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2008 061919

MORTGAGE AND SECURITY AGREEMENT (FINANCING STATEMENT)

CHICAGO TITLE INSURANCE COMPANY

020083685

This Mortgage and Security Agreement (Financing Statement) ("**Instrument**") is made as of September 2, 2008, by **EMBASSY PLACE, LLC**, an Indiana limited liability company ("**Mortgagor**"), whose address is 2219 Teakwood Circle, #B, Highland,, Indiana 46322 to and for the benefit of **CENTIER BANK**, an Indiana state bank (together with its successors and assigns, "**Bank**"), with offices at 600 East 84th Avenue, Merrillville, Indiana 46410.

Mortgagor is indebted to Bank in the principal sum of Fourteen Million Dollars (\$14,000,000.00) which indebtedness is evidenced by a Promissory Note of even date herewith (the "**Note**"), drawn by Mortgagor, with final payment thereunder due on June 1, 2014. **Notwithstanding any other provision contained herein to the contrary**, the maximum aggregate amount of principal, interest, premium, if any, future advances, other indebtedness sums (now owed or hereafter owed) advanced to protect the security of this Instrument and expenses of Bank secured by this Instrument is Twenty Million Dollars (\$20,000,000.00).

Grant to Bank. To secure to Bank:

- (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions, rewrites, refinances, modifications, consolidations and replacements thereof and substitutions therefor;
- (b) the payment of all amounts otherwise payable by Mortgagor under or with respect to that certain Real Estate Loan Agreement dated as of August 28, 2008, executed by Mortgagor and Bank (the "**Loan Agreement**") and/or any of the other Loan Documents (as defined in the Loan Agreement);
- (c) the repayment of any future advances, with interest thereon, made by Bank to Mortgagor, whether made as an obligation, made at the option of Bank, made after a reduction to a zero (0) or other balance, or made otherwise;

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(d) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument;

(e) the performance of the covenants and agreements of Mortgagor herein contained;

(f) the performance of the covenants and agreements under the Loan Agreement and/or any of the other Loan Documents to be performed by Mortgagor; and

(g) all other liabilities of the Mortgagor in favor of the Bank, direct or indirect, absolute or contingent, primary or secondary, matured or unmatured, whether or not related to or of the same class as any specific debt secured hereby, now existing or hereafter arising

(collectively, the "**Obligations**"), Mortgagor hereby mortgages, warrants, grants, conveys and assigns to Bank, its successors and assigns, the property in Lake County, Indiana, as described on Exhibit A, which is attached hereto and made a part hereof, together with all buildings, improvements, and tenements now or hereafter erected on the property, and all easements, rights, right-of-ways, driveways, pavement, curb, and street front privileges, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, boilers, incinerators and building materials of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, panelling, attached floor coverings, furniture, antennas, signs, trees and plants; all of which, including improvements, replacements and additions thereto, will be deemed to be and remain a part of the real property covered by this Instrument, whether actually physically annexed to said property or not; and all of the foregoing, together with said property are herein referred to as the "**Property**".

Mortgagor covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property, that, with the exception of the encumbrances listed on Exhibit B, which is attached hereto and made a part hereof, the Property is unencumbered, and that Mortgagor will warrant and defend generally the title to the Property against all claims and demands, subject to any easements, covenants, conditions and restrictions of record listed in schedule of exceptions to coverage in any title insurance policy insuring Bank's interest in the Property.

Covenants. Mortgagor hereby covenants and agrees as follows:

1. **Payment of Principal and Interest.** Mortgagor will promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and charges thereon (if applicable) and late charges provided in the Note and all other Obligations.

