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THIS INSTRUMENT WAS PREPARED BY
AND UPON RECORDATION RETURN TO:

2007 062236

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2007 JUL 31 PM 4:15

John E. Bator
BATOR REDMAN BRUNER SHIVE & LUDWIG, P.C.
151 North Delaware Street
1106 Market Square Center
Indianapolis, Indiana 46204

MICHAEL A. BROWN
RECORDER

Mainsource ← return to:
P.O. Box 87
201 N. Broadway
Greensburg, IN 47240

(Space Above for Recorder's Use)

HOOSIER PARK, L.P.

To

MAINSOURCE BANK - CRAWFORDSVILLE

MORTGAGE,
SECURITY AGREEMENT
AND FIXTURE FILING

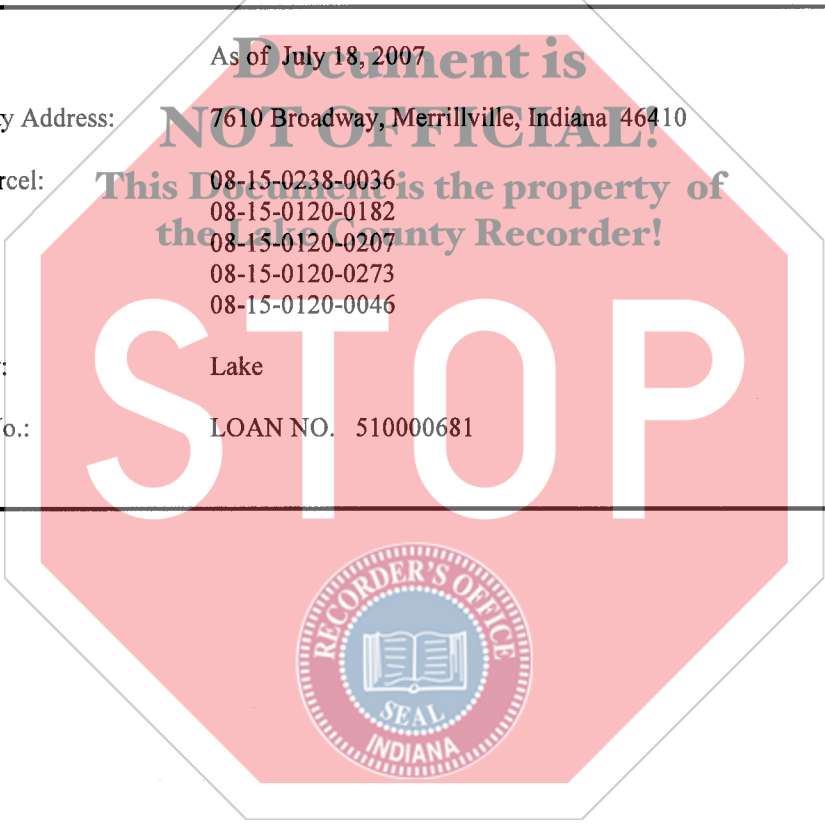
Dated: As of July 18, 2007

Property Address: 7610 Broadway, Merrillville, Indiana 46410

Tax Parcel: 08-15-0238-0036
08-15-0120-0182
08-15-0120-0207
08-15-0120-0273
08-15-0120-0046

County: Lake

Loan No.: LOAN NO. 510000681



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0500 1-over.

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THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (this "Security Instrument") is made effective as of July 18, 2007, by **HOOSIER PARK, L.P.**, a limited partnership organized and existing under the laws of the State of Indiana, having an address at 10 W. Market St., Suite 200, Indianapolis, Indiana 46204 ("Guarantor"), to **MAINSOURCE BANK - CRAWFORDSVILLE**, an Indiana banking association, having an address of 50 West 250 South, Lafayette, Indiana 47909 ("Bank").

WITNESSETH:

WHEREAS, Guarantor has requested that Bank make a loan to Centaur, Inc. ("Borrower") in the aggregate principal amount of Five Million Eight Hundred Thousand Dollars (\$5,800,000.00) (the "Loan");

WHEREAS, the Borrower, Guarantor and the Bank have entered into a Credit Agreement dated of even effective date herewith (the "Credit Agreement");

WHEREAS, the Bank has agreed to make the Loan to Borrower upon, and subject to, the terms and conditions set forth herein and in the other Loan Documents (as hereinafter defined);

WHEREAS, concurrently herewith, Borrower has delivered to the Bank its certain Promissory Note of even effective date in the amount of the Loan (as the same may hereafter from time to time be modified, amended, replaced, restated, supplemented, renewed, or extended, and any note(s) issued in exchange therefore or in substitution thereof, collectively (the "Note") in evidence of the Loan, with interest from the date hereof at the rates set forth in the Note, such interest and the principal amount thereof to be payable in accordance with the terms and conditions provided in the Note;

WHEREAS, The Note is due and payable on January 18, 2008, if not sooner in accordance with the terms and conditions thereof; and

WHEREAS, Guarantor desires to secure the payment of the Debts (as hereinafter defined) and the performance of all of the Obligations (as hereinafter defined).

NOW THEREFORE, in consideration of the making of the Loan and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Guarantor hereby agrees, covenants, represents and warrants with and to the Bank as follows:

GRANTS OF SECURITY

PROPERTY MORTGAGED. Guarantor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to the Bank, and grant a security interest to the Bank in, all of Guarantor's right, title and interest in and to the following property, rights, interests and estates now owned or hereafter acquired by Guarantor, whether now existing or hereafter created (collectively, the "Property"):

- (a) **Real Estate:** The following described real estate located in Lake County, State of Indiana:

Parcel 1: The South 212 feet of Lot 36, Southmoor Park 2nd Addition, as shown in Plat Book 30, Page 59, in Lake County, Indiana, except that portion deeded to the State of Indiana and described as: Beginning on the South line of said Lot South 89 degrees 29 minutes 30 seconds East 255.85 feet from the Southwest corner of said Lot; thence North 55 degrees 54 minutes 57 seconds East 24.02 feet to the Southeastern line of said Lot; thence along said Southeastern line Southwesterly 22.20 feet along an arc to the right and having a radius of 15.00 feet and subtended by a long chord having a bearing of South 48 degrees 07 minutes 00 seconds West and a length of 20.23 feet to the South line of said Lot; thence North 89 degrees 29 minutes 30 seconds West 4.83 feet along said South line to the Point of Beginning.

Parcel 2: Part of the East half of the Northeast Quarter of Section 21, Township 35 North, Range 8 West of the 2nd P.M., Lake County, Indiana, described as beginning at a point lying on the North line of said Section 21 and 356.26 feet West of the Northeast corner of said Section 21, said point being the Northwest corner of a tract of land previously conveyed to Merri-Bowl, Inc., by Deed dated December 26, 1963, and recorded on February 1, 1964, in Deed Record 1255, page 303; thence South and parallel with the East line of said Section 21 along the West line of said tract conveyed to Merri-Bowl, Inc., 300.00 feet; thence West and parallel with the North line of said Section 21, 290.40 feet; thence North and parallel with the East line of said Section 21, 300.00 feet to said North line; thence East along said North line, 290.40 feet to the Point of Beginning, except the East 72.5 feet and the South 30 feet.

Parcel 3: Beginning at the Northeast corner of Section 21, Township 35 North, Range 8 West of the 2nd P.M., in Lake County, Indiana; thence West along the North line of Section 21, a distance of 356.26 feet; thence South 100 feet; thence East and parallel to the North line of said Section 21 a distance of 356.26 feet; thence North a distance of 100 feet to the place of beginning, except that portion deeded to the State of Indiana and described as: A part of the Northeast Quarter of Section 21, Township 35 North, Range 8 West, Lake County, Indiana, described as follows: Beginning at a point on the North line of said Section, North 89 degrees 29 minutes 30 seconds West 49.14 feet from the Northeast corner of said Section, which point is where the West boundary of S.R. 53 meets the South Boundary of 77th Avenue; thence South 0 degrees 07 minutes 30 seconds East 16.36 feet along the boundary of said S.R. 53; thence North 50 degrees 27 minutes 51 seconds West 25.98 feet to the North line of said Section and the South boundary of said 77th Avenue; thence South 89 degrees 29 minutes 30 seconds East 20.00 feet along said North line and along the boundary of said 77th Avenue to the Point of Beginning.

Parcel 4: The South 38.0 feet to the West 83.0 feet to the North 140 feet of Lot 36, Southmoor Park 2nd Addition, as shown in Plat Book 30, page 59, in Lake County, Indiana.

More Commonly known as 7610 Broadway, Merrillville, Indiana 46410

Hereinafter referred to as the "Real Estate".

(b) **Additional Real Estate:** All additional real estate and development rights hereafter acquired by Guarantor for use in connection with the Real Estate and the development of the Real Estate and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument.

