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STATE OF INDIANA
LAKE COUNTY
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MICHELLE R. FAJMAN
RECORDER

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INLAND OPPORTUNITY ST. JOHN, L.L.C.,
 a limited liability company, as mortgagor
 (Grantor)

to

STARWOOD PROPERTY MORTGAGE SUB-3, L.L.C.,
 a Delaware limited liability company, as mortgagee
 (Lender)

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT

Dated: As of February 28, 2011

Location: Corner of US 41 & US 231
St. John, Indiana

County: Lake

FIDELITY CP 920107153

AMOUNT \$ 78

CASH _____ CHARGE FN

CHECK # _____

OVERAGE _____

COPY _____

NON-COM _____ CA

CLERK _____

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND
SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (this "**Security Instrument**") is made as of this 28th day of February, 2011, by **INLAND OPPORTUNITY ST. JOHN, L.L.C.**, a Delaware limited liability company, having its principal place of business at c/o Inland Opportunity Fund, L.L.C. 2901 Butterfield Road, Oak Brook, Illinois 60523, as mortgagor ("**Grantor**"), for the benefit of **STARWOOD PROPERTY MORTGAGE SUB-3, L.L.C.**, a Delaware limited liability company, having an address at 591 W. Putnam Avenue Greenwich, CT 06830, as mortgagee (together with its successors and/or assigns, "**Lender**").

WITNESSETH:

WHEREAS, this Security Instrument is given to secure a loan (the "**Loan**") in the principal sum of SEVENTEEN MILLION NINE HUNDRED THIRTY-ONE THOUSAND AND NO/100 DOLLARS (\$17,931,000.00) or so much thereof as may be advanced pursuant to that certain Loan Agreement dated as of the date hereof between Grantor, the other Borrowers and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**") and evidenced by that certain Promissory Note dated the date hereof made by Grantor and the other Borrowers to Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Note**");

WHEREAS, to induce Lender to make the Loan to Grantor and the other Borrowers, Grantor desires to further secure the payment of the Debt (as defined in the Loan Agreement) and the performance of all of Grantor's and the other Borrowers' obligations under the Note, the Loan Agreement and the other Loan Documents (as herein defined);

WHEREAS, this Security Instrument is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Grantor and the other Borrowers of their respective obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement, the Note, and that certain Assignment of Leases and Rents of even date herewith made by Grantor in favor of Lender delivered in connection with this Security Instrument (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Assignment of Leases**"), including, without limitation, the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Security Instrument (the Loan Agreement, the Note, this Security Instrument, the Assignment of Leases and all other documents evidencing or securing the Debt or executed or delivered in connection therewith, are hereinafter referred to collectively as the "**Loan Documents**"); and

WHEREAS, Grantor and Lender intend these recitals to be a material part of this Security Instrument.

FIDELITY CP 920107153

NOW THEREFORE, in consideration of the making of the Loan by Lender to Grantor and the other Borrowers and the covenants, agreements, representations and warranties set forth in this Security Instrument, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Lender hereby agree as follows:

ARTICLE I

GRANTS OF SECURITY

Section 1.1 Property Mortgaged. Grantor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Lender and its successors and assigns the following property, rights, interests and estates now owned, or hereafter acquired by Grantor (collectively, the "**Property**"):

(a) Land. The real property described on Exhibit A attached hereto and made a part hereof (the "**Land**");

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

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "**Improvements**"). Notwithstanding the foregoing, Improvements shall not include any property belonging to tenants under Leases (as hereinafter defined) except to the extent that Grantor shall have any right or interest in such property;

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

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Grantor, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings and electronic data-processing and other office equipment now owned or hereafter acquired by

Grantor and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the **"Equipment"**). Notwithstanding the foregoing, Equipment shall not include any property belonging to tenants under Leases (as hereinafter defined) except to the extent that Grantor shall have any right or interest therein;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Grantor which is so related to the Land and/or the Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Grantor's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the **"Fixtures"**). Notwithstanding the foregoing, **"Fixtures"** shall not include any property which tenants are entitled to remove pursuant to Leases or fixtures owned by utility companies, except to the extent that Grantor shall have any right or interest therein;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever (as defined and subject to the provisions of the Uniform Commercial Code as hereinafter defined), other than Fixtures, which are now or hereafter owned by Grantor and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the **"Personal Property"**), and the right, title and interest of Grantor in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (as amended from time to time, the **"Uniform Commercial Code"**), superior in lien to the lien of this Security Instrument and all proceeds and products of the above;

(h) Leases and Rents. All leases, subleases and other agreements affecting the use, enjoyment or occupancy of the Land and/or the Improvements heretofore or hereafter entered into and all extensions, amendments and modifications thereto, whether before or after the filing by or against Grantor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the **"Bankruptcy Code"**) (individually, a **"Lease"**,

collectively, the "Leases") and all income, rents and right, title and interest of Grantor, its successors and assigns in and under the Leases, including, without limitation, any guaranties of the lessees' obligations thereunder, cash or securities deposited under the Leases to secure the performance by the lessees of their obligations under the Leases and all rents, additional rents, early termination fees and payments and other termination fees and payments, revenues, issues and profits (including, without limitation, and all cash or securities deposited to secure the performance by the lessees of their obligations under the Leases), issues, profits and revenues (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements whether paid or accruing before or after the filing by or against Grantor of any petition for relief under the Bankruptcy Code (collectively, the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt and the performance of all of the other obligations due and owing by Grantor and the other Borrowers to Lender pursuant to the terms of the Loan Documents;

(i) Condemnation Awards. All awards which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(j) Insurance Proceeds. All Insurance Proceeds in respect of the Property under any Policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any Policies, judgments, or settlements made in lieu thereof, in connection with a Casualty to the Property;

(k) Tax Certiorari. All refunds, rebates or credits in connection with reduction in Taxes or Other Charges charged against the Property;

(l) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, Insurance Proceeds and awards, into cash or liquidation claims;

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

(n) Agreements. All agreements, contracts, certificates, instruments, franchises, franchise agreements, permits, licenses, and, to the extent lawfully assignable, all licenses, permits, approvals and consents which are required for the sale and service of alcoholic beverages on the Property heretofore or hereafter obtained from applicable state and local authorities, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Improvements and/or the Land and any part thereof, respecting any business or activity conducted in the Improvements and/or on the Land and any part thereof and all right, title and interest of Grantor therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Grantor thereunder;

(o) Trademarks. All trade names, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(p) Accounts/Intangibles. All accounts, accounts receivable, escrows (including, without limitation, all escrows, deposits, reserves and impounds established pursuant to the Loan Agreement and the Loan Documents), documents, instruments, chattel paper, claims, reserves (including deposits) representations, warranties and general intangibles, as one or more of the foregoing terms may be defined in the Uniform Commercial Code, and all contract rights, franchises, books, records, plans, specifications, permits, licenses (to extent assignable), approvals, actions, choses, claims, suits, proofs of claims in bankruptcy and causes of action which now or hereafter relate to, are derived from or are used in connection with the Property, including, without limitation, all revenues and credit card receipts collected from guest rooms, restaurants, bars, meeting rooms, banquet rooms, and recreational facilities, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Grantor or any operator or manager of the commercial space located in the Improvements or acquired from others (including, without limitation, from the rental of any office space, retail space or other space, halls, stores, and offices, and deposits securing reservations of such space), license, lease, sublease and concession fees and rentals, health club membership fees, food and beverage wholesale and retail sales, service charges, vending machine sales and proceeds, if any, from business interruption or other loss of income insurance, or arising from the sale of any Property or the rendition of services in the ordinary course of business or otherwise (whether or not earned by performance), together with any Property returned by or reclaimed from customers wherever such Property is located, or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business activities thereon and all other deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions, dividends and/or substitutions thereon and thereof (collectively called the “**Intangibles**”);

(q) Proceeds. All products and proceeds of any of the foregoing; and

(r) Other Rights. Any and all other rights of Grantor in and to the items set forth in Sections (a) through (q) above.

