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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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RECORDING REQUESTED BY
AND WHEN RECORDED MAIL

TO:
Prepared by:
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MICHELLE R. FAJMAN
RECORDER

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SPACE ABOVE FOR RECORDER'S USE

**MORTGAGE, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

This Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (hereinafter called "Mortgage") is made as of September 23, 2010, by **NORTHTOWN VILLAGE TOWNHOMES LIMITED PARTNERSHIP**, an Indiana limited partnership, whose mailing address and whose chief executive office (or principal residence if such party is an individual) is located at c/o The Community Builders, Inc., 95 Berkeley Street, Boston, Massachusetts 02116 and whose organization identification number is 61-1540896, hereinafter called "Mortgagor," and **IFF**, an Illinois not for profit corporation, with an office at One North LaSalle, Suite 700, Chicago, Illinois 60602, hereinafter called "Mortgagee."

WITNESSETH:

SECTION 1. GRANTING CLAUSE; WARRANTY OF TITLE

1.1 Mortgagor hereby irrevocably mortgages and warrants to Mortgagee, all of Mortgagor's present and future estate, right, title and interest in and to that real property and all buildings and other improvements now thereon or hereafter constructed thereon (the "Premises"), in the County of Lake, State of Indiana, described on Schedule "A" attached hereto and by this reference made a part hereof, together with all of the following which, with the Premises (except where the context otherwise requires), are hereinafter collectively called the "Mortgaged Property":

(a) All appurtenances in and to the Premises;

(b) All water and water rights, ditches and ditch rights, reservoir and reservoir rights, stock or interests in irrigation or ditch companies, minerals, oil and gas rights, royalties, lease or leasehold interests owned by Mortgagor, now or hereafter used or useful in connection with, appurtenant to or related to the Premises;

(c) All right, title and interest of Mortgagor now owned or hereafter acquired in and to all streets, roads, alleys and public places, and all easements and rights of way, public or private, now or hereafter used in connection with the Premises;

(d) All machinery, equipment, fixtures and materials now or at any time attached to the Premises together with all processing, manufacturing and service equipment and other personal property now or at any time hereafter located on or appurtenant to the Premises and used in connection with the management and operation thereof;

(e) Any licenses, contracts, permits and agreements required or used in connection with the ownership, operation or maintenance of the Premises, and the right to the use of any tradename, trademark, or service mark now or hereafter associated with the operation of any business conducted on the Premises;

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(f) Any and all insurance proceeds, and any and all awards, including interest, previously and hereafter made to Mortgagor for taking by eminent domain of the whole or any part of the Premises or any easements therein;

(g) Subject to the rights of Mortgagee under Section 3 hereof, all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or any portion of the Premises and all income, receipts, revenues, rents, issues and profits arising from the use or enjoyment of all or any portion of the Premises.

1.2 Mortgagor warrants that it is well and truly seized of a good and marketable title in fee simple to the Premises, that it is the lawful owner of the rest of the Mortgaged Property, and that, except for those matters approved by Mortgagee and specifically described on Exhibit C to that certain Loan Agreement of even date herewith (hereinafter called the "Permitted Exceptions"), the title to all the Mortgaged Property is clear, free and unencumbered; Mortgagor shall forever warrant and defend the same unto Mortgagee, its successors and assigns, against all claims whatsoever.

MORTGAGOR FURTHER REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

SECTION 2. OBLIGATION SECURED

This Mortgage is given for the purpose of securing, in such order of priority as Mortgagee may elect:

2.1 Payment of the sum of SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00), which may include, without limitation, future advances of principal made after the date hereof, with interest thereon, extension and other fees, late charges, prepayment premiums and attorneys' fees, according to the terms of that Promissory Note of even date herewith, made by Mortgagor, payable to the order of Mortgagee, and all extensions, modifications, renewals, restatements, refinancings or replacements thereof (hereinafter called the "Note"). The Note bears interest at a fixed rate in accordance with the terms and provisions thereof which are by this reference incorporated herein;

2.2 Payment, performance and observance by Mortgagor of each covenant, condition, provision and agreement contained herein and of all monies expended or advanced by Mortgagee pursuant to the terms hereof, or to preserve any right of Mortgagee hereunder, or to protect or preserve the Mortgaged Property or any part thereof;

2.3 Payment of any and all additional loans and advances made by Mortgagee to Mortgagor and/or to the then record owner or owners of the Mortgaged Property, and any other indebtedness or obligation of Mortgagor and/or the then record owner or owners of the Mortgaged Property to Mortgagee of any kind, direct or indirect (excluding, however, any such loan to, or indebtedness or obligation of, an individual for personal, family or household purposes) with interest thereon, late charges, extension and other fees, prepayment premiums and attorneys' fees, according to the terms of the promissory note(s), credit agreement(s) and/or guarantees evidencing such loans, advances, indebtedness and obligations, and all extensions, modifications, renewals or replacements thereof. Of the foregoing, future loans, advances, indebtedness and obligations (whether made as an obligation, made at the option of Mortgagee, made after a reduction to a zero (0) or other balance, or made otherwise) up to a maximum amount of \$2,000,000.00, and all extensions, modifications, renewals or replacements thereof, shall be secured by the lien of this Mortgage to the same extent as if such loans, advances, indebtedness and obligations, and all extensions, modifications, renewals or replacements thereof, were made on the date of execution of this Mortgage as provided under Ind. Code Section 32-9-1-10, and any future loans, advances, indebtedness and obligations in excess of such maximum amount shall be secured by the lien of this Mortgage and shall have such lien priority as is otherwise provided by applicable law.

All of the indebtedness and obligations secured by this Mortgage are hereinafter collectively called the "Obligation."

SECTION 3. LEASES; ASSIGNMENT OF RENTS AND LEASES

3.1 Mortgagor hereby absolutely transfers and assigns to Mortgagee all right, title and interest of Mortgagor in and to (i) all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or any part of the Mortgaged Property, whether written or oral and whether for a definite term or month to month, together with all guarantees of the lessee's obligations thereunder and together with all extensions, modifications and renewals thereof (hereinafter called the "Leases"), and (ii) all income, receipts, revenues, rents, issues and profits now or hereafter arising from or out of the Leases or from or out of the Mortgaged Property or any part thereof, including without limitation room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, parking and maintenance charges and fees, tax and insurance

contributions, proceeds of the sale of utilities and services, cancellation premiums, claims for damages arising from any breach of the Leases, proceeds from any sale or other disposition of all or any portion of the Mortgaged Property, and all other benefits arising from the use or enjoyment of, or the lease, sale or other disposition of, all or any portion of the Mortgaged Property, together with the immediate and continuing right to receive all of the foregoing (hereinafter called the "Rents"). In furtherance of this Assignment, and not in lieu hereof, Mortgagee may require a separate assignment of rents and leases and/or separate specific assignments of rents and leases covering one or more of the Leases; the terms of all such assignments are incorporated herein by reference.

