

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

2007 JAN -9 AM 8:53

MICHAEL A. BROWN  
RECORDER

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

2007 000013

Cole, Schotz, Meisel, Forman & Leonard  
Court Plaza North  
25 Main Street, P.O. Box 800  
Hackensack, NJ 07602-0800  
Attn: W. John Park, Esq.

*see outside*

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR NOVOGRODER/HAMMOND, LLC

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

875 NORTH MICHIGAN  
AVENUE, SUITE 3612

CITY

CHICAGO

STATE

IL

POSTAL CODE

60611

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE  
ORGANIZATION  
DEBTOR

1e. TYPE OF ORGANIZATION

LIMITED LIABILITY CO

1f. JURISDICTION OF ORGANIZATION

INDIANA

1g. ORGANIZATIONAL ID#, IF ANY

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR NOVOGRODER/ASHLAND, LLC

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

875 NORTH MICHIGAN  
AVENUE, SUITE 3612

CITY

CHICAGO

STATE

IL

POSTAL CODE

60611

COUNTRY

USA

2d. SEE INSTRUCTIONS

ADD'L INFO RE  
ORGANIZATION  
DEBTOR

2e. TYPE OF ORGANIZATION

LIMITED LIABILITY CO

2f. JURISDICTION OF ORGANIZATION

ILLINOIS

2g. ORGANIZATIONAL ID#, IF ANY

NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR UBS REAL ESTATE INVESTMENTS INC.

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

1251 AVENUE OF THE  
AMERICAS 22nd FLOOR

CITY

NEW YORK

STATE

NY

POSTAL CODE

10020

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

SEE SCHEDULE "A" ATTACHED HERETO AND MADE A PART HEREOF.

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]

All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA - COUNTY OF LAKE, IN

ACKNOWLEDGMENT COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1)(REV.05/22/02)

TICOR TITLE INSURANCE

920610321

38196/0247-2328937v1

**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OR FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

OR

9a. ORGANIZATION'S NAME NOVOGRODER/HAMMOND, LLC		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

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10. MISCELLANEOUS:

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11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (11a or 11b) - do not abbreviate or combine names

OR

11a. ORGANIZATION'S NAME			
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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11d. <b>SEE INSTRUCTIONS</b>	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID#, if any <input type="checkbox"/> NONE
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12.  ADDITIONAL SECURED PARTY'S or  ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

OR

12a. ORGANIZATION'S NAME			
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.**

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest);

16. Additional collateral description

17. Check only if applicable and check only one box.  
Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box/  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction - effective 30 years  
 Filed in connection with a Public-Finance Transaction - effective 30 years

SCHEDULE "A"

All of Debtor's right, title and interest in and to the following:

1. All that certain lot(s), piece(s) or parcel(s) of land (the "Real Estate") as more particularly described on Exhibit "A" annexed hereto and made a part hereof, together with all of the easements, rights, privileges, franchises, tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in any way appertaining and all of the estate, right, title, interest, claim and demand whatsoever of Debtor therein or thereto, either at law or in equity, in possession or in expectancy, now or hereafter acquired; and

2. All of the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located or placed on the Real Estate (the "Improvement"); and

3. All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, all rights to oil, gas, minerals, coal and other substances of any kind or character, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Real Estate and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road, highway, alley or avenue, opened, vacated 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, courtesy and rights of courtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Debtor of, in and to the Real Estate and the Improvements and every part and parcel thereof, with the appurtenances thereto; and

4. All machinery, furniture, furnishings, equipment, computer software and hardware, fixtures (including, without limitation, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures) and other property of every kind and nature, whether tangible or intangible, whatsoever owned by Debtor, or in which Debtor has or shall have an interest, now or hereafter located upon the Real Estate and/or the Improvements, or appurtenant thereto, and usable in connection with the present or future operation and occupancy of the Real Estate and/or the Improvements, and all building equipment, materials and supplies of any nature whatsoever owned by Debtor, or in which Debtor has or shall have an interest, now or hereafter located upon the Real Estate and the

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Improvements, or appurtenant thereto, or usable in connection with the present or future operation, enjoyment and occupancy of the Real Estate and the Improvements (hereinafter collectively referred to as the "Equipment"), including any leases of any of the foregoing, any deposits existing at any time in connection with any of the foregoing, and the proceeds of any sale or transfer of the foregoing, and the right, title and interest of Debtor in and to any of the Equipment that may be subject to any "security interests" as defined in the Uniform Commercial Code, as adopted and enacted by the State or States where any of the collateral described herein is located (the "Uniform Commercial Code"); and