AND, without limiting any of the other provisions of this Security Instrument, to the extent permitted by applicable law, Grantor expressly grants to Lender, as secured party, a first priority security interest in the portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and the Fixtures are part and parcel of the Land (the Land, the Improvements, the Easements and the Fixtures being collectively referred to herein as the “**Real Property**”) appropriated to the use thereof and, whether affixed or annexed to the Land or not, shall for the purposes of this Security Instrument be deemed conclusively to be real estate and mortgaged hereby.

Section 1.2 Assignment of Leases and Rents. Grantor hereby absolutely and unconditionally assigns to Lender all of Grantor's right, title and interest in and to all current and future Leases and Rents; it being intended by Grantor that this assignment constitutes a present, absolute and unconditional assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Loan Agreement, the Assignment of Leases and Section 7.2(h) of this Security Instrument, Lender grants to Grantor a revocable license (which shall be automatically revoked upon the occurrence of an Event of Default) to collect, receive, use and enjoy the Rents. Grantor shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums.

Section 1.3 Security Agreement. This Security Instrument is a real property mortgage, a "security agreement," a "financing statement" and a "fixture filing" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Grantor in the Property. By executing and delivering this Security Instrument, Grantor hereby grants to Lender, as security for the Obligations (as hereinafter defined), a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "Collateral"). If an Event of Default shall occur and be continuing, Lender, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Lender after the occurrence and during the continuance of an Event of Default, Grantor shall, at its expense, assemble the Collateral and make it available to Lender at a convenient place (at the Land if tangible property) reasonably acceptable to Lender. Grantor shall pay to Lender on demand any and all expenses, including, without limitation, reasonable, actual attorneys' fees and costs, incurred or paid by Lender in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral sent to Grantor in accordance with the provisions hereof at least ten (10) days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Grantor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Lender to the repayment of the Debt in such priority and proportions as Lender in its sole discretion shall deem proper. Grantor's (debtor's) principal place of business is as set forth on the first page hereof and the address of Lender (secured party) is as set forth on the first page hereof. Grantor and Lender agree that the foregoing is intended to grant in favor of Lender a first priority continuing lien and security interest in all of the Grantor's assets. The Grantor authorizes the Lender and its counsel to file Uniform Commercial Code financing statements in form and substance satisfactory to the Lender describing the collateral as all assets of the Grantor.

Section 1.4 Fixture Filing. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, and this Security

Instrument, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement (naming Grantor as the Debtor and Lender as the Secured Party) filed as a fixture filing in accordance with the applicable provisions of the Uniform Commercial Code upon such of the Property that is or may become fixtures.

Section 1.5 Pledges of Monies Held. Grantor hereby pledges to Lender any and all monies now or hereafter held by Lender or on behalf of Lender, including, without limitation, any sums deposited in the Collection Account, the Cash Management Account, the Reserve Funds and Net Proceeds, as additional security for the Obligations until expended or applied as provided in this Security Instrument or the Loan Documents.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Lender and its successors and assigns, forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property unto Lender against every Person whomsoever lawfully claiming or to claim the same or any part thereof for the purposes and uses herein set forth;

WITH POWER OF SALE (to the extent permitted by applicable law), to secure the payment to Lender its indebtedness secured hereby and performance of the Other Obligations (defined herein) at the time and in the manner provided for in the Note, the Loan Agreement, this Security Instrument and the other Loan Documents;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Grantor and the other Borrowers shall well and truly pay to Lender the Debt at the time and in the manner provided in the Note, the Loan Agreement and this Security Instrument, shall well and truly perform the Other Obligations (hereafter defined) as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, the Loan Agreement and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void; provided, however, that Grantor's obligation to indemnify and hold harmless Lender pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE II

DEBT AND OBLIGATIONS SECURED

Section 2.1 Debt. This Security Instrument and the grants, assignments and transfers made in Article I are given for the purpose of securing the Debt, which by its definition (as set forth in the Loan Agreement) includes, but is not limited to, the obligations of Grantor and the other Borrowers to pay to Lender the principal and interest owing pursuant to the terms and condition of the Note.

Section 2.2 Other Obligations. This Security Instrument and the grants, assignments and transfers made in Article I are also given for the purpose of securing the following (collectively, the "**Other Obligations**"):

(a) the performance of all other obligations of Grantor contained herein;

(b) the performance of each obligation of Grantor and the other Borrowers contained in the Loan Agreement and any other Loan Document; and

(c) the performance of each obligation of Grantor and the other Borrowers contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.3 Debt and Other Obligations. Grantor's and the other Borrowers' obligations for the payment of the Debt and the performance of the Other Obligations may sometimes be referred to collectively herein as the "**Obligations.**"

ARTICLE III

GRANTOR COVENANTS

Grantor covenants and agrees that:

Section 3.1 Payment of Debt. Grantor will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note, this Security Instrument and the other Loan Documents.

Section 3.2 Incorporation by Reference. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note and (c) all and any of the other Loan Documents, are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Section 3.3 Insurance. Grantor shall obtain and maintain, or cause to be maintained, in full force and effect at all times insurance with respect to Grantor and the Property as required pursuant to the Loan Agreement.

Section 3.4 Maintenance of Property. Grantor shall cause the Property to be maintained in a good and safe condition and repair. Notwithstanding the foregoing, Grantor shall be deemed to have complied with the requirements of the immediately preceding sentence with respect to the Property if and so long as: (x) the Walgreens Lease for the Property is in full force and effect; and (y) Walgreens, to the extent required under such Walgreens Lease, causes the Property to be maintained in a good and safe condition and repair. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Lender, or as otherwise permitted pursuant to the Loan Agreement, Grantor shall promptly repair, replace or rebuild, in accordance with the terms and conditions of the Loan Agreement, any part of the Property which may be destroyed by any Casualty or become damaged, worn or dilapidated or which may be affected by any Condemnation, and shall complete and pay for any structure at any time in the process of construction or repair on the Land.

Section 3.5 Waste. Grantor shall not commit or suffer any waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or allow the cancellation of any Policy, or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Security Instrument. Grantor will not, without the prior written consent of Lender, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof. So long as the Walgreens Lease for the Property is in full force and effect, nothing in this Section 3.5 shall prohibit Walgreens from making any alterations to the Property or the Improvements thereon to the extent same are expressly permitted pursuant to the terms of such Walgreens Lease.