(c) **Improvements:** All buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Real Estate (the "Improvements");

(d) **Easements.** All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Real Estate or the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Real Estate to the center line thereof, and all the estates, rights, titles, interests dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Guarantor of, in and to the Real Estate and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) **Fixtures.** All machinery, equipment, fixtures (including, without limitation, all heating, air conditioning, plumbing, lighting, communications, elevator fixtures, inventory and goods), inventory and articles of personal property and accessions thereof and renewals, replacements thereof and substitutions thereof (including, without limitation, heating, lighting and plumbing fixtures, fire prevention and extinguishing apparatus, cooling and air-conditioning systems, elevators, escalators, fittings, plants, apparatus, tools, machinery, engines, dynamos, motors, boilers, incinerators, switchboards, conduits, compressors, vacuum cleaning systems, call systems, brackets, electrical signs, bulbs, bells, ash and fuel, conveyors, cabinets, lockers and shelving, other customary equipment and other tangible property of every kind and nature whatsoever owned by Guarantor, or in which Guarantor has or shall have an interest, now or hereafter located upon the Property, or appurtenances thereto, or usable in connection with the present or future operation and occupancy of the Property (collectively, the "Personal Property");

(f) **Condemnation Awards.** All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, without limitation, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property.

(g) **Insurance Policies and Proceeds.** All insurance policies covering the Property and proceeds of and any unearned premiums on any such policies, including without limitation, the right to receive and apply the proceeds of any insurance, judgment, or settlements made in lieu thereof, for damage to the Property.

(h) **Tax Certiorari.** All refunds, rebates or credits in connection with a reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reductions, whether arising or accruing before or after the date hereof;

(i) **Rights.** The right, in the name and on behalf of Guarantor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of the Bank in the Property;

(j) **Agreements.** All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Real Estate and any part thereof and any Improvements or respecting any business or activity conducted on the Real Estate and any part thereof and all right, title and interest of Guarantor therein and thereunder, including without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Guarantor thereunder;

(k) **Trademarks.** All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, signage, books and records, advertising materials, telephone exchange numbers identified in such materials, and all other general intangibles relating to or used in connection with the operation of the Property.

(l) **Other Rights; Replacements and Conversions.** Any and all other rights of Guarantor in and to the items set forth in Subsection (a) through (k) above and all renewals, substitutions, improvements, accessions, attachments, additions, replacements and all proceeds (whether cash or non-cash, movable or immovable, tangible or intangible) to or of each of the items set forth in Subsections (a) through (k) above, and all conversions of the security constituted thereby (whether voluntary or involuntary and in whatever form) so that, immediately upon such renewal, substitution, improvement, accession, attachment, addition, replacement or conversion, as the case may be, and in each such case, the foregoing shall be deemed a part of the Property and shall automatically become subject to the lien of this Security Instrument as fully and completely and with the same priority and effect as though now owned by Guarantor and specifically described herein, without any further mortgage or assignment or conveyance by Guarantor.

(m) **Exceptions:** Provided, however, that notwithstanding any other provision, term or condition of this Security Instrument, the Credit Agreement, Note, Mortgages, Security Agreement or Related Loan Documents (as defined in the Credit Agreement), the terms "Real Estate" and "Collateral" shall not include any license, permit, operating agent contract or authorization issued or entered into by any of the Gaming Authorities (including the Gaming License) or Racing Authorities (including the Racing License), or any other Collateral, which may not be pledged or in which a security interest may not be granted under Gaming Laws, Racing Laws or under the terms of any such license, permit, operating agent contract or authorization, or which would require a finding of suitability or other similar approval or procedure by any of the Gaming Authorities or Racing Authorities prior to being pledged, hypothecated, or given as collateral security (to the extent such finding or approval has not been obtained). This Agreement is not intended, and shall not be interpreted to grant any security interest, mortgage, or other lien on any Gaming Licenses or Racing Licenses, in violation of any Gaming Authority or Racing Authority or of any other applicable state or federal jurisdiction; or to grant any security interest, mortgage or other lien on any deposit account of the Guarantor comprised solely of horse racing purses or other funds to which the Guarantor has no right, title or interest and is being held by the Guarantor for unrelated third parties such as horseman's groups or associations. As used herein, the terms listed below shall have the following meanings:

- **"Gaming Authority":** means any agency, authority, board, bureau, commission, department, office or instrumentality of any nature whatsoever of any state or other political subdivision or otherwise, whether now or hereafter in existence, including, without limitation, the Indiana Gaming Commission and any other applicable gaming regulatory authority or agency, in each case, with authority to regulate any gaming or wagering operation (or proposed gaming operation) owned, managed or operated by the Guarantor or any of its affiliates.

- **"Gaming Law":** means the Indiana Riverboat Gambling Act and any gaming law or regulation, including the interpretations thereof by and the policies of any Gaming Authority, of any jurisdiction or jurisdictions to which the Guarantor is, or may at any time after the date hereof, be subject.

- **"Gaming Licenses":** means any license, permit, franchise, operating agent contract or other authorization from any Gaming Authority necessary at any time to own, lease, operate or otherwise conduct any gaming or wagering business of the Guarantor.

- **"Racing Authority":** means any agency, authority, board, bureau, commission, department, office or instrumentality of any nature whatsoever of any state or other political subdivision or otherwise, whether now or hereafter in existence, including, without limitation, the Indiana Horse Racing Commission and any other applicable pari-mutuel racing regulatory authority or agency, in each case, with authority to regulate any pari-mutuel racing or wagering operation (or proposed pari-mutuel racing operation) owned, managed or operated by the Guarantor or any of its affiliates.

- **"Racing Law":** means the Indiana Pari-Mutuel Statute and any pari-mutuel law or regulation, including the interpretations thereof by and the policies of any Racing Authority, of any jurisdiction or jurisdictions to which the Guarantor is, or may at any time after the date hereof, be subject.

- **"Racing Licenses":** means any license, permit, franchise, operating agent contract or other authorization from any Racing Authority necessary at any time to own, lease, operate or otherwise conduct the pari-mutuel racing or wagering business of the Guarantor.

ASSIGNMENT OF RENTS. Guarantor hereby absolutely and unconditionally assigns to the Bank Guarantor's right, title and interest in and to all current and future leases and rents; it being intended by Guarantor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. The Bank grants to Guarantor a revocable license to collect and receive the Rents, subject to the terms and conditions herein.

SECURITY AGREEMENT; FIXTURE FILING.

(a) This Security Instrument is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code as adopted and enacted by the State of Indiana where the Property is located (as amended, modified or replaced from time to time, the "UCC"). The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Guarantor in the Property. Guarantor hereby grants to the Bank a security for the Obligations, a security interest in the Property to the full extent that the Property may be subject to the UCC (said portion of the Property so subject to the UCC, the "UCC Collateral"). Guarantor hereby irrevocably appoints the Bank as its attorney-in-fact, coupled with an interest, to file with the appropriate public office on its behalf any financing, continuation or other statements signed only by the Bank, as secured party, in connection with the UCC Collateral.

(b) From the date of its recording, this Security Instrument further constitutes a financing statement filed as a fixture filing and covers goods, which are or are to become fixtures on the Property. For this purpose, Guarantor is the "Debtor" and its name and mailing address are set forth in the preamble of this Security Instrument. The Bank is the "Secured Party", and its name and mailing address also are set forth in the preamble of this Security Instrument. This document covers goods, which are or are to become fixtures and personal property. The statement describing the portion of the Property comprising the fixtures and personal property secured hereby is set forth in this Security Instrument.

CONDITIONS TO GRANT

TO HAVE, AND TO HOLD the above granted and described Property unto and to the use and benefit of the Bank, and the successors and assigns of the Bank, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower and/or Guarantor shall well and truly pay to the Bank the Debts at the time and in the manner provided in the Note and this Security Instrument, shall well and truly perform the other Obligations as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein, in the Note and in the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void.

DEBT AND OBLIGATIONS SECURED

DEBT. This Security Instrument and the grants, assignments and transfers made herein are given for the purpose of securing the following, in such order of priority as the Bank may determine in its sole discretion (the "Debt"):

- (a) the payment of the indebtedness evidenced by the Note (hereinafter collectively referred to as the "Note");
- (b) the payment of interest, default interest, late charges, prepayment consideration, if any, and all other moneys agreed or provided to be paid by Borrower and/or Guarantor in the Note, this Security Instrument and the other Loan Documents;
- (c) the payment of all sums advanced pursuant to this Security Instrument or any other Loan Document to protect and preserve the Property and the lien and security interests created hereby;
- (d) the payment of all sums advanced and costs and expenses incurred by the Bank in connection with the Loan or any part thereof, any renewal, extension, increase, change of or substitution for the items set forth in Subsections (a) through (c) above or any part thereof, or the acquisition or perfection of the security therefore, whether made or incurred at the request of Borrower, Guarantor or the Bank; and

- (e) such future advances, plus interest thereon, and any disbursements made by the Bank for the payment of taxes, insurance or other liens on the Property encumbered by this Security Instrument, with interest on such disbursements, which advances shall be secured hereby to the same extent as if such future advances were made this date. The total amount of indebtedness secured hereby may increase or decrease from time to time. The provisions of this paragraph shall not be construed to imply any obligation on the Bank to make any future advances, it being the intention of the parties that any future advances shall be solely at the discretion and option of the Bank. Any reference to the "Debt" or the "Obligations" in this Security Instrument shall be construed to reference all future advances made pursuant to this paragraph.

OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made herein are also given for the purpose of securing the performance of all other obligations of Borrower and/or Guarantor contained herein and the performance of each obligation of Borrower and/or Guarantor contained in the other Loan Documents (all of such obligations, together with Borrower's and/or Guarantor's obligations for the payment of the Debt, collectively, the "Obligations").

GUARANTOR COVENANTS

Guarantor covenants and agrees that:

PAYMENT OF DEBTS. Borrower and/or Guarantor will pay the Debts at the time and in the manner provided in the Note and the other Loan Documents.

INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in (a) the Note, (b) the Credit Agreement and (c) any and all of the documents, instruments and agreements other than the Note and this Security Instrument now or hereafter executed by Borrower, Guarantor and/or others and by or in favor of the Bank, which wholly or partially secure or guaranty payment of the Debt (the "Other Security Documents"; the Note, any other instrument which from time to time may evidence any portion of the Debts, this Security Instrument, the Credit Agreement and the related Loan Documents, as each of the same may be amended, modified, extended, renewed, restated, consolidated, substituted, supplemented or replaced from time to time, collectively, the "Loan Documents"), are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

INSURANCE.

(a) Guarantor shall obtain and maintain, or cause to be maintained, insurance for Guarantor and the Property providing at least the following coverages:

- (1) Insurance against loss or damage by fire, casualty and other hazards as now are or subsequently may be covered by an "all risk" policy or a policy covering "special" causes of loss, with such endorsements as the Bank may from time to time reasonably require including, without limitation, building ordinance and law, lightning, windstorm, civil commotion, hail, riot, strike, water damage, sprinkler leakage, collapse, malicious mischief, explosion, smoke, aircraft, vehicles, vandalism, falling objects and weight of snow, ice or sleet, covering the Improvements and Personal Property in an amount equal to one hundred percent (100%) of the full insurable replacement value of the Improvements and Personal Property (exclusive of footings and foundations below the lowest basement floor) without deduction for depreciation. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing the coverage or, at the Bank's election, by reference to such indexes, appraisals or information as the Bank determines in its reasonable discretion. Each policy shall, subject to the Bank's approval, contain a replacement cost endorsement,

without deduction for depreciation and either an agreed amount endorsement or a waiver of any co-insurance provisions, and shall provide for deductibles in such amounts as the Bank may permit in its sole discretion.

- (2) Commercial general liability insurance under a policy containing "Comprehensive General Liability Form" of coverage (or a comparably worded form of coverage) and the "Broad Form CGL" endorsement (or a policy which otherwise incorporates the language of such endorsement), providing coverage on an occurrence (not "claims made") basis, which policy shall include, without limitation, coverage against claims for personal injury, bodily injury, death and property damage liability with respect to the Property and the operations related thereto, and the following coverages: Employee as Additional Insured, Product Liability/Completed Operations, Independent Contractor, Personal Injury and Advertising Injury Protection, hired and non-owned automobile coverage (including rented and leased vehicles), and, if any alcoholic beverages shall be sold, manufactured or distributed on the Property, liquor liability coverage, all of which shall be in such amounts as the Bank may from time to time reasonably require. If such policy shall cover more than one property, such limits shall apply on a "per location" basis.
- (3) Business income (including loss of rents) insurance covering losses for risks as specified herein in an amount equal to (i) one hundred percent (100%) of the actual business income (or Rents) for the preceding six (6) month period, (ii) the profits and estimated continuing expenses for the six (6) month period following a loss, or (iii) the "actual loss sustained" for the six (6) month period following a loss. The amount and coverage of such business income insurance shall be determined upon the execution of this Security Instrument and once each calendar year thereafter based on Guarantor's reasonable estimate of rental income or projected gross revenues from operations, as the case may be, from the Property for the succeeding six (6) months, as approved by the Bank. Such business income insurance shall include either an agreed amount endorsement or a waiver any co-insurance provisions, so as to prevent Guarantor, the Bank and any other insured thereunder from being a co-insurer.
- (4) Insurance covering the major components of the central heating, air conditioning and ventilating systems, boilers, other pressure vessels, high pressure piping and machinery, elevators and escalators, if any, and other similar equipment installed in the Improvements, in an amount equal to one hundred percent (100%) of the full replacement cost of the Property, which policies shall insure against physical damage to and loss of occupancy and use of the Improvements arising out of an accident or breakdown covered thereunder.
- (5) Flood insurance with a deductible not to exceed Five Thousand Dollars (\$5,000.00), or such greater amount as may be satisfactory to the Bank in its sole discretion, and in an amount equal to the full insurable value of the Property or the maximum amount available, whichever is less, if the Property is located in an area designated by the Secretary of Housing and Urban development or the Federal Emergency Management Agency as having special flood hazards.
- (6) Worker's compensation insurance or other similar insurance which may be required by governmental authorities or applicable legal requirements in an amount at least equal to the minimum required by law.
- (7) Such other insurance coverage, in such amounts, and such other forms and endorsements, as may from time to time be required by the Bank and which are customarily required by institutional lenders to similar properties, similarly situated, including, without limitation, coverages against other insurable hazards (including,

by way of example only, earthquake, sinkhole and mine subsidence), which at the time are commonly insured against and generally available, and such other insurance coverages, in such amounts, and such other forms and endorsements, as may from time to time be required pursuant to the Credit Agreement.

(b) All insurance policies required under this section (each, a "Policy" and collectively, the "Policies") shall have a term of not less than one year and shall be in the form and amount and with deductibles as, from time to time, shall be reasonably acceptable to the Bank, under valid and enforceable policies issued by financially responsible insurers either licensed to transact business in the State where the Property is located, or obtained through a duly authorized surplus line insurance agent or otherwise in conformity with the laws of the State of Indiana. Originals or certified copies of all Policies shall be delivered to and held by the Bank.

(c) All policies shall name the Bank as an insured or additional insured, shall provide for loss payable to the Bank and Guarantor as their interests may appear (Guarantor agreeing to turn over to the Bank any proceeds that it might otherwise receive for application as set forth herein) and shall contain: (i) a standard "non-contributory mortgage" endorsement or its equivalent and (ii) a provision that such policies shall not be canceled or amended, or failed to be renewed, without at least thirty (30) days prior written notice to the Bank.

(d) With respect to Policies which require payment of premiums annually, not less than ten (10) days prior to the expiration dates of such Policies, Guarantor shall pay such amount, except to the extent the Bank is reserving sums therefore pursuant to the Loan Documents. Not less than ten (10) days prior to the expiration dates of the Policies, originals or certified copies of renewals of such Policies (or binders evidencing such renewals) bearing notations evidencing the payment of all premiums required thereunder (the "Insurance Premiums") or accompanied by other evidence satisfactory to the Bank of such payment shall be delivered by Guarantor to the Bank. The Insurance Premiums shall not be paid by Guarantor through or by any financing arrangement unless otherwise approved by the Bank.

(e) If Guarantor fails to maintain and deliver to the Bank the original Policies required by this Security Instrument, the Bank may, at its option, procure such insurance and Guarantor shall pay or, as the case may be, reimburse the Bank for all premiums thereon promptly, upon demand by the Bank with interest thereon at the Default Rate (as hereinafter defined) from the date paid by the Bank to the date of repayment and such sum shall constitute a part of the Obligations secured by this Security Instrument.

(f) Neither the Bank nor its agents or employees shall be liable for any loss or damage insured by the Policies; it being understood that (i) Guarantor shall look solely to its insurance company for the recovery of such loss or damage, (ii) such insurance company shall have no rights of subrogation against the Bank, its agents or employees, and (iii) Guarantor shall use its best efforts to procure from such insurance company a waiver of subrogation rights against the Bank (whether because such a waiver is unavailable or otherwise), then Guarantor hereby agrees, to the extent permitted by law and to the extent not prohibited by such Policy, to waive its rights of recovery, if any, against the Bank, its agents and employees, whether resulting from any damage to the Property, any liability claim in connection with the Property or otherwise. If any such Policy shall prohibit Guarantor from waiving such claims, then Guarantor must obtain from such insurance company a waiver of subrogation rights against the Bank.