5. All awards or payments, including interest thereon, that may heretofore and hereafter be made with respect to the Real Estate and/or the Improvements, whether from the exercise of the right of eminent domain or condemnation (including, without limitation, any transfer made in lieu of or in anticipation of the exercise of said rights), or for a change of grade, or for any other injury to or decrease in the value of the Real Estate and/or Improvements; and

6. All leases and other agreements or arrangements heretofore or hereafter entered into affecting the use, enjoyment or occupancy of, or the conduct of any activity upon or in, the Real Estate and the Improvements, including any extensions, renewals, modifications or amendments thereof (hereinafter collectively referred to as the "Leases") and all rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, fees, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other payment and consideration of whatever form or nature received by or paid to or for the account of or benefit of Debtor or its agents or employees from any and all sources arising from or attributable to the Real Estate and the Improvements (hereinafter collectively referred to as the "Rents"), together with all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt; and

7. All proceeds of and any unearned premiums on any insurance policies covering the collateral described herein, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the collateral described herein; and

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MCHVILLI, JENNIFER  
REC'D

8. The right, in the name and on behalf of Debtor, to appear in and defend any action or proceeding brought with respect to the collateral described herein and to commence any action or proceeding to protect the interest of Beneficiary in the collateral described herein; and

9. All accounts, escrows, documents, instruments, chattel paper, claims, deposits and general intangibles, as the foregoing terms are defined in the Uniform Commercial Code, and all franchises, trade names, trademarks, symbols, service marks, books, records, plans, specifications, designs, drawings, permits, consents, licenses, management agreements, contract rights (including, without limitation, any contract with any architect or engineer or with any other provider of goods or services for or in connection with any construction, repair, or other work upon the collateral described herein), approvals, actions, refunds of real estate taxes and assessments (and any other governmental impositions related to the collateral described herein), and causes of action that now or hereafter relate to, are derived from or are used in connection with the collateral described herein, or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon (hereinafter collectively referred to as the "Intangibles"); and

10. All proceeds, products, offspring, rents and profits from any of the foregoing, including, without limitation, those from sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement of any of the foregoing; and

11. Any and all other rights of Debtor in and to the items set forth in Sections 1 through 10 above.

[CONTINUED ON NEXT PAGE]

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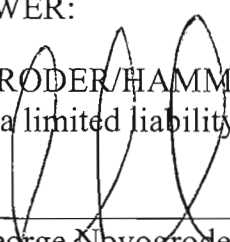
SCHEDULE A-3

All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in that certain Mortgage, Assignment of Leases and Rents and Security Agreement dated as of January 4, 2007, from NOVOGRODER/HAMMOND, LLC and NOVOGRODER/ASHLAND, LLC, collectively as Mortgagor for the benefit of UBS REAL ESTATE INVESTMENTS INC., as Mortgagee

BORROWER:

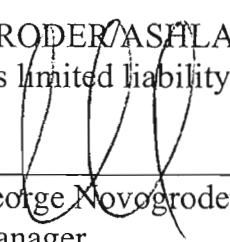
NOVOGRODER/HAMMOND, LLC  
an Indiana limited liability company

By: \_\_\_\_\_

  
George Novogroder  
Manager

NOVOGRODER/ASHLAND, LLC  
an Illinois limited liability company

By: \_\_\_\_\_

  
George Novogroder  
Manager

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STATE OF INDIANA

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SCHEDULE A-4

EXHIBIT A

Legal Description of Property

130 Chicago Avenue, Hammond, Indiana

Lot 28, except that portion of said Lot more particularly described as follows:

Beginning at the Southwest corner thereof; thence North 89 degrees 12 minutes 37 seconds East, 16.32 feet on the South line of said Lot; thence North 51 degrees 26 minutes 21 seconds West, 20.79 feet to a point on the West line of said Lot; thence South 00 degrees 15 minutes 42 seconds West, 13.18 feet on the West line of said Lot to the point of the beginning, and all of Lots 29 to 42, both inclusive, in Chicago Avenue Addition, in the City of Hammond, as per plat thereof, recorded in Plat Book 16, page 23, in the Office of the Recorder of Lake County, Indiana, including the vacated 20 foot alley North of and adjacent to the above describe real estate.

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EXHIBIT A-1