Section 3.6 Payment for Labor and Materials. (a) Subject to Section 3.6(b) hereof and the terms and provisions of the Loan Agreement, Grantor will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("**Labor and Material Costs**") incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests created hereby and by the other Loan Documents, and never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests created hereby and by the other Loan Documents except for the Permitted Encumbrances.

(b) After prior written notice to Lender, Grantor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Labor and Material Costs, provided that (i) no Event of Default has occurred and is continuing under the Loan Agreement, the Note, this Security Instrument or any of the other Loan Documents, (ii) Grantor is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of the Labor and Material Costs from Grantor and from the Property or Grantor shall have paid all of the Labor and Material Costs under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Grantor is subject and shall not constitute a default thereunder, (v) such proceeding shall be conducted in accordance with all applicable statutes, laws and ordinances; (vi) neither the Property nor any part thereof or interest therein shall be in danger of being sold, forfeited, terminated, canceled or lost as a result of such contest; and (vii) Grantor shall have furnished such security as may be required in the proceeding, or as may be reasonably requested by Lender, to insure the payment of any contested Labor and Material Costs, together with all interest and penalties thereon.

Section 3.7 Performance of Other Agreements. Grantor shall observe and perform each and every term, covenant and provision to be observed or performed by Grantor pursuant to the Loan Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.8 Change of Name, Identity or Structure. Grantor shall not change Grantor's name, identity (including its trade name or names) or, if not an individual, Grantor's corporate, partnership, company or other structure without notifying Lender of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in Grantor's structure, without first obtaining the prior written consent of Lender, except as may otherwise be permitted pursuant to Section 5.2.10 of the Loan Agreement. Further, Grantor shall promptly notify Lender in writing of any change in its organizational identification number or, if Grantor does not now have an organizational identification number and later obtains one, Grantor shall promptly notify Lender in writing of such organizational identification number. Grantor shall execute and deliver to Lender, prior to or contemporaneously with the effective date of any change referenced above, any financing statement or financing statement change required by Lender to establish or maintain the validity, perfection and priority of the security interests granted herein. At the request of Lender, Grantor shall execute a certificate in form satisfactory to Lender listing the trade names under which Grantor is operating or intends to operate the Property, and representing and warranting that Grantor does business under no other trade name with respect to the Property.

Section 3.9 Title. Grantor represents and warrants to Lender that (a) Grantor has good, marketable and insurable fee simple title to the real property comprising part of the Property and good title to the balance of the Property, free and clear of all Liens whatsoever except the Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents; (b) the Permitted Encumbrances in the aggregate do not materially and adversely affect the value, operation or use of the Property or Grantor's and the other Borrowers' ability to repay the Loan; (c) this Security Instrument, when properly recorded in the appropriate records, together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (i) a valid, perfected first priority lien on the Property, subject only to the Permitted Encumbrances and the Liens created by the Loan Documents and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms hereof, in each case subject only to any applicable Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents; (d) there are no claims for payment for work, labor or materials affecting the Property which are past due and are or may become a Lien prior to, or of equal priority with, the Liens created by the Loan Documents unless such claims for payments are being contested in accordance with the terms and conditions of this Security Instrument or are insured by title insurance; (e) Grantor is not a party to any outstanding contract or agreement providing for or requiring it to convey its interest in the Property to any person or entity; and (f) Grantor shall forever warrant, defend and preserve its title to the Property and the validity and priority of the lien of this Security Instrument and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

ARTICLE IV

OBLIGATIONS AND RELIANCES

Section 4.1 Relationship of Grantor and Lender. The relationship between Grantor and Lender is solely that of debtor and creditor, and Lender has no fiduciary or other

special relationship with Grantor, and no term or condition of any of the Loan Agreement, the Note, this Security Instrument and the other Loan Documents shall be construed so as to deem the relationship between Grantor and Lender to be other than that of debtor and creditor.

Section 4.2 No Reliance on Lender. The general partners, members, principals and (if any Borrower is a trust) beneficial owners of Grantor and the other Borrowers, as applicable, are experienced in the ownership and operation of properties similar to the Property, and Grantor and Lender are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Grantor is not relying on Lender's expertise, business acumen or advice in connection with the Property.

Section 4.3 No Lender Obligations. (a) Notwithstanding the provisions of Sections 1.1(h) and (n) or Section 1.2 hereof, Lender is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Lender pursuant to this Security Instrument, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any Officer's Certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or Policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Lender.

Section 4.4 Reliance. Grantor recognizes and acknowledges that (a) in accepting the Loan Agreement, the Note, this Security Instrument and the other Loan Documents, Lender is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Section 4.1 of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Lender; (b) such reliance existed on the part of Lender prior to the date hereof; (c) the warranties and representations are a material inducement to Lender in making the Loan; and (d) Lender would not be willing to make the Loan and accept this Security Instrument in the absence of the warranties and representations as set forth in Section 4.1 of the Loan Agreement.

ARTICLE V

FURTHER ASSURANCES

Section 5.1 Recording of Security Instrument, etc. Grantor forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument and any of the other Loan Documents creating a Lien or security interest or evidencing the Lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of to fully protect and perfect the Lien or security interest hereof upon, and the interest of Lender in, the Property. Grantor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Security Instrument, the other Loan

Documents, any note, deed of trust or mortgage supplemental hereto, any other security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of any of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any deed of trust or mortgage supplemental hereto, any other security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

Section 5.2 Further Acts, etc. Grantor will, at the sole cost and expense of Grantor, and without expense to Lender, do, execute, acknowledge and deliver all further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Lender the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Grantor may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Legal Requirements. Grantor, on demand, will execute and deliver, and in the event Grantor shall fail to so execute and deliver, hereby authorizes Lender to execute in the name of Grantor or without the signature of Grantor to the extent Lender may lawfully do so, one or more financing statements (including, without limitation, initial financing statements and amendments thereto and continuation statements) to evidence more effectively the security interest of Lender in the Property.

Section 5.3 Changes in Tax, Debt, Credit and Documentary Stamp Laws. (a) If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, Grantor will pay the tax, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of tax by Grantor would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury then Lender shall have the option by written notice of not less than one hundred twenty (120) days to declare the Debt immediately due and payable (provided, that so long as no Event of Default has occurred and is continuing, no Yield Maintenance Premium shall be due in connection with any prepayment of the Debt required pursuant to this Section 5.3(a)).

(b) Grantor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, then Lender shall have the option, by written notice of not less than one hundred twenty (120) days, to declare the Debt immediately due and payable (provided, that so long as no Event of Default has occurred and is continuing, no Yield Maintenance Premium shall be due in connection with any prepayment of the Debt required pursuant to this Section 5.3(b)).

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Security Instrument, or any of the other Loan Documents or shall impose any other tax or charge on the same, Grantor will pay for the same, with interest and penalties thereon, if any.