2. **Mortgagor Breach; Right of Bank.** Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Instrument after the expiration of any cure period related thereto, Bank may pay, in any amount and in any order as Bank will determine in Bank's sole discretion, any rents, taxes, assessments, insurance premiums, judgment liens, tax liens, mechanic's liens and other charges and impositions attributable to the Property which are now or will hereafter become due, which will then become immediately due and owing by the Mortgagor to the Bank, and secured by this Instrument pursuant to Paragraph 8 hereof.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Bank from Mortgagor under the Note or this Instrument will be applied by Bank in the following order of priority: (i) amounts payable to Bank by Mortgagor under Paragraph 2 hereof; (ii) interest payable on the Note; (iii) principal of the Note; (iv) interest payable on advances made pursuant to Paragraph 8 hereof; (v) principal of advances made pursuant to Paragraph 8 hereof; (vi) interest payable on any future advance, provided that if more than one future advance is outstanding, Bank may apply payments received among the amounts of interest payable on the future advances in such order as Bank, in Bank's sole discretion, may determine; (vii) principal of any future advance, provided that if more than one future advance is outstanding, Bank may apply payments received among the principal balances of the future advances in such order as Bank, in Bank's sole discretion, may determine; and (viii) any other sums secured by this Instrument in such order as Bank, at Bank's option, may determine; provided, however, that Bank may, at Bank's option, apply any sums payable pursuant to Paragraph 8 hereof prior to interest on and principal of the Note, but such application will not otherwise affect the order of priority of application specified in this Paragraph 3.

4. **Charges; Liens.** Mortgagor will pay all utility, water and sewer charges, real property taxes, personal property taxes, assessments, income and franchise taxes, premiums, and other impositions attributable to the Property. Mortgagor will promptly furnish to Bank, upon request, all notices of amounts due under this Paragraph 4, and in the event Mortgagor makes payment directly, Mortgagor will, promptly furnish to Bank receipts evidencing such payments. Mortgagor will promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Mortgagor will pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property; provided that Mortgagor will not be required to discharge any such lien so long as Mortgagor will agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Bank, or will in good faith

contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **Hazard Insurance.** Mortgagor will provide insurance with respect to the Property as provided in the Loan Agreement.

6. **Preservation and Maintenance of Property.** Mortgagor (a) will not commit waste or permit impairment or deterioration of the Property, (b) will not abandon the Property, (c) will keep the Property, including improvements thereon, in good repair and in slightly condition, (d) will comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (e) will give notice in writing to Bank of and, unless otherwise directed in writing by Bank, appear in and defend any action or proceeding purporting to affect the Property, the security to this Instrument or the rights or powers of Bank. Without the written consent of Bank, Mortgagor will not remove, demolish or alter any improvement now existing or hereafter erected on the Property.

7. **Use of Property.** Unless required by applicable law or unless Bank has otherwise agreed in writing, Mortgagor will not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Mortgagor will not initiate or acquiesce in a change in the zoning classification of the Property without Bank's prior written consent.

8. **Protection of Bank's Security.** If Mortgagor fails to perform the covenants and agreements contained in this Instrument and any cure period related thereto has expired, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Bank therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Bank, at Bank's option, may make such appearances, disburse such sums and take such action as Bank deems necessary, in its sole discretion, to protect Bank's interest, including, but not limited to, (i) disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in Paragraph 5 hereof.

Any amounts disbursed by Bank pursuant to this Paragraph 8, with interest thereon, will become additional indebtedness of Mortgagor secured by this Instrument. Unless Mortgagor and Bank agree to other terms of payment, such amounts will be immediately due and payable and will bear interest from the date of disbursement at the rate stated in the Note unless collection from Mortgagor of interest at such rate would be contrary to applicable law, in which event such amounts will bear interest at the highest rate which may be collected from Mortgagor under applicable law. Mortgagor hereby covenants and agrees that Bank will be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby.

Nothing contained in this Paragraph 8 will require Bank to incur any expense or take any action hereunder.

9. **Inspection.** Bank may make or cause to be made reasonable entries upon and inspections of the Property.