3.2 Mortgagee hereby authorizes and directs the lessees and tenants under the Leases that, upon written notice from Mortgagee, all Rents shall be paid directly to Mortgagee as they become due. Mortgagee hereby relieves the lessees and tenants from any liability to Mortgagee by reason of the payment of the Rents to Mortgagee. Nevertheless, Mortgagee shall be entitled to collect the Rents, but for no more than thirty (30) days in advance, until Mortgagee notifies the lessees and tenants in writing to pay the Rents to Mortgagee. Mortgagee is hereby authorized to give such notification upon the occurrence of an Event of Default and at any time thereafter while such Event of Default is continuing. Receipt and application of the Rents by Mortgagee shall not constitute a waiver of any right of Mortgagee under this Mortgage or applicable law, shall not cure any Event of Default hereunder, and shall not invalidate or affect any act done in connection with such Event of Default, including, without limitation, any foreclosure proceeding.

3.3 All Rents collected by Mortgagee shall be applied in the following manner:

First, to the payment of all taxes and lien assessments levied against the Mortgaged Property, where provision for paying such is not otherwise made;

Second, to the payment of ground rents (if any) payable with respect to the Mortgaged Property;

Third, to the payment of any amounts due and owing under the Obligation;

Fourth, to the payment of current operating costs and expenses (including repairs, maintenance and necessary acquisitions of property and expenditures for capital improvements) arising in connection with the Mortgaged Property;

Fifth, to Mortgagee or its designee.

All Rents collected by Mortgagee may be applied to the items above listed in any manner that Mortgagee deems advisable and without regard to the aforesaid priorities.

3.4 Mortgagee represents and warrants that: (i) the Leases are in full force and effect and have not been modified or amended; (ii) the Rents have not been waived, discounted, compromised, setoff or paid more than one month in advance; (iii) there are no other assignments, transfers, pledges or encumbrances of any Leases or Rents; and (iv) neither Mortgagee nor the lessees and tenants are in default under the Leases.

3.5 Mortgagee, without the prior written consent of Mortgagee, shall not: (i) assign, transfer, pledge or encumber, the whole or any part of the Leases and Rents to anyone other than Mortgagee; or (ii) accept any Rents more than one month in advance of the accrual thereof.

3.6 Mortgagee does not assume and shall not be liable for any obligation of the lessor under any of the Leases and all such obligations shall continue to rest upon Mortgagee as though this assignment had not been made. Mortgagee shall not be liable for the failure or inability to collect any Rents.

3.7 Neither the Assignment of Rents and Leases contained herein or in any separate assignment nor the exercise by Mortgagee of any of its rights or remedies thereunder or in connection therewith, prior to Mortgagee obtaining actual possession of the Mortgaged Property as provided in Paragraph 8.2 hereof, shall constitute Mortgagee a "mortgagee in possession" or otherwise make Mortgagee responsible or liable in any manner with respect to the Mortgaged Property or the occupancy, operation or use thereof. In the event Mortgagee obtains actual possession of the Mortgaged Property as provided in Paragraph 8.2 hereof, Mortgagee shall have the rights, and Mortgagee's liability shall be limited, as provided in that Paragraph.

SECTION 4. SECURITY AGREEMENT

4.1 This Mortgage shall cover, and the Mortgaged Property shall include, all property now or hereafter affixed or attached to or incorporated upon the Premises, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Premises. To the extent any of the Mortgaged Property consists of rights in action or personal property covered by the Uniform Commercial Code as enacted in Indiana, as in effect from time to time (hereinafter, "Uniform Commercial Code"), this Mortgage shall also constitute a security agreement, and Mortgagor hereby grants to Mortgagee, as secured party, a security interest in such property, including all products and proceeds thereof, for the purpose of securing the Obligation. In addition, for the purpose of securing the Obligation, Mortgagor hereby grants to Mortgagee, as secured party, a security interest in all of the property described below in, to, or under which Mortgagor now has or hereafter acquires any right, title or interest, whether present, future, or contingent: all equipment, inventory, accounts, general intangibles, instruments, documents, and chattel paper, as those terms are defined in the Uniform Commercial Code, and all other personal property of any kind (including without limitation money and rights to the payment of money), whether now existing or hereafter created, that are now or at any time hereafter (i) in the possession or control of Mortgagee in any capacity; (ii) erected upon, attached to, or appurtenant to, the Premises; (iii) located or used on the Premises or identified for use on the Premises (whether stored on the Premises or elsewhere); or (iv) used in connection with, arising from, related to, or associated with the Premises or any of the personal property described herein, the construction of any improvements on the Premises, the ownership, development, maintenance, leasing, management, or operation of the Premises, the use or enjoyment of the Premises, or the operation of any business conducted on the Premises; including without limitation all such property more particularly described as follows:

(a) Buildings, structures and improvements, and building materials, fixtures and equipment to be incorporated into any buildings, structures or improvements;

(b) Goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, including without limitation, all such items used for (i) generation, storage or transmission of air, water, heat, steam, electricity, light, fuel, refrigeration or sound; (ii) ventilation, air-conditioning, heating, refrigeration, fire prevention and protection, sanitation, drainage, cleaning, transportation, communications, maintenance or recreation; (iii) removal of dust, refuse, garbage or snow; (iv) transmission, storage, processing or retrieval of information; and (v) floor, wall, ceiling and window coverings and decorations;

(c) Income, receipts, revenues, rents, issues and profits, including without limitation, room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, parking and maintenance charges and fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation premiums, and claims for damages arising from the breach of any leases;

(d) Water and water rights, ditches and ditch rights, reservoirs and reservoir rights, stock or interest in irrigation or ditch companies, minerals, oil and gas rights, royalties, and lease or leasehold interests;

(e) Plans and specifications prepared for the construction of any improvements, including without limitation, all studies, estimates, data, and drawings;

