Easement for underground electrical lines dated February 21, 1968 and recorded February 27, 1968, in Miscellaneous Record 965, Page 277, as Document No. 740873.
8. Easement dated March 6, 1963 and recorded March 7, 1963, in Miscellaneous Record 857, Page 281, as Document No. 468037.
9. Easement dated July 8, 1965 and recorded July 17, 1965, in Miscellaneous Record 924, Page 201, as Document No. 625018. A partial release of easement dated September 30, 1965 and recorded October 9, 1965, in Miscellaneous Record 926, page 383, as Document No. 637210. A partial release of easement dated December 21, 1965 and recorded January 3, 1966, in Miscellaneous Record 942, Page 261, as Document No. 648497.
10. Easement dated July 13, 1965 and recorded September 3, 1965, in Miscellaneous Record 925, Page 455, as Document No. 632367.
11. Easement dated August 16, 1965 and recorded September 3, 1965, in Miscellaneous Record 925, Page 452, as Document No. 632366.
12. Easement dated November 15, 1965 and recorded December 21, 1965, in Miscellaneous Record 942, Page 132, as Document No. 647160.
13. Easement dated November 15, 1965 and recorded December 21, 1965, in Miscellaneous Record 942, Page 134, as Document No. 647161.
14. Easement dated November 15, 1965 and recorded December 21, 1965, in Miscellaneous Record 942, Page 136, as Document No. 647162.

15. Easement dated August 29, 1968 and recorded November 13, 1968, in Miscellaneous Record 1020, Page 178, as Document No. 773684.
16. Easement dated August 29, 1968 and recorded November 13, 1968, in Miscellaneous Record 1020, Page 173, as Document No. 773685.
17. Easement dated December 6, 1968 and recorded March 19, 1969, as Document No. 9632.
18. Easement dated March 28, 1969 and recorded April 8, 1969, as Document No. 11792.
19. Easement dated June 30, 1970 and recorded August 11, 1970 as Document No. 68266.
20. Easement dated July 1, 1970 and recorded August 11, 1970, as Document No. 68269.
21. Easement dated May 27, 1971 and recorded June 7, 1971, as Document No. 102524.
22. Easement dated June 2, 1971 and recorded June 22, 1971 as Document No. 104675.
23. Easement dated June 29, 1971 and recorded July 1, 1971, as Document No. 105932.
24. Easement dated June 29, 1971 and recorded July 1, 1971, as Document No. 105933.
25. A 20 foot easement for utilities as shown and granted on the plat of Johnson-Kennedy Estates Fourth Subdivision, as recorded in Plat Book 22, Page 2, in Lake County, Indiana, (Parcels A and A2 of the land being a part of the vacated part of said subdivision), A partial release of said easement 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 easement by Illinois Bell Telephone Company, releasing all of its interest in said easement was recorded October 25, 1967, in Miscellaneous Record 962, Page 270, as Document 727019.
26. A 20 foot easement affecting the west 10 feet of Parcel F2 of the land as shown and granted on the Plat of Subdivision.
27. A 10 foot easement for public utilities affecting the east 10 feet of Lots 18 to 26, both inclusive, Parcel F6 of the land, as shown and granted on the plat of subdivision for Johnson-Kennedy Estates Second Subdivision, Plat Book 17, page 15, in Lake County, Indiana.
28. 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 Fourth Subdivision, Plat Book 22, Page 2, in Lake County, Indiana.



29. Improvements on Parcel F5 of the land as follows:

- (1) A 12 inch storm sewer running north and south along the west end of Parcel F5 of the land.
- (2) A 12 inch storm sewer lying along the south line of approximately the north 40 feet, more or less, of approximately the west 70 feet, more or less, of Parcel F5 of the land.
- (3) A 16 inch storm sewer lying along the east line of approximately the north 40 feet, more or less, of approximately the west 70 feet of Parcel F5 of the land.
- (4) A 4 inch force main leading to a 12 inch sanitary sewer running from a point on the northerly side of the apartment building situated on Parcel F5 of the land, approximately 1/3 of the length of the northerly side of said building from its northwest corner to a point near the west end of the north line of Parcel F5 of the land;
- (5) A 6 inch storm sewer running from the northwest to the southeast commencing at a point near the southerly end of the 12 inch storm sewer mentioned at item (1) in this objection; and
- (6) Illinois Bell service line running from the northwesterly corner of the apartment house located on Parcel F5 of the land, thence northwesterly almost to the west line of Parcel F5 of the land, thence north along the west line of Parcel F5 of the land to and past the south line of the north 26 feet of Parcel F5 of the land;

All as shown on plat of survey of Parcel F5 of the land, dated October 14, 1993 made by Mahlon Plumb.

30. Encroachment of parking lot and driveway over the west line of Parcel B1 of the land as shown on plat of survey made by Mahlon Plumb, dated October 14, 1933.