Section 5.4 Severing of Mortgage. Subject to the terms of the Loan Agreement, this Security Instrument and the Note may, at any time (whether prior to or after any sale, participation or Securitization of all or any portion of the Loan) until the same shall be fully paid and satisfied, at the sole election of Lender, be severed into two or more notes and two or more security instruments in such denominations as Lender shall determine in its sole discretion, each of which shall cover all or a portion of the Property to be more particularly described therein. To that end, Grantor, upon written request of Lender, shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered by the then owner of the Property, to Lender and/or its designee or designees, substitute notes and security instruments in such principal amounts, aggregating not more than the then unpaid principal amount of the Note, and containing terms, provisions and clauses substantially similar to those contained herein and in the Note, and such other documents and instruments as may be required by Lender.

Section 5.5 Replacement Documents. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or other Loan Document, Grantor and the other Borrowers, as applicable, will issue, in lieu thereof, a replacement Note or other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor.

ARTICLE VI

DUE ON SALE/ENCUMBRANCE

Section 6.1 Lender Reliance. Grantor acknowledges that Lender has examined and relied on the experience of Grantor and the other Borrowers and their respective general partners, members, principals and (if any Borrower is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Grantor's ownership of the Property as a means of maintaining the value of the Property as security for the payment of the Debt and the performance of the Other Obligations. Grantor acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Grantor or any other Borrower default in the payment of the Debt or the performance of the Other Obligations, Lender can recover the Debt by a sale of the Property.

Section 6.2 No Sale/Encumbrance. Neither Grantor nor any Restricted Party shall Transfer the Property or any part thereof or any interest therein or permit or suffer the Property or any part thereof or any interest therein to be transferred other than as expressly permitted pursuant to the terms of the Loan Agreement.

ARTICLE VII

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.1 Events of Default. The occurrence of an "Event of Default" under the Loan Agreement or any of the other Loan Documents (including, without limitation, any Other Security Instrument (as hereinafter defined)) shall be an "Event of Default" under this Security Instrument.

Section 7.2 Remedies. Upon the occurrence and during the continuance of any Event of Default, Grantor agrees that Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Grantor and the other Borrowers and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

(a) accelerate the maturity date of the Note and declare any or all of the indebtedness secured hereby or by any other Loan Document to be immediately due and payable without any presentment, demand, protest, notice or action of any kind whatever (each of which is hereby expressly waived by Grantor), whereupon the same shall become immediately due and payable. Upon any such acceleration, payment of such accelerated amount shall constitute a prepayment of the principal balance of the Note and any applicable prepayment fee, if any, provided for in the Note shall then be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the complete or partial foreclosure of this Security Instrument under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner as Lender shall elect in its sole and absolute discretion;

(c) institute proceedings, judicial or otherwise, for the complete or partial foreclosure of any of the Other Security Instruments under any applicable provision of law, in which case the property secured by such Other Security Instruments or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner as Lender shall elect in its sole and absolute discretion;

(d) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing Lien and security interest of this Security Instrument for the balance of the Debt and the Other Obligations not then due, unimpaired and without loss of priority;

(e) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Grantor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such

time and place, upon such terms and after such notice thereof, all as may be required or permitted by law, and, without limiting the foregoing:

(i) In connection with any sale or sales hereunder, Lender shall be entitled to elect to treat any of the Property which consists of (x) a right in action, or (y) which is property that can be severed from the Land covered hereby, or (z) any Improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Land. Where the Property consists of Land, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Land, Lender shall be entitled to elect to exercise its rights and remedies against any or all of the Land, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Lender shall be entitled to elect to proceed against any or all of the Land, the Personal Property, the Equipment and the Fixtures in any manner permitted under applicable law; and if Lender so elects pursuant to applicable law, the power of sale herein granted shall, to the fullest extent permitted by applicable law, be exercisable with respect to all or any of the Land, the Personal Property, the Equipment and the Fixtures covered hereby, as designated by Lender, and Lender is hereby authorized and empowered to conduct any such sale of any Land, Personal Property, Equipment and Fixtures in accordance with the procedures applicable to the Land;

(iii) Should Lender elect to sell any portion of the Property which is Land or which is Personal Property, Equipment or Fixtures that Lender has elected under applicable law to sell together with the Land in accordance with the laws governing a sale of the Land, Lender shall give such notice of the occurrence of an Event of Default, if any, and its election to sell such Property as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale and the expiration of any required time period as may then be required by law, subject to the terms hereof and of the other Loan Documents, and without the necessity of any demand on Grantor or Lender at the time and place specified in the notice of sale, shall sell such Land or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Lender may from time to time postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale;

(iv) If the Property consists of several lots, parcels, condominium units or items of property, Lender shall, subject to applicable law, (A) designate the order in which such lots, parcels, condominium units or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels, condominium units or items through a single sale, or through two or more successive sales, or in any other manner Lender designates. Any Person, including Grantor or Lender, may purchase at any sale hereunder. Should Lender desire that more than one sale or other disposition of the Property be conducted,

Lender shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Lender may designate, and no such sale shall terminate or otherwise affect the lien of this Security Instrument on any part of the Property not sold until all the Obligations have been satisfied in full. In the event Lender elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Grantor agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made; and

(v) upon any such foreclosure sale, Lender may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash and to the costs and expenses of the sale, compensation and other charges, in paying the purchase price apply any portion of or all sums due to Lender under the obligations secured by this Security Instrument, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon;

(f) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Loan Agreement or in the other Loan Documents;

(g) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument or the other Loan Documents;

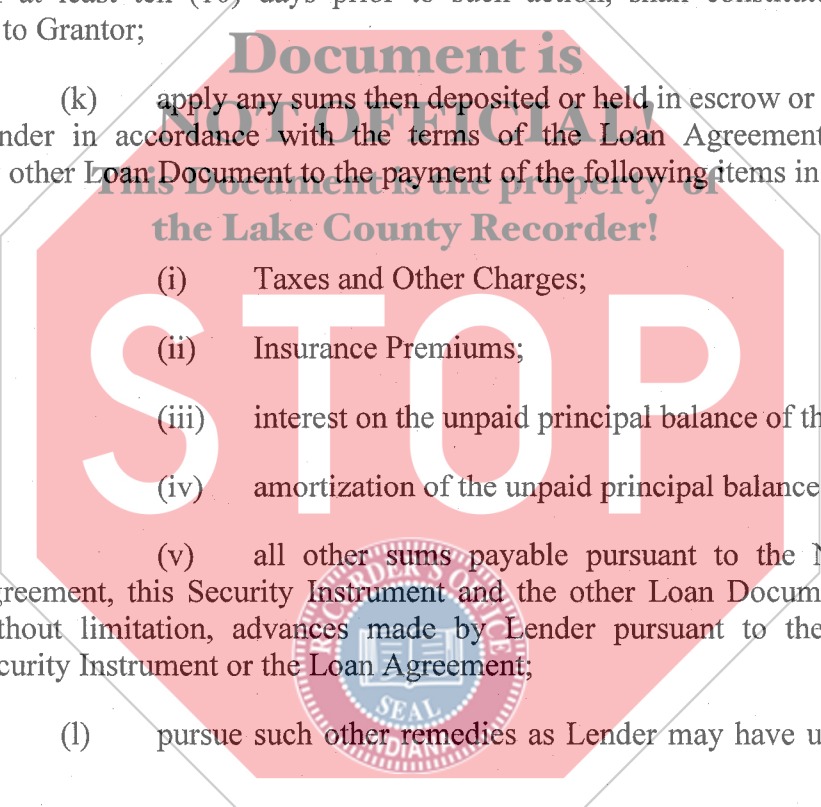
(h) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard to the solvency of Grantor, any guarantor or indemnitor with respect to the Loan or any Person otherwise liable for the payment of the Debt or any part thereof, it being agreed that Lender shall be entitled to appointment of such receiver, trustee, liquidator or conservator as a matter of right;