PAYMENT OF TAXES, ETC. Guarantor shall promptly pay all taxes, assessments, water rates, sewer rents, governmental impositions, and other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Real Estate, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Taxes"), all ground rents, maintenance charges and similar charges, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Other Charges"), and all charges for utility services provided to the Property at least five (5) days prior to the date upon which any fine, penalty, interest or cost for nonpayment is imposed, and furnish to the Bank upon request receipted bills of the appropriate taxing authority or other documentation reasonably satisfactory to the Bank evidencing the payment thereof.

Guarantor shall not suffer and shall promptly cause to be paid and discharged any lien or charge whatsoever which may be or become a lien or charge against the Property.

After prior written notice to the Bank, Guarantor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes or Other Charges or any claims or judgments of mechanics, materialmen, suppliers or vendors or any lien therefore, as described herein, provided that (i) no Event of Default has occurred and is continuing hereunder or under any of the other Loan Documents, (ii) Guarantor is not prohibited from doing so under the provisions of any other agreement affecting either Guarantor or the Property, (iii) such proceeding shall suspend the collection of the disputed amount from Guarantor and from the Property (and Guarantor shall furnish such security as may be required in the proceeding for such purpose), or Guarantor shall have bonded over or paid all of the disputed amount under protest, (iv) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost, and (v) Guarantor shall have deposited with the Bank adequate reserves for the payment of the disputed amount, together with all interest and penalties thereon, unless Guarantor has bonded over or paid all of the disputed amount under protest.

MAINTENANCE OF PROPERTY. Guarantor shall cause the Property to be maintained in a good and safe condition and repair and shall not commit or suffer any waste of the Property or do or permit to be done thereon anything that may in any way impair the value of the Property or the security of this Security Instrument. The Improvements and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Personal Property) without the consent of the Bank, which consent shall not be unreasonably withheld or delayed. Guarantor shall not initiate, join in, acquiesce in, or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses, which may be made of the Property or any part thereof, without the express prior written consent of the Bank. If under applicable zoning provisions the use of all or any portion of the Property is or shall become a nonconforming use, Guarantor will not cause or permit the nonconforming use to be discontinued or abandoned without the express written consent of the Bank.

COMPLIANCE WITH LAWS. Guarantor shall promptly comply with all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations or court orders affecting or which may be interpreted to affect the Property, any portion thereof, or the use thereof (collectively, the "Applicable Laws"). Guarantor shall give prompt notice to the Bank of the receipt by Guarantor of any notice related to a violation of any Applicable Laws and of the commencement of any proceedings or investigations which relate to compliance with Applicable Law.

MECHANICS' AND OTHER LIENS. Guarantor will promptly pay when due all bills and costs of all mechanics, materialmen, suppliers, vendors and others for labor, materials and other property incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien, charge, encumbrance or security interest, even though inferior to the liens and the security interests hereof. Guarantor will discharge or promptly cause to be bonded or discharged by bonding (in the form of cash or a letter of credit), payment, final order of a court of competent jurisdiction or otherwise, any other or additional lien, charge, encumbrance or security interest in respect of the Property or any part hereof.

PERFORMANCE OF OTHER AGREEMENTS. Borrower and/or Guarantor shall observe and perform each and every term to be observed or performed by Borrower and/or Guarantor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to Borrower and/or Guarantor or the Property, or given by Guarantor to the Bank for the purpose of further securing an Obligation and any amendments, modifications or changes thereto.

SPECIAL COVENANTS

Guarantor covenants and agrees that:

CONDEMNATION AND CASUALTY.

(a) Guarantor shall promptly give the Bank notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to the Bank copies of any and all papers served in connection with such proceedings. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including, without limitation, any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower and/or Guarantor shall continue to pay the Debts at the time and in the manner provided for its payment in the Note and in this Security Instrument, and the Debts shall not be reduced until any award or payment therefore shall have been actually received and applied by the Bank, after the deduction of expenses of collection, to the reduction or discharge of the Debts. The Bank shall not be limited to the interest paid on the award by the condemning authority but shall be entitled to receive out of the award interest at the rate or rates provided herein or in the Note. The Bank may apply any award or payment to the reduction or discharge of the Debts whether or not then due and payable or to the Restoration (as hereinafter defined) of the Property in its sole and absolute discretion. If the Property is sold, through foreclosure or otherwise, prior to the receipt by the Bank of the award or payment, the Bank shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the award or payment, or a portion thereof sufficient to pay the Debts.

(b) If the Property shall be damaged, destroyed or rendered unusable, in whole or in part, by fire or other casualty or become in need of repair or restoration because of any condemnation or similar proceeding, Guarantor shall give prompt notice of such event to the Bank and, subject to the following sentence, shall promptly commence and diligently prosecute the completion of the repair and restoration of the Property as nearly as possible to the condition the Property was in immediately prior to such casualty or condemnation (the "Restoration"), with such alterations as may be approved by the Bank and otherwise in accordance with this Security Instrument. Guarantor shall pay all costs of such Restoration whether or not such costs are covered by insurance proceeds or condemnation awards, except to the extent, but only to the extent, that the Bank elects to apply the condemnation award or Net Proceeds as hereinafter defined, as the case may be, to reduce the Debt in accordance with the provisions of this Security Instrument.

RESTORATION.

(a) In the event that each of the following conditions are satisfied, the Bank shall make the net amount of all insurance proceeds actually received by the Bank pursuant to this Security Instrument as a result of any fire or other casualty, after deduction of its reasonable costs and expenses (including, without limitation, architect's, attorneys', engineers' and other consultants' and professionals' fees and disbursements), if any, in connection therewith (the "Net Proceeds"), available to Guarantor for the Restoration in accordance with the provisions of this Section.

- (i) no Event of Default shall have occurred and be continuing under the Note, this Security Instrument or any of the other Loan Documents;
- (ii) the Net Proceeds in connection with such casualty shall not exceed the outstanding amount of the Debts;
- (iii) if the Net Proceeds shall exceed One Hundred Thousand Dollars (\$100,000.00), a licensed engineer or architect acceptable to the Bank shall have delivered to the Bank a certificate estimating the cost of fully completing the Restoration and a schedule of the time required therefore, which schedule shall indicate that the Restoration can be completed prior to the earlier of (A) the date occurring twelve (12) months prior to the Maturity Date (as defined in the Note), and (B) the date occurring twelve (12) months after the date of the casualty;

- (iv) Guarantor shall commence the Restoration as soon as reasonably practicable (but in no event later than forty-five (45) days after such damage or destruction occurs) and shall diligently pursue the same to satisfactory completion in a good and workmanlike manner;
 - (v) The Bank shall be satisfied that any operating deficits which will be incurred with respect to the Property as a result of the occurrence of any such fire or other casualty, including a reasonable period thereafter for leasing the Property, will be covered out of (A) the Net Proceeds, (B) the rental or business income insurance coverage referred to above, or (C) other funds of Guarantor;
 - (vi) The Bank shall be satisfied in its sole discretion that, upon the completion of the Restoration, the gross cash flow and the net cash flow of the Property, taking into consideration any Leases which may be terminated as a result of such casualty, will be restored to a level sufficient to cover all carrying costs and operating expenses of the Property;
 - (vii) the Restoration shall be performed and completed by Guarantor in an expeditious and diligent fashion in a good and workmanlike manner in accordance with plans and specifications therefore approved by the Bank (as provided in subsection (b) below), and in compliance with all Applicable Laws.
 - (viii) Guarantor shall deliver to the Bank evidence satisfactory to the Bank (which may include certificates of governmental authorities, endorsements to the Bank's title insurance policy and/or legal opinions) that, following the completion of the Restoration, the Property and the use thereof will be in compliance with and permitted under all Applicable Laws; and
 - (ix) The Bank shall have received from Guarantor a certificate certifying that all applicable conditions contained in this subsection have been satisfied.
- (b) The Net Proceeds shall be held by the Bank and, until disbursed in accordance with the provisions of this section, shall constitute additional security for the Obligations.
- (i) The Net Proceeds shall be disbursed by the Bank to, or as directed by, Guarantor from time to time during the course of the Restoration, upon receipt of evidence satisfactory to the Bank that (A) all materials installed and work and labor performed (except to the extent that they are to be paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property arising out of the Restoration which have not either been fully bonded to the satisfaction of the Bank and discharged of record or in the alternative fully insured to the satisfaction of the Bank by the title company insuring the lien of this Security Instrument.
 - (ii) All plans and specifications in connection with the Restoration shall be subject to prior review and approval in all respects by the Bank and by an independent consulting engineer selected by the Bank (the "Casualty Consultant"), which approval shall not be unreasonably withheld, conditioned or delayed. The Bank shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. All costs and expenses incurred by the Bank in connection with making the Net Proceeds available for the Restoration including, without limitation, reasonable counsel fees and disbursements and the Casualty Consultant's fees, shall be paid by Guarantor.