10. **Books and Records.** Mortgagor will keep and maintain at all times at Mortgagor's address, or such other place as Bank may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments will be subject to examination and inspection at any reasonable time by Bank. Mortgagor will maintain its current system of accounting for its operations on the Real Estate, or another system or systems satisfactory to Bank. Mortgagor will furnish to Bank, within one hundred and twenty days after the end of each fiscal year of Mortgagor, a balance sheet, a statement of income and expenses and a statement of cash flows, each in reasonable detail and certified by Mortgagor, which financial statements may be internally prepared., .

11. **Condemnation.** Mortgagor will promptly notify Bank of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Mortgagor will appear and prosecute any such action or proceeding unless otherwise directed by Bank in writing. Mortgagor authorizes Bank, at Bank's option, as attorney-in-fact for Mortgagor, to commence, appear in and prosecute, in Bank's or Mortgagor's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part hereof, or for conveyances in lieu of condemnation, are hereby assigned to and will be paid to Bank for application as set out below.

In the event of a total taking of the Property, Mortgagor authorizes Bank to apply such awards, payments, proceeds or damages, after the deduction of Bank's expenses incurred in the collection of such amounts to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in Paragraph 3 hereof, with the balance, if any, to Mortgagor. In the event of a partial taking of the Property, unless Mortgagor and Bank otherwise agree in writing, there will be applied to the sums secured by this Instrument such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Instrument immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of proceeds paid to Mortgagor. Unless Mortgagor and Bank otherwise agree in writing, any application of proceeds to principal will not extend or postpone the due date of any monthly installments referred to in Paragraphs 1

and 2 hereof, or change the amount of such installments. Mortgagor agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Bank may require.

12. **Mortgagor and Lien Not Released.** From time to time, Bank may, at Bank's option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns, or any junior lienholder or guarantors, without liability on Bank's part and notwithstanding Mortgagor's breach of any covenant or agreement of Mortgagor in this Instrument, extend the time for payment of the indebtedness secured by this Instrument, or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefore, modify the terms and time of payment of said indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Bank pursuant to the terms of this Paragraph 12 will not affect the obligation of Mortgagor or Mortgagor's successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Mortgagor contained herein, will not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured by this Instrument, and will not affect the lien or priority of lien hereof on the Property. Mortgagor will pay Bank a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Bank's option, for any such action if taken at Mortgagor's request.

13. **Forbearance by Bank Not a Waiver.** Any forbearance by Bank in exercising any right or remedy hereunder, or otherwise afforded by applicable law, will not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Bank of payment of any sum secured by this Instrument after the due date of such payment will not be a waiver of Bank's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Bank will not be a waiver of Bank's right to accelerate the maturity of the indebtedness secured by this Instrument, nor will Bank's receipt of any awards, proceeds or damages under Paragraphs 5 and 11 hereof operate to cure or waive Mortgagor's default in payment of sums secured by this Instrument.

14. **Estoppel Certificate.** Mortgagor will within ten days of written request from Bank furnish Bank with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Instrument.

15. **Uniform Commercial Code Security Agreement.** This Instrument is intended to be a security agreement pursuant to the Indiana Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants and transfers to Bank a security interest in said items, now owned or hereafter acquired, whether or not presently within the contemplation of the Mortgagor and Bank, and the proceeds thereof, to include insurance proceeds and tort claims or settlements. Mortgagor agrees that Bank may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items which are a part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement will be sufficient as a financing statement. Mortgagor hereby authorizes the Bank at the expense of the Mortgagor to execute and file a financing statement or statements on its behalf in those public offices deemed necessary by Bank to protect its security interest. In addition, Mortgagor agrees to execute and deliver to Bank, upon Bank's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Instrument in such form as Bank may require to perfect a security interest with respect to said items. Mortgagor will pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and will pay all reasonable costs and expenses of any record searches for financing statements Bank may reasonably require. Upon Mortgagor's breach of any covenant or agreement of Mortgagor contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Bank will have the remedies of a secured party under the Uniform Commercial Code and, at Bank's option, may also invoke the remedies provided in Paragraph 24 hereof as to such items. In exercising any of said remedies, Bank may proceed against the items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Bank's remedies under the Uniform Commercial Code or of the remedies provided in Paragraph 24 hereof.