(i) the license granted to Grantor under Section 1.2 hereof shall automatically be revoked, and to the extent permitted by applicable law, Lender may, subject to the rights of Walgreens under the Walgreens Lease for the Property, enter into or upon the Property, either personally or by its agents, nominees or attorneys, and dispossess Grantor and its agents and servants therefrom, without liability for trespass, damages or otherwise, and exclude Grantor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Grantor agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (ii) complete any construction on the Property in such manner and form as Lender deems advisable, (iii) make alterations, additions, renewals, replacements and improvements to or on the Property, (iv) exercise all rights and powers of Grantor with respect to the Property, whether in the name of Grantor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part

thereof, (v) require Grantor to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Grantor may be evicted by summary proceedings or otherwise, and (vi) apply the receipts from the Property to the payment of the Debt and the performance of the Other Obligations, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including, without limitation, attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, Insurance Premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;

(j) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment and/or the Personal Property or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and/or the Personal Property; and (ii) request Grantor at its sole cost and expense to assemble the Fixtures, the Equipment and/or the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Fixtures, the Equipment and/or the Personal Property sent to Grantor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Grantor;

(k) apply any sums then deposited or held in escrow or otherwise by or on behalf of Lender in accordance with the terms of the Loan Agreement, this Security Instrument or any other Loan Document to the payment of the following items in any order in its sole discretion:

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

(l) pursue such other remedies as Lender may have under applicable law; and/or

(m) apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as Lender shall deem to be appropriate in its sole and absolute discretion.

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

Section 7.3 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, and or any part thereof, or any other sums collected by Lender pursuant to the Note, this Security Instrument or the other Loan Documents, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper, to the extent consistent with law.

Section 7.4 Right to Cure Defaults. Upon the occurrence and during the continuance of any default or Event of Default, Lender may, but without any obligation to do so and without notice to or demand on Grantor and without releasing Grantor from any obligation hereunder, make any payment or do any act required of Grantor hereunder in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including, without limitation, reasonable, actual attorneys' fees and expenses to the extent permitted by law) with interest as provided in this Section 7.4, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying any Event of Default or in appearing in, defending, or bringing any such action or proceeding, as hereinafter provided, shall bear interest at the Default Rate, for the period beginning on the first day after notice from Lender that such cost or expense was incurred and continuing until the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and to be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

Section 7.5 Actions and Proceedings. Lender has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Grantor, which Lender, in its sole and absolute discretion, decides should be brought to protect its interest in the Property.

Section 7.6 Recovery of Sums Required To Be Paid. Lender shall have the right from time to time to take any action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or Event of Default by any Borrower existing at the time such earlier action was commenced.

Section 7.7 Intentionally Omitted.

Section 7.8 Other Rights, etc. (a) The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument and Grantor shall not be relieved of Grantor's obligations hereunder by reason of (i) the failure of Lender to comply with any request of any Borrower or any guarantor or indemnitor

with respect to the Loan to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any Person liable for the Obligations or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, the Loan Agreement, this Security Instrument or the other Loan Documents.

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

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

Section 7.9 Right to Release Any Portion of the Property. Lender may release any portion of the Property without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Debt shall have been reduced by the actual monetary consideration, if any, received by Lender for such release, and may accept by assignment, pledge or otherwise any other property in place of such released portion of the Property without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

Section 7.10 Violation of Laws. Subject to the Loan Agreement, if the Property is not in material compliance with Legal Requirements, Lender may impose additional requirements upon Grantor in connection herewith including, without limitation, monetary reserves or financial equivalents.

Section 7.11 Recourse and Choice of Remedies. Notwithstanding any other provision of this Security Instrument or the Loan Agreement, but subject to the exculpation provisions set forth in Section 9.3 of the Loan Agreement (which terms are incorporated herein by reference), Lender and other Indemnified Parties (as hereinafter defined) are entitled to enforce the obligations of Grantor and any guarantor or indemnitor contained in Sections 9.2 and 9.3 herein without first resorting to or exhausting any security or collateral and without first having recourse to the Note or any of the Property, through foreclosure or acceptance of a deed

in lieu of foreclosure or otherwise, and in the event Lender commences a foreclosure action against the Property, Lender is entitled to pursue a deficiency judgment with respect to such obligations against Grantor and any guarantor or indemnitor with respect to the Loan. The provisions of Sections 9.2 and 9.3 herein are exceptions to any non-recourse or exculpation provisions in the Loan Agreement, the Note, this Security Instrument or the other Loan Documents, and Grantor and any guarantor or indemnitor with respect to the Loan are fully and personally liable for the obligations pursuant to Sections 9.2 and 9.3 herein. The liability of Grantor and any guarantor or indemnitor with respect to the Loan pursuant to Sections 9.2 and 9.3 herein is not limited to the original principal amount of the Note. Notwithstanding the foregoing, nothing herein shall inhibit or prevent Lender from foreclosing or exercising any other rights and remedies pursuant to the Loan Agreement, the Note, this Security Instrument and the other Loan Documents, whether simultaneously with foreclosure proceedings or in any other sequence. A separate action or actions may be brought and prosecuted against Grantor pursuant to Sections 9.2 and 9.3 herein whether or not action is brought against any other Person or whether or not any other Person is joined in the action or actions.

Section 7.12 Right of Entry. Upon reasonable notice to Grantor (which may be given verbally), Lender and its agents shall have the right to enter and inspect the Property at all reasonable times.

ARTICLE VIII
Document is
INTENTIONALLY OMITTED
NOT OFFICIAL!

This Document is the property of
the Lake County Recorder!

