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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2011 054178

2011 SEP 30 PM 12:59

MICHELLE R. FAJMAN
RECORDER

This instrument prepared by:

Drew Marlar, Esq.
Kutak Rock LLP
225 Peachtree Street, Suite 2100
Atlanta, Georgia 30303

After recording, return to:

The Community Builders, Inc.
95 Berkeley Street
Suite 500
Boston, MA 02116
Attention: NSP 2 Program Manager

↗



1. **Mortgagor:** Northtown Village Senior Apartments Limited Partnership,
an Indiana limited partnership
135 South LaSalle Street – Suite 3350
Chicago, IL 60603
Attention: Jacques Sandberg
Tax ID #27-3336397
2. **Mortgagee:** The Community Builders, Inc.
95 Berkeley Street
Suite 500
Boston, MA 02116
Attention: NSP 2 Program Manager

**PROFESSIONALS' TITLE SERVICE
HAS MADE AN ACCOMMODATION
RECORDING OF THE INSTRUMENT**

4823-4454-1962.4

46
CK# 015280
CA

With a Copy to: The Community Builders, Inc.
95 Berkeley Street
Suite 500
Boston, MA 02116
Attention: General Counsel

3. **The Loan:** The "Loan" is for a maximum amount not to exceed \$10,100,000
4. **Loan Documents:** A Construction Loan Agreement (the "Loan Agreement"), the promissory notes in a maximum principal amount not to exceed \$8,600,000 (the "NSP 2 Construction Note") and \$1,500,000 (the "NSP 2 Construction/Permanent Note") (collectively, the "Note"), this Mortgage, an Assignment of Leases, Rents, and Security Deposits, and any other document or instrument executed by Mortgagor or any other person in any way pertaining to the Loan and the debt evidenced by the Note.
5. **Maturity Date:** March 30, 2015 for the NSP 2 Construction Note and September 30, 2015 for the NSP 2 Construction/Permanent Note.
6. **Property:** The real property in East Chicago, Indiana and more particularly described in the attached **Exhibit A**, together with all buildings, improvements, fixtures, equipment, easements, rights-of-way, water rights, rights, privileges, franchises, tenements, hereditaments, and appurtenances belonging or in any way appertaining to it, including any interest in adjoining road beds (all buildings, structures, and other improvements now or subsequently located on the Property shall be referred to as the "Improvements").
7. **Obligations:** This Mortgage secures the following obligations (collectively, the "Obligations"): (a) the Loan and the Note; (b) all other debts and obligations of Mortgagor to Mortgagee under this Mortgage or the other Loan Documents, including interest; (c) all amounts advanced by Mortgagee to Mortgagor or on Mortgagor's behalf in the future under the Loan Documents; (d) every obligation, covenant, condition, and agreement of Mortgagor in any of the Loan Documents; (e) all other debts of every kind and character, owing now or in the future by Mortgagor to Mortgagee, whether direct or indirect, absolute, contingent, or otherwise under the Loan Documents. This Mortgage secures an obligation incurred for the acquisition, construction or rehabilitation of improvements on land.
8. **Grant:** For good and valuable consideration, including Mortgagee making the Loan to Mortgagor, Mortgagor does hereby grant, mortgage, warrant, bargain, sell, convey, assign, transfer, pledge and set over unto Mortgagee and the successors, successors in title and assigns of Mortgagee the Property and the Collateral. This Mortgage is made and intended to secure the timely payment and performance of the Obligations.

The lien of any future advances by Mortgagee to Mortgagor shall relate back to the date of this Mortgage. All advances, disbursements and expenditures made by the Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the

following purposes, in addition to those otherwise authorized by this Mortgage (collectively, "Protective Advances"):

(a) all advances by the Mortgagee in accordance with the terms of this Mortgage to: (i) preserve or maintain, repair, restore or rebuild the Property; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage;

(b) payments by the Mortgagee of: (i) when due, installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) when due, installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Property or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title;

(c) advances by the Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage; (ii) in connection with any action, suit or proceeding brought by or against the Mortgagee for the enforcement of this Mortgage or arising from the interest of the Mortgagee hereunder; or (iii) in the preparation for the commencement of defense of any such foreclosure or other action;