- (iii) Until such time as the Restoration has been completed and the Bank shall have received copies of any and all final certificates of occupancy or other certificates, licenses and permits required for the ownership, occupancy and operation of the Property in accordance with all Applicable Laws, the Bank shall be entitled to retain, and not disburse, up to ten percent (10%) of the cost of the Restoration, as determined by the Casualty Consultant (the "Casualty Retainage"). Guarantor hereby covenants diligently to seek to obtain any such certificates, licenses and permits. Promptly after the completion of the Restoration and delivery of such certificates, licenses and permits in accordance with the provisions hereof, provided no Event of Default shall then be continuing, the Bank shall disburse the Casualty Retainage to or as directed by Guarantor, subject, however, to the Bank's right to apply any excess proceeds remaining after the completion of the Restoration to the payment of the Debts.
- (iv) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the opinion of the Bank, be sufficient to pay in full the balance of the costs which are estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration, Guarantor shall deposit the deficiency with the Bank, which shall thereafter be treated as Net Proceeds, before any further disbursement of the Net Proceeds shall be made.
- (v) The excess, if any, of the Net Proceeds remaining after the Casualty Consultant certifies to the Bank that the Restoration has been completed, and the receipt by the Bank of evidence satisfactory to the Bank that all costs incurred in connection with the Restoration have been paid in full, shall be retained and applied by the Bank toward the payment of the Debts whether or not then due and payable in such order, priority and proportions as the Bank in its discretion shall deem proper.

(c) Notwithstanding any provision of this Security Instrument to the contrary, all Net Proceeds not required to be made available for the Restoration may be retained and applied by the Bank toward the payment of the Debts, whether or not then due and payable, in such order, priority and proportions as the Bank in its discretion shall deem proper. Alternatively, at the discretion of the Bank, the same may be paid, either in whole or in part, to Guarantor for such purposes as the Bank shall designate, in its sole discretion. If the Bank shall receive and retain Net Proceeds, the lien of this Security Instrument shall be reduced only by the amount thereof received and retained by the Bank and actually applied by the Bank in reduction of the Debts.

WAIVER OF NOTICE OF LIMITATION OF INDEBTEDNESS. Guarantor hereby waives, on behalf of itself and its successors and assigns, the right to file for recording a notice limiting the maximum principal amount which may be secured by this Security Instrument.

FURTHER ASSURANCES

FURTHER ACTS, ETC. Guarantor will, at the cost of Borrower and/or Guarantor, and without expense to the Bank, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as the Bank shall, from time to time, require for the better assuring, conveying, assigning transferring and confirming unto the Bank the Property and rights hereby mortgaged, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Guarantor may be or may hereafter become bound to convey or assign to the Bank or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all applicable Laws. Upon receipt of an affidavit of an officer of the Bank as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or

other Loan Document, Borrower and/or Guarantor will issue, in lieu thereof, a replacement Note or other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor. Guarantor, on demand, will execute and deliver and hereby authorizes the Bank to execute in the name of Guarantor or without the signature of Guarantor to the extent the Bank may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence more effectively the security interest of the Bank in the Property. Guarantor grants to the Bank an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to the Bank at law and in equity, including, without limitation, such rights and remedies available to the Bank pursuant to this section. Borrower and/or Guarantor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgement and/or recording of the Loan Documents, any note or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any mortgage supplement hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

ESTOPPEL CERTIFICATES.

(a) After request by the Bank, Borrower and/or Guarantor, within ten (10) days, shall furnish the Bank or any proposed assignee with a statement, duly acknowledged and certified, setting forth (i) the amount of the original principal amount of the Note, (ii) the unpaid principal amount of the Note, (iii) the rate of interest of the Note, (iv) the terms of payment and maturity date of the Note, (v) the date installments or interest and/or principal were last paid, (vi) that, except as provided in such statement, there are no defaults or events which with the passage of time or the giving of notice or both, would constitute an Event of Default under the Note or this Security Instrument, (vii) that the Note and this Security Instrument have not been modified, or, if modified, giving particulars of such modifications, (viii) whether any offsets or defenses exist against the obligations secured hereby and, if any are alleged to exist, a detailed description thereof, (ix) as to any other matters reasonably requested by the Bank and reasonably related to the obligations secured hereby, the Property or this Security Instrument.

(b) Guarantor shall use commercially reasonable efforts to deliver to the Bank promptly upon request, duly executed estoppel certificates as required by the Bank attesting to such facts as the Bank may reasonably require.

DUE ON TRASFER/ENCUMBRANCE

NO TRANSFER/ENCUMBRANCE. Guarantor agrees that Guarantor shall not, without the prior written consent of the Bank, which consent may be withheld in the Bank's sole and absolute discretion, sell, convey, mortgage, grant, bargain, encumber, pledge, assign, or otherwise transfer the Property or any part thereof or permit the Property or any part thereof to be sold, conveyed, mortgaged, granted, bargained, encumbered, pledged, assigned, or otherwise transferred.

SALE/ENCUMBRANCE DEFINED. A sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer within the meaning of this section shall be deemed to include, but not be limited to (a) an installment sales agreement wherein Guarantor agrees to sell the Property or any part thereof for a price to be paid in installments; (b) an agreement by Guarantor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Guarantor's right, title and interest in and to any Leases or any Rents; (c) if Borrower, any Guarantor, or any general partner of Borrower or Guarantor is a limited partnership, the voluntary or involuntary sale, conveyance, transfer or pledge of such limited partnership's stock (or the stock of any limited partnership directly or indirectly controlling such limited partnership by operation of law or otherwise) or the creation or issuance of new stock by which an aggregate of more than 49% of such limited partnership's stock shall be vested in a party or parties who are

not now owners of more than 49% of such limited partnership's stock; (d) if Borrower, or any Guarantor or any general partner or managing member (or if no managing member, any member) of Borrower, or any Guarantor is a limited or general partnership or joint venture, the change, removal or resignation of a general partner or the transfer or pledge of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, which, whether singly or in the aggregate, result in more than 49% of the beneficial interest in Borrower, or the profits or proceeds relating thereto, having been transferred or pledged; and (e) if Borrower, any Guarantor, or any general partner or member of Borrower, or any Guarantor is a limited liability company, the change, removal or resignation of a managing member or the transfer or pledge of the membership interest of a managing member or any profits or proceeds relating to such membership interest or the transfer or pledge of any membership interest of any other member or any profits or proceeds relating to any such membership interest, which, whether singly or in the aggregate, result in more than 49% of the beneficial interests in Borrower and/or Guarantor, or the profits or proceeds relating thereto, having been transferred or pledged.

THE BANK'S RIGHTS. The Bank reserves the right to condition the consent required hereunder upon a modification of the terms hereof and on assumption of the Note, this Security Instrument and the Related Loan Documents as so modified by the proposed transferee, payment of a transfer fee and all of the Bank's expenses incurred in connection with such transfer, or such other conditions as the Bank shall determine in its sole discretion to be in the interest of the Bank. The Bank shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debts immediately due and payable upon Guarantor's sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property without the Bank's consent. This provision shall apply to every sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property regardless of whether voluntary or not, or whether or not the Bank has consented to any previous sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property.

PERMITTED TRANSFERS. Notwithstanding any other provision of this Section to the contrary, transfers of partnership interests, membership interests or corporate shares in Guarantor or any entity holding an interest in Guarantor between or among partners, members or shareholders existing as such on the date hereof, or transfers of such interests to immediate family members of existing partners, members or shareholders or to trusts for estate planning purposes for the benefit of existing partners, members or shareholders or members of the transferor's immediate family shall be permitted without the Bank's consent, provided that ten (10) days prior written notice is given to the Bank.

DEFAULT

EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) if any portion of the Debt is not paid prior to the fifth (5th) day after the same is due or if the entire Debt is not paid on or before the Maturity Date;
- (b) if any of the Taxes or Other Charges is not paid at least ten (10) days prior to the date upon which any fine, penalty, interest or cost for nonpayment is imposed, except to the extent sums sufficient to pay such Taxes and Other Charges have been deposited with the Bank in accordance with the terms of this Security Instrument;
- (c) if the Policies are not kept in full force and effect, or if the Policies are not delivered to the Bank upon request;
- (d) if the Property is subject to actual waste or hazardous nuisance;
- (e) if Borrower and/or Guarantor violate or do not comply with any of the provisions of this Security Instrument, the Credit Agreement, the Note and Related Loan Documents;

(f) if any representation or warranty of Borrower, or any Guarantor, or otherwise contained in any guaranty, certificate, report, financial statement or other instrument or document furnished to the Bank in connection with the Loan, shall have been materially false or misleading when made;

(g) if (i) Borrower or any Guarantor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower, or any Guarantor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower, or any Guarantor, any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Borrower or any Guarantor, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) Borrower or any Guarantor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Borrower or any Guarantor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(h) if Guarantor shall be in default under any other mortgage, deed of trust, deed to secure debt or other security agreement covering any part of the Property whether it be superior or junior in lien to this Security Instrument;

(i) if the Property becomes subject to any mechanic's, materialman's or other lien other than a lien for local real estate taxes and assessments not then due and payable and the lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of thirty (30) days, except to the extent being contested;

(j) if any federal tax lien is filed against Borrower, any Guarantor, or the Property and same is not discharged of record within thirty (30) days after same is filed;

(k) if Borrower and/or Guarantor fails to cure promptly any violation of Applicable Laws, except to the extent being contested in accordance with the provisions of this Security Instrument.