ARTICLE IX

INDEMNIFICATION

Section 9.1 General Indemnification. Grantor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties (as hereinafter defined) from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, actual damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, punitive damages, foreseeable and unforeseeable consequential damages, of whatever kind or nature (including, but not limited, to reasonable, actual attorneys' fees and other costs of defense) (collectively, "Losses") imposed upon, incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) ownership of this Security Instrument, the Property or any interest therein or receipt of any Rents; (b) any amendment to, or restructuring of: the Debt, the Other Obligations, the Note, the Loan Agreement, this Security Instrument, or any other Loan Documents; (c) any and all lawful action that may be taken by Lender in connection with the enforcement of the provisions of this Security Instrument, the Loan Agreement the Note or any of the other Loan Documents, whether or not suit is filed in connection with same, or in connection with Grantor, any guarantor or indemnitor and/or any partner, member, joint venturer or shareholder thereof becoming a party to a voluntary or

involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to, or death of, persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or rights of way; (e) any use, non-use or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways prior to the completion of the foreclosure of this Security Instrument or Lender taking exclusive possession of the Property, except to the extent actually caused by any Borrower Party; (f) any failure on the part of Grantor to perform or be in compliance with any of the terms of this Security Instrument, the Note, the Loan Agreement or any of the other Loan Documents; (g) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (h) the failure of any Person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with this Security Instrument, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Security Instrument is made; (i) any failure of the Property to be in compliance with any Legal Requirements; (j) the enforcement by any Indemnified Party of the provisions of this Article IX; (k) any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (l) the payment of any commission, charge or brokerage fee to anyone claiming through Grantor which may be payable in connection with the funding of the Loan; or (m) any misrepresentation made by Grantor in this Security Instrument or Grantor or any other Borrower in any other Loan Document. Any amounts payable to Lender by reason of the application of this Section 9.1 shall become immediately due and payable and shall bear interest at the Default Rate from the date any Loss is sustained by Lender until such amount and any applicable interest are paid. For purposes of this Security Instrument, the term "Indemnified Parties" means Lender and any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved in the servicing of the Loan, any Person in whose name the encumbrance created by this Security Instrument is or will have been recorded, Persons who may hold or acquire or will have held a full or partial interest in the Loan (including, but not limited to, investors or prospective investors in the Securities, as well as custodians, trustees and other fiduciaries who hold or have held or may hold a full or partial interest in the Loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including, but not limited to, any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and any successors by merger, consolidation or acquisition of all or a substantial portion of Lender's assets and business). Notwithstanding anything contained in this Agreement to the contrary, Grantor shall not be liable for the payment of Losses to the extent the same arises by reason of the gross negligence, illegal acts or willful misconduct of Indemnified Party or that first arise after a foreclosure or a deed in lieu of foreclosure of the Property.

Section 9.2 Mortgage and/or Intangible Tax. Grantor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified

Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Security Instrument, the Note or any of the other Loan Documents, but excluding any income, franchise or other similar taxes.

Section 9.3 ERISA Indemnification. Grantor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense, and settlement of Losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender's sole discretion) that Lender may incur, directly or indirectly, as a result of a default under Sections 4.1.9 or 5.2.9 of the Loan Agreement.

Section 9.4 Intentionally Omitted.

Section 9.5 Duty to Defend; Attorneys' Fees and Other Fees and Expenses. Upon written request by any Indemnified Party, Grantor shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Grantor and any Indemnified Party and Grantor and such Indemnified Party shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Parties that are different from or in addition to those available to Grantor, such Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party, provided that no compromise or settlement shall be entered without Grantor's consent, which consent shall not be unreasonably withheld or delayed. Upon demand, Grantor shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

ARTICLE X

WAIVERS

Section 10.1 Waiver of Counterclaim. To the extent permitted by applicable law, Grantor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Lender arising out of or in any way connected with this Security Instrument, the Loan Agreement, the Note, any of the other Loan Documents, or the Obligations.

Section 10.2 Marshalling and Other Matters. This Security Instrument is made in addition to other security instruments contemporaneously herewith or hereafter granted by Grantor or any other Borrower to Lender (collectively, the "Other Security Instruments"). The Other Security Instruments further secure the obligations of Grantor and the other Borrowers to Lender under the Loan Documents. Upon the occurrence and during the continuance of an Event of Default, and subject to the terms of each applicable agreement or instrument, Lender may

proceed under this Security Instrument and/or any one or more of the Other Security Instruments in such manner and order as Lender shall elect. To the extent permitted by applicable law, Grantor hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale of: (i) the Property hereunder, (ii) other property secured by the Other Security Instruments, or (iii) any part of or any interest in the property set forth in clauses (i) and (ii). Further, Grantor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Grantor, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by applicable law.

Section 10.3 Waiver of Notice. To the extent permitted by applicable law, Grantor shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Security Instrument or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Grantor and except with respect to matters for which Lender is required by applicable law to give notice, and Grantor hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender to Grantor.

Section 10.4 Waiver of Statute of Limitations. To the fullest extent permitted by applicable law, Grantor hereby expressly waives and releases its right to plead any statute of limitations as a defense to payment of the Debt or performance of the Other Obligations.

Section 10.5 Survival. The indemnifications made pursuant to Article IX hereof shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by any of the following: (a) any satisfaction, release or other termination of this Security Instrument or any other Loan Document; (b) any assignment or other transfer of all or any portion of this Security Instrument or any other Loan Document or Lender's interest in the Property (but, in such case, such indemnifications shall benefit both the Indemnified Parties and any such assignee or transferee); (c) any exercise of Lender's rights and remedies pursuant hereto including, but not limited to, foreclosure or acceptance of a deed in lieu of foreclosure; (d) any exercise of any rights and remedies pursuant to the Loan Agreement, the Note or any of the other Loan Documents; (e) any transfer of all or any portion of the Property (whether by Grantor or by Lender following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time); (f) any amendment to this Security Instrument, the Loan Agreement, the Note or any other Loan Documents, and/or (g) any act or omission that might otherwise be construed as a release or discharge of Grantor from the Obligations or any portion thereof.

ARTICLE XI

INTENTIONALLY OMITTED

ARTICLE XII

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

ARTICLE XIII

APPLICABLE LAW

Section 13.1 Governing Law; Jurisdiction. The provisions of Section 10.3 of the Loan Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.

Section 13.2 Usury Laws. Notwithstanding anything to the contrary contained herein, (a) all agreements and communications between Grantor and the other Borrowers, on the one hand, and Lender, on the other hand, are hereby and shall automatically be limited so that, after taking into account all amounts deemed to constitute interest, the interest contracted for, charged or received by Lender pursuant to the Loan Documents shall never exceed the Maximum Legal Rate or the maximum lawful amount, (b) in calculating whether any interest exceeds the Maximum Legal Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Grantor and the other Borrowers to Lender, and (c) if through any contingency or event, Lender receives or is deemed to receive interest in excess of the Maximum Legal Rate, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Grantor and the other Borrowers to Lender, or if there is no such indebtedness, shall immediately be returned to Grantor or the other Borrowers, as applicable.

Section 13.3 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

ARTICLE XIV

DEFINITIONS

All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "Grantor" shall mean "each Grantor and any subsequent owner or owners of the Property or any part thereof or any interest therein," the

word "Lender" shall mean "Lender and any subsequent holder of the Note," the word "Note" mean "the Note and any other evidence of indebtedness secured by this Security Instrument," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1 No Oral Change. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Grantor or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.2 Successors and Assigns. This Security Instrument shall be binding upon and shall inure to the benefit of Grantor and Lender and their respective successors and assigns forever. Lender shall have the right to assign or transfer its rights under this Security Instrument in connection with any assignment of the Loan and the Loan Documents. Any assignee or transferee of Lender shall be entitled to all the benefits afforded to Lender under this Security Instrument. Grantor shall not have the right to assign or transfer its rights or obligations under this Security Instrument without the prior written consent of Lender, as provided in the Loan Agreement, and any attempted assignment without such consent shall be null and void.