16. **Remedies Cumulative.** Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

17. **Defaults.** The occurrence of any one or more of the following will constitute a "Default" under this Instrument:

- (a) The occurrence of any "Event of Default" under the Loan Agreement;
- (b) Default on the part of Mortgagor in the payment and/or deposit of any amount or amounts payable under or with respect to this Instrument on or before the due date thereof, and such default continues for more than seven (7) days after written notice thereof; and /or default on

the part of Mortgagor in the performance of any of the agreements or covenants (other than the payment or deposit of monies) provided in or with respect to this Instrument, and such default continues for more than thirty (30) days after written notice thereof or, if such default cannot reasonably be cured within said 30-day period, if Mortgagor does not commence to cure such default within such 30-day period with a reasonable probability of success and diligently proceed to cure such default as quickly as reasonably possible, as reasonably determined by Mortgagee;

(c) The filing of a petition under the United States Bankruptcy Code, as such Code may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, insolvency act, by or against Mortgagor;

(d) the appointment of a trustee or receiver for Mortgagor and/or the Property;

(e) the Property (or any portion thereof) becomes subject to the jurisdiction of a United States Bankruptcy Court or similar state court; and/or

(f) Mortgagor makes an assignment for the benefit of Mortgagor's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Mortgagor's assets.

Upon the occurrence of any Default, Bank may, at Bank's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Mortgagor, and Bank may invoke any remedies permitted by Paragraph 24 hereof. Any attorney's fees and other expenses incurred by Bank in connection with Mortgagor's bankruptcy or any of the other aforesaid events will be additional indebtedness of Mortgagor secured by this Instrument pursuant to Paragraph 8 hereof.

18. **Transfers of the Property or Beneficial Interests in Mortgagor; Assumption.** On sale or transfer of (a) all or any part of the Property, or any interest therein, or (b) beneficial interests in Mortgagor, Bank may, at Bank's option, declare all of the sums secured by this Instrument to be immediately due and payable, and Bank may invoke any remedies permitted by Paragraph 24 hereof.

19. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor provided for in this Instrument or in the Note, other than notice of an interest rate change, will be given by mailing such notice by certified mail addressed to Mortgagor at Mortgagor's address or at such other address as Mortgagor may designate by notice to Bank as provided herein, and (b) any notice to Bank will be given by certified mail, return receipt requested, to Bank's address

stated herein or to such other address as Bank may designate by notice to Mortgagor as provided herein. Any notice provided for in this Instrument or in the Note, other than notice of an interest rate change, will be deemed to have been given to Mortgagor or Bank when given in the manner designated herein.

20. **Successors and Assigns Bound; Joint and Several Liability; Agents; Captions.** The covenants and agreements herein contained will bind, and the rights hereunder will inure to, the respective heirs, personal representatives, successors and assigns of Bank and Mortgagor, subject to the provisions of Paragraph 18 hereof. All covenants and agreements of Mortgagor will be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Bank may act through its employees, agents or independent contractors as authorized by Bank. The captions and headings of the Paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

21. **Governing Law; Severability.** This Instrument will be governed by the laws of the State of Indiana. In the event that any provision of this Instrument or the Note conflicts with applicable law, such will not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Mortgagor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Bank in excess of the amounts payable to Bank pursuant to such charges as reduced will be applied by Bank to reduce the principal of the indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as other charges levied in connection with such indebtedness which constitutes interest, will be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

22. **Waiver of Statute of Limitations.** Mortgagor hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument.