(l) if any condemnation proceeding is instituted which would in the Bank's reasonable judgment, materially impair the use and enjoyment of the Property for its intended purposes;

(m) if Borrower and/or Guarantor shall fail to reimburse the Bank on demand, with interest calculated at the Default Rate, for all Insurance Premiums, Taxes or Other Charges, together with interest and penalties imposed thereon, paid by the Bank pursuant to this Security Instrument;

(n) if for more than ten (10) days after notice from the Bank, Borrower, and/or Guarantor shall continue to be in default under any other term, covenant or condition of the Credit Agreement, Note, Guaranties, this Security Instrument or any of the Related Loan Documents in the case of any Default which can be cured by the payment of a sum of money or for thirty (30) days after notice from the Bank in the case of any other default unless, in either case, a shorter period is specified therein), provided that if such default cannot reasonably be cured within such thirty (30) day period and Borrower, or Guarantor, as the case may be, shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Borrower, or Guarantor, as the case may be, in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of sixty (60) days.

LATE PAYMENT CHARGE. If any payment required hereunder is not paid prior to the tenth (10th) day after the date on which it is due, Borrower and/or Guarantor shall pay to the Bank upon demand an amount equal to five percent (5%) of such unpaid portion of the outstanding monthly installment then due, to defray the expense incurred by the Bank in handling and processing such delinquent payment and to compensate the Bank for the loss of the use of such delinquent payment, and such amount shall be secured by this Security Instrument and the Other Security Documents.

DEFAULT INTEREST. Borrower and/or Guarantor will pay, from the date of an Event of Default through the earlier of the date upon which the Event of Default is cured or the date upon which the Debt is paid in full, interest on the unpaid principal balance of the Note at a per annum rate equal to (as defined in the Note) eighteen percent (18%) (the "Default Rate").

RIGHTS AND REMEDIES

REMEDIES. Upon the occurrence of any Event of Default, Guarantor agrees that the Bank may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Guarantor and in and to the Property, including, without limitation, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Bank may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Bank:

- (a) declare the entire unpaid Debts to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) to the extent permitted and pursuant to the procedures provided by the laws of the State of Indiana, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss of priority;
- (d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Guarantor therein and rights of redemption thereof, at one or more sales, as an entity or in parcels, at such time and place, upon such terms and after such notice thereof that may be required or permitted by law;
- (e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Credit Agreement, Note, Guaranties, Security Agreement or in the Related Loan Documents;
- (f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument or Other Security Documents;
- (g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, any Guarantor, or of any person, firm or other entity liable for the payment of the Debts;
- (h) subject to any Applicable Law, the license granted to Guarantor hereunder shall automatically be revoked and the Bank may, but without any obligation to do so, enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Guarantor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Guarantor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Guarantor agrees to surrender possession of the Property and of such books, records and accounts to

the Bank upon demand, and thereupon the Bank may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as the Bank deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Guarantor with respect to the Property, whether in the name of Guarantor or otherwise, including, without limitation, the right to make, negotiate, execute, cancel, enforce, extend, renew or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Borrower and/or Guarantor to pay monthly in advance to the Bank, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be in the possession of Guarantor or any Affiliate of Guarantor; (vi) require Guarantor to vacate and surrender possession of the Property to the Bank or to such receiver and, in default thereof, Guarantor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Debts, in such order, priority and proportions as the Bank shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, Insurance Premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of the Bank, its counsel, agents and employees;

(i) exercise immediately and without demand any and all rights and remedies granted to a secured party upon default under the UCC, including, without limitation, to the extent permitted by the laws of the State of Indiana: (i) the right to take possession of the UCC Collateral or any part thereof, and to take such other measures as the Bank may deem necessary for the care, protection and preservation of the UCC Collateral, and (ii) request Guarantor at its expense to assemble the UCC Collateral and make it available to the Bank at a convenient place acceptable to the Bank. Any notice of sale, disposition or other intended action by the Bank with respect to the UCC Collateral sent to Guarantor in accordance with the provisions hereof at least ten (10) days prior to such action shall constitute commercially reasonable notice to Guarantor. Any disposition pursuant to the UCC of so much of the Property as may constitute UCC Collateral shall be considered commercially reasonable if made pursuant to a public sale which is advertised at least twice in a newspaper in which sheriffs' sales are advertised in the county where the Real Estate is located. The proceeds of any disposition of the UCC Collateral, or any part thereof, may be applied by the Bank to the payment of the Obligations in such priority and proportions as the Bank in its discretion shall deem proper;

(j) apply any sums held in reserve or otherwise by the Bank in accordance with the terms of this Security Instrument or the Credit Agreement, or Related Loan Documents, together with interest thereon, to the payment of the following items in any order in its uncontrolled discretion:

- (i) Taxes and Other Charges;
- (ii) Insurance Premiums;
- (iii) interest on the unpaid principal balance of the Note;
- (iv) amortization of the unpaid principal balance of the Note;
- (v) all other sums payable pursuant to any of the Loan Documents, including, without limitation, advances made by the Bank pursuant to the terms of this Security Instrument;

(k) surrender the Policies maintained pursuant to this Mortgage, the Credit Agreement and Related Loan Documents, collect the unearned Insurance Premiums and apply such sums as a credit on the Debts in such priority and proportion as the Bank in its discretion shall deem proper, and in connection therewith, Guarantor hereby appoints the Bank as agent and attorney-in-fact (which is coupled with an interest and irrevocable) for Guarantor to collect such Insurance Premiums;

(l) apply the undisbursed balance of any Net Proceeds, together with interest thereon, to the payment of the Debts in such order, priority and proportions as the Bank shall deem to be appropriate in its sole discretion; or

(m) pursue such other remedies as the Bank may have under Applicable Law.

In the event of a sale, by foreclosure, or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

APPLICATION OF PROCEEDS. The proceeds of any disposition of the Property, or any part thereof, or any other sums collected by the Bank pursuant to the Loan Documents, may be applied by the Bank to the payment of the Debts in such priority and proportions as the Bank in its discretion shall deem proper.

RIGHT TO CURE DEFAULTS. Upon the occurrence of any Event of Default or if Borrower and/or Guarantor fail to make any payment or to do any act as herein provided, the Bank may, but without any obligation to do so and without notice to or demand on Borrower and/or Guarantor and without releasing Borrower and/or Guarantor from any obligation hereunder, make or do the same in such manner and to such extent as the Bank may deem necessary to protect the security hereof. The Bank is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with default interest as provided herein, shall constitute a portion of the Debts and shall be due and payable to the Bank upon demand. All such costs and expenses incurred by the Bank in remedying such Event or Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period from that the incurrence of such cost or expense by the Bank to the date of payment to the Bank. All such costs and expenses incurred by the Bank together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debts and be secured by this Security Instrument and the Other Security Documents and shall be immediately due and payable upon demand by the Bank therefor.

RECOVERY OF SUMS REQUIRED TO BE PAID. The Bank shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debts as the same become due, without regard to whether or not the balance of the Debts shall be due, and without prejudice to the right of the Bank thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower and/or Guarantor existing at the time such earlier action was commenced reasonable advance notice (which may, for such purpose alone, be given orally). The Bank and its agents shall have the right to make copies and extracts from the foregoing records and other papers and, at Borrower's and/or Guarantor's expense, the right to prepare any of the statements and reports that Borrower, and each Guarantor shall be required to deliver hereunder upon any failure to do so. Borrower, and each Guarantor shall furnish to the Bank and its agents convenient facilities for the examination and audit of such books and records.

OTHER RIGHTS, ETC.

(a) The failure of the Bank to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. Borrower and/or Guarantor shall not be relieved of Borrower's and/or Guarantor's obligations hereunder by reason of (i) the failure of the Bank to comply with any request of Borrower, any Guarantor to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the Related Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Debts or any portion thereof, or (iii) any agreement or stipulation by the Bank extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Security Instrument or the Related Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Guarantor, and the Bank shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by the Bank shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in possession.