Section 15.3 Inapplicable Provisions. If any term, covenant or condition of the Loan Agreement, the Note or this Security Instrument is held to be invalid, illegal or unenforceable in any respect, the Loan Agreement, the Note and this Security Instrument shall be construed without such provision.

Section 15.4 Headings, etc. The headings and captions of various Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.5 Subrogation. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the payment of the Debt, the performance and discharge of Grantor's obligations hereunder, the performance and

discharge of Grantor's and the other Borrowers' obligations under the Loan Agreement, the Note and the other Loan Documents and the performance and discharge of the Other Obligations.

Section 15.6 Entire Agreement. The Note, the Loan Agreement, this Security Instrument and the other Loan Documents constitute the entire understanding and agreement between Grantor, the other Borrowers and Lender with respect to the transactions arising in connection with the Obligations and supersede all prior written or oral understandings and agreements between Grantor, the other Borrowers and Lender with respect thereto. Grantor hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Security Instrument and the other Loan Documents, there are not, and were not, and no Persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Note, the Loan Agreement, this Security Instrument and the other Loan Documents.

Section 15.7 Limitation on Lender's Responsibility. No provision of this Security Instrument shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Lender as a "mortgagee in possession" unless Lender actually elects in writing to become a "mortgagee in possession."

Section 15.8 After-Acquired Property. All property acquired by Grantor after the date of this Security Instrument which by the terms of this Security Instrument shall be subject to the Lien and the security interest created hereby, shall immediately upon the acquisition thereof by Grantor and without further mortgage, conveyance or assignment become subject to the Lien and security interest created by this Security Instrument. Nevertheless, Grantor shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Security Instrument.

Section 15.9 Counterparts. This Security Instrument may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Security Instrument may be detached from any counterpart of this instrument without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this instrument identical in form hereto but having attached to it one or more additional signature pages.

Section 15.10 Joint and Several Liability. If Grantor consists of more than one Person or party, the obligations and liabilities of each such person or party shall be joint and several.

Section 15.11 Exculpation. The obligations of Grantor hereunder are subject to the limitations on recourse as provided in Section 9.3 of Loan Agreement.

ARTICLE XVI

STATE-SPECIFIC PROVISIONS

Section 16.1 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article XVI and the other terms and conditions of this Security Instrument, the terms and conditions of this Article XVI shall control and be binding.

Section 16.2 Maturity Date. The Obligations secured hereby shall have a final maturity date of March 6, 2021, subject to acceleration and extension as provided herein and in the Loan Agreement.

Section 16.3 Indiana Responsible Property Transfer Law. Grantor represents and warrants that it has complied, and will comply, to the extent it is required to do so, with the Indiana Responsible Property Transfer Law, Ind. Code § 13-25-3-1 et seq. (the "Disclosure Law"), by (i) the completion and delivery to Lender of a disclosure document in the form required by the Disclosure Law (the "Disclosure Document"), (ii) the timely recording in the Office of the Recorder of the County in which the Property is located of a Disclosure Document, and (iii) the timely filing in the Office of the Indiana Department of Environmental Management, of the Disclosure Document.

Section 16.4 Other. The Mortgagor represents and warrants that the Mortgage has been executed and delivered in Chicago, Illinois.

Section 16.5 Definitions (State Specific). The following terms and references (for purposes of this Section 27 only) shall mean the following:

- (i) "Applicable Indiana Law" means statutory and case law in the State of Indiana, including, but not by way of limitation, Mortgages, Ind. Code § 32-29, Mortgage Foreclosure Actions, Ind. Code § 32-30-10, Receiverships, Ind. Code § 32-30-5, and the UCC, as amended, modified and/or recodified from time to time.
- (ii) "County" means Lake County, Indiana.

Section 16.6 Rights and Remedies Under Applicable Indiana Law. Lender shall be entitled to all rights and remedies that a mortgagee would have under Applicable Indiana Law. In the event of any inconsistency between the provisions of this Security Instrument and the provisions of Applicable Indiana Law, the provisions of Applicable Indiana Law shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provisions of this Security Instrument that can be construed in a manner consistent with Applicable Indiana Law. Conversely, if any provision of this Security Instrument shall grant to Lender any rights or remedies upon an Event of Default of Grantor which are more limited than the rights or remedies that would otherwise be vested in Lender under Applicable Indiana Law in the absence of said provision, Lender shall be vested with the rights and remedies granted under Applicable Indiana Law. Notwithstanding any provision in

this Security Instrument relating to a power of sale or other provision for sale of the Property upon an Event of Default other than under a judicial proceeding, any sale of the Property pursuant to this Security Instrument will be made through a judicial proceeding, except as otherwise may be permitted under the UCC.

Section 16.7 Consolidation of Actions to Which Grantor is a Party. If Lender brings an action in the State to recover judgment under the Loan Agreement or any other Loan Document and during the pendency of such action brings a separate action in the State under the this Security Instrument, such actions may, at Lender's election, be consolidated if and to the extent required pursuant to Ind. Code § 32-30-10-10.

Section 16.8 UCC Remedies. It is the intention of the parties hereto that this Security Instrument shall constitute a security agreement within the meaning of the UCC. Upon the occurrence and during the continuance of an Event of Default under this Security Instrument, then in addition to having any other right or remedy available at law or in equity, Lender shall have the option pursuant to the UCC of either (i) proceeding under the UCC and exercising such rights and remedies as may be provided to a secured party by the UCC with respect to all or any portion of the Property that is not real property (including, without limitation, taking possession of and selling such Property) or (ii) treating such Property as real property and proceeding with respect to both the real and personal property constituting the Property in accordance with Lender's rights, powers and remedies under Applicable Indiana Law with respect to the real property (in which the event of default provisions of the UCC shall not apply).

Section 16.9 Grantor's Covenant to Pay. Grantor hereby agrees to pay to Lender the Obligations in accordance with the terms of the Loan Agreement and the other Loan Documents.

Section 16.10 Waiver of Surety Defenses. Grantor expressly waives and relinquishes any and all rights and remedies which Grantor may have or be able to assert by reason of the laws of the State of Indiana pertaining to the rights and remedies of sureties or providing for any appraisal or valuation of any portion of the Property.