(e) the Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing;

(f) advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments and insurance premiums as may be authorized by this Mortgage;

(g) expenses deductible from proceeds of sale;

(h) expenses incurred and expenditures made by the Mortgagee for any one or more of the following: (i) if the Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if any interest in the Property is a leasehold estate under a lease, rentals or other payments required to be made by the lessee under the terms of such lease; (iii) premiums for casualty and liability insurance paid by the Mortgagee whether or not the Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or Mortgagee takes possession of the Property; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by the Mortgagee to be for the benefit of the Property or required to be made by the owner of the Property under any grant or declaration of easement, easement agreement, agreement with any adjoining landowners or instruments creating covenants or restrictions for the benefit of or affecting the Property; (vi) shared or common expense assessment payable to any association or corporation in which the owner of the Property is a member in any way affecting the Property; (vii) if the Obligations include amounts advances as a construction loan, costs incurred by the

Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment or loan agreement; and (viii) pursuant to any lease or other agreement for occupancy of the Property.

All Protective Advances shall be additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Rate.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(1) the determination of the amount of indebtedness secured by this Mortgage at any time;

(2) the indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(3) if the right of redemption has not been waived by this Mortgage, computation of the amount required to redeem;

(4) the determination of amounts deductible from sale;

(5) the application of income in the hands of any receiver or Mortgagee in possession; and

(6) the computation of any deficiency judgment.

The maximum amount of indebtedness secured by this Mortgage is twice the stated amount of the Loan as set forth in Section 3 of this Mortgage plus default interest, if any, plus any disbursements for the payment of taxes and insurance on the Property, plus interest thereon, and any other sums advanced in accordance with the terms hereof or any of the other Loan Documents to protect the security of this Mortgage or any of the other Loan Documents plus default interest thereon, if any.

9. **Warranties:** Mortgagor warrants the following: (a) Mortgagor has fee simple title to the Property, subject only to those matters set forth in Exhibit B (the "Permitted Encumbrances"), and has legal title to the "Collateral" (as defined below). This warranty of title shall survive the foreclosure of Mortgagor's interest in the Property and shall inure to the benefit of and be enforceable by any person who may acquire title to the Property by foreclosure or sale under power; (b) Except with respect to claims arising under a Permitted Encumbrance, Mortgagor warrants and will forever defend Mortgagee's title and right to the Property against the claims of all persons; (c) Except as may be set forth in Exhibit B, Mortgagor has not granted any other person an interest or right in the Property or a security interest in the Collateral; (d) The person

signing this Mortgage on behalf of Mortgagor has been authorized to do so, and this Mortgage is valid, binding, and enforceable in accordance with its terms; and (e) The lien of this Mortgage constitutes a good and valid first priority lien on and title to the Property, and the security interest in the Collateral created by this Mortgage constitutes a good and valid first priority security interest in the Collateral.

10. **Covenants of Mortgagor:**

(a) **Insurance.** Mortgagor shall obtain and maintain in force the insurance required by the Loan Agreement until all Obligations are paid in full.

(b) **Taxes.** Mortgagor shall pay when due all taxes, assessments, and other charges against the Property, Collateral, this Mortgage or any of the other Loan Documents (each of which is referred to as a "Tax"). If, however, Mortgagor is not in default under this Mortgage or any of the other Loan Documents, Mortgagor may contest the amount, validity, or applicability of any Tax if it does so diligently, in good faith, without prejudice to Mortgagee, and (if required by Mortgagee) it provides security satisfactory to Mortgagee to protect Mortgagee's interest. If Mortgagor intends to contest any Tax, Mortgagor shall give Mortgagee advance notice and, upon request, shall provide Mortgagee with copies of all documents relating to the proceeding. If Mortgagor fails to pay any Tax when due, Mortgagee may (but shall not be obligated to) pay the Tax. If Mortgagee does so, Mortgagor shall on demand reimburse Mortgagee for the amount paid plus interest at the Default Rate (as defined in the Note).