(c) The Bank may resort for the payment of the Debts to any other security held by the Bank in such order and manner as the Bank, in its discretion, may elect. The Bank may take action to recover the Debts, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of the Bank thereafter to foreclose this Security Instrument. The rights of the Bank under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of the Bank shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. The Bank shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

(d) In the event the Bank determines from time to time that the Property is not being maintained as required under this Security Instrument, the Bank may require that Guarantor establish a monetary reserve therefore in an amount determined by the Bank, in its reasonable discretion, based upon the Bank's review of the historical and/or current operation and management of, and performance of, the Property, reports or recommendations of architects, engineers or other professionals or consultants the Bank may deem necessary or appropriate to consult, the age, location and condition of the Property, the maturity of the Loan, legal requirements, projections regarding future performance of the Property, the economic conditions of the area in which the Property is located, and such other information and factors as the Bank shall deem relevant in make such determination. Guarantor hereby agrees to fully comply with any such additional requirements imposed by the Bank, including, without limitation, depositing with the Bank in full or in installments such sums as the Bank shall determine. Any such reserve shall be established with the Bank on the Bank's form of reserve agreement.

RIGHT TO RELEASE ANY PORTION OF THE PROPERTY. The Bank may release any portion of the Property for such consideration as the Bank may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by the Bank for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as the Bank may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

RECOURSE AND CHOICE OF REMEDIES. Notwithstanding any other provision of this Security Instrument, the Bank is entitled to enforce the obligations of Borrower and the Guarantors contained herein without first resorting to or exhausting any security or collateral and without first having recourse to the Note or any of the Property, through foreclosure or acceptance of a deed in lieu of foreclosure or otherwise, and in the event the Bank commences a foreclosure action against the Property, the Bank is entitled to pursue a deficiency judgment with respect to such obligations against Borrower, and/or Guarantor. Notwithstanding the foregoing, nothing herein shall inhibit or prevent the Bank from foreclosing pursuant to this Security Instrument or exercising any other rights and remedies pursuant to the Note, this Security Instrument and the Related Loan Documents, whether simultaneously with foreclosure proceedings or in any other sequence. A separate action or actions may be brought and prosecuted against Borrower and/or Guarantor, whether or not action is brought against any other Person or whether or not any other Person is joined in the action or actions. In addition, the Bank shall have the right but not the obligation to join and participate in, as a party if it so elects, any administrative or judicial proceedings or actions initiated herein in connection with any matter addressed in this Mortgage.

RIGHT OF ENTRY. The Bank and its agents shall have the right to enter and inspect the Property at all reasonable times and, except during an emergency or following the occurrence and during the continuance of an Event of Default, upon reasonable advance notice (which may, for such purpose alone, be given orally).

WAIVERS

MARSHALLING AND OTHER MATTERS. Guarantor hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Guarantor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Guarantor, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by Applicable Law.

WAIVER OF NOTICE. Guarantor shall not be entitled to any notices of any nature whatsoever from the Bank except with respect to matters for which this Security Instrument specifically and expressly provides for the giving of notice by the Bank to Guarantor and except with respect to matters for which the Bank is required by Applicable Law to give notice, and Guarantor hereby expressly waives the right to receive any notice from the Bank with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by the Bank to Guarantor.

MISCELLANEOUS PROVISIONS

ATTORNEY'S FEES FOR ENFORCEMENT. Borrower and/or Guarantor shall pay all reasonable legal fees and disbursements incurred by the Bank in connection with the preparation of the Loan Documents, and Borrower and/or Guarantor shall pay to the Bank on demand any and all expenses, including legal expenses and attorneys' fees, incurred or paid by the Bank in protecting its interest in the Property, in collecting any amount payable hereunder in any bankruptcy proceedings or in enforcing its rights hereunder with respect to the Property, whether or not any legal proceeding is commenced hereunder or under any Related Loan Document, together with interest thereon at the Default Rate from the date paid or incurred by the Bank until such expenses are paid by Borrower and/or Guarantor.

TRANSFER OF LOAN. The Bank, at any time, may sell, transfer or assign the Loan, the Loan Documents, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"). The Bank may forward to each purchaser, transferee, assignee, servicer, participant or investor, all documents and information which the Bank now has or may hereafter acquire relating to the Debts and to Borrower, any Guarantor, and the Property, as the Bank determines necessary or desirable. Borrower and any Guarantor agree to cooperate with the Bank in connection with any transfer made or any Securities created pursuant to this Section, including, without limitation, the delivery of an estoppel certificate and such other documents as may be reasonably requested by the Bank.

NOTICES, ETC. All notices, consents, approvals, statements, requests, reports, demands, instruments or other communications to be made, given or furnished pursuant to, under or by virtue of such instrument (each, a "notice") shall be in writing and shall be deemed given or furnished if addressed to the party intended to receive the same at the address of such party set forth below (i) upon receipt when personally delivered at such address, (ii) three (3) Business Days after the same is deposited in the United States mail as first class registered or certified mail, return receipt requested, postage prepaid, or (iii) one Business day after the date of delivery of such notice to a nationwide, reputable commercial courier service:

The Bank: **MainSource Bank - Crawfordsville**, an Indiana banking institution, having an address at 50 W 250 South, Lafayette, Indiana 47909.

with a copy by the same means sent simultaneously to: John E. Bator, **BATOR REDMAN BRUNER SHIVE & LUDWIG, PC.**, 151 North Delaware St., 1106 Market Square Center, Indianapolis, Indiana 46204

Guarantor: **HOOSIER PARK, L.P.**, having an address at 10 West Market Street, Suite 200, Indianapolis, Indiana 46204, Attention: Kurt Wilson

Any party may change the address to which any notice is to be delivered to any other address within the United States of America by furnishing written notice of such change at least fifteen (15) days prior to the effective date of such change to the other parties in the manner set forth above, but no such notice of change shall be effective unless and until received by such other parties. Rejection or refusal to accept, or inability to deliver because of changed address or because no notice of changed address was given, shall be deemed to be receipt of any such notice. Any notice to an entity shall be deemed to be given on the date specified above, without regard to when such notice is delivered by the entity to the individual to whose attention it is directed and without regard to the fact that proper delivery may be refused by someone other than the individual to whose attention it is directed. If a notice is received by any entity, the fact that the individual to whose attention it is directed is no longer at such address or associated with such entity shall not affect the effectiveness of such notice. Notices may be given on behalf of any party by such party's attorneys.

SEVERABILITY. Whenever possible, each provision of such instrument shall be interpreted in such a manner as to be effective and valid under the laws of the State of Indiana, but if any provision of such instrument shall be prohibited by or invalid or unenforceable under the laws of the State of Indiana or any jurisdiction with respect to any Person or circumstance, such provision shall be ineffective to the extent of such prohibition, invalidity or unenforceability, without invalidating the remaining provisions of such instrument or affecting the validity or enforceability of such provisions in any other jurisdiction or with respect to other Persons or circumstances

REMEDIES NOT EXCLUSIVE. No remedy therein conferred upon or reserved to the Bank is intended to be exclusive of any other remedy or remedies available to the Bank under such instrument, at law, in equity or by statute, and each and every such remedy shall be cumulative and in addition to every other remedy thereunder or now or hereafter existing at law, in equity or by statute.

LIABILITY. If Borrower and/or Guarantor consists of more than one person or entity, the obligations and liabilities of each such person or entity under such instrument shall be joint and several.

BINDING OBLIGATIONS; COVENANTS RUN WITH THE LAND. Such instrument shall be binding upon Guarantor, and the successors, assigns, heirs and personal representatives of Guarantor, and shall inure to the benefit of the Bank and all subsequent holders of such instrument and their respective officers, directors, employees, shareholders, agents, successors and assigns. Nothing in such instrument, whether express or implied, shall be construed to give any Person (other than the parties thereto and their permitted successors and assigns and as expressly provided therein) any legal or equitable right, remedy or claim under or in respect of such instrument or any covenants, conditions or provisions contained therein. If such instrument is to be recorded, all of the grants, covenants, terms, provisions, covenants and conditions of such instrument shall run with the land.

NO ORAL MODIFICATIONS. Such instrument, and any of the provisions thereof, cannot be altered, modified, amended, waived, extended, changed, discharged or terminated orally or by any act on the part of Guarantor or the Bank, but only by an agreement in writing signed by the party against whom enforcement of an alteration, modification, amendment, waiver, extension, change, discharge or termination is sought. Without limiting the generality of the foregoing, any payment made by the Bank for insurance premiums, Taxes, Other Charges or any other charges affecting the Property shall not constitute a waiver of Borrower's and/or Guarantor's default in making such payments and shall not obligate the Bank to make any further payments.