(f) Documents, instruments and agreements relating to, or in any way connected with, the operation, control or development of the Premises, including without limitation, any declaration of covenants, conditions and restrictions and any articles of incorporation, bylaws and other membership documents of any property owners association or similar group;

(g) Claims and causes of action, legal and equitable, in any form whether arising in contract or in tort, and awards, payments and proceeds due or to become due, including without limitation those arising on account of any loss of, damage to, taking of, or diminution in value of, all or any part of the Premises or any personal property described herein;

(h) Sales agreements, escrow agreements, deposit receipts, and other documents and agreements for the sale or other disposition of all or any part of the Premises or any of the personal property described herein, and deposits, proceeds and benefits arising from the sale or other disposition of all or any part of the Premises or any of the personal property described herein;

(i) Policies or certificates of insurance, contracts, agreements or rights of indemnification, guaranty or surety, and awards, loss payments, proceeds, and premium refunds that may be payable with respect to such policies, certificates, contracts, agreements or rights;

(j) Contracts, agreements, permits, licenses, authorizations and certificates, including without limitation all architectural contracts, construction contracts, management contracts, service contracts, maintenance contracts, franchise agreements, license agreements, building permits and operating licenses;

(k) Trade names, trademarks, and service marks (subject to any franchise or license agreements relating thereto);

(l) Refunds and deposits due or to become due from any utility companies or governmental agencies;

(m) Replacements and substitutions for, modifications of, and supplements, accessions, addenda and additions to, all of the personal property described herein;

(n) Books, records, correspondence, files and electronic media, and all information stored therein;

together with all products and proceeds of all of the foregoing, in any form, including all proceeds received, due or to become due from any sale, exchange or other disposition thereof, whether such proceeds are cash or non-cash in nature, and whether represented by checks, drafts, notes or other instruments for the payment of money. The personal property described or referred to in this Paragraph 4.1 is hereinafter called the "Personal Property." The security interests granted in this Paragraph 4.1 are hereinafter severally and collectively called the "Security Interest."

4.2 The Security Interest shall be self-operative with respect to the Personal Property, but Mortgagor shall execute and deliver on demand such additional security agreements, financing statements and other instruments as may be requested in order to impose the Security Interest more specifically upon the Personal Property. The Security Interest, at all times, shall be prior to any other interests in the Personal Property except any lien or security interest granted in connection with any Permitted Exception. Mortgagor shall act and perform as necessary and shall execute and file all security agreements, financing statements, continuation statements and other documents requested by Mortgagee to establish, maintain and continue the perfected Security Interest. In addition, Mortgagor authorizes Mortgagee to file financing statements, continuation statements, and other documents describing the Personal Property. Mortgagor, on demand, shall promptly pay all costs and expenses of filing and recording, including the costs of any searches, deemed necessary by Mortgagee from time to time to establish and determine the validity and the continuing priority of the Security Interest.

4.3 Mortgagor shall not sell, transfer, assign or otherwise dispose of any Personal Property or any interest therein without obtaining the prior written consent of Mortgagee, except Personal Property that Mortgagor is obliged to replace pursuant to the terms hereof. Mortgagor shall not lease or license any of the Personal Property without obtaining the prior written consent of Mortgagee, except in the ordinary course of Mortgagor's business. Unless Mortgagee then agrees otherwise in writing, all proceeds from any permitted sale or disposition in excess of that required for replacements shall be paid to Mortgagee to be applied to the Obligation, whether or not then due. Mortgagor shall keep the Personal Property free of all security interests or other encumbrances, except the Security Interest and any security interests and encumbrances granted in connection with any Permitted Exception. Although proceeds of Personal Property are covered hereby, this shall not be construed to mean that Mortgagee consents to any sale of the Personal Property.

4.4 Mortgagor shall keep and maintain the Personal Property in good condition and repair, and shall promptly replace any part thereof that from time to time may become obsolete, badly worn or in a state of disrepair. All such replacements shall be free of any other security interest or encumbrance, except any security interest or encumbrance granted in connection with any Permitted Exception.

4.5 Except for purposes of replacement and repair, Mortgagor, without the prior written consent of Mortgagee, shall not remove, or permit the removal of, any Personal Property from the Premises.

4.6 Mortgagor hereby warrants, covenants and agrees that: (i) the Personal Property is or will be used primarily for business (other than farm) purposes; (ii) the Personal Property will be kept at the Premises; and (iii) Mortgagor's records concerning the Personal Property will be kept at Mortgagor's address as set forth in the beginning of this Mortgage.

4.7 Mortgagor represents and warrants that (i) the name specified above for Mortgagor is the true and correct legal name of Mortgagor as it appears in Mortgagor's organizational documents, as amended, if any, (ii) the address specified above is the address of Mortgagor's chief executive office (or principal residence, if Mortgagor is an individual), and (iii) if Mortgagor is a registered organization, its state of incorporation or organization is as specified above. Mortgagor shall not, without the prior

written consent of Mortgagee, (i) change the legal name of the Mortgagor, (ii) change the location of Mortgagor's chief executive office (or principal residence if Mortgagor is an individual); (iii) change Mortgagor's state of incorporation or organization, if Mortgagor is a registered organization; (iv) change the location of the Personal Property or any part thereof; or (v) change the location of Mortgagor's records concerning the Personal Property.

4.8 All covenants and warranties of Mortgagor contained in this Mortgage shall apply to the Personal Property whether or not expressly referred to in this Section 4. The covenants and warranties of Mortgagor contained in this Section 4 are in addition to, and not in limitation of, those contained in the other provisions of this Mortgage.

4.9 Upon its recording in the real property records, this Mortgage shall be effective as a financing statement filed as a fixture filing. In addition, a carbon, photographic or other reproduced copy of this Mortgage and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.

SECTION 5. PROTECTION AND PRESERVATION OF THE MORTGAGED PROPERTY

5.1 Mortgagor shall neither commit nor permit to occur any waste upon the Mortgaged Property but shall at all times make or cause to be made all repairs, maintenance, renewals and replacements as may be necessary to maintain the Mortgaged Property in good condition and repair. Mortgagor shall keep the Mortgaged Property free of termites, dry rot, fungus, beetles and all other harmful or destructive insects and shall keep all plants, trees and shrubs included in the Mortgaged Property neatly pruned and in good condition. Mortgagor shall keep the Mortgaged Property free of rubbish and other unsightly or unhealthful conditions. Mortgagor shall neither use nor permit the use of the Mortgaged Property in violation of any applicable statute, ordinance or regulation, including, without limitation, the Americans With Disabilities Act of 1990 and corresponding rules and regulations (the "ADA"), or any policy of insurance insuring the Mortgaged Property.

5.2 Mortgagor shall promptly complete any improvements that may be commenced, in good and workmanlike manner and in conformity with the ADA and with plans and specifications approved by Mortgagee. Mortgagor shall repair and restore, in conformity with the ADA, any portions of the Mortgaged Property that may be damaged or destroyed. Mortgagor shall pay when due all claims for work performed and materials furnished on or in connection with the Mortgaged Property or any part thereof and shall pay, discharge, or cause to be removed, all mechanic's, artisan's, laborer's or materialman's charges, liens, claims of liens or encumbrances upon the Mortgaged Property. Mortgagor shall comply with all laws, ordinances and regulations now or hereafter enacted, including, without limitation, the ADA, affecting the Mortgaged Property or requiring any alterations or improvements to be made. Except as required by law, Mortgagor shall not remove, substantially alter, or demolish any building or improvement included in the Mortgaged Property without Mortgagee's prior written consent.

5.3 (a) Mortgagor shall provide and maintain policies of fire and extended coverage insurance on the Mortgaged Property for the full replacement value thereof which shall name Mortgagee as "Mortgagee/Loss Payee". Mortgagor shall also provide and maintain comprehensive public liability insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate and naming mortgagee as an additional insured.

(b) In the event of loss, Mortgagor shall give immediate notice to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagor. Each insurance company is hereby authorized and directed to make payment for loss directly to Mortgagee, instead of to Mortgagor or to Mortgagor and Mortgagee jointly; Mortgagee may apply all or any part of such insurance proceeds to the payment of the Obligation, whether or not then due, or the restoration or repair of the Mortgaged Property. Mortgagee shall not be responsible for any insurance, for the collection of any insurance proceeds, or for the insolvency of any insurer. Application of insurance proceeds by Mortgagee shall not cure nor waive any Event of Default nor invalidate any act done hereunder because of any such Event of Default. In the event of the sale of the Mortgaged Property upon foreclosure of this Mortgage, or in the event Mortgagee or a receiver appointed by the court shall take possession of the Mortgaged Property without sale, then all right, title and interest of Mortgagor in and to all insurance policies then in force shall inure to the benefit of and pass to the mortgagee in possession, receiver or purchaser at such sale, as the case may be. Mortgagee is hereby appointed attorney in fact for Mortgagor to assign and transfer such policies. The power of attorney given herein is a power coupled with an interest and shall be irrevocable so long as any part of the Obligation remains unpaid or unperformed. Mortgagee shall have no obligation to exercise any of the foregoing rights and powers in any event.

(c) If the insurance proceeds are to be used for the restoration and repair of the Mortgaged Property, they shall be held by Mortgagee in a non-interest bearing account selected by Mortgagee in its sole and absolute discretion (the "Restoration

Account"). Mortgagor, at its expense, shall promptly prepare and submit to Mortgagee all plans and specifications necessary for the restoration and repair of the damaged Mortgaged Property, together with evidence acceptable to Mortgagee setting forth the total expenditure needed for the restoration and repair based upon a fixed price contract with a reputable builder and covered by performance and labor and material payment bonds. The plans and specifications and all other aspects of the proposed restoration and repair shall be subject to Mortgagee's approval. In the event the insurance proceeds held in the Restoration Account are insufficient to complete the restoration and repair, Mortgagor shall deposit in the Restoration Account an amount equal to the difference between the amount then held in the Restoration Account and the total contract price for the restoration and repair. Mortgagor may commence restoration and repair of the damaged Mortgaged Property only when authorized in writing by Mortgagee to do so and thereafter shall proceed diligently with the restoration and repair until completed. Disbursements shall be made from the Restoration Account for the restoration and repair in accordance with a disbursement schedule, and subject to other terms and conditions, acceptable to Mortgagee. Disbursements from the Restoration Account shall be charged first against funds deposited by Mortgagor and, after such funds are exhausted, against the insurance proceeds deposited therein. In the event the amounts held in the Restoration Account exceed the cost of the restoration and repair of the damaged Mortgaged Property, the excess funds shall be disbursed to Mortgagor to the extent of any amounts deposited therein by Mortgagor. Any funds remaining after such disbursement, at Mortgagee's option, may be applied by Mortgagee to the payment of the Obligation, whether or not then due, or may be disbursed to Mortgagor. All funds held in the Restoration Account are hereby assigned to Mortgagee as further security for the Obligation. Mortgagee, at any time, may apply all or any part of the funds held in the Restoration Account to the curing of any Event of Default.

5.4 Mortgagor shall pay or cause to be paid all taxes and assessments of every kind, nature and description levied or assessed on or against the Mortgaged Property and shall deliver to Mortgagee, at least ten (10) days before they become delinquent, receipts showing payment of all such taxes and assessments and shall pay when due all dues and charges for water and water delivery, electricity, gas, sewers, waste removal, bills for repairs, and any and all other claims, encumbrances and expenses incident to the ownership of the Mortgaged Property. Mortgagor may contest in good faith the validity or amount of any tax, assessment, charge or encumbrance in the manner provided by law, provided that Mortgagor shall have furnished Mortgagee a cash deposit or other security in an amount and form satisfactory to Mortgagee to protect Mortgagee against the creation of any lien on, or any sale or forfeiture of, the Mortgaged Property. Upon the final determination of Mortgagor's contest, Mortgagor shall promptly pay all sums determined to be due. Any deposit or security provided by Mortgagor shall be returned to Mortgagor upon the final determination of Mortgagor's contest and the payment by Mortgagor of the sums, if any, determined to be due.

5.5 If Mortgagor elects not to, Mortgagee may contest, by appropriate legal proceedings, the validity of any valuation for real or personal property tax purposes or of any levy or assessment of any real or personal property taxes against the Mortgaged Property either in the name of Mortgagee or the name of Mortgagor or both. Mortgagor, upon notice and request by Mortgagee, shall join in any such proceedings. Mortgagor shall cooperate with Mortgagee in any such proceeding and execute any documents or pleadings required for such purposes. Mortgagor shall provide Mortgagee with a copy of the notice of such valuation, levy or assessment within ten (10) days after receipt (five (5) days in the case of personal property). Mortgagor shall reimburse Mortgagee for all costs and legal expenses incurred by Mortgagee in connection with any such proceedings, but in no event shall such reimbursement exceed the tax savings achieved for the period covered by the notice of such valuation, levy or assessment. To facilitate the right of Mortgagee to contest any real or personal property tax valuation, levy, or assessment as described above, Mortgagor does hereby make, constitute and appoint Mortgagee, and its successors and assigns, Mortgagor's true and lawful attorney-in-fact, in Mortgagor's name, place and stead, or otherwise, to file any claim or proceeding or to take any action, either in its own name, in that of its nominee, in the name of Mortgagor, or otherwise, to contest any real or personal property tax valuation, levy, or assessment. The power of attorney given herein is a power coupled with an interest and shall be irrevocable so long as any part of the Obligation remains unpaid or unperformed. Mortgagee shall have no obligation to exercise any of the foregoing rights and powers in any event.

5.6 In order to insure the payment of taxes and assessments that are now, or hereafter may be, a lien upon the Mortgaged Property, and to insure the payment of all premiums on policies of insurance required herein, Mortgagor, if required by Mortgagee after the occurrence of any Event of Default or any failure to pay taxes, assessments or insurance premiums as required herein, shall pay to Mortgagee each month, in addition to any other payments required hereunder, an amount equal to the taxes and special assessments levied or to be levied against the Mortgaged Property and the premium or premiums that will become due and payable to maintain the insurance on the Mortgaged Property, all as reasonably estimated by Mortgagee (giving due consideration to the previous year's taxes, assessments and premiums) less all deposits therefore already made, divided by the number of months remaining before one month prior to the date when the taxes, assessments and premiums become delinquent. If amounts paid to Mortgagee under the terms of this paragraph are insufficient to pay all taxes, assessments and

premiums as they become due, Mortgagor shall pay to Mortgagee upon demand all additional sums necessary to fully pay and discharge these items. All moneys paid to Mortgagee under the terms of this paragraph may be either held by Mortgagee to pay the taxes, assessments and premiums before the same become delinquent or applied to the Obligation upon payment by Mortgagee from its own funds of the taxes, assessments and premiums. To the extent provision is not made for payment pursuant to this paragraph, Mortgagor shall remain obligated to pay all taxes, assessments and premiums as they become due and payable. Deposits made under this paragraph may be commingled with Mortgagee's general funds; Mortgagee shall have no liability to Mortgagor for interest on any deposits.

5.7 Mortgagor hereby assigns, transfers and conveys to Mortgagee all compensation and each and every award of damages in connection with any condemnation for public or private use of, or injury to, the Mortgaged Property or any part thereof, to the extent of the Obligation then remaining unpaid, and all such compensation and awards shall be paid directly to Mortgagee. Mortgagee may apply all or any part of such compensation and awards to the payment of the Obligation, whether or not then due, or to the restoration or repair of the Mortgaged Property in accordance with the procedures specified in Paragraph 5.3(c) above for insurance proceeds.

SECTION 6. PROTECTION AND PRESERVATION OF MORTGAGEE'S INTEREST

6.1 Mortgagor, by the payment of any such tax or taxes, shall protect Mortgagee against any and all loss from any taxation of indebtedness or mortgages, direct or indirect, that may be imposed upon this Mortgage, the lien of this Mortgage on the Mortgaged Property, or upon the Obligation, by any law, rule, regulation or levy of the federal government, any state government, or any political subdivision thereof. In the event the burden of such taxation cannot lawfully be shifted from Mortgagee to Mortgagor, Mortgagee may declare the entire Obligation due and payable sixty (60) days after notice to Mortgagor.

6.2 If Mortgagor shall fail to pay any taxes, assessments, expenses or charges, to keep all of the Mortgaged Property free from liens and claims of liens, to maintain and repair the Mortgaged Property, or to procure and maintain insurance thereon, or otherwise fail to perform as required herein, Mortgagee may advance the monies necessary to pay the same, to accomplish such maintenance and repairs, to procure and maintain such insurance or to so perform; Mortgagee is hereby authorized to enter upon the Mortgaged Property for such purposes.

6.3 Upon written request by Mortgagee, Mortgagor shall appear in and prosecute or defend any action or proceeding that may affect the lien or the priority of the lien of this Mortgage or the rights of Mortgagee hereunder and shall pay all costs, expenses (including the cost of searching title) and attorneys' fees incurred in such action or proceeding. Mortgagee may appear in and defend any action or proceeding purporting to affect the lien or the priority of the lien of this Mortgage or the rights of Mortgagee. Mortgagee may pay, purchase, contest or compromise any adverse claim, encumbrance, charge or lien that in the judgment of Mortgagee appears to be prior or superior to the lien of this Mortgage, other than any Permitted Exceptions.

6.4 Except for the Subordinate Mortgage, Mortgagor shall not, without obtaining the prior written consent of Mortgagee, which consent may be withheld in the sole and absolute discretion of Mortgagee, sell, transfer, convey, assign or otherwise dispose of, or further encumber (each, an "Accelerating Transfer"), all or any part of the Mortgaged Property or any interest therein, voluntarily or involuntarily, by operation of law or otherwise. If Mortgagor is a corporation, limited liability company, partnership, joint venture or trust, any material change in the ownership or management of, or interest in, Mortgagor, or any pledge or encumbrance of any interest in Mortgagor, shall be deemed to be an Accelerating Transfer. Consent to any such transaction shall not be deemed to be consent or a waiver of the requirement of consent to any other such transaction. Notwithstanding the foregoing or anything in any of the other Loan Documents to the contrary, so long as any indebtedness under the Note remains outstanding, Mortgagee agrees that any limited partner of Mortgagor may sell, transfer, assign or otherwise dispose of all or any part of its interest in Mortgagor in accordance with the terms of the Partnership Agreement (as defined in the Loan Agreement), as amended or revised, without the prior written consent of Mortgagee.

6.5 Without obtaining the prior written consent of Mortgagee, Mortgagor shall not consent to, or vote in favor of, the inclusion of all or any part of the Mortgaged Property in any special use, tax or other special district. Mortgagor shall immediately give notice to Mortgagee of any notification or advice that Mortgagor may receive from any municipality or other third party of any intent or proposal to include all or any part of the Mortgaged Property in a special use, tax or other special district. Mortgagee shall have the right to file a written objection to the inclusion of all or any part of the Mortgaged Property in a special use, tax or other special district, either in its own name or in the name of Mortgagor, and to appear at, and participate in, any hearing with respect thereto.

6.6 All rights, powers and remedies granted Mortgagee herein, or otherwise available to Mortgagee, are for the sole benefit and protection of Mortgagee, and Mortgagee may exercise any such right, power or remedy at its option and in its sole and absolute discretion without any obligation to do so. In addition, if, under the terms hereof, Mortgagee is given two or more alternative courses of action, Mortgagee may elect any alternative or combination of alternatives, at its option and in its sole and absolute discretion. All monies advanced by Mortgagee under the terms hereof and all amounts paid, suffered or incurred by Mortgagee in exercising any authority granted herein, including reasonable attorneys' fees, shall be added to the Obligation, shall be secured by this Mortgage, shall bear interest at the highest rate payable on any of the Obligation until paid, and shall be due and payable by Mortgagor to Mortgagee immediately without demand.

6.7 Mortgagor, upon request of Mortgagee, shall promptly correct any defect, error or omission that may be discovered in the content of this Mortgage or in the execution or acknowledgment hereof. In addition, Mortgagor shall do such further acts as may be necessary or that Mortgagee may reasonably request to carry out more effectively the purposes of this Mortgage, to subject any property intended to be encumbered hereby to the lien and security interest hereof, and to perfect and maintain the lien and security interest hereof.

SECTION 7. REPRESENTATIONS AND WARRANTIES

7.1 If Mortgagor is a corporation, limited liability company or partnership Mortgagor (and, if applicable, each partner, manager or member of Mortgagor), (i) is duly organized, validly existing and in good standing under the laws of the state in which it is organized; (ii) is qualified to do business and is in good standing under the laws of the state in which the Mortgaged Property is located and in each state in which it is doing business; (iii) has full power and authority to own its properties and assets and to carry on its business as now conducted; and (iv) is fully authorized and permitted to execute and deliver this Mortgage. If Mortgagor is a trust, it is validly formed and existing. The execution, delivery and performance by Mortgagor of this Mortgage and all other documents and instruments relating to the Obligation will not result in any breach of the terms or conditions or constitute a default under any agreement or instrument under which Mortgagor is a party or is obligated. Mortgagor is not in default in the performance or observance of any covenants, conditions or provisions of any such agreement or instrument.

7.2 The liens, security interests and assignments created hereby will be valid, effective, properly perfected and enforceable liens, security interests and assignments.

7.3 All financial statements, profit and loss statements, statements as to ownership and other statements or reports previously or hereafter given to Mortgagee by or on behalf of Mortgagor are and shall be true, complete and correct as of the date thereof. There has been no material adverse change in the financial condition or the results of the operation of Mortgagor since the latest financial statement of Mortgagor given to Mortgagee.

7.4 Mortgagor has filed all federal, state and local tax returns and has paid all of its current obligations before delinquent, including all federal, state and local taxes and all other payments required under federal, state or local law.

7.5 All representations and warranties made herein shall survive the execution hereof, the execution and delivery of all other documents and instruments in connection with the Obligation, and until the Obligation has been fully paid and performed.

SECTION 8. DEFAULTS; REMEDIES

8.1 The occurrence of any of the following events or conditions shall constitute an "Event of Default" under this Mortgage:

(a) Mortgagor's failure to pay, when due, any installment of principal or interest, if any, on the Note, or to pay when due (including any applicable notice and/or cure periods) any other Obligation required to be paid by Mortgagor when due and payable hereunder.

(b) Default by Mortgagor in the performance or observance of any non-monetary condition, warranty, representation, covenant, provision or term contained herein, which remains unremedied for 30 days after notice thereof from Mortgagee to Mortgagor.

(c) The occurrence of a default or an event of default under any of the Loan Documents (as defined in the Loan Agreement), which default or event of default is not timely cured pursuant to any applicable cure period as set forth in the Loan Document.

(d) The occurrence of a default or an event of default under the Junior Lender Mortgage (as defined in the Loan Agreement), which default or event of default is not timely cured pursuant to any applicable cure period as set forth in the Subordinate Mortgage.

(e) The dissolution of Mortgagor or the entry of a decree or order for relief by a court having jurisdiction with respect to Mortgagor in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of Mortgagor or for the Premises or for any substantial part of the property of Mortgagor or ordering the winding-up or liquidation of the affairs of Mortgagor and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days.

(f) The commencement by Mortgagor of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Mortgagor to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Mortgagor or the Premises or of any substantial part of the property of Mortgagor or of any royalties, revenues, rents, issues or profits therefrom, or the making by Mortgagor of any assignment for the benefit of creditors or the failure of Mortgagor generally to pay its debts as such debts become due or the taking of action by Mortgagor in furtherance of any of the foregoing.

(g) The abandonment by Mortgagor of all or any part of the Mortgaged Property.

(h) The existence of any encroachment upon the Mortgaged Property that has occurred without the prior written consent of Mortgagee that is not removed or corrected within thirty (30) days after its creation.

(i) The demolition or destruction of, or any substantial damage to, any portion of the Mortgaged Property that is not adequately covered by insurance, or the loss, theft or destruction of, or any substantial damage to, any portion of the Personal Property or any other collateral or security for the Obligation, that is not adequately covered by insurance.

8.2 Upon the occurrence of any Event of Default arising from a filing under the federal bankruptcy laws the entire Obligation shall become immediately due and payable, without demand or notice, and the same, with all costs and charges, shall be collectible thereupon by action at law. Upon the occurrence of any other Event of Default, and at any time while such Event of Default is continuing, Mortgagee may declare the entire Obligation to be immediately due and payable, and the same, with all costs and charges, shall be collectible thereupon by action at law. In addition, upon the occurrence of any Event of Default and while such Event of Default is continuing, Bank may do one or more of the following:

(a) Commence proceedings for foreclosure of this Mortgage in the manner provided by law.

(b) Exercise any or all of the remedies of a secured party under the Uniform Commercial Code, with respect to the Personal Property. If Mortgagee should proceed to dispose of any of the Personal Property in accordance with the provisions of the Uniform Commercial Code, ten (10) days' notice by Mortgagee to Mortgagor shall be deemed to be commercially reasonable notice under any provision of the Uniform Commercial Code requiring notice. Mortgagor acknowledges and agrees that the commercial reasonableness of a sale of the Personal Property is not affected by, among other things, (i) Mortgagee's compliance with any applicable state or federal law requirements in connection with the sale, (ii) Mortgagee disposing of the Personal Property in its present condition, without repair or clean-up prior to sale, or (iii) Mortgagee disclaiming or modifying warranties of title, possession, quiet enjoyment and the like by communicating to the purchaser a record indicating such disclaimer or modification or in a manner that would be effective in a voluntary disposition. Mortgagor, however, agrees that all property of every nature and description, whether real or personal, covered by this Mortgage, together with all personal property used on or in connection with the Premises or any business conducted thereon by the Mortgagor and covered by separate security agreements, is encumbered as one unit, that this Mortgage and such security interests, at Mortgagee's option, may be foreclosed or sold in the same proceeding, and that all property encumbered (both realty and personalty), at Mortgagee's option, may be sold as such in one unit as a going business, subject to the provisions of applicable law.

(c) Without regard to the adequacy of any security for the Obligation or the solvency of Mortgagor or any other person or entity, send notifications to any and all lessees and tenants under the Leases that all Rents shall be paid to Mortgagee. Thereafter, Mortgagee shall be entitled to collect the Rents until Mortgagor cures all Events of Default and may apply the Rents collected at its sole discretion to the maintenance of the Mortgaged Property and/or the payment of the Obligation.

(d) Apply any funds in the possession or control of Mortgagee under the provisions of Paragraph 5.6 hereof to the payment of the Obligation, in lieu of the purposes specified in that paragraph.

(e) Apply for and obtain, without regard to the adequacy of any security for the Obligation or the solvency of the Mortgagor or any other person or entity, a receiver by any court of competent jurisdiction to take charge of all the Mortgaged Property, to manage, operate and carry on any business then being conducted or that could be conducted on the Premises, to carry on, protect, preserve, replace and repair the Mortgaged Property, and receive and collect all Rents and to apply the same to pay the receiver's expenses for the operation of the Mortgaged Property and then in the manner provided in Paragraph 3.3 herein. Mortgagor hereby agrees that Mortgagee shall be entitled to the appointment of a receiver for the Mortgaged Property upon the filing of Mortgagee's motion requesting such appointment. Upon appointment of said receiver, Mortgagor shall immediately deliver possession of all of the Mortgaged Property to such receiver. Neither the appointment of a receiver for the Mortgaged Property by any court at the request of Mortgagee or by agreement with Mortgagor nor the entering into possession of all or any part of the Mortgaged Property by such receiver shall constitute Mortgagee a "mortgagee in possession" or otherwise make Mortgagee responsible or liable in any manner with respect to the Mortgaged Property or the occupancy, operation or use thereof. Mortgagor agrees that Mortgagee shall have the absolute and unconditional right to the appointment of a receiver in any independent and/or separate action brought by Mortgagee regardless of whether Mortgagee seeks any relief in such action other than the appointment of a receiver and Mortgagor hereby expressly consents to the appointment of such receiver. In that respect, Mortgagor waives any express or implied requirement under common law or any other applicable law that a receiver may be appointed only ancillary to other judicial or non-judicial relief.

(f) Without regard to the adequacy of any security for the Obligation or the solvency of Mortgagor or any other person or entity, enter upon and take possession of all or any part of the Mortgaged Property, either in person or by agent or employee, or by a receiver appointed by a court of competent jurisdiction; Mortgagor shall on demand peaceably surrender possession of the Mortgaged Property to Mortgagee. Mortgagee, in its own name or in the name of Mortgagor, may operate and maintain all or any part of the Mortgaged Property to such extent as Mortgagee deems advisable, may rent and lease the same to such persons, for such periods of time, and on such terms and conditions as Mortgagee in its sole discretion may determine, and may sue for or otherwise collect any and all Rents, including those past due and unpaid. Mortgagee or the receiver shall be entitled to receive a reasonable fee for so managing the Mortgaged Property. In dealing with the Mortgaged Property as a mortgagee in possession, Mortgagee shall not be subject to any liability, charge, or obligation therefor to Mortgagor, other than for willful misconduct, and shall be entitled to operate any business then being conducted or which could be conducted thereon or therewith at the expense of and for the account of Mortgagor (and all net losses, costs and expenses thereby incurred shall be advances governed by Paragraph 6.6 hereof), to the same extent as the owner thereof could do, and to apply the Rents to pay the receiver's expenses, if any, for the operation of the Mortgaged Property and then in the manner provided in Paragraph 3.3 herein.

(g) The occurrence of an Accelerating Transfer.

8.3 Mortgagor shall pay all costs and expenses, including without limitation costs of title searches and title policy commitments, Uniform Commercial Code searches, court costs and reasonable allocated attorneys' fees, incurred by Mortgagee in enforcing payment and performance of the Obligation or in exercising the rights and remedies of Mortgagee hereunder. All such costs and expenses shall be secured by this Mortgage and by all other lien and security documents securing the Obligation. In the event of any court proceedings, court costs and attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Mortgagee.

8.4 In addition to any remedies provided herein for an Event of Default, Mortgagee shall have all other legal or equitable remedies allowed under applicable law. No failure on the part of Mortgagee to exercise any of its rights hereunder arising upon any Event of Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Event of Default. No delay on the part of Mortgagee in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Event of Default is continuing. Mortgagee may enforce any one or more remedies or rights hereunder successively or concurrently. By accepting payment or performance of any of the Obligation after its due date, Mortgagee shall not thereby waive the agreement contained herein that time is of the essence, nor shall Mortgagee waive either its right to require prompt payment or performance when due of the remainder of the Obligation or its right to consider the failure to so pay or

perform an Event of Default. In any action by Mortgagee to recover a deficiency judgment for any balance due under the Note upon the foreclosure of this Mortgage or in any action to recover the Obligation or Obligations secured hereby, and as a material inducement to making the loan evidenced by the Note, Mortgagor acknowledges and agrees that the successful bid amount made at any judicial foreclosure sale, if any, shall be conclusively deemed to constitute the fair market value of the Premises, that such bid amount shall be binding against Mortgagor in any proceeding seeking to determine or contest the fair market value of the Premises and that such bid amount shall be the preferred alternative means of determining and establishing the fair market value of the Premises.

SECTION 9. GENERAL PROVISIONS

9.1 Mortgagor shall defend, indemnify and hold harmless Mortgagee, any successors to Mortgagee's interest in the Mortgaged Property, any purchaser of the Mortgaged Property upon foreclosure, and all shareholders, directors, officers, employees and agents of all of the foregoing and their heirs, personal representatives, successors and assigns from and against all claims, costs, expenses, actions, suits, proceedings, losses, damages and liabilities of any kind whatsoever, including but not limited to all amounts paid in settlement of, and all costs and expenses (including attorneys' fees) incurred in defending or settling, any actual or threatened claim, action, suit or proceeding, directly or indirectly arising out of or relating to the Obligation, this Mortgage, or the Mortgaged Property. This indemnity provision shall continue in full force and effect and shall survive the payment and performance of the Obligation, the release of record of the lien of this Mortgage, any foreclosure (or action in lieu of foreclosure) of this Mortgage, the exercise by Mortgagee of any other remedy under this Mortgage or any other document or instrument evidencing or securing the Obligation, and any suit, proceeding or judgment against Mortgagor by Mortgagee hereon.

9.2 The acceptance of this Mortgage by Mortgagee shall not be considered a waiver of or in any way to affect or impair any other security that Mortgagee may have, acquire simultaneously herewith, or hereafter acquire for the payment or performance of the Obligation, nor shall the taking by Mortgagee at any time of any such additional security be construed as a waiver of or in any way to affect or impair the security of this Mortgage; Mortgagee may resort, for the payment or performance of the Obligation, to its several securities therefor in such order and manner as it may determine.

9.3 Without notice or demand, without affecting the obligations of Mortgagor hereunder or the personal liability of any person for payment or performance of the Obligation, and without affecting the lien or the priority of the lien of this Mortgage, Mortgagee, from time to time, may: (i) extend the time for payment of all or any part of the Obligation, accept a renewal note therefor, reduce the payments thereon, release any person liable for all or any part thereof, or otherwise change the terms of all or any part of the Obligation; (ii) take and hold other security for the payment or performance of the Obligation and enforce, exchange, substitute, subordinate, waive or release any such security; (iii) consent to the making of any map or plat of the Mortgaged Property; (iv) join in granting any easement on or in creating any covenants, conditions or restrictions affecting the use or occupancy of the Mortgaged Property; (v) join in any extension or subordination agreement; or (vi) release any part of the Mortgaged Property from this Mortgage. Any such action by Mortgagee may be taken without the consent of any junior lienholder and shall not affect the priority of this Mortgage over any junior lien.

9.4 Mortgagor waives and agrees not to assert: (i) any right to require Mortgagee to proceed against any guarantor, to proceed against or exhaust any other security for the Obligation, to pursue any other remedy available to Mortgagee, or to pursue any remedy in any particular order or manner; (ii) the benefits of any legal or equitable doctrine or principle of marshalling; (iii) the benefits of any statute of limitations affecting the enforcement hereof; (iv) demand, diligence, presentment for payment, protest and demand, and notice of extension, dishonor, protest, demand and nonpayment, relating to the Obligation; and (v) any benefit of, and any right to participate in, any other security now or hereafter held by Mortgagee.

9.5 Upon payment of all of the Obligation, Mortgagee shall cause the lien of this Mortgage to be released and all costs and expenses of Mortgagee relating to such release shall be paid by Mortgagor, including but not limited to title fees, recording fees and legal expenses.

9.6 Mortgagee shall have the right to inspect the Mortgaged Property at all reasonable times.

9.7 Time is of the essence hereof. If more than one Mortgagor is named herein, the word "Mortgagor" shall mean all and any one or more of them, severally and collectively. All liability hereunder shall be joint and several. This Mortgage shall be binding upon, and shall inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns. The term "Mortgagee" shall include not only the original Mortgagee hereunder but also any future owner and holder, including

pledgees, of the Note. The provisions hereof shall apply to the parties according to the context thereof and without regard to the number or gender of words or expressions used.

9.8 This Mortgage cannot be changed except by agreement, in writing, signed by Mortgagor and Mortgagee.

9.9 No setoff or claim that Mortgagor now has or may in the future have against Mortgagee shall relieve Mortgagor from paying or performing the Obligation.

9.10 Each term, condition and provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law but if any term, condition or provision of this Mortgage shall be held to be void or invalid, the same shall not affect the remainder hereof which shall be effective as though the void or invalid term, condition or provision had not been contained herein.

9.11 This Mortgage, the Obligation and the agreements of any person or entity to pay or perform the Obligation shall be governed by and construed according to the laws of the State of Indiana, without giving effect to conflict of laws principles.

9.12 All notices required or permitted to be given hereunder shall be in writing and may be given in person or by United States mail, by delivery service or by electronic transmission. Any notice directed to a party to this Mortgage shall become effective upon the earliest of the following: (i) actual receipt by that party; (ii) delivery to the designated address of that party, addressed to that party; or (iii) if given by certified or registered United States mail, twenty-four (24) hours after deposit with the United States Postal Service, postage prepaid, addressed to that party at its designated address. The designated address of a party shall be the address of that party shown at the beginning of this Mortgage or such other address as that party, from time to time, may specify by notice to the other parties.

9.13 As further security for the payment and performance of the Obligation, Mortgagee shall be subrogated to the lien, although released of record, of any and all encumbrances paid from the proceeds of any loan included in the Obligation.

9.14 There shall be no merger of the estate or interest created by this Mortgage with any other interest or estate in the Mortgaged Property at any time held by or for the benefit of Mortgagee in any capacity, without the written consent of Mortgagee.

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EXHIBIT "A"

All that real property located at 3618-3628 Main Street, East Chicago, Indiana 46312, in the County of Lake, State of Indiana, and more particularly described as follows:

Parcel 1: Lots 6 to 11, both inclusive, and 18 to 28, both inclusive, in Block 52 in Original Town of Indiana Harbor, in the City of East Chicago, as per plat thereof, recorded in Plat Book 5, page 9, in the Office of the Recorder of Lake County, Indiana.

Parcel 2: Lots 10 and 11, both inclusive, and Lots 18 to 20, both inclusive, in Block 53 in Original Town of Indiana Harbor, in the City of East Chicago, as per plat thereof, recorded in Plat Book 5 page 9, in the Office of the Recorder of Lake County, Indiana.

Parcel 3: Lots 18 thru 23, both inclusive, in Block 3 in First Addition to Indiana Harbor, in the City of East Chicago, as per plat thereof, recorded in Plat Book 5 page 14, in the Office of the Recorder of Lake County, Indiana.

Parcel 4: Lots 29 to 34, both inclusive, in Block 2 in First Addition to Indiana Harbor, in the City of East Chicago, as per plat thereof, recorded in Plat Book 5 page 14, in the Office of the Recorder of Lake County, Indiana.