31. Easements as indicated on plat of survey dated October 14, 1993 made by Mahlon Plumb, as follows:

- (A) A 10 inch sanitary sewer easement affecting lot 18 or Parcel F6 of the land;
- (B) Underground telephone service affecting lot 22 of Parcel F6 of the land;
- (C) A 4 inch C.I. sanitary force main affecting the northerly portion of Parcel F7 of the land;
- (D) Underground telephone service leading from the 20 foot easement on the west side of Parcel F7 to the 3 story apartment building located on Parcel F7 of the land;

- (E) A 12 inch CMP storm drain and concrete drainage catch basin affecting the southerly side of Parcel F7 of the land;
- (F) A 10 foot public utility easement affecting the east side of Parcel F8 of the land;
- (G) A 4 inch C.I. sanitary force main affecting the easterly portion of Parcel F8 of the land,

All as indicated on said plat.

- 32. A 10 foot easement for public utilities affecting the east 10 feet of Parcel E1 of the land as shown on the vacated plat of subdivision for Johnson-Kennedy Estates Fourth Subdivision, Plat Book 22, Page 2, in Lake County, Indiana.
- 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.
- 34. Easements as shown on the plat of Johnson-Kennedy Estates Fourth Subdivision (now vacated). (Affects Parcels C1 and F4 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.
- 35. The fence depicted in a survey dated October 14, 1993, made by Mahlon Plumb encroaches onto the property adjoining.
- 36. Rights of public utilities to maintain the facilities serving the land whether or not depicted in the survey dated September 18, 1990, made by Plumb, Tuckett and Associates.
- 37. Improvements located on the land as shown on plat of survey dated October 14, 1993, made by Mahlon Plumb, as follows:
  - A. A concrete storm drain located on Parcel A of the land.
  - B. Storm water catch basin located on Parcel E1 of the land.
  - C. Overhead telephone and electric lines. (Affects Parcels F1 and F2 of the land).
  - D. Underground telephone line. (Affects Parcel F1 of the land).
  - E. A catch basin and manhole located on Parcel F5 of the land.
  - F. Transformer and gas meter located on Parcels F7 and F8 of the land.
  - G. Manhole and catch basin located on Parcel F8 of the land.
  - H. Power poles located along the north line. (Affects Parcel F8 of the land).

38. Encroachments as indicated on plat of survey dated October 14, 1993, made by Mahlon Plumb, as follows, to-wit:
- A. Encroachment of a concrete walk over and upon the easement shown at item 20 herein. (Affects Parcel A2 of the land).
  - B. Encroachment of an asphalt parking lot over and upon the easements shown at items 12 and 14 herein. (Affects Parcel A3 of the land).
  - C. Encroachment of 2 story apartment building over and upon the easement shown at item 4 herein. (Affects Parcel B1 of the land).
  - D. Encroachment of asphalt parking lot over and upon the easements shown at items 4 and 14 herein. (Affects Parcel B1 of the land).
  - E. Encroachment of asphalt parking lot over and upon the easement shown at item 3 herein. (Affects Parcel B1 of the land).
  - F. Encroachment of concrete block incinerator over and upon the easement shown at item 34 herein. (Affects Parcel C1 of the land).
  - G. Encroachment of asphalt parking and curb over and upon the easement shown at item 26 herein. (Affects Parcel F2 of the land).
  - J. Encroachment of asphalt parking lot over and upon the easement shown at items 4 herein and 5 herein. (Affects Parcel F3 of the land).
  - K. Encroachment of a 4 foot concrete walk and asphalt parking lot over and upon the easement shown at item 3 herein. (Affects parcel F4 of the land).
  - L. Encroachment of an electric transformer over and upon the easement at item 8 herein. (Affects Parcel F4 of the land).
  - M. Encroachment of electric transformer over and upon the easement at item 4 herein. (Affects parcel F4 of the land).
  - N. Encroachment of asphalt parking lot over and upon the easements shown at items 22 herein and 34 herein. (Affects Parcel F5 of the land).
  - O. Encroachment of asphalt parking lot over and upon the easement shown at item 28 herein. (Affects Parcel F8 of the land).
  - P. Encroachment of asphalt parking lot over and upon the easements shown at items 15 herein, 16 herein, 22 herein and 34 herein. (Affects Parcels C1, F5, F7 and F8 of the land).

Q. Encroachment of an asphalt parking lot over and upon the easements shown at items 22 herein, 23 herein and 34 herein. (Affects Parcel F8 of the land).

39. Easements for public utilities and for drainage over the west 10 feet of the land as shown and granted on the plat of subdivision.
40. Easements, if any, for public utilities over and under that part of the land lying within vacated Hemlock Avenue.
41. Easements, if any, for public utilities over the under that part of the land lying within vacated Kennedy Terrace.
42. Easements, if any, for public utilities over and under that part of the land lying within vacated Forest Court.
43. Environmental disclosure document for transfer of real property was recorded August 23, 1990, as Document No. 119439.
44. Environmental disclosure document for transfer of real property was recorded August 23, 1990, as Document No. 119440.
45. Terms and provisions of 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 and instrument dated January 22, 1991 and recorded June 6, 1991, as Document No. 91027642.
46. 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.