(c) **Rents and Profits.** By separate instrument, Mortgagor has assigned to Mortgagee the rents, leases, and profits from the Property as additional security for payment of the Obligations.

(d) **Security Interest.**

(i) Mortgagor grants Mortgagee a security interest in any fixtures located on the Property and the personal property described in the attached **Exhibit C** (collectively, the "Collateral"). Mortgagor shall execute and deliver to Mortgagee or hereby authorizes Mortgagee to file without Mortgagor's signature all financing statements, continuation statements, or other instruments requested or deemed necessary or desirable by Mortgagee in order to perfect or maintain the perfection of Mortgagee's security interest in the Collateral. Mortgagor shall not change its state of organization without Mortgagee's prior written consent. Mortgagor shall not remove any of the Collateral from the Property, unless Mortgagor immediately replaces it with a comparable article owned by Mortgagor. Any replacement Collateral shall be subject to Mortgagee's security interest and must be free and clear of any lien or security interest other than Mortgagee's. In addition to any other rights and remedies Mortgagee may have, if an Event of Default occurs, Mortgagee shall have all of the rights and remedies of a secured party under the Indiana Uniform Commercial Code and the following rights: to sell the Collateral at one or more public or private sales, including a sale held in conjunction with the sale of the Property; to conduct any such sale; to purchase all or part of the Collateral at any such sale; to enter upon the Property and the Improvements or any place where any Collateral is located to take

possession of and assemble the Collateral or to render it unusable; to require Mortgagor to assemble the Collateral and make it available to Mortgagee at the Property; and to sell the Property and Collateral as a whole. Any sale pursuant to this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner. Mortgagee need not take possession of the Collateral before a sale, and it shall not be necessary that the Collateral be present at the location of such a sale. Mortgagor shall be liable for all expenses incurred by Mortgagee in retaking, holding, preparing for sale, or selling the Collateral.

(ii) Mortgagor warrants that (i) Mortgagor's (that is, "Debtor's") name, identity or corporate structure and residence or principal place of business are as set forth in this Mortgage; (ii) Mortgagor (that is, "Debtor") has been using or operating under said name, identity or corporate structure without change for the time period set forth in subsection (c) below; and (iii) the location of the collateral is upon the Property. Mortgagor covenants and agrees that Mortgagor will furnish Mortgagee with notice of any change in the matters addressed by clauses (i) or (iii) of this subsection within thirty (30) days of the effective date of any such change.

(iii) The information contained in this subsection is provided in order that this Mortgage shall comply with the requirements of the Indiana Uniform Commercial Code for instruments to be filed as financing statements. This Mortgage shall constitute a "fixture filing" under the Indiana Uniform Commercial Code and is to be recorded and/or filed with the applicable land records as a financing statement pursuant to the Indiana Uniform Commercial Code. The names of the "Debtor" and the "Secured Party", the identity or corporate structure and residence or principal place of business of "Debtor", and the time period for which "Debtor" has been using or operating under said name and identity or corporate structure without change, are as set forth in this Mortgage; the mailing address of the "Secured Party" from which information concerning the security interest may be obtained, and the mailing address of "Debtor", are as set forth in this Mortgage; and a statement indicating the types, or describing the items, of collateral is set forth hereinabove. The Mortgagor's Federal Employment Identification Number is listed on the cover page of this Mortgage.

(e) Other Covenants. Without Mortgagee's prior written consent, Mortgagor shall not grant or create any easement or right-of-way in the Property or consent to any restrictive covenants that run with the land. Mortgagor shall maintain the Property in good condition and repair. Mortgagor shall not cause or permit any waste of the Property or any nuisance on the Property. Mortgagor shall comply with all applicable federal, state, and local laws relating to the ownership, use, or operation of the Property. Without Mortgagee's prior written consent, Mortgagor shall not transfer any interest in the Property (either voluntarily, involuntarily, or by operation of law) or sell, ground lease, option, refinance, or further encumber the Property or any interest in it (except with respect to residential tenant leases in conformance with the terms and conditions of the Loan Agreement). Mortgagor shall keep the Property free from all mechanics' or materialmen's liens, judgments, and other liens and shall remove, bond over, or escrow over any such lien within 20 days of the time it attaches to the Property. Without Mortgagee's prior

written consent, Mortgagor shall not sell or further encumber the Collateral or assign any interest in the rents or income from the Property to a third party. Mortgagor shall appear in and defend any action or proceeding purporting to affect the Property and notify Mortgagee of the proceeding.