23. **Waiver of Marshalling.** Notwithstanding the existence of any other security interest in the Property held by Bank or by any other party, Bank will have the right to determine the order in which any or all of the Property and Mortgagor's general

intangibles will be subjected to the remedies provided herein. Bank will have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Mortgagor, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property or Mortgagor's general intangibles and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

24. **Acceleration; Remedies.** Upon Mortgagor's breach of any covenant, warranty or condition or agreement of Mortgagor in this Instrument, in the Note evidencing the indebtedness secured by this Instrument after the expiration of any cure period related thereto, including but not limited to, the covenants to pay when due any sums secured by this Instrument, or in any other agreement or instrument executed by Mortgagor in connection herewith, Bank, at Bank's option, may declare all of the sums secured by this Instrument to be immediately due and payable without further demand, and may foreclose this Instrument by judicial proceedings, and may invoke any other remedies permitted by applicable law or provided herein. Bank will be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, appraisal fees, expert witness fees, costs of court reporters, travel expenses, costs of documentary evidence, abstracts and title reports.

25. **Release.** Upon payment of all sums secured by this Instrument, Bank will release this Instrument without charge to Mortgagor.

26. **Other Encumbrances.** Mortgagor will not further mortgage or encumber the Property or Mortgagor's general intangibles in any way without the express written consent of the Bank.

27. **Waiver of Valuation and Appraisement.** Mortgagor hereby waives all right of valuation and appraisement.

28. **Future Advances.** Upon request of Mortgagor, Bank, at Bank's option so long as this Instrument secures indebtedness held by Bank, may make future advances to Mortgagor. Such future advances, with interest thereon, will be secured by this Instrument.

29. **Representation and Review.** Mortgagor acknowledges that Mortgagor is represented by legal counsel, and that before executing and delivering the Note, this Instrument and all other agreements, instruments and Loan Documents, such documents, and the rights of Mortgagor, were fully explained to Mortgagor by such counsel; and that Mortgagor understands the nature and extent of the obligations hereby and thereby undertaken.

30. **WAIVER OF TRIAL BY JURY.** MORTGAGOR AND BANK EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS MORTGAGOR AND BANK THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

IN WITNESS WHEREOF, Mortgagor has executed this Instrument, or has caused the same to be executed by its representatives thereunto duly authorized, on the date first written above.

Mortgagor:

EMBASSY PLACE, LLC, an Indiana limited liability company



By: _____

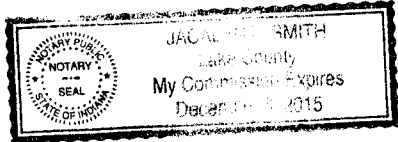
Eric C. Gasten



STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

BEFORE ME, the undersigned, a Notary Public, on September 2, 2008, personally appeared ERIC C. CASSEVICH, personally known to me to be the same person whose name is subscribed to the foregoing Mortgage and Security Agreement (Financing Statement) as member of Embassy Place, LLC, and being first duly sworn by me upon oath, acknowledged that such person has read and understands the foregoing and that such person has affixed such person's name to and delivered said document as such person's own free and voluntary act and as the free and voluntary act of said entity, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.



[Handwritten Signature]
_____, Notary Public

Commission Expires: _____ County of Residence: _____

This instrument was prepared by: Demetri J. Retson
Genetos Retson Yoon & Molina LLP
8585 Broadway, Suite 480
Merrillville, Indiana 46410
219-755-0400
fax: 219-755-0410

The foregoing preparer states as follows:

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

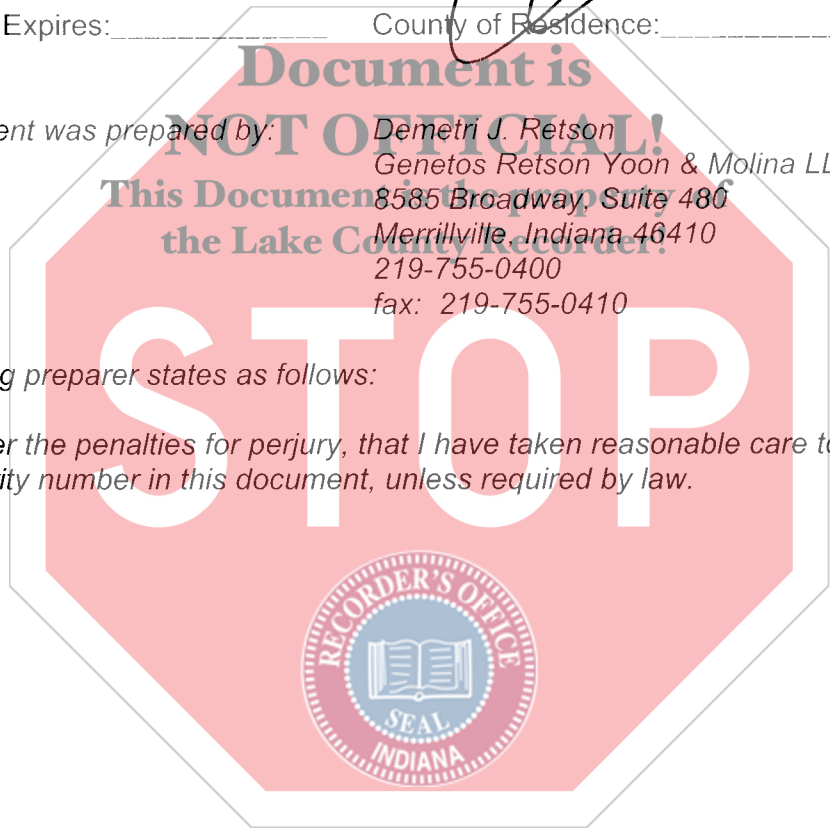


EXHIBIT A

Legal Description of Property

Lots 1, 2, 3, 4, 5, 12, 13, 14, and Outlot "A", White Oak Estates of Highland, Block Four, an Addition to the Town of Highland, as per plat thereof, recorded in Plat Book 83, page 21, in the Office of the Recorder of Lake County, Indiana.

Key Numbers: 27-633-1
 27-633-4
 27-633-7
 27-633-10
 27-633-13
 27-633-34
 27-633-37
 27-633-40
 27-633-46



EXHIBIT B
Permitted Encumbrances

1. Taxes for 2007 payable 2008, and subsequent years.
2. Lease by and between Network Multi-Family Security Corporation, Lessor(s), and ATG Development Company 5, LLC, Lessee(s), dated September 18, 1997 as evidenced by a Memorandum of Lease dated September 18, 1997 and recorded January 8, 1998 as Document No. 98001589.
3. Easement for pipe line in favor of The Texas-Empire Pipe Line Company, a Delaware corporation, dated January 18, 1950 and recorded July 12, 1950 in Miscellaneous Record 534, page 283 as Document No. 480510.

An Assignment of the above Grant to Amoco Pipeline Company, a Main corporation, was recorded August 30, 1984 as Document No. 771620.

Agreements and partial releases of the above was recorded July 13, 1993 as Document No. 93044888, Recorded August 20, 1993 as Document No. 93054762 and recorded May 24, 1995 as Document No. 95028598.

4. Easement for Electrical Lines in favor of Northern Indiana Public Service Company, an Indiana corporation, and to its successors, and assigns, dated December 8, 1954 and recorded December 14, 1954 in Miscellaneous Record 620, page 453, as Document No. 803587.
5. Terms and provisions of a Sanitary Sewer Easement Agreement dated August 5, 1994 and recorded August 11, 1994 as Document No. 94057398, made by and between Lake County Trust company, as Trustee under Trust Agreement dated December 29, 1981, as amended, known as Trust Number 3188 and the Town of Highland.
6. Terms and provisions of a Sanitary Sewer Easement Agreement dated August 5, 1994 and recorded August 11, 1994 as Document No. 94057438, made by and between Lake County Trust Company, as Trustee under Trust Agreement dated December 19, 1981, as amended, known as Trust Number 3189, and The Town of Highland.
7. Terms and provisions of Nonexclusive Easement Agreement dated November 23, 1998 and recorded December 11, 1998 as Document No. 98099210, made by and between ATG Development Company 5, LLC, an Indiana limited liability company and Meijer, Inc., a Michigan Corporation.
8. Utility easements as shown and granted on the plat of subdivision.