ENTIRE AGREEMENT. Such instrument, together with the other applicable Loan Documents, constitutes the entire agreement of the parties thereto with respect to the subject matter thereof and supersedes all prior written and oral agreements and understandings with respect to such subject matter.

JURISDICTION, COURT PROCEEDINGS. EACH OF THE BANK, BORROWER AND GUARANTORS TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (I) SUBMITS TO PERSONAL, NONEXCLUSIVE JURISDICTION IN THE STATE OF INDIANA WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM, RELATING TO OR IN CONNECTION WITH SUCH INSTRUMENT OR THE LOAN, (II) AGREES THAT ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN **LAKE COUNTY, INDIANA**, AND (III) SUBMITS TO THE JURISDICTION OF SUCH COURTS. EACH OF BORROWER AND GUARANTOR, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, FURTHER AGREE THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY FORUM OTHER THAN **LAKE COUNTY, INDIANA** (BUT NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE BANK TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM), AND IRREVOCABLY AGREES NOT TO ASSERT ANY OBJECTION WHICH IT MAY EVER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT LOCATED IN INDIANA AND ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

WAIVER OF JURY TRIAL. BORROWER, GUARANTORS AND THE BANK, TO THE FULL EXTENT PERMITTED BY LAW, EACH HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH AND FOREVER FORGOES HEREBY THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY TORT ACTION, BROUGHT BY ANY OF THEM AGAINST THE OTHER BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO OR IN CONNECTION WITH SUCH INSTRUMENT, THE LOANS OR ANY COURSE OF CONDUCT, ACT, OMISSION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON (INCLUDING, WITHOUT LIMITATION, SUCH AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH SUCH PERSON), IN CONNECTION WITH THE LOAN OR SUCH INSTRUMENT, INCLUDING, WITHOUT LIMITATION, IN ANY COUNTERCLAIM WHICH BORROWER OR GUARANTORS MAY BE PERMITTED TO ASSERT THEREUNDER OR WHICH MAY BE ASSERTED BY THE BANK OR ITS AGENTS AGAINST BORROWER OR GUARANTORS, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THIS WAIVER BY BORROWER AND GUARANTORS OF THEIR RIGHT TO A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE BANK TO MAKE THE LOAN.

NO WAIVERS BY THE BANK. No delay or omission of the Bank in exercising any right or power accruing upon any default under such instrument shall impair any such right or power or shall be construed to be a waiver of any default under such instrument or any acquiescence therein, nor shall any single or partial exercise of any such right or power or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. Acceptance of any payment after the occurrence of a default under such instrument shall not be deemed to waive or cure such default under such instrument; and every power and remedy given by such instrument to the Bank may be exercised from time to time as often as may be deemed expedient by the Bank. Borrower and Guarantors hereby waive any right to require the Bank at any time to pursue any remedy in the Bank's power whatsoever.

OFFSETS, COUNTERCLAIMS AND DEFENSES. Any assignee of such instrument from the Bank or any successor or assignee of the Bank shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such instrument which Borrower or Guarantors may otherwise have against any assignor of such instrument, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower or Guarantors in any action or proceeding brought by any such assignee upon such instrument, and any such action or proceeding is hereby expressly waived by Borrower and Guarantor.

RESTORATION OF RIGHTS. In case the Bank shall have proceeded to enforce any right under such instrument by foreclosure sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bank, then, in every such case, Borrower, Guarantors and the Bank shall be restored to their former positions and rights thereunder.

TIME OF THE ESSENCE. TIME SHALL BE OF THE ESSENCE IN THE PERFORMANCE OF ALL OBLIGATIONS OF BORROWER AND GUARANTORS THEREUNDER.

GOVERNING LAW. SUCH INSTRUMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF INDIANA WHERE THE PROPERTY IS LOCATED, EXCEPT TO THE EXTENT THAT THE APPLICABILITY OF ANY OF SUCH LAWS MAY NOW OR HEREAFTER BE PREEMPTED BY FEDERAL LAW, IN WHICH CASE SUCH FEDERAL LAW SHALL SO GOVERN AND BE CONTROLLING.

SOLE DISCRETION OF THE BANK. Wherever pursuant to such instrument, the Bank exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to the Bank, the decision of the Bank to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of the Bank and shall be final and conclusive, except as may be otherwise specifically provided therein. In addition, the Bank shall have the right to refuse to grant its consent, approval or acceptance or to indicate its satisfaction whenever such consent, approval, acceptance or satisfaction shall be required under such instrument, except as may be otherwise expressly provided herein.

EXHIBITS INCORPORATED; HEADINGS. The information set forth on the cover of such instrument, the table of contents, the headings and the exhibits annexed thereto, if any, shall be deemed to be incorporated therein as a part thereof with the same effect as if set forth in the body thereof. The headings and captions of the various articles, sections and paragraphs of such instrument are for convenience of reference only and shall not be construed as modifying, defining or limiting, in any way, the scope or intent of the provisions thereof.

NO JOINT VENTURE OR PARTNERSHIP. Borrower, Guarantors and the Bank intend that the relationship created under such instrument be solely that of mortgagor and mortgagee, borrower and lender, or guarantor and lender, as the case may be. Nothing herein is intended to create a joint venture, partnership, tenancy-in-common, agency or joint tenancy relationship between Borrower and the Bank or Guarantor and the Bank, as the case may be, nor to grant to the Bank any interest in the Property other than that of mortgagee or lender; it being the intent of the parties hereto that the Bank shall not share in any loss whatsoever generated by the Property and that the Bank shall have no control over the day-to-day management and operation of the Property.

REMEDIES OF BORROWER AND GUARANTORS. If Borrower or Guarantor, as the case may be, shall seek the approval or consent of the Bank under such instrument, which instrument expressly provides that the Bank's approval shall not be unreasonably withheld, and the Bank shall fail or refuse to give such consent or approval, the burden of proof as to whether or not the Bank acted unreasonably shall be upon the Borrower or Guarantor, as the case may be. In addition thereto, in the event that a claim or adjudication is made that the Bank has acted unreasonably or unreasonably delayed acting in any case where by law or under such instrument it has an obligation to act reasonably or promptly, the Bank shall not be liable for any monetary damages, and Borrower's and Guarantors' remedies shall be limited to injunctive relief or declaratory judgment. This provision is limited to such situations wherein the Borrower or Guarantors are seeking the consent of the Bank and the Bank fails to or refuses to give such consent.

RELEASE OF ANY PARTY. Any one or more parties liable upon or in respect of such instrument may be released without affecting the liability of any party not so released.

ATTORNEYS' FEES. Wherever it is provided in such instrument that Borrower or Guarantors pay any costs and expenses, such costs and expenses shall include, without limitation, all reasonable attorneys', paralegal and law clerk fees and disbursements, including, without limitation, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by the Bank.

METHOD OF PAYMENT. All amounts required to be paid by any party to such instrument to any other party shall be paid in such freely transferable coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

TRUE COPY. By executing such instrument, Borrower or Guarantor, as the case may be, acknowledges that it has received a true copy of such instrument.

OTHER MISCELLANEOUS PROVISIONS. With respect to such instrument: (i) any act which the Bank is permitted to perform under such instrument may be performed at any time and from time to time by the Bank or by any Person designated by the Bank; and (ii) each appointment of the Bank as attorney-in-fact for Borrower or Guarantor under such instrument shall be irrevocable and coupled with an interest.

IN WITNESS WHEREOF THIS SECURITY INSTRUMENT has been executed by Guarantor as of the day and year first above written.

HOOSIER PARK, L.P.

BY: Centaur Indiana, LLC,
its General Partner

BY: Centaur, LLC, its Manager

BY: Kurt Wilson
ITS: Chief Financial Officer, Executive Vice-President,
Secretary and Treasurer

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[ACKNOWLEDGMENT]

STATE OF INDIANA)
)SS:
COUNTY OF MARION)

Before me, the undersigned, a Notary Public, in and for said County and State this 18th day of July, 2007, personally appeared the within named Kurt Wilson, the Chief Financial Officer, Executive Vice-President, Secretary and Treasurer of Centaur, LLC, the Manager of Centaur Indiana, LLC, the General Partner of Hoosier Park, L.P., an Indiana limited partnership organized and existing under the laws of the State of Indiana, and who by me duly sworn did say that said instrument was signed and acknowledged by him for and on behalf of said limited partnership under authority of its Partnership Agreement, and acknowledges the execution of said instrument to be his free act and deed as such Chief Financial Officer, Executive Vice-President, Secretary and Treasurer, and the free act and deed of Hoosier Park, L.P., who:

- is personally known to me.
- produced a current driver's license as identification.
- produced _____ as identification.

WITNESS my hand and official seal.



Kathy S. Smith

Signatory of Notary
Printed Name of Notary
Commission No. _____
My commission expires: _____
(Seal)

I affirm, under penalties of perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law.

John E. Bator

John E. Bator