11. **Special Waivers:** MORTGAGOR EXPRESSLY: (A) ACKNOWLEDGES MORTGAGEE'S RIGHT TO ACCELERATE THE DEBT (B) ACKNOWLEDGES HAVING READ THIS MORTGAGE AND HAVING THE OPPORTUNITY TO ASK ANY AND ALL QUESTIONS REGARDING THE LEGAL EFFECT OF THIS MORTGAGE AND ITS PROVISIONS; (C) ACKNOWLEDGES HAVING CONSULTED OR HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL OF MORTGAGOR'S CHOICE BEFORE EXECUTING THIS MORTGAGE; (D) ACKNOWLEDGES THAT ALL WAIVERS OF RIGHTS HAVE BEEN MADE KNOWINGLY, INTENTIONALLY, AND WILLINGLY; AND (E) AGREES THAT MORTGAGOR'S RIGHT TO NOTICE SHALL BE LIMITED TO THOSE RIGHTS TO NOTICE PROVIDED BY THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS OR AS REQUIRED UNDER LAW (IF ANY) AND NO OTHER.

12. **Events of Default:** Each of the following constitutes an Event of Default under this Mortgage: (a) a default or event of default (however defined) under any of the other Loan Documents, unless it is cured within any applicable cure or grace period; (b) Mortgagor's failure to perform or observe any covenant in this Mortgage; (c) any warranty or representation by Mortgagor in this Mortgage is false in any material respect when made; or (d) the dissolution of Mortgagor or the termination of Mortgagor's existence.

13. **Remedies:** If an Event of Default occurs, in addition to any other rights or remedies Mortgagee may have, Mortgagee may exercise one or more of the following remedies:

(a) **Possession.** Mortgagee may enter upon and take possession of the Property (without the appointment of a receiver or application for one) and do all acts which may be desirable in Mortgagee's judgment to preserve the Property's value, its marketability, or the ability to rent the Property or increase the income from it. If Mortgagee takes possession, it may employ an agent or agents to manage, operate, and lease the Property, either in its own name or in the name of Mortgagor, and may collect the rents and income and apply them to the Obligations (including expenses of operation and collection) in whatever order it chooses in its sole and absolute discretion.

(b) **Specific Performance.** Mortgagee may specifically enforce the provisions of this Mortgage or any of the other Loan Documents.

(c) **Protective Advances.** In its sole and absolute discretion, Mortgagee may pay any amount deemed appropriate by Mortgagee to protect its interest in the Property and Collateral or cure any Event of Default. The amount of any such payment, with interest from the date of payment at the Default Rate (as defined in the Note), shall become a part of the Obligations and be due and payable by Mortgagor to Mortgagee upon demand.

(d) Acceleration. Without further notice to or demand upon Mortgagor, Mortgagee may accelerate the maturity and payment of the entire Obligations, all of which will then become immediately due and payable.

(e) Foreclosure. Mortgagee shall have the right to foreclose the lien hereof in accordance with Indiana law and to exercise any other remedies of Mortgagee provided in the other Loan Documents, or otherwise, or which Mortgagee may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Obligations in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Property, and any other expenses and expenditures which may be paid or incurred by or on behalf of Mortgagee and permitted by Indiana law to be included in such decree. All expenditures and expenses of the nature mentioned in this paragraph, and such other expenses and fees as may be incurred in the protection of the Property and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the other Loan Documents or the Property, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Obligations and shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate until paid. In the event this Mortgage shall include more than one parcel of property or subdivision (each hereinafter called a "portion"), the Mortgagee shall, in its sole and exclusive discretion, be empowered to foreclose upon any such portions without impairing its right to foreclose subsequently upon any other portion or the entirety of the Property from time to time thereafter. Upon any foreclosure sale or sales of all or any portion of the Property under the power herein granted, Mortgagee may bid for and purchase the Property and shall be entitled to apply all or any part of the Obligations as a credit to the purchase price.

(f) Receiver. In any action to foreclose this Mortgage or if an Event of Default occurs, Mortgagee may apply for the appointment of a receiver for the rents and income from the Property or the Property or both. If Mortgagee does so, Mortgagor agrees that Mortgagee is entitled to the appointment of such a receiver as a matter of right, without regard to the value of the Property as security for the amounts due Mortgagee or the solvency of any person or entity liable for payment of such amounts. Mortgagor hereby consents to the appointment of such receiver or receivers, waives any and all notices of and defenses to such appointment, and agrees not to oppose any such application by Mortgagee. The appointment of such receiver, trustee, or other appointee by virtue of any court order, statute, or regulation shall not impair or in any manner prejudice Mortgagee's rights to receive payment of the rents and income from the Property pursuant to other terms and provisions of this Mortgage or any of the other Loan Documents. Any money advanced by Mortgagee in connection with any such receivership shall be deemed part of the Obligations and shall bear interest at the Default Rate (as defined in the Note). The receiver or his agents shall be entitled to enter upon and take possession of any and

all of the Property and Collateral to the same extent and in the same manner as Mortgagor. The receiver or his agents may exclude Mortgagor and its agents and employees from the Property and may have, hold, use, operate, manage, repair, maintain, insure, and control the Property. At the option of Mortgagee, such receivership shall continue until full payment of all Obligations or until title to the Property is transferred by foreclosure or sale under this Mortgage. Such receiver shall have all of the usual powers and duties of receivers pursuant to Indiana Code 32-30-5 as amended and modified from time to time.

(g) Remedies Cumulative. The rights and remedies of Mortgagee under this Mortgage are separate, distinct, and cumulative of other powers and rights that Mortgagee has in law or equity or under the other Loan Documents. No right or remedy of Mortgagee is exclusive; all of them are cumulative to the remedies for collection of debt, enforcement of rights under security deeds, and preservation of security as provided at law, in equity, or under the other Loan Documents. No act of Mortgagee shall be construed as an election of an exclusive remedy, unless Mortgagee indicates so in writing.

(h) Waiver of Right of Redemption and Other Rights. To the full extent permitted by law, Mortgagor expressly waives any and all rights of redemption under Indiana law, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law.

14. Miscellaneous:

(a) Notices. All notices required under this Mortgage shall be in writing. All such notices shall be deemed to have been given and received 3 days from the date of deposit in the U.S. mail, certified mail, return receipt requested, postage-prepaid; or when hand delivered by the party, an overnight service (such as FedEx), or a courier service. The addresses set forth in sections 1 and 2 shall be used. Mortgagor or Mortgagee may change the address to which notices are to be sent by giving the other party 10 business days written notice of the change.

(b) No Waiver of Future Compliance. Any indulgence or departure permitted at any time by Mortgagee from any of the provisions of this Mortgage or with respect to the Obligations shall not modify the same or waive the requirement of future compliance by Mortgagor. Mortgagee's failure to exercise any right or remedy upon an Event of Default shall not waive Mortgagee's rights or remedies for any subsequent Event of Default.

(c) Nomenclature. The words "Mortgagor" and "Mortgagee" shall include their respective successors and permitted assigns and all those holding under either of them. Any reference to the "Note" or to any "Loan Document" shall include any amendments, substitutions, renewals, or replacements to or for it. The word "including" means "including (but not limited to)," unless otherwise specifically stated. Any capitalized term that is not defined in this Mortgage shall have the same meaning as in the Loan Agreement.

(d) Payment of Expenses. Mortgagor shall pay all of Mortgagee's expenses actually incurred in any efforts to enforce any provision of this Mortgage, including reasonable attorney's fees and other legal expenses.

(e) Severability. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstance.