Section 16.11 Costs of Collection. All costs incurred by Lender pursuant to this Mortgage, to the extent reimbursable under Applicable Indiana Law, whether or not enumerated in this Mortgage ("Reimbursable Costs"), shall be added to the debt secured by this Mortgage or by the judgment of foreclosure, which Reimbursable Costs may include, without limitation, all costs and expenses which may be paid or incurred by or on behalf of Lender in any proceeding to enforce this Mortgage or foreclose upon the Property, all expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Lender incurred in preparation for, contemplation of or in connection with the enforcement of this Mortgage and/or the collection of the debt and for attorneys' fees, appraiser's fees, receiver's costs and expenses, insurance, taxes, outlays for documentary and expert evidence, expenses and costs for preservation of the Property, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examination, title insurance policies, survey, and similar data and assurances with respect to title as may deem to be reasonably necessary either to prosecute such suit or to

evidence to bidders at any foreclosure sale which may be had pursuant to such decree the true condition of the title to or value of the Property or for any other reasonable purpose. The amount of any such Reimbursable Costs which may be paid or incurred after the decree or judgment for sale is entered may be estimated and the amount of such estimate may be allowed and included as additional debt secured hereby in the foreclosure judgment or decree for or sale. The phrases "attorneys fees", "legal fees" and counsel fees" when used herein shall include any and all attorneys', paralegals' and law clerks' fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, or any part thereof and enforcing its rights hereunder, and all support staff costs and amounts expended in connection with litigation preparation and computerized research, telephone and telefax expenses, mileage, depositions, postage, photocopies, process service and videotapes.

For purposes of the UCC Fixture Filing:

Name of Debtor:	INLAND OPPORTUNITY ST. JOHN, L.L.C.
Mailing Address of Debtor:	c/o Inland Opportunity Fund, L.L.C. 2901 Butterfield Road, Oak Brook, Illinois 60523
Type of Organization:	limited liability company
Jurisdiction of Organization:	Delaware
Organizational ID#:	4941440
Name of Secured Party:	STARWOOD PROPERTY MORTGAGE SUB-3, L.L.C., a Delaware limited liability company
Mailing Address of Secured Party:	591 W. Putnam Avenue, Greenwich, CT 06830
Description of the type (or items) of collateral covered:	That portion of the Property that is or is to become "fixtures" as defined in Ind. Code 26-1-9.1-102 (41).
Description of real estate to which the collateral is attached or upon which it is or will be located:	See attached <u>Exhibit A</u> .
Record owner of the Property:	Debtor

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, this Security Instrument has been executed by Grantor as of the day and year first above written.

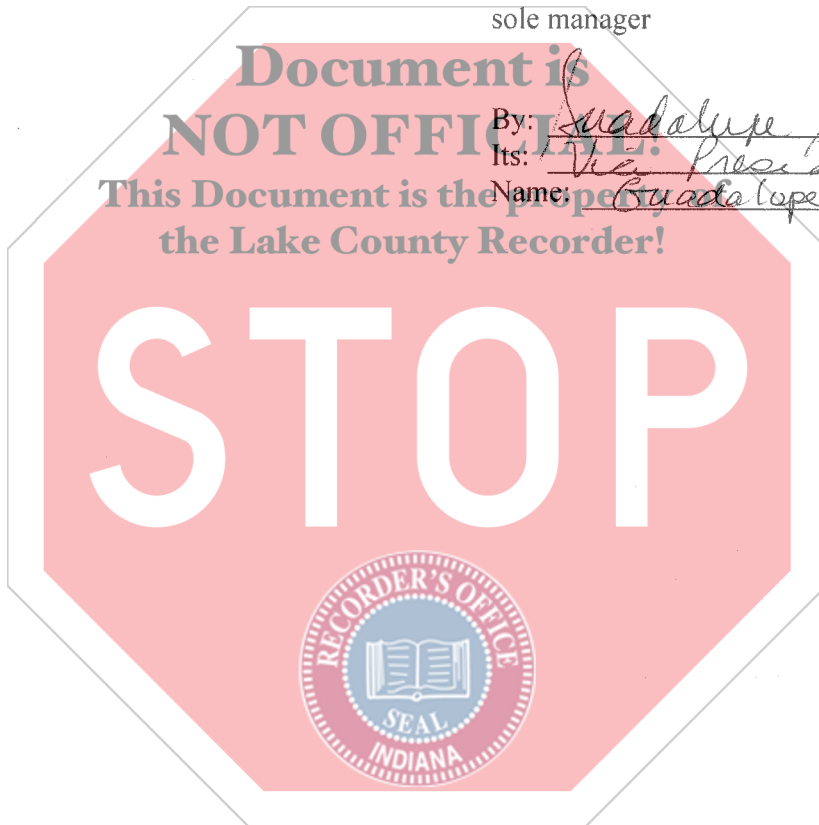
GRANTOR HEREBY DECLARES AND ACKNOWLEDGES THAT GRANTOR HAS RECEIVED, WITHOUT CHARGE, A TRUE COPY OF THIS SECURITY INSTRUMENT.

GRANTOR:

Inland Opportunity St. John, L.L.C., a Delaware limited liability company

By: Inland Opportunity Fund, L.L.C., a Delaware limited liability company, its sole member

By: Inland Opportunity Business Manager & Advisor, Inc., an Illinois corporation, its sole manager



STATE OF Illinois)
)
COUNTY OF DuPage) SS:

Before me, a notary public in and for said county, personally appeared Guadalupe Griffin known to me to be the person who, as Vice President of Inland Opportunity Business Manager & Advisor, Inc., an Illinois corporation, which is the sole manager of Inland Opportunity Fund, L.L.C., a Delaware limited liability company, which is the sole member of the limited liability company which executed the foregoing instrument, signed the same, and acknowledged to me that he/she did so sign said instrument in the name and upon behalf of said limited liability company as such Vice President, that the same is her free act and deed as such Vice President, and the free and limited liability company act and deed of said limited liability company; that she was duly authorized thereunto by its members. In testimony whereof, I have hereunto subscribed my name, and affixed my official seal, on this 22nd day of Feb, 2011.

Susan Metzler
Notary Public, State of Illinois
My commission expires: 5.5.11

OFFICIAL SEAL
SUSAN METZLER
Notary Public - State of Illinois
My Commission Expires May 05, 2011
[Notarial Seal]

Print Name: Susan Metzler
~~Notary Public, State of~~
~~Commission No:~~
~~My Commission Expires~~

Prepared by and upon
recording return to:
Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attn: David E. Woods, Esq.

I hereby certify under penalties for perjury that I have exercised reasonable care to redact all social security numbers from this instrument, unless required by law. //David E. Woods, Esq.//

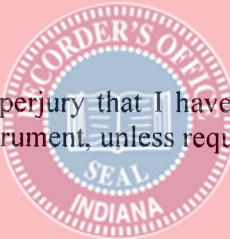


EXHIBIT A

Legal Description

**10861 U.S. Highway 41
St. John IN
(Lake County)**

**Document is
NOT OFFICIAL!**

**This Document is the property of
the Lake County Recorder!**

Parcel 1:

**Lot 1 in St. John Crossing an Addition to the Town of St. John, as per plat thereof,
recorded in Plat Book 102 page 65, in the Office of the Recorder of Lake County, Indiana,
and as amended by Certificate of Amendment recorded May 2, 2008 as Document No. 2008
032579 and as further amended by Certificate of Amendment recorded May 22, 2008 as
Document No. 2008 037940.**

Parcel 2:

**Beneficial Easements rights created by the Declaration of Easements, Covenants,
Conditions and Restrictions recorded October 23, 2008 as Document No. 2008 072849.**