(f) Section Headings. The headings of the sections and paragraphs of this Mortgage are for convenience only and shall not affect any of the terms of this Mortgage.

(g) Governing Law. This Mortgage will be governed by and construed in accordance with Indiana law.

(h) Unsecured Portion of Debt. If any part of the Obligations cannot be lawfully secured by this Mortgage or if any part of the Property or Collateral cannot be lawfully subject to the lien and security interest of this Mortgage to the full extent of such debt, then all payments made shall be deemed to have first been applied to discharge those Obligations that are not secured by this Mortgage or secured by the Collateral.

(i) Conflict or Inconsistency of Terms. If there is any inconsistency between this Mortgage and any of the other Loan Documents, Mortgagee shall have the right at its sole option to elect which provision shall govern.

(j) Amendments. This Mortgage may be amended or modified only by an instrument in writing signed by Mortgagee and Mortgagor.

(k) Subrogation. Mortgagee shall be subrogated to any encumbrance, lien, claim, or demand, and to all the rights and security for its payment, paid or discharged by Mortgagee under this Mortgage, and any such subrogation rights shall be additional and cumulative security for Mortgagee.

(l) Time of the Essence. **Time is of the essence of this Mortgage.**

(m) Release of Mortgage. If Mortgagor pays Mortgagee the Obligations, Mortgagee will cancel this Mortgage. Otherwise, it will remain in full force and effect. No release of the title, lien, or security interest created by this Mortgage will be valid unless signed by Mortgagee.

15. Limited Liability. Notwithstanding any other provision of this Mortgage or the other Loan Documents, but subject to the other provisions of this section, upon Mortgagee's determining that the "Work" (as defined in the Loan Agreement) has been fully and finally completed and any retainage released (the "Completion Date"), Mortgagor shall not be personally liable for any of the Obligations, and Mortgagee agrees to satisfy any unsatisfied debt or judgment against Mortgagor for any default under the Loan Documents from the Property, the Collateral, and any other collateral for the Loan. After the Completion Date, no other property

or assets of Mortgagor or any general or limited partner of Mortgagor shall be subject to levy, execution, or other enforcement procedures for the satisfaction of such a debt or judgment.

Nothing in this Section shall: (1) release, impair, or otherwise affect the validity or enforceability of any of the Loan Documents or the perfection or priority of this Mortgage and Mortgagee's interest and title in the Property, the Collateral, or any other collateral for the Loan; (2) constitute a waiver of any obligation evidenced or secured by any Loan Document or in any way be construed to release or impair the title or interests created by this Mortgage or a security interest granted by any other Loan Document; or (3) limit the rights or remedies of Mortgagee under any of the Loan Documents, including the right to foreclose, either judicially or nonjudicially, Mortgagor's interest in the Property or to confirm any foreclosure or sale or to bring actions against Mortgagor and enter a judgment against Mortgagor, so long as the exercise of any remedy does not extend to execution against any property of Mortgagor or any general or limited partner of Mortgagor other than the Property, Collateral, and any other collateral for the Loan.

The limitation of liability set forth in this section shall be void and of no effect if Mortgagor delays or attempts to delay any foreclosure under this Mortgage or the foreclosure or exercise of any other remedy with respect to the Collateral or any other collateral for the Loan, including a claim by Mortgagor that this Mortgage or any of the other Loan Documents is invalid to the extent that Mortgagee would be precluded from exercising its remedies against the Property, Collateral, or other collateral for the Loan. Without limiting the generality of the preceding sentence, the limitation of liability in this section shall be void and of no effect if Mortgagor files a petition or begins any case or proceeding under any provision or chapter of the Federal Bankruptcy Code; if Mortgagor opposes Mortgagee's motion to lift the automatic stay in any such proceeding; or if Mortgagor files a proposed plan of reorganization that provides that Mortgagee would receive less than all of the Property, Collateral, and the other collateral for the Loan or receive a lien on less than all of the Property, Collateral, and the other collateral for the Loan.

The limitation of liability in this section shall not preclude Mortgagee from: (a) naming Mortgagor or any general partner of Mortgagor as a defendant in any action; (b) asserting that any unpaid amount under the Loan Documents is a defense, counterclaim, or setoff against any claim by Mortgagor or any partner of Mortgagor against Mortgagee; (c) exercising self-help remedies, such as setoff; or (d) enforcing any indemnity obligations, including any environmental indemnities.

Notwithstanding any of the foregoing, Mortgagee shall be entitled to injunctive relief in connection with the following, and Mortgagor and its general partners shall remain and be fully liable to Mortgagee for damages (including consequential and punitive damages) suffered by Mortgagee as a result of any of the following:

(a) Mortgagor's misapplication of: (1) any rents and profits from the Property received by Mortgagor that were in existence at or accrued after the time of a default under any of the Loan Documents; (2) any insurance proceeds received before the exercise of Mortgagee's remedies, which proceeds are due to damage, loss, or destruction to the Property (to the full extent of such proceeds); and (3) any proceeds or awards resulting from the condemnation of all or any part of

the Property (to the full extent of such proceeds or awards), if received before the exercise of Mortgagee's remedies;

(b) the failure to pay taxes, assessments, or other charges which create liens on any part of the Property and that are payable or applicable to a period before Mortgagee's exercise of remedies under the Loan Documents (to the full extent of any such taxes, assessments, or other charges);

(c) the failure to pay, escrow funds with Mortgagee sufficient to satisfy the claim of lien, or bond off any valid mechanics' liens, materialmen's lien or other liens, whether or not similar (arising before any such exercise of remedies) which create liens on any part of the Property and are not eliminated by Mortgagee's exercise of its rights under this Mortgage (to the full extent of the amount claimed by any lien claimant);

(d) fraud or material misrepresentation or willful damage or waste to the Property by or on behalf of Mortgagor;

(e) the failure after default (which default results in the exercise of remedies by Mortgagee) and before any such exercise of remedies, to maintain the Property in accordance with the Loan Documents (to the full extent of the cost of such maintenance);

(f) the failure to turn over to Mortgagee upon foreclosure any tenant's security deposits;

(g) Mortgagor's removal or disposal of Collateral or collateral under any other Loan Document, in violation of the provisions of this Mortgage or any other Loan Document, to the extent of its fair market value as of the time of giving any notice to Mortgagor of default;

(h) any liability, cost, or expense resulting from any violation of the covenants, representations, and warranties regarding hazardous wastes and materials in this Mortgage or any of the other Loan Documents;

(i) any sale, transfer, or refinance of all or part of the Property or any interest in it, which is in violation of the terms of the Loan Agreement or this Mortgage, or any sale or transfer or refinance of other collateral pledged or assigned pursuant to this Mortgage or any other Loan Document; or

(j) Mortgagor's failure to complete the Work (as defined under the Loan Agreement).

As used in this Mortgage, the term "misapplication" means Mortgagor's failure to apply funds to the reasonable and proper costs of ownership, operation, maintenance, repair, and (when applicable) restoration of the Property, and the payment of principal, interest and other amounts to be paid or due under any of the Loan Documents or any other loan secured by the Property.

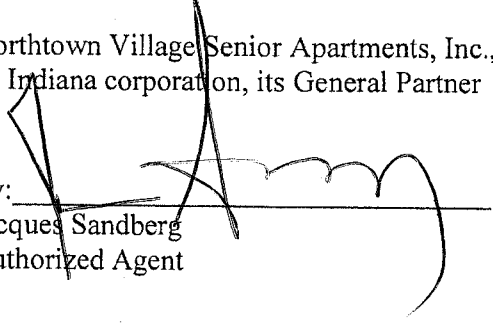
16. **INDIANA RESPONSIBLE PROPERTY TRANSFER LAW.** To the best of Borrower's knowledge, none of the Property is within the definition of the term "property" as such term is used in the Indiana Responsible Property Transfer Law ("IRPTL") (Indiana Code 13-25-3-1 et. seq.) and the transaction evidenced by this Instrument is not subject to the provisions of IRPTL.

IN WITNESS WHEREOF, Mortgagor has duly executed and sealed this Mortgage on the 27 day of September 2011.

MORTGAGOR:

NORTHTOWN VILLAGE SENIOR APARTMENTS LIMITED PARTNERSHIP, an Indiana limited partnership

By: Northtown Village Senior Apartments, Inc., an Indiana corporation, its General Partner

By: 
Jacques Sandberg
Authorized Agent

STATE OF ILLINOIS)

COUNTY OF COOK)

Document is
NOT OFFICIAL!

The foregoing instrument was acknowledged before me on September 27, 2011 by Jacques Sandberg, the Authorized Agent of Northtown Village Senior Apartments, Inc., an Indiana corporation, as General Partner of Northtown Village Senior Apartments Limited Partnership, an Indiana limited partnership, on behalf of the partnership.


Notary Public

My Commission Expires:

6/30/14

OFFICIAL SEAL
AMANDA C PENA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:06/30/14

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


Drew Marlar

EXHIBIT A

LOTS 1 TO 10, BOTH INCLUSIVE, IN RESUBDIVISION OF LOTS 13 TO 18, BOTH INCLUSIVE, BLOCK 51 IN INDIANA HARBOR, IN THE CITY OF EAST CHICAGO, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 5, PAGE 15 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.



EXHIBIT B

PERMITTED TITLE EXCEPTIONS

1. Real estate taxes for the year 2011, a lien not yet due and payable.
2. Rights of tenants in possession under existing unrecorded residential leases.



EXHIBIT C

DESCRIPTION OF COLLATERAL

The "Collateral" is the following described property, whether such property is now owned or created, entered into, or acquired in the future, including any additions, substitutions, or replacements for any such property and any products or proceeds from any such property:

- (1) All fixtures located on, attached, or affixed to the Property.
- (2) All articles of personal property, including all furniture and furnishings affixed or attached to, placed upon, or used in any way in connection with the use, enjoyment, occupancy, or operation of the Property;
- (3) All funds (including funds in any reserve relating to the Property required under the Loan Agreement), accounts, instruments, accounts receivable, documents, general intangibles (including trademarks, service marks, trade names, and symbols used in connection with the Property) and notes or chattel paper arising from any transactions related to the Property (collectively, the "General Intangibles");
- (4) All rents, royalties, issues, profits, revenue, income, and other benefits of the Property or arising from the use or enjoyment of it or from any lease, sublease, license, concession, or occupancy agreement pertaining to it or arising from any of the General Intangibles, and all leases, subleases, licenses, concessions, and occupancy agreements for the Property, including cash or securities deposited to secure performance by the tenants, lessees, sublessees, or licensees, as applicable, of their obligations, whether the cash or securities are to be held until the expiration of the terms of the leases, subleases, licenses, concessions, or occupancy agreements or applied to one or more of the installments of rent coming due before the expiration of their terms;
- (5) All building materials, supplies, and equipment located on the Property and all right, title, and interest of Mortgagor in and to all architectural renderings, models, plans, specifications, studies, and data relating to the Improvements;
- (6) All contracts by Mortgagor relating to any part of the Property and all revenue, income, and other benefits from them, including service contracts, maintenance contracts, construction contracts, and management or operation contracts;
- (7) All monetary deposits from Mortgagor to any public or private utility for utility service for the Property and all right, title, and interest of Mortgagor in water taps, sewer taps, and other utility services relating to the Property;
- (8) All permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Property and all warranties and guaranties relating to the Improvements or to any fixtures, equipment, furniture, furnishings, personal property, and any of their components or installed on the Property;

(9) All records and books of account relating to the rental, operation, and rehabilitation or construction of the Property;

(10) All policies of insurance Mortgagor is required to maintain pursuant to the Loan Agreement or any of the other Loan Documents;

(11) All proceeds (including claims and demands for proceeds) from the voluntary or involuntary conversion of any Collateral into cash or liquidated claims, including insurance proceeds relating to the Property or any Collateral and condemnation awards; and

(12) All other or greater rights and interests of every nature in the Property or in its possession or use and